

# PNG: HOW TO ACHIEVE A CHANGE IN DIRECTION

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## PNG's relevance to Australia

In 1938, the British Prime Minister Neville Chamberlain returned home from a conference in Munich with Adolf Hitler and proclaimed peace in our time. Not long afterwards Chamberlain was also heard to refer to his 'giveaway' of the Sudetenland (an action that undeniably helped precipitate World War II) in a comment: "It's a terrible thing that we have to concern ourselves with such a far and distant country." In regard to Australia's relationship with Papua New Guinea, maybe we can learn from history.

"The South Pacific region covers one-third of the surface of the planet, and as far as Australia is concerned it has slipped to the margins in the consciousness of the people of this country", says Dr Katerina Teaiwa, an academic from the School of Pacific and Asian Studies at the Australian National University. "Australians urgently need to address a blind spot they have for their Pacific neighbours" [news article, 29 October, 2007].

Thirty-three years after Independence, on 21 August 2008, the PNG *Post Courier* ran an article entitled '*PNG is poorer*': "Australian aid has failed the Pacific, including Papua New Guinea, *The Bipolar Pacific*, a report by the Centre for Independent Studies revealed. Australia had tipped more than K30 billion of aid into PNG since Independence, but the country is classed as 'stagnant or poorer' for the experience."

How can this be? Why has this happened? And more importantly, why hasn't someone tried to do something about it?

## The Pacific Rim – neighbours, friends or just our problem?

Comments by the US President about Australia being a 'Deputy Sheriff' in the region were at best unhelpful and would have gone down like the classic 'lead Zeppelin' with the governments of our nearest neighbours. If Australia is seen as a 'bully boy' and not a helpful and trusted friend, any overseas aid will be viewed by recipients with disdain and begrudgingly accepted as a pay off perhaps to be siphoned for personal purposes.

Australia has a real dilemma concerning our nearest neighbour. What benchmark do we use to define our relationship? Should it be our traditional ethics? Should it be culture, our system of Parliamentary government or some other benchmark? If the current system of overseas aid is failing those who it is supposed to help, then surely a radical change in policy is required if we *genuinely* want to help those people in PNG who are desperately in need of help.

Our cultural background and that of our neighbours is basically different. The trouble is that traditional Melanesian culture has proven to be incompatible with modern government practice.

Recent references in the Australian media to the nations of the Pacific Rim and our near north constantly highlight the problems experienced in these developing societies. Many Australians have no idea why there are so many problems and assume it was always so. The dearth in the obligatory teaching of history in Australian schools and the X and Y generations' fixation on the Internet as a means of obtaining information may have helped create a knowledge deficit on issues associated with our near neighbours.

Previously, Australia maintained a special training establishment, the Australian School of Pacific Administration (ASOPA), set up to prepare Australians to work in Papua New Guinea.

As an indication of how the Australian media treats the South Pacific, a television news report on 1 September 2008 highlighted a 6.1 strength earthquake in China but failed to mention a 6.3 strength earthquake just north of Lae in PNG.

While East Timor (Timor Leste) has been prominent in the news over the last few years and the Bougainville peacekeepers and the RAMSI Force in the Solomon Islands are mentioned, very little in depth information and background is pursued and debated. No real explanation is ever offered as to why these problems occurred and why there is no easy fix. The inertia of decades is hard to change overnight.

## **What role does PNG play in our region?**

Of the estimated 8 million people in the Pacific Rim (excluding Indonesia's Province of Papua), 6.5 million (or roughly one-third of our population) live on our doorstep in PNG. PNG's population is expected to double in less than 30 years.

Many smaller Pacific nations look to PNG for regional leadership. A similar situation exists within the Arab world concerning the influence of most populous country, Egypt, or the richest, Saudi Arabia. Can Australia bridge the credibility gap between our culture and material wealth and that of Pacific countries? Having good relations with PNG must be seen as crucial to our relationship with other nearby Pacific nations.

