

Public Statement by Rt Hon Sir Mekere Morauta

Former Prime Minister and Member for Moresby North-West
Port Moresby, 19 February 2019

Australia should come clean on intentions behind Paladin contract



Former Papua New Guinea Prime Minister Sir Mekere Morauta said today the Australian Government should come clean on the intentions underlying its \$423-million contract with the Paladin group on Manus Island.

"It looks to me and other Papua New Guineans that it is being used as a way to peddle influence through prominent Papua New Guineans and the ruling PNC party of Prime Minister Peter O'Neill," he said.

"I find that very disturbing at a time when there is likely to be a vote of no confidence in the notorious O'Neill regime, when Australia is engaged in a battle of diplomacy with China, when it wants to rebuild and expand PNG's Lombrum Naval Base, and when it wants to keep Manus open for its own purposes."

Sir Mekere said the revelations about the Paladin contract fitted a pattern of dubious Australian behaviour in PNG in recent years, including the rigged 2017 election in which Mr O'Neill was re-elected.

It was made known to me prior to the election that Australia would support the O'Neill regime, which is infamous for its corruption, waste and mismanagement. Subsequently the Australian Government unleashed a flood of VIP visits, project funding announcements, project openings and other activities.

"I believe those activities constituted interference in the electoral processes of Papua New Guinea, a friendly neighbor and a sovereign independent nation," Sir Mekere said. "Now, what is being revealed in the Paladin scandal indicates that the Australian Government may be exerting improper financial influence on the Government.

"At the very least it should explain why its usual procurement systems and processes have been abused or bypassed and why all the secrecy and spin.

"It should also investigate whether Paladin, an Australian company owned by Australians, was the subject of an 'invitation' to donate to PNC by Mr O'Neill's anchorman Isaac Lupari, who is Papua New Guinea's Chief Secretary. Given the alleged circumstances of the 'invitation' this could be a very serious matter indeed.

"The circumstances of the involvement of associates of Papua New Guinea leaders in Australian Government contracts with Paladin and others also needs to be investigated."