

**Public Statement
by Rt Hon Sir Mekere Morauta
Port Moresby, 13 June 2017**

O'Neill and Malabag should come clean on drug supply tender



Prime Minister Peter O'Neill and the Health Minister Michael Malabag should inform the public of their plan to fix the worsening shortage of drugs and medicines across the nation, including whether failed supplier Borneo Pacific is to be given a new contract.

We are now told that emergency measures have been put in place while a new tender is discussed by National Executive Council. "But this is too little too late," former Prime Minister Sir Mekere Morauta said today.

"People have been dying for want of basic medicines while the Prime Minister and the Health Minister send the Health Department around in circles, looking for money and trying to get sense of the situation from the Medical Supplies Branch.

"The emergency measures described by Chief Secretary Isaac Lupari only refer to hospitals. What about all the health centres throughout the country? They are also short of drugs and medical supplies.

"Another concern is the cost of drugs being procured locally. I hope Mr Lupari has done a proper analysis of costs compared with international prices before entering long-term arrangements with the five chosen suppliers."

"Mr Lupari also does not mention the tender for health centre kits, which the Finance and Health secretaries say is before NEC."

Sir Mekere said it would be outrageous and a betrayal of the people of Papua New Guinea if Borneo Pacific was in consideration for the new supply contract.

The Prime Minister should publicly rule the company out of contention, he said. They are party to the scandal of the exorbitant prices being paid for drugs and the drug shortages now being experienced.

The public has a right to know the details of the new tender. The Prime Minister should also assure the public that the Government has the money to pay any new supplier.

"Borneo Pacific complain they are owed tens of millions of kina," Sir Mekere said. "Not so long ago the figure they gave was K40 million. I hope that is not being used as an excuse to re-engage this company.

"Given the death and suffering being caused by the O'Neill Government's maladministration, full tender details should be made public, including the names of all the potential suppliers that have been considered, the final list of tenderers, their ability to fulfil the contract, the price of the contract, the price range tendered, and the duration of the proposed contract.

"The Prime Minister and Health Minister cannot be trusted to deal with this tender secretly. They must come clean on all the details so the public can rest assured that they are getting value for money from a competent supplier. People need to be confident that this is not yet another backroom deal designed to throw up tens of millions of kina profit from inflated drug costs."

Doctors, hospitals and health workers have warned of a crisis if the drug shortage is not overcome immediately. The National Doctors Association said the drug shortage was being compounded by delays in operational funds for hospitals, citing one hospital that had received only K100,000 of its K1 million allocation.

Association president James Naipao is quoted as saying that "the Government must stop misleading the people. We are speaking out now because we have reached that red-light zone where there is no medicine and people are dying."

Angau Memorial Hospital has notified patients that it cannot adequately attend to their health care needs because "many medical consumables and essential medicines are out of stock."

Angau has been paying up to K50,000 a month out of its operating funds to buy drugs and other medical supplies because the O'Neill Government has not delivered them. On top of that, the hospital's budget allocation has been cut from K45 million a year to about K30 million, with more cuts coming.

Modilon Hospital in Madang has no drugs for out-patients, who have to purchase them from private pharmacies, while Walium and Gusap Health Centres in Madang also reported drug stock-outs to The National newspaper today.

Port Moresby General Hospital recently appealed for donations of basic supplies such as gloves, syringes and IV drips.

Other hospitals feeling the pinch of Mr O'Neill's Budget cuts and maladministration include Mt Hagen General Hospital, which is commandeering drugs from aid posts and clinics to meet its needs. Kundiawa General Hospital has been using its trust account to buy drugs.

Mt Hagen, Kundiawa and Milne Bay General Hospital are likely to close by the end of the month, according to the National Doctors Association.

"The deaths and suffering caused by Mr O'Neill's uncaring attitude and his maladministration are inexcusable," Sir Mekere said.

"He must explain what he is doing now so that there is no repeat of the procurement and drug distribution scandals which are at the heart of the current health care crisis."