## **PNG government infrastructure – a symptom of a problem**

At Independence in 1976 PNG was on the threshold of developing into a stable and prosperous nation. During the late 1960s and early 1970s, Australia built up a regional government infrastructure throughout the country that provided essential law and order, education, medical assistance and all manner of essential support services in every area in PNG. Australia then had a wonderful opportunity to bring PNG into the modern age and stand together with it as a friend and neighbour. Unfortunately, that opportunity was allowed to atrophy for want of interest. There was a mutual disregard.

In 2008, 33 years after Independence, much of the PNG government infrastructure has disappeared completely and yet the wages bill for PNG public servants continues to rise. Why is this so?

The PNG *Post Courier* on 18 April 2007 reported, under the heading '*K3 billion misused each year*': "More than K3 billion from the national budget was stolen and misappropriated each year, the Public Accounts Committee was told yesterday. Former PAC member and Eastern Highlands Governor Malcolm Kela Smith, when making the allegations, said "Waigani is the mother of all corruption", adding 25-30% of the budget was misappropriated by the public servants and politicians in Waigani and did not serve the small people. Mr Smith said the custodian of the public money was the public service and how politicians got hold of the money was through collaboration and conspiracy.

He said there was enough money in the system to give free education, proper health services, medication and better infrastructure. He said there was also enough money to arm the offices of the Attorney-General, Auditor-General, Ombudsman Commission and other institutions to monitor departments and make them accountable. Mr Smith told the closing of the PAC at Parliament the country was rich yet proof of this richness was not seen and felt in the remote parts of the country. This was supported by deputy chairman and Western Province Governor Dr Bob Danaya who estimated about K60 billion may have been stolen and misappropriated since Independence.

In September 2007 in another article, the Deputy Opposition leader Bart Philemon was quoted as saying the PNG public service annual wage bill was to rise to K1.8 billion, and that the government will spend up to K500 million to pay for eight more ministries. Philemon went on to say PNG could not afford the huge wage bill for public servants when there was nothing tangible on the ground. "There is no progress, yet we continue to pay K1.3 billion annually on wages and other emoluments. It is just crazy", said Mr Philemon while responding to remarks by PM Michael Somare who said he (the Prime Minister) would push for the size of cabinet to increase from 27 to 35."

## **Poor rural health - another symptom of deficient government infrastructure**

On Independence, every area had its own fully functioning Health Centre and Aid Posts staffed by trained personnel. Each Health Centre was supplied with drugs from a regionally based Health system and infrastructure. Compare that with the current situation where there are virtually no rural health services available. Even the main hospitals periodically run out of pharmaceuticals. A recent report highlighted Port Moresby hospital where children were dying for want of enough food as there was no money to buy any.

An avalanche of AIDS is sweeping through PNG. An article on 27 August 2007 entitled '*AIDS victims 'buried alive' in PNG*' [AFP] highlights the problems. In the article, it was claimed by a health worker that some AIDS victims were being buried alive by relatives who could not look after them and feared

becoming infected themselves. "Margaret Marabe, who spent five months carrying out an AIDS awareness campaign in the remote Southern Highlands of the South Pacific nation, said she had seen five people buried alive. One was calling out "Mama, Mama" as the soil was shovelled over his head", said Ms Marabe, who works for a volunteer organisation *Igat Hope* ['I've Got Hope'].

"One of them was my cousin, who was buried alive," Ms Marabe said. "I said, 'Why are they doing that?' And they said, 'If we let them live, stay in the same house, eat together and use or share utensils, we will contract the disease and we too might die'."

Villagers had told her it was common for people to bury AIDS victims alive. Ms Marabe appealed to the Government and aid agencies to ensure the HIV/AIDS awareness program in cities and towns was extended to the rural areas, where ignorance about the disease was widespread. Women accused of being witches have been tortured and murdered by mobs holding them responsible for the apparently inexplicable deaths of young people stricken by the epidemic, officials and researchers say.

A recent United Nations report said PNG was facing an AIDS catastrophe, accounting for 90 percent of HIV infections in the Oceania region. HIV diagnoses had risen by around 30 per cent a year since 1997, leaving an estimated 60,000 people living with the disease in 2005.

