

Public Statement
by Rt Hon Sir Mekere Morauta
Former Prime Minister and Member for Moresby North-West
Port Moresby, 23 January 2018

Government needs to pay up all arrears



The Member for Moresby North-West, Sir Mekere Morauta, said today that the State's arrears, debts owed to suppliers of goods and services, were a noose around the nation's financial neck.

"And the noose is tightening," Sir Mekere said.

"The National Court's decision to order the State to pay K110 million to Nambawan Super so it can pay public servants who have retired but not received their superannuation entitlements is timely. It is only fair that finally these retirees will receive their entitlements.

"It is a national shame that hard-working loyal public servants who have served the Government for decades are made to suffer in retirement by this heartless Prime Minister.

"This same Prime Minister is happy to spend billions on infrastructure and international meetings glorifying his name, while ordinary people suffer through lack of medicine, schools are not paid the grants they are supposed to receive in full and on time, teachers and other public servants are not paid their leave fares, and companies are going broke and people are losing their jobs because the Government has not paid its bills.

"This Prime Minister is an infrastructure freak, embellishing Port Moresby while provincial capitals and rural areas are sagging into oblivion. The Highlands Highway, the nation's economic lifeline, is unusable in sections and transport companies are experiencing constant breakdowns and delays. They are spending a fortune on vehicle repairs. Meanwhile, supplies are being held up with consequent effects on businesses and their customers."

Sir Mekere said the recent court order underscores the points the Opposition made on arrears in December when the Treasurer presented the 2018 Budget: there is a huge fiscal mess that the Government is hiding and the arrears are a big drag on the economy.

"Government not paying its bills is the major determining factor in the recession in the non-resource sector," he said

"While Treasurer Abel acknowledged the Government had some arrears, he did not disclose the extent of the problem, and whether sufficient was provided in the 2018 Budget to clear all the accumulated arrears as well as meet current obligations.

"For example, the K110 million that the court has ordered the State to pay Nambawan Super is just a fraction of the total amount owing to Nambawan Super. I am aware that around K2 billion is owed for current contributions, and over K20 million for office rental.

"There needs to be FULL disclosure of ALL arrears – superannuation, rent, utilities, unpaid invoices, unpaid entitlements, court orders, international subscriptions to the UN, World Bank, etc. And there needs to be a credible arrears clearance program and appropriation in the Budget.

"A Government that can't be trusted to pay its bills can't be trusted full stop.

"PNG needs a government that will restore credibility, both domestically and internationally, and drag the economy and public finances out of the black hole dug by Peter O'Neill."