



### 1. Bad governance 'stalling growth'

27 APRIL 2007 PORT MORESBY (Pacnews) - Papua New Guinea (PNG) has the potential to grow in many areas, yet investment and development continue to be constrained by the quality of governance, a National Court judge said yesterday, The National reports.

Addressing the Community Coalition Against Corruption forum in Lae, National and Supreme Court judge Justice Catherine Davani said the quality of governance in PNG had been deteriorating rapidly since the late 1980s. "The effects of these are most visible in the declining standards of basic services, serious law and order problems and institutional weaknesses that allow corruption to thrive," Justice Davani said. She said achieving good governance was not an easy task in a country characterised by extreme linguistic diversity; a fragmented clan based social structure whose obligations are carried over into the political arena and a fragile sense of nationhood. "PNG's political system encourages instability and the accrual and dispensing of largesse by politicians; the bureaucracy is highly politicised; policy making is often ad-hoc in nature; corruption is endemic and inter-governmental collaboration does not work," Justice Davani said. She said the capacity of Government departments and agencies had been steadily eroded in PNG in large numbers due to the politicisation of the bureaucracy. Justice Davani said the institutional weaknesses undermine the links between policy, budgeting and implementation while public sector reform agencies continued to lack capacity to formulate and carry out policies, plan operations, design and execute programmes and projects. "Corruption is widely acknowledged as a serious issue in PNG, yet the lack of concerted actions against corruption is damaging the country's image," she said. Justice Davani made reference to reports from the Transparency International and the Asian Development Bank, which highlighted corruption and good governance issues in PNG.

Source: The National, 27 April 2007.

### 2. PNG: National elections

Papua New Guinea was gripped by the first wave of election fever last week, as writs were issued and nominations to contest the vote were opened. Around the country, candidates often dressed in ceremonial tribal garb arrived at local Electoral Commission offices to complete the necessary paperwork, at the head of convoys of supporters in decorated buses and trucks assembled as a show of confidence and strength at the start of the campaign. On the whole the atmosphere was festive.

According to the Electoral Commission, a total of 2,726 candidates have nominated to contest the elections across PNG's 109 electorates. This is fewer than the 3,000 candidates the Commission predicted, and than the 2,836 who ran in 2002. The new Limited Preferential Voting (LPV) system, which forces candidates to appeal to a broader support base, will in theory help to consolidate support for MPs elected and thus widen their accountability. Hopes that more women might be elected in 2007 have been disappointed at the outset by the low numbers nominated as candidates. A total of 91 women will stand, more than the 74 who contested in 2002 but still only 3.3 per cent of the total field.

### Issues, alliances and possible outcomes

PNG politics is renowned for its focus on individual 'big men', rather than on party political manifestos. This culture remains as entrenched as ever, and is a major reason for the large numbers of candidates reported above. PNGers know better than to make any attempt to predict the outcome of the election: it is worth remembering that in 2002, 80 of the 109 incumbent MPs lost their seats, and no politician however well established can claim to hold a safe seat. Once individual MPs are confirmed in their electorates, the coalition-building that will then be required to form a new government will add a further level of uncertainty to the outcome. Again in 2002, Prime Minister Sir Michael Somare's National Alliance Party won less than 20 per cent of seats in Parliament but was the largest party represented and assembled a composite majority involving many smaller parties represented by as few as 2-3 MPs. The introduction of a new voting system is not expected by itself to significantly alter this pattern in 2007.

The National Alliance Party remains the dominant single party in PNG politics. The most visible single entity so far setting up in clear opposition to PM Somare and the NA is a formalised alliance between the New Generation Party established by former Treasurer and Minister of Finance Bart Philemon, and former Prime Minister Sir Mekere Morauta's PNG Party. Former Prime Minister Sir Rabbie Namaliu's PANGU Party has also assembled a strong line-up. A greater use of formal alliances by other parties is expected as well, in an attempt to secure access to critical second and third preference votes under LPV.

Polling begins on 30 June, and continues on a "rolling" basis until 10 July as the polling and security operation moves from one province to another. The shape of the new government should be known by early August, depending on the speed with which coalitions talks proceed.

### 3. PNG citizenship allegedly being sold

PORT MORESBY, Papua New Guinea - A FOREIGNER paid about K10,000 to several executives of the Foreign Affairs Department to become a citizen of Papua New Guinea. Another foreigner is paying installments to officials for papers to live in the country as a naturalised citizen. Payment of money to officials for immigration and citizenship paper work is well known and is a common practice, according to people in the industry. A respected immigration agent said yesterday his firm had been approached by Immigration office and Foreign Affairs officers for several hundreds of kina so their clients' work visa applications could be processed quickly. The firm was told work visas could be processed in one day as long as the right amount of money was paid. Another agency said it was approached several times to engage in "dirty deals" concerning various immigration application it handled for its clients, but it refused flatly to go along with it. Source: PNG Post Courier, 24 May.