Speaking recently at the 44th medical symposium at Vudal University, Chancellor Sir Rabbie Namaliu referred to figures of hospital beds per head in a recent report released by the Centre for Independent Studies in Australia on Pacific Islands health, education, employment and social indicators and trends. "In 1980, we had a reasonably respectable 5.5 beds per 100,000 people - better than Samoa, Tonga, Micronesia and Fiji," Sir Rabbie said. "Today, we have less than half of that - just 2.6 beds per 100,000 people. That is second only to the Solomon Islands at the bottom of the table. The countries we were ahead of in 1980, are now well ahead of us."

Sir Rabbie then asked how one could say PNG was doing its best with regard to basic health needs and health rights of its people when its hospital bed figure was less than half of what it was five years after independence. "Sadly, we have become far too complacent when it comes to the very worrying levels of infant mortality, the return of serious diseases and illnesses that were once in decline, plus the rising incidence of HIV/AIDS," he said.

## **Other examples of poor PNG infrastructure and corruption**

In a *Post Courier* article of 11 September 2007, '*Drugs go bad at port*', it was explained that "a Lae based company that distributes medicine is upset that a lot of drugs are delayed on wharves and have to be destroyed. The distributor, who requested anonymity for fear of reprisals, said medical drugs for various hospitals, aid posts and clinics in the country donated by Rotary service clubs overseas, expired while awaiting clearance by PNG Ports Corporation. When they are finally released, they become obsolete and are dumped or destroyed."

He (the distributor), said the delays were an ongoing thing and urged authorities to ensure such donations were quickly released and delivered to the needy. In many cases, the containers took almost six months to be cleared, although relevant documentations had been provided. At present, four containers were still at the Lae port with goods donated from overseas and had been sitting there since March. 'Rotarians and other donors put in a lot of commitment to help the needy in our country, but their efforts seem to go to waste by such delays. And our children and the sick people in the rural areas continue to suffer,' he said.

"PNG Ports Corporation Lae Port manager Tony Willie said the containers had been cleared, but that they were waiting for the addresses and contacts of the recipients or consignee to release to them. Mr Willie claimed the delay was caused by failure on the part of the distributor to pay customs duty and breakdown in communications when the donor did not inform the recipient of the arrival of the containers. Customs officials, when contacted yesterday, said the matter was between PNG Ports Corporation and the distributor to resolve."

In a *Post Courier* story of 1 September 2008, '*Not the way*', it was claimed a national Government Minister handed over K250,000 earmarked for a provincial institution's operations with instructions to the hospital CEO to "deposit it into your account, draw down K70,000, and the rest raise it back to my name". The hospital ends up handing over the whole cheque.

In another local PNG news report, after the recent Oro floods, more than 200 tonnes of rice bound for the Trukai warehouse in Popondetta, as well as relief supplies from AusAID for the Northern Province were all damaged and unfit for human consumption. Also damaged with the food items were 63,110 kilograms of second clothes. PNG Joint forces commander, Lieutenant Colonel Walter Enuma said he could not understand why the items were never put into a container, and just covered with canvas.

No amount of overseas aid money can help the majority of PNG citizens who live in rural areas and who now do not enjoy even the most basic of government services. In order to provide essential services throughout the country, a healthy, responsible and accountable government infrastructure is required. If the Australian government used to pay for this infrastructure before Independence and now stills sends millions to PNG, where does this aid money go now?

## **Money machine to nowhere, or 'After K30 billion, why PNG is still poor'**

PNG culture traditionally involved a 'bigman' who developed and maintained his position by giving material goods away to his people. The reciprocity, or 'on', gained by such action amounted to a richness in social capital. That most traditional wealth was in perishable commodities like root crops and pigs ensured it could not be kept for any length of time by anyone. With the advent of a money based society, the funds to buy material goods easily replaced locally grown foodstuffs. What a money culture didn't replace was the traditional way a 'bigman' maintained his authority and power. At Independence, the educated PNG elite who inherited government at the time simply transposed money for perishable foodstuffs and used financial sources available in a traditional way. This was the "Melanesian Way" Michael Somare said he would introduce after Independence.

