



# PNG in 2016: the year of finding solutions?

By Bal Kama

Prime Minister Peter O'Neill reminded Papua New Guineans in his New Year's [address](#) that PNG 'is a place of great opportunity, that also carries with it great responsibility'. His optimism and patriotism were timely. Whether or not 2015 was the year of emergency I [predicted](#) at the start of last year, it was certainly a year of intense anxiety with a faltering economy, criminal court cases, Ombudsman Commission inquiries and an attempted vote of no confidence against the government. These issues, together with concerns about security and the El Niño drought, appeared to overshadow many of the achievements of 2015,

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including the estimated \$600 million (K1.2 billion) [Pacific Games](#) and multiple [loan-funded](#) [paywalled] infrastructural developments. While the government deserves to be complimented for steering the country through 2015, numerous issues remain to be addressed.

## **Economy**

The economy continues to be a [worry](#) for PNG. Despite reassurances from the government, [projections](#) from the International Monetary Fund (IMF) and some economists suggest severe revenue shortfalls and expending budget deficits in 2016 (see [here](#) and [here](#)). The Bank of PNG has recently weighed in on the issue, warning the government of further potential revenue [shortfalls](#) as the oil price continues to fall. A prolonged economic downturn will increase the already relatively high unemployment rate. Depreciation of the kina, which is [needed](#) to respond to falling commodity prices, will push up the price of many urban staples, and result in political and social pain.

## **Politics**

The Opposition made an unsuccessful attempt for a vote of no-confidence against the government last year after the Supreme Court [removed](#) the restrictions imposed on the scheme as undemocratic. The Opposition is likely to make another attempt this year. While the Government appears to be stable with the support of a majority of MPs in Parliament, recent evidence of underlying political contentions [suggests](#) that any leadership challenge will not be taken lightly.

## **Legal**

A major challenge for the courts in 2016 will be to deal effectively and swiftly with all the outstanding civil and criminal cases concerning political leaders that have congested the court system since at least 2012. Notable of these cases are those instigated by the anti-corruption Task Force Sweep (now disbanded), especially the [allegations](#) of fraud against the Prime Minister and senior

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ministers. Since the [conviction](#) of former Foreign Affairs Minister Paul Tiensten in 2014, and sentencing to nine years imprisonment, there has been growing scepticism about the delay within the justice system of cases of public importance. The Union Bank of Switzerland (UBS) loan [case](#) also remains to be finalised. The extraordinary courage and swiftness shown by the Vanuatu Supreme Court last year in [imprisoning](#) almost half of the government MPs for corruption-related charges should provide some inspiration for courts in the Pacific, including PNG.

### **Relations with Australia**

Relations with Australia continue to be important and the benefits appears to be mutual. Among other things, PNG will receive an [estimated](#) \$554.5 million (K1.2 billion) in 'aid' for the 2015/2016 periods, while the use of Manus Island as a detention centre has resulted in a remarkable [decrease](#) in boats carrying asylum seekers to Australia. However, the recent sacking of some Australian advisors attached to key government departments on [allegations](#) that they were 'spying' and were making the national employees 'lazy' suggests some underlying suspicions that may need to be addressed in the new year.

The issue of spying is highly sensitive. Some Pacific leaders have [pleaded](#) in the past for a mature and responsible response from Australia and New Zealand following Edward Snowden's [revelations](#) that the two countries were spying in the Pacific. In a post last year on Devpolicy, I [predicted](#) that 'these spy allegations have the potential to generate a new wave of suspicion and distrust that may haunt the region into the future.' While some have contended that the recent sacking is not related to the issue of 'spying', it is clear that the PNG government is taking the suspicions seriously.

Another sticking point in bilateral relations will be the controversial Manus Island detention centre. Many have argued in the past that the arrangement has become a muffler for Australia's voice in PNG. Australia is yet to return its employees alleged to have been involved in raping a Manus woman to face criminal charges

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in PNG, while recent allegations of [robbery](#) by an employee on Manus, and his swift extraction to Australia before formal charges were laid under PNG laws, raise further questions about Australia's respect for the rule of law and the [constitutionality](#) of the detention centre arrangement.

These issues complicate what may otherwise be a promising year of bilateral relations on the back of a successful Paris Climate Change Conference and preparations for the 2018 APEC summit.

### **Other outstanding issues**

Social media is fast becoming the single most powerful tool for advocating issues of public importance in PNG. Facebook groups such as [PNG News](#) have over one hundred thousand members. However, social media's continuing impact may be hindered by the [proposed](#) Media Appeals Tribunal to be set up in 2016 to deal with those allegedly promoting 'defamation and misinformation'. While the government has argued the merits of this proposal, it is widely feared that such actions will be undemocratic and discourage public scrutiny of political leaders.

Another issue that generate significant public discussion in late 2015 and will be of interest in 2016 is the SBS [documentary](#) that raised allegations of money laundering by an established law firm in Port Moresby. Both the Australian and PNG authorities, including the PNG Law Society, have indicated their interest in investigating the allegations. It is hoped that their findings will be made public in 2016, assuming that investigations are underway.

Security should be an important agenda item for the government, especially as it approaches the 2018 APEC Summit, which will be hosted in Port Moresby. Increasing disagreements between the police and the defence force, and instances of violence directed against the community, especially its vulnerable members, should be a priority concern.

Port Moresby Metropolitan Police Superintendent Ben Turi has [declared](#) [requires

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login] 2016 as 'the year of bringing down criminals'. This is far more assuring than the [outlook](#) last year. But this crusade for justice is not without questions - who are the alleged 'criminals' and how do the police plan to bring them 'down'?

Maybe 2016 will be the year many are hoping for: the year PNG finds solutions to many of its unresolved issues before the elections in 2017.

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