

**Public Statement by Rt Hon Sir Mekere Morauta
Former Prime Minister and Member for Moresby North-West
Port Moresby, 2 December 2018**

Public tender decision on APEC assets welcome, but not enough



The Member for Moresby North-West, Sir Mekere Morauta, today welcomed Finance Secretary Ken Ngangan's announcement of a public tender for APEC Authority assets.

"It is a step in the right direction after years of O'Neill Government deception and deceit about APEC, but it is not enough," Sir Mekere said. "Full accountability and transparency are required.

"The problem is not confined to the sale of assets. It encompasses almost all aspects of the APEC Authority and Government involvement in it. Indeed, the decision to hold a public auction of assets is only a small first step of many that need to be taken to lift the clouds of suspicion."

Sir Mekere said that when the public tender goes ahead, it should be on the basis of a list and other vital details confirmed by an audit by the Auditor-General. The public has a right to know certain information such as the purchase price paid for each item, details of the supplier, invoices, proof of payment and the documents authorising procurement.

This is especially important in relation to the purchase of the Bentleys and Maseratis. Full disclosure is required by the Prime Minister, Mr Peter O'Neill, the APEC Minister, Mr Justin Tkatchenko, and the APEC Authority CEO, Mr Christopher Hawkins.

They must provide evidence of official authorization of these purchases, by whom, and whether a public tender was called as required by the APEC Authority Act. Documentation for the sale of these cars should include evidence of the overseas remittances made for the purchases, as well as details of any commissions paid. Mr O'Neill must table the NEC submissions and decisions on all APEC-related purchases.

The Bentleys were bought from a Kuala Lumpur company associated with Borneo Pacific and the Prime Minister's brewery venture, and the Maseratis were bought from a Sri Lankan company said to be associated with a government official. Mr Tkatchenko publicly boasted that they were being sold to cover the APEC Authority's costs, and that "they are selling like hot cakes".

Has money been paid to the APEC Authority to buy any of the Maseratis? Who by? Has the Malaysian associate paid for one of the Bentleys?

If full disclosure is not made, potential buyers cannot be sure of the legitimacy of their proposed purchases. Lack of clear title could put any purchases at risk of legal challenge. Without full disclosure the people cannot be sure they are getting full value for money from the sale of THEIR assets.

"There has been too much hanky panky going on already," Sir Mekere said. "Complete honesty and openness are required if the public auction is not going to descend into more corruption, waste and mismanagement."

Sir Mekere commended the Ombudsman Commission for issuing a Constitutional direction relating to APEC assets in which it said they could not be disposed of without its approval.

The direction, including to Mr O'Neill, Mr Hawkins, Chief Secretary Isaac Lupari and Mr Ngangan, was issued to protect and preserve the integrity of leaders who were involved in the event.

The Ombudsman Commission said the direction was to ensure that before any assets are dealt with, all relevant laws, policies and guidelines for dealing with them are complied with, including requirements under the Public Finance (Management) Act.

"This is a timely and appropriate intervention by the Ombudsman Commission, given what we know about Government activities in relation to APEC, and the way in which the APEC Authority has itself carried out its duties," Sir Mekere said.

There are other issues that the Ombudsman Commission and other authorities should be concerned about, which need to be settled prior to any asset disposal:

- According to the Public Finances (Management) Act, Section 47K, the APEC Authority must be audited by the Auditor-General, but there is no record of any audit.
- The report of the Auditor-General on the APEC Authority must be tabled in Parliament. This has not happened.
- Prime Minister O'Neill has promised to table the APEC budget and expenditure report in Parliament but has never done so. Even if he does table it, the document will be meaningless if there has been no audit.

These irregularities, which are in addition to possible breaches of the Constitution and other laws, show the Prime Minister, Mr Hawkins and Mr Tkatchenko have a lot of explaining to do.

"The disposal of assets should not go ahead without the Prime Minister, Mr Tkatchenko, Mr Hawkins and APEC-related agencies covered by the Ombudsman Commission direction complying with the laws of the land," Sir Mekere said.