Dr Michael Unage was reported in *The National* on 19 September 2007 as saying that oligarchy is evident in PNG. "The Law on Integrity of Political Parties and Candidates is for the most part a protection of social justice and people's power represented in State institutions. However, the Organic Law (of PNG), is flawed giving politicians tactical advantage. An emerging trend in Papua New Guinea is that political parties are using State wealth and authority to enhance personal or sectarian interests."

Australia's overseas aid money has traditionally been 'untied' to any project and is government to government. Thus, instead of government funds being spent on ensuring essential government services are maintained throughout the country (through the necessary government infrastructure), anyone with access to government funds can use them to buy and maintain their own political power base.

In the *Post Courier* of 6 September 2007, the PNG Auditor General is reported to have identified K700 million of government funds that had apparently been stolen from government coffers without trace. An official review of government finances was frustrated by lack of funding and then cancelled and reconstituted by the PNG Prime Minister after all the records disappeared when the committee was locked out of its offices on orders from the Prime Minister.

In November 2007, PNG Opposition Leader, Sir Mekere Morauta, himself a former Prime Minister, was quoted as saying "corruption in PNG is systemic and systematic".

In May 2008, Dr Michael Bourke at the Divine Word University was reported in *The National* as presenting figures indicating that out of the 6.5 million people in PNG, 18.4% or some 975,000 could be categorized as "the poorest". Then came the bulk of the population, 42.3% or 2.24 million people, classed as "less poor", while another 39.2%, made up of people in rural villages, were classed as "least poor". "Our people have an overall life expectancy of 54 years," said Dr Bourke, "while the lowest rating provinces of Sandaun and Gulf could manage only 46 years. Further, PNG has one of the highest infant mortality rates, at 73 deaths per 1,000 births and a staggering maternal death rate due mainly to birth complications... Illiteracy rates add to the gloom, with highest levels occurring among our rural villages, making for one of the highest rates in the region".

Identifying possible causes, Dr Bourke targeted low cash income, inaccessibility to health facilities, limited access to markets and poor access to secondary and tertiary education. He noted the flood of people streaming into PNG cities in a desperate search for better availability of services - health and education featuring high on the list of what was sought. But statistics show that very few students complete secondary or tertiary education.

Dr Bourke suggested a range of activities that would help lower the crushing poverty rate. Among these he detailed a better quality of primary education, with improved pay and conditions for teachers; increased access to secondary education; sharply increased access to local health centres; the generation of a higher cash income through agriculture and livestock; better food security – an on-going and vital need for our people; an increased level of maintenance and repair of the nation's infrastructure and improved communications.

*The National* went on to say: “It was apparent that few of these well-authenticated facts and figures came as no surprise to many in the audience and doubtless to thinking Papua New Guineans throughout the nation. Similar figures have been alluded to for years. Yet in those same years, our country has enjoyed a huge minerals boom and unprecedented income from a wide variety of other inputs. Massive amounts of tax and other government financial requirements have been paid by resource investors and equally substantial sums have been distributed among landowners throughout PNG.”

“Against that background, the figures and deductions of Dr Bourke can only be a stark reminder to the government that despite glowing comments on the current PNG economy, the bulk of our people lives in severe poverty. It is far from naïve to demand to know where that vast income has gone. One certainty is that we as a people and a nation have precious little to show for all the alleged "development" that has taken place on our shores since independence. It is time that PNG governments acknowledged the on-going unacceptable levels of governance that we have come to accept in PNG in tandem with the potential of our best resource - our own people.”

While a recent announcement by the PNG government to provide funds to help ensure rural schools have access to text books indicates an awareness and some action now underway, one cannot but wonder why it has taken so long to recognise this basic requirement? In a press release, the PNG government has publically recognised that in rural areas, there is a maximum of one text book for every 20 students. Considering the lack of rural infrastructure, will any newly available funds be spent on buying textbooks and will the books arrive at rural schools? Past history would indicate this may not happen.

