



*Helping or hypocritical?
Australia's role in Papua New Guinean corruption*

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Dr Grant Walton

Development Policy Centre

Grant.Walton@anu.edu.au Grant.Walton@anu.edu.au

Anti-corruption and neo-colonialism?

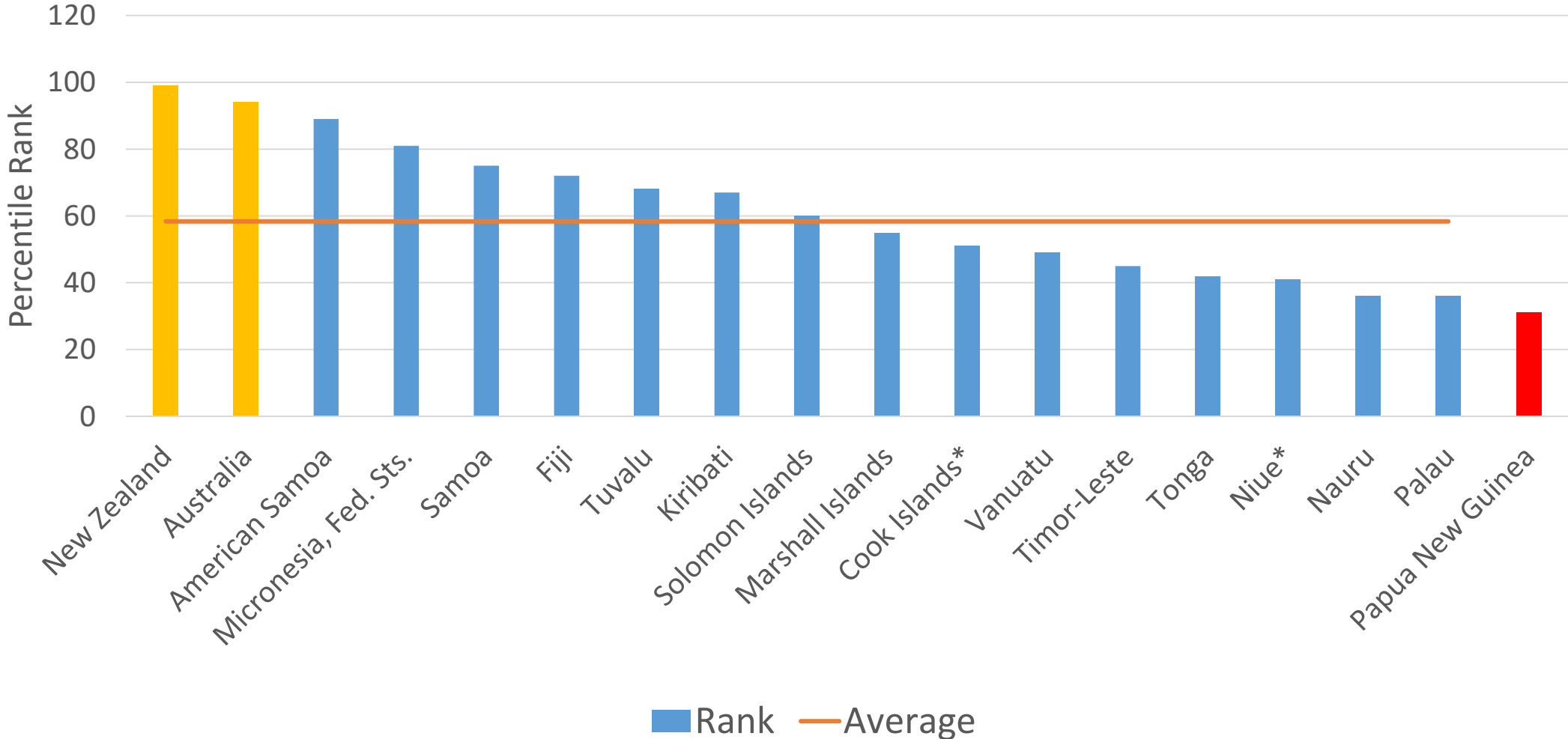
Papua New Guinea, we are pretenders...where the white people come from when they talk about ending corruption and removing corruption, they action it. Papua New Guinea, in order to end corruption, we do not know how to action it.

