

# PNG official linked to APEC summit rorts

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**EXCLUSIVE**

By **BEN PACKHAM**, FOREIGN AFFAIRS AND DEFENCE CORRESPONDENT

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Hundreds of mystery hire cars and a consignment of overpriced guns are at the heart of new corruption allegations surrounding Papua New Guinea's hosting of last year's APEC summit.

The nation's APEC Authority has told PNG Prime Minister James Marape it is unable to account for millions in missing payments authorised by the government's top public servant.

Almost a year after PNG hosted Asia-Pacific Economic Co-operation leaders in Port Moresby — with an estimated \$130m in Australian support — details have emerged of more than 300 “questionable payments” to alleged APEC suppliers.

APEC Authority chief executive Chris Hawkins has sounded the alarm on the suspect transactions in multiple letters to Mr Marape, seen by The Australian, accusing PNG government chief secretary Isaac Lupari of hampering his efforts to wind up the event organising body.

Mr Hawkins, an Australian citizen and Afghanistan veteran, said much of the missing money was paid to hire car companies for vehicles not requested by the APEC Authority and which were potentially never provided. The Australian has also learned that PNG's police force paid nearly \$20,000 each for 20 Glock pistols worth about \$10,000 each in PNG and \$1600 if purchased online from the US.

The rorting allegations come as PNG seeks hundreds of millions of dollars in direct budget support from Australia, and caps off a difficult APEC for the nation that ended in public rioting and a siege of PNG's parliament by police and security officers.

The Australian can also reveal that only one of three luxury Bentley limousines purchased for the summit has been sold, and the government has been unable to sell 38 taxpayer-funded Maserati sports cars bought to ferry APEC leaders around.

Mr Hawkins — a former right-hand man to former prime minister Peter O'Neill — told Mr Marape in an October 4 letter that Mr Lupari was the authorising officer for 2223 payments between 2015 and 2018 worth a total K160,486,121 (\$69.5m).

He said the authority had reviewed 514 payments worth K24,169,039, identifying K3,245,052 “as not being authorised by the APEC Authority but expended by the department ... from APEC funds”.

A further 1709 payments are still to be examined, including more than 300 payments of K50,000 or less made to companies over a four-day period at the end of the 2017 financial year.

“As an example, this includes payments made to one hire car company of more than K2.6 million through 66 individual payments under K50,000,” Mr Hawkins said in the October 4 letter to Mr Marape copied to six PNG ministers.

“This hire car company had not been engaged by the APEC Authority. This is just one example of more than a dozen hire car companies to receive multiple payments of amounts under the K50,000 threshold.”

The Australian revealed last month that Mr Lupari was embroiled in a conflict of interest scandal as director of a company building a gas-fired power plant in Port Moresby while being responsible for the country's state-owned electricity company and serving as gatekeeper to PNG's cabinet.

A statement to the board of PNG Power by former managing director Carolyn Blacklock accused Mr Lupari of exerting “extraordinary pressure” on her to sign a power purchase agreement with Dirio Gas & Power Company, of which he is one of five directors.

In a letter dated September 25, Mr Hawkins said his inability to close the APEC Authority's books was undermining the government's reputation and “causing significant hardship to businesses, particularly SMEs (small and medium enterprises)”.

He said while an independent auditor had been appointed by the Office of the Auditor-General to examine APEC payments, “I am advised that it is now intended that the audit will be internally within the government”.

He said Mr Lupari's “interference” was compounded by his refusal to release K580,235 generated by events at the Australian-designed APEC Haus, on Port Moresby's oceanfront, to pay for

building maintenance, security, support staff and other costs.

It was possible the iconic building was “no longer compliant with fire regulations”, and non-payment to security providers meant it would soon “not be protected”, Mr Hawkins said.

Mr Marape’s office declined to comment on the letters.

A review of Australia’s annual \$578m aid program in PNG published last month warned that law and order was deteriorating, corruption remained rife, and “weak” governance continued to hamper basic service delivery. Mr Marape recently called for up to half of Australia’s aid to the country to be poured into the nation’s ailing budget. The Morrison government has rejected Mr Marape’s request but is examining a loan.

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Ben Packham has spent almost 20 years in journalism, working at Melbourne's Herald Sun before joining The Australian as a political reporter in 2011. He rejoined the bureau in 2018 after almost four years in Pa... [Read more](#)