



## MINISTRY OF PUBLIC ENTERPRISES

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#### **Arthur Somare and Glenn Blake Ignorant of the Facts**

The Minister for Public Enterprises Rt Hon Sir Mekere Morauta said today that the statements by Arthur Somare and his outrigger Glenn Blake about the two facts he raised in his media release announcing the termination of Glenn Blake on grounds of misconduct in office displayed ignorance of fact and due process.

“All I stated was that Mr Blake’s contract was illegal because it had not been approved by the Salaries and Conditions Monitoring Committee (SCMC). It may have been approved by the IPBC Board and signed by the former Chairman, Gereia Aopi but the fact remains that without the approval of SCMC, the Board approval is not valid and payment of the package was illegal.”

“As late as 28 July 2011, the Chairman of SCMC wrote to Mr Aopi to say that SCMC ‘rejected to execute the employment contract for the Managing Director’. If Arthur Somare wants a copy of this letter, I am happy to give him one free of charge. And if Arthur Somare wants copies of the IPBC and SCMC Acts, I am also happy to give him those free of charge.”

Sir Mekere pointed out that Section 23(2) of the IPBC Act requires that salary, allowances and conditions of the Managing Director shall be determined by the Board, but “subject to the Salaries and Conditions Monitoring Committee Act 1998”.

“For the information of Mr Somare and Mr Blake, Section 10 of the Salaries and Conditions Monitoring Act states that:

- (1) A public authority shall not determine or vary the salaries and conditions of employment of any employee except in accordance with the Act.
- (2) A determination or variation of the salaries and conditions of employment of an employee made otherwise than in accordance with this Act is void, and any agreement, written or oral, intended to give effect to such determination or variation shall be unenforceable at law.

(3) A payment of benefit given to an employee under a determination or variation of his salary and conditions of employment made other than in accordance with this Act may be recovered by the State as a debt from the members of the governing body of the public authority who shall be jointly and severally liable to repay the payment or benefit.”

Sir Mekere said that if Arthur Somare read the SCMC Act, he would find furthermore that Section 16 of the Acts states that unauthorised determinations amount to misconduct comprising grounds for removal from office.

“The second fact I cited as grounds for termination on the basis of misconduct was the investment of 31 million Kina through BSP Capital with Lehman Brothers, without the approval of the IPBC Board, and without any independent assessment of possible risk. This is a fact, as reported by the Auditor General in the 2010 Audit Report, which was never tabled in Parliament by the former Minister Arthur Somare.”

“Get your facts right Arthur and Glenn. It is you who are spinning half-truths, not me,” Sir Mekere said.

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