As the PNG public service expanded in the 1980's and 1990's to accommodate ever more school leavers, the need for greater and greater government funds to pay wages and salaries and political 'donations' became increasingly important. The cost of these 'donations' eventually overshadowed any real expenditure on providing actual government services. Public Service sinecures that were funded in this manner helped eat up any real increase in government revenue. In addition, as the only real way to obtain wealth and retain power was to either be elected to government or to be appointed to the Public Service. More and more government funds were then needed to buy political power and subsequent election victories.

In the last few decades, an expanding PNG Public Service meant less and less available funds for providing essential services in order to pay for more and more public servants. These public servants then started to believe they did not have to produce any real results as there were no funds to pay for the provision of services. For example, with no money to maintain vehicles or buy petrol, police couldn't perform their duties and had to stay at the office with not much to do. Boredom created new revenue sources such as unofficial road blocks that are used to issue 'spot fines' and these fines are not receipted. A '10%' economy developed for performing any government service and the 'six pack' mentality evolved. If there was nothing to do and no real accountability, government offices are often closed during business hours. Government equipment (uniforms and firearms) often 'goes missing' to provide extra funds for families as the real level of wages continues to fall and the value of the kina drops. If you know a 'wantok' you can obtain or buy a service, otherwise no results are achieved.

People wait for months and sometimes years to obtain a passport from PNG Foreign Affairs in Port Moresby. In rural areas there are no services at all. No accountability quickly develops into no responsibility. PNG passports have been reportedly sold on the black market and then not available to be issued to applicants as there were none left to issue and no funds to buy more.

## **PNG standard of living and wages**

Where poor wages and reduced earning capacity both contribute to real pressure on working families to try to 'make ends meet', corruption can spread quickly. The *Post Courier* of 20 September 2007, '60,000

*live on loan cash*', quoted Chief Secretary Isaac Lupari as saying that more than 60,000 public servants are living on "borrowed money". Mr Lupari said these public servants are paying K7.5 million in loan repayments to various finance companies every fortnight from the Government payroll. They owe these companies K56 million.

The staggering figure prompted Mr Lupari to direct that by November 2008 pay offices will no longer process loan repayments through the government payroll system. Mr Lupari said public servants could still borrow money "as it is their right but they won't have their borrowings repaid through the government payroll". He told parliamentarians at the orientation program of the Eighth Parliament that 80 percent of the 76,000 public servants survived on borrowed money. Some were "seriously in debt". He said many of them had borrowed money from three to five different finance companies which charged interest rates ranging from 25 to 50 per cent.

Mr Lupari said, as a result of high loan repayments, "the net pay some of them take home each fortnight on average is K50 or none". Mr Lupari said one officer, he knew, had been taking home K15.51 home for the last five fortnights.

Another senior departmental head said later that one of his officers was taking home K4 a fortnight with the rest going into loan repayments. The Chief Secretary said with this level of income, public servants will resort to "other means to survive... in fact they are forced into doing illegal activities to support their families. Or sometimes families are abandoned by their fathers because they can't afford to take care of them." Mr Lupari said 90 percent of these public servants' time was spent outside the work place, many chasing new loans or looking for food to provide for the families. "If they are at work, their minds are not focused on their job," he said.

## **PNG food production and population growth**

Papua New Guinea's population is growing so rapidly that there could be a severe food shortage in the next decade if nothing is done now, says research scientist Dr Sergie Bang [*Post Courier*, 6 September 2007]. Dr Bang, research director with the National Agriculture Research Institute said social indicators for PNG did not look favourable, especially when malnutrition in children and deaths at birth for women were rampant.

PNG's food supplies could also be under threat. On 23 August, 2007 in a story '*Kaukau under virus threat*', Queensland Primary Industries Department scientists were reported to be working to save the sweet potato industry in PNG and rest of the South Pacific. Kaukau is the staple food of many islanders, whose crops are declining because viruses cut yields. The Solomon Islands is also seeking assistance in controlling these problems. Rockhampton-based sweet potato researcher Eric Coleman was in the PNG highlands as part of a \$2 million project to identify the cause of the yield decline. Mr Coleman said PNG had an amazing variety of sweet potatoes, which had been attacked by some of the 22 known viruses that could affect the vegetable.

