

**Public Statement
by Rt Hon Sir Mekere Morauta
Port Moresby, 21 July 2017**

O'Neill should come clean on drug supply contract



Former Prime Minister Sir Mekere Morauta said today that the award of the contract for the supply of medical kits for health centres and aid posts to Borneo Pacific required explanation from the Member-elect for Ialibu-Pangia, Peter O'Neill.

“When did NEC approve this contract and advise the Governor-General to sign it,” Sir Mekere asked. “Is it really only for one year? Was it price-competitive?”

He said the Health Secretary, Mr Pascoe Kase, had stated that the contract had been awarded for one year but was “subject to be renewed”.

Sir Mekere asked: “What are the criteria for renewal? Will there be a new tender for the period beyond July 2018? The Secretary’s statement is not clear. “The public has a right to know the details of the contract and why Borneo Pacific was chosen.

“Everyone knows that the award of the first contract to Borneo Pacific in 2013 was suspect. Borneo Pacific did not meet the requirements set for the tender, so their political friends in power instructed that the terms of the tender be changed mid-stream. Borneo Pacific was awarded the tender, although it was far more expensive than other tenderers.

“Has the same thing happened this time?”

“Over a month ago I called on Mr O'Neill and Health Minister Michael Malabag to make public the full details of the tender, including the names of all the potential suppliers that have been considered, the shortlist of tenderers, their ability to fulfil the contract, the price of the contract, the price range tendered, and the duration of the proposed contract.

“But Mr O'Neill and Mr Malabag have kept the whole deal secret, and now dump it on the Health Secretary to give the news to the public.”

Sir Mekere said the drug crisis was continuing, with hospitals, health centres and aid posts all around the country still reporting drug shortages.

“This is just one of the many reasons why we need a new Government, one that is clean and honest and capable of running the country competently for the benefit of all Papua New Guineans now and for future generations,” he said.