Coalition leader, *Public Protest*, July 2008

The solution [to corruption] is that our friend Australia should come down here... Coalition supporter, 2008



Control of corruption in the Pacific (2020)



Australia's response to corruption in PNG

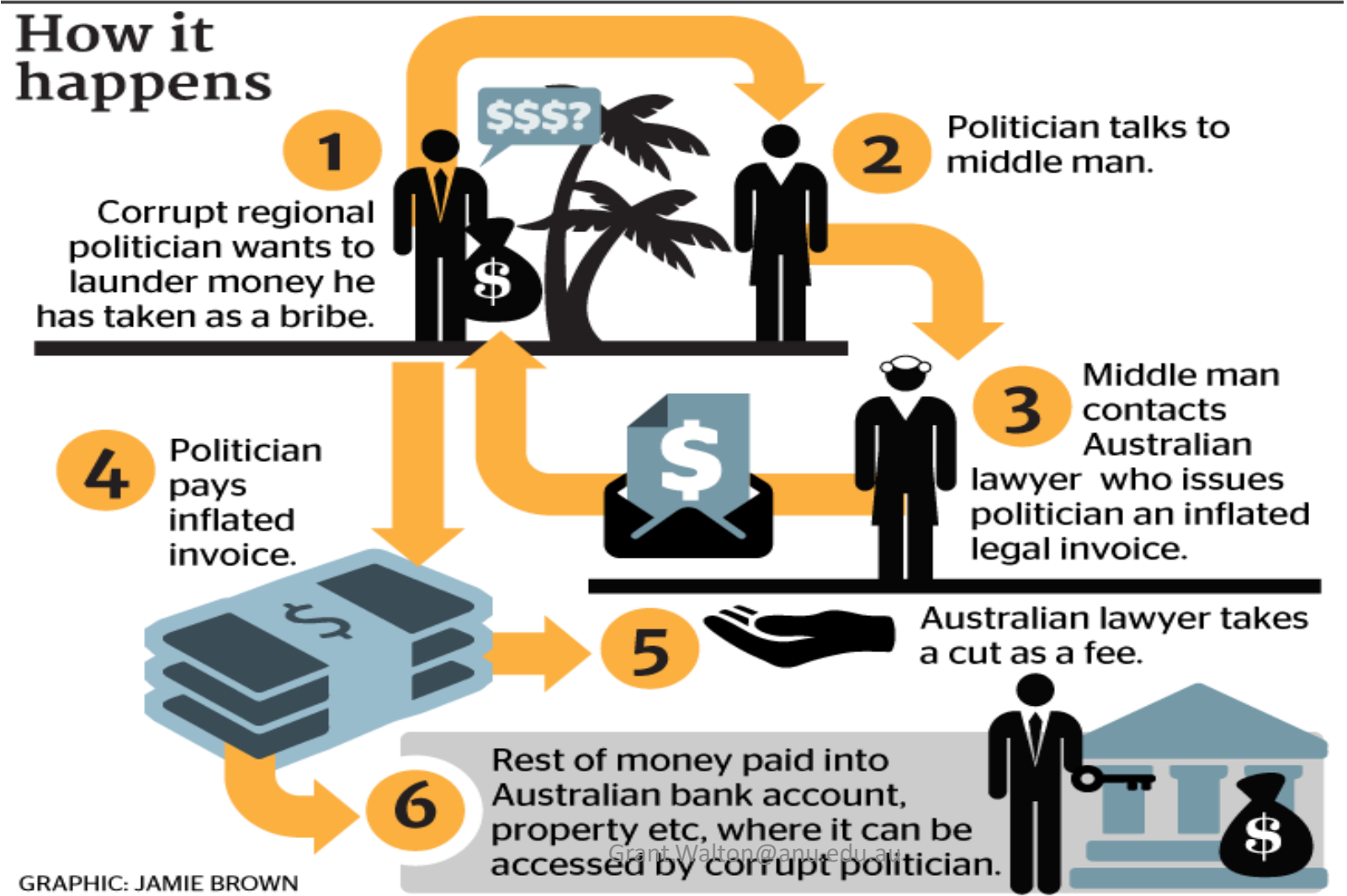
- Improving governance is a key priority for the Australian aid program
 - Dates back to 1997
 - 2021-2022 aid budget to PNG: 28% on effective governance
- History of supporting key governance and anti-corruption bodies in PNG
- AFP investigations into breaches of foreign bribery laws (eg Horizon Oil)
- Supports transnational crime units

Potential for money laundering

Tax Justice Network, Financial Secrecy Index 2022

			Secrecy
	Rank	FSI Value	Score
United States	1	1,951	67
Australia	37	318	54
Marshall Islands	51	236	71
New Zealand	53	230	63
Samoa	104	93	73
Vanuatu	112