During a recent world wide shortage of rice, comments in the PNG press highlighted claims that Australia, which supplies much of PNG's rice, was withholding the grain for local consumption. The reason Australia rice production fell was due to the worst drought in history, but this was of little significance to the average, urban Papua New Guinean who increasingly forced to depend on rice as a staple food.

In the *Post Courier* on 2 July 2007, an editorial '*Population issue critical for PNG*' said: "When the new Government takes office in August it will naturally be looking at its own priorities for the next five years. One issue we suggest is critical to the future prosperity or survival of PNG is population."

In late 2007, Minister for Health Sir Peter Barter pointed out that the nation's population was 6.1 million and growing at a high annual rate. Most families have more than six children. This is an alarming figure. Sir Peter said the population is growing at a much faster rate than the development of the country. This is causing severe strain on basic services such as education and health. The Government needs to take a serious interest in addressing population growth. A sustained national awareness program is required to make people aware of the negative impact of high birth rates on families and society.

Parents should be educated about having fewer children so their children can be better looked after. We live in a society where the cost of goods and services have sharply increased over the last few years, said Sir Peter, and this is creating an enormous strain on the individual families' ability to meet the cost of school fees and health care.

People need to be educated and be told over and over again that they should seriously consider having smaller families rather than big families. Already many parents are facing a huge problem trying to pay for the school fees of their children. This means many children who are supposed to be in the classroom are now spending their time out of classroom.

This problem is going to get worse in the coming years and election promises of "free education" will not save the parents. Parents need to be educated continuously about the issue of population growth. Unless they start taking heed of the warning, they will become the biggest losers. Instead of having their children in school and going on to better things in future, theirs will end up being on the unemployment list. The Government should put population at the heart of every policy decision it makes and continue to preach about smaller families. All parents and future parents must be told about the negative effects of having bigger families and the costs associated with it. This is not just a dream. It is a reality. People with large families are having a hard time educating and looking after their children.

## **Law and order – the problem starts at the top**

A number of PNG leaders are now publically being accused of corruption in local newspapers. The Prime Minister has been accused of lying about the so-called Moti report and had to close down the Royal Commission to prevent being charged and taken to court. Mr Somare is now trying to avoid court action over his failure to provide successive income tax returns. A recent report in the *Post Courier* that is now being investigated by the PNG Ombudsman Commission concerns K40 million held by a member of the government in a Singapore bank account and is said to involve corrupt payments over timber concessions.

If there is no transparent PNG system of justice in place, which is actively used to stop corruption, or if there appears to be no effort by the county's leaders to contain corruption, then in essence this is tacit approval for corrupt practices. Clearly the problem starts at the top.

## **Where to from here?**

In the *Post Courier* 'Viewpoints' of 14 August, 2008, there appeared a letter, '*PNG needs help from neighbours*', written by Kevin T Kianda from the University of Papua New Guinea. In the letter, Mr Kianda highlighted the thoughts of many PNG people:

“In any democracy the three vital agencies of government are its bureaucracy, the Police and the Defence Force. These are the agencies which maintain law and order and ensure that services reach the people accordingly. Our democracy is 33 years old and it has been working effectively since our forefathers and mothers envisaged it back then. However, we have been seeing and experiencing a shift in this paradigm lately with the incursions of native foreigners and external foreigners with little recognition of the kind of people and government we have in place. The greed for money, fame and power has impacted on the societies of PNG and the few people of this country who are involved in these tugs-of-war have created an environment of "material" ethnocentricity, a recipe for destruction and anarchy. We have heard of the bureaucracy working for 10% commission and not following proper procedures to fork out large sums of money to build their own empires. This is a massive test of our democracy when the very agency that is given constitutional powers to enforce and promulgate the laws of this land has been seen to be dragging in its fundamental duties. We are in a state where PNG needs assistance from Australia and New Zealand to arrest this situation.”