**4. Citizenship not be bought:  
Foreign minister Tiensten**

It is impossible for anyone to buy a Papua New Guinea (PNG) citizenship, PNG's foreign affairs minister Paul Tiensten said, reports The National. He said a Citizenship and Advisory Committee vetted all applications and recommended to the Foreign Affairs Minister, who is the only authority that could give the approval. He said all applicants had to go through the process, which he described as "cumbersome". "We will get to the bottom of this," he told a press conference in response to a report in the Post-Courier that citizenship could be bought for K10, 000 (US\$3, 363). Mr Tiensten dismissed the report as nothing but "sensationalism". He said that while some officers were involved in corrupt deals, they were not connected with citizenship. Mr Tiensten said the "dirty deals" were more likely to involve visa applications and "we were trying to clamp down" on that. He said the allegations remained as that until such time that people could provide evidence to prove them. He said the Immigration and Citizenship Division was a very difficult area and that moves were underway to restructure it. It would involve the recruitment of 60 new officers to ease the workload and help weed out corruption. Mr Tiensten said the department had made genuine efforts to have proper dialogue with the public in an effort to improve its services but he regretted that some members of the community did not appreciate it. He urged those concerned and others to bring matters of corruption to the attention of the Secretary for foreign affairs. He gave an assurance that they would be investigated "as there was no place in the public service for officers involved in corrupt practices". He said officers had been removed or dismissed and the action would continue. Meanwhile, Transparency International PNG has commended Foreign Affairs and Trade Minister Paul Tiensten for his honesty in admitting to problems of corruption within his ministry. TI PNG Secretary Richard Kassman said the allegation of corruption further supported TI PNG's views that a functioning public service was one which was dedicated to following due process without exception, a principle which was unfortunately, not always upheld within the PNG public service. Mr Kassman said the signing of the department's code of conduct, which transcended and reinforced the contract which all public servants are required to sign and work within, was a step in the right direction. Source: PACNEWS, 28 May.

**5. Invitation to a business luncheon  
with Sarndra Hamilton, Team Leader  
in the Pacific Group of NZAID in Wellington.**

NZAID is the government agency responsible for international assistance to developing countries. New Zealand's aid announced in the recent budget has increased by \$70 million dollars to \$429 million in 2007/2008. Over half of this new funding will be spent in the Pacific particularly Melanesia where the need is greatest.

Sarndra manages New Zealand's aid programmes in PNG, Tonga and Vanuatu as well as New Zealand's support to Pacific regional health and education activities. Sarndra has been at NZAID since 2003 and prior to that worked in a range of community and youth development fields.

Date: Wednesday 20th June 2007

Time: 12.30pm to 2.00pm

Venue: Crowne Plaza Auckland, Albert St, Auckland City.

Cost: Members \$25.00 Incl GST, Non-Members \$35.00 Incl GST

RSVP: By Friday 15 June 2007, Fax 09 302 9914

or Post P O Box 47, Auckland

**6. Pacific needs greater media freedom:  
new PINA President**

The Pacific Islands News Association (PINA)'s newly elected President says he will play a big role in defending media freedom. Joseph Ealedona, the head of the National Broadcasting Corporation (NBC) in Papua New Guinea (PNG), was elected president at the PINA conference in Solomon Islands on Saturday (26 May). He was elected unanimously and takes over from Fiji Television's Ken Clark. Mr Ealedona told Radio Australia his priority as the new president would be to strengthen the organisation and speak up for media freedom. He said it was very important that PINA urge all governments in the region to ensure this freedom and understand how important it is for the people of the Pacific. Mr Ealedona spoke specifically about Fiji, where journalists have been subjected to verbal and physical abuse by the Fiji military who took over control of the country in a coup last December. He said the situation in Fiji under the interim military government strengthens the case for keeping the PINA secretariat in Suva, Fiji's capital. Mr Ealedona said people can only speak with knowledge about what was happening if they have access to accurate and impartial news services. He also called for the strengthening of the association, saying positive steps must be taken immediately to protect PINA's status as the premier representative organisation for the region's media. Mr Ealedona said it was time for PINA members to support one another and stop responding to vested interests adding that, in the past, personal disputes and factions within PINA had damaged the organisation. Also announced at the PINA conference was the winner of Radio Australia's Pacific radio news journalist of the year. Aaron English, from Papua New Guinea's National Broadcasting Corporation, would participate in a two week internship with Radio Australia, based in Melbourne. His win was announced at the Media Awards night, the final event at the biennial PINA conference. Source: PACNEWS, 28 May.

**7. PNG's capital district government broke**

PORT MORESBY, Papua New Guinea - More than PGK26 million [US\$8.9 million] from the National Capital District Commission's emergency funds has allegedly been used up, forcing the commission's operations to a halt. High-placed sources from City Hall suspect the NCDC is in a financial crisis as it has spent a huge amount of money beyond its annual budget, adding millions of kina was used in projects not budgeted for. But late yesterday evening, NCDC's acting Finance and Administration director Raula Galewa faxed a statement denying they were broke. He said the allegation was "untrue and totally unfounded". He said the City Hall had a cash reserve "as of COB today at PGK4.7 million [US\$1.6 million] in commercial banks". According to sources, City Hall executives had an emergency meeting yesterday, to discuss the funding woes. Commercial banks also confirmed NCDC cheques had bounced. Source: PNG Post Courier, 30 May.

**8. AGM on 22 August at the Crowne Plaza**

starting 12.30pm - further details on a guest speaker will be available closer to the time.

