



## MINISTRY OF PUBLIC ENTERPRISES

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### **Public Statement**

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Last week the National newspaper published an editorial relating to my decisions and associated comments on various Public Enterprises since becoming Minister in August.

It is my duty to the nation to announce publicly the decisions that I make and to be held accountable for those decisions as the Minister responsible.

Likewise, the former Minister, Mr Arthur Somare, and the former IPBC management, should accept responsibility for their actions.

I regard the performance of the former Minister, and the former IPBC management as grossly negligent. It is beyond argument that they have cost the nation vast sums of money.

Allow me to repeat some facts for the benefit of your readers:

- The Abu Dhabi loan negotiated by Mr Arthur Somare and the former IPBC management was found to be insufficient, and an extra K900 million has to be borrowed.
- Under Mr Somare and the former IPBC management, Telkom engaged in K800 million worth of unauthorised borrowings and expenditure.
- When Mr Somare and the former IPBC management were in charge of MVIL, it borrowed K100 million without authorisation and in highly unusual circumstances, and the money is still being held overseas.
- The former IPBC management invested K31 million in the failed US financial services firm Lehman Bros without approval and without due diligence while Mr Somare was Minister responsible. Mr Somare and Mr Blake allowed Ports PNG to undertake a similar exercise to the value of K25 million, with the same disastrous consequences.
- Mr Somare was partly responsible for the K30 million bill left behind for using the Somare aerial PMV for doctor's appointments, shopping, family parties and golf games.
- K30 million in subsidies supposed to be paid to Air Niugini, for which Mr Somare and the former IPBC management were responsible, was instead diverted elsewhere, with no explanation.
- Mr Somare and the former IPBC management sold out Papua New Guinea's control of Bemobile, the nation's mobile phone carrier, to a foreign company.
- While Mr Somare and Mr Blake were in charge, not one SOE has paid a dividend, as they are required to do, since 2007. All are under financial stress and all have failed to improve services or meet acceptable service delivery standards or their Community Service Obligations.

Should I remain silent on these facts? Should I hide them from the people of Papua New Guinea, and hide them from the media? Is the National really suggesting that I should not point out that the

appointment of the Somare family's financial advisor to the managing directorship of the IPBC involved a clear conflict of interest?

I am astonished that a media organisation should call on a Minister to be silent on the facts of publicly-owned businesses and assets, and not explain to the people how they were abused, exploited, manipulated and stolen from, and precisely who was responsible.

Mr Somare is a politician, and he was responsible for the disasters I have listed above. He must be held accountable for them. Indeed, Papua New Guineans are entitled to know what he did, and to make their own judgment about him as a leader.

Your editorial also suggests that I may be making decisions on the basis of personal animosity towards Mr Somare. That is a deeply offensive assertion. I am motivated by one thing, and one thing only: what is best for Papua New Guinea.

I have no personal animosity towards Mr Arthur Somare, but I will not hesitate to take on people who abuse, misuse or waste public assets.

Papua New Guinea must learn from its mistakes, but we cannot do that if the mistakes are swept under the carpet, which is precisely what Mr Somare and the former IPBC management did. Papua New Guineans have a right to know who has wrecked and depleted the public institutions that they own.

Journalists have complained about the lack of transparency and accountability at IPBC and SOEs, including senior National journalists. They have criticised Mr Somare and the former IPBC management for their secrecy.

Since becoming Minister I have lifted the veil of secrecy from IPBC, and I have explained to the media and to the Parliament the decisions that I have taken and why those decisions were made.

IPBC is now an open and transparent organisation.

I hope the National is not proposing a return to the bad old days of lack of transparency and accountability. I also hope that it is not trying to muzzle legitimate political debate.

**Mekere Morauta KCMG MP**  
Minister for Public Enterprises