If the information in this paper were based on secret and confidential reports it might be understandable that not much was currently being undertaken to rectify PNG problems. All the above information has however, has been in the public domain, and sometimes for many years.

## Conclusions

1. The Australian government now stands at the crossroads: But which direction will it take? To go back is not an option. To do nothing or not to change direction would be to condone what is clearly happening. A left turn could reduce funding but then face an aggressive and sullen PNG government who will feel let down and cheated. This may also allow an opportunity for other countries, less friendly to Australia, to further infiltrate the PNG government and economy.

A right turn will require a great deal of careful planning and mutual agreement. The previous Australian government tried to tie aid money to projects and when that didn't work, used direct intervention with the rushed Enhanced Cooperation Program (ECP). While ECP was unanimously accepted by the PNG people, it ran foul of the PNG leaders through a lack of planning and a legally agreed scope of operations. In practice, the PNG political leaders lost face and found a way of ignominiously dispatching most of the ECP team that were dramatically improving law and order.

2. Could the reason why very few results have apparently been achieved after over K30 billion of Australian aid funds be the traditional advice to a government like Australia's from the Foreign Affairs Department. This type of advice goes something like this [courtesy of the BBC's 'Yes, Prime Minister']:

Stage 1: There isn't a problem

Stage 2: There may be a problem but we shouldn't interfere.

Stage 3: There could be a problem but there's nothing we can do about it.

Stage 4: There was a problem that we maybe could have done something about however it's now too late.

3. Unless there is a change to the basic PNG government philosophy of spending government funds on non-performing public servants and not maintaining infrastructure, no real improvement will occur to the provision of government services.

4. A county's system of providing government services must be transparent, honest, accountable and responsible. The architecture and infrastructure of PNG government service delivery must be strengthened and made totally accountable from the top down before any real improvement in the achievement of aid programs can be effected. To assist the PNG government with this initiative must be Australia's first priority.

Australian Government policy, irrespective of what party is in power, must concentrate on fostering and helping to maintain an accountable and responsible PNG Public Service infrastructure. If this change in emphasis is not effectively pursued, there will clearly be no change in the current impasse of more and more overseas aid money equating to no real improvement in PNG government services.

How can this change in emphasis be effected? Careful planning and legally and mutually agreed agendas and timeframes will help ensure the fiasco of the ECP adventure will not recur.

## Recommendations

1. Fund, strengthen and reform the PNG government infrastructure throughout the country as a first priority under AusAID. Temporary assistance by dependable, skilled advisers might help this process but this is not essential. PNG already has the necessary resources but currently appears to lack the will and leadership to manage them (See below).

2. Reissue an updated PNG Government Code of Conduct and Ethics that is agreed to by the government, unions and business and that is followed by all from the top down. This agreed Code of Conduct must be signed on behalf of all citizens by the PNG PM and disseminated to all levels. This must be encouraged by Australia as a matter of priority, given the previous non achievement of our overseas aid funds.

3. Issue a deadline for correct, ethical practice (i.e. anti fraud, anti corruption, etc.) to commence. Set a previous amnesty period for those involved to agree to come clean and testify. The full extent of the previous regime could then be revealed and legislated against for the future.

4. Institute anti corruption tribunals and after the deadline expires, use them to investigate and send any new cases for trial to the independent PNG courts. Advertising a few examples will correct any impression the old ways are still operating and illustrate that the 10% 'dash', arbitrary office hours and the 'six pack' will no longer be tolerated.

5. At the same time as issuing an updated Code of Conduct, improve Public Service (PS) wages, salaries and conditions of service but on the premise that all PNG government employees sign performance based pay agreements specifying compliance with the new Code of Conduct. PS can then be dismissed if they do not abide by the Code of Conduct.

### **What happens if Australia does nothing?**

The results of doing nothing will ensure PNG continues on a downhill slope to further poverty and corruption notwithstanding increasing amounts of external aid funds flowing into the country. If the process of 'sweeping the dust under the carpet' continues, then potential to prevent a humanitarian disaster on our doorstep will be lost forever. "A stitch in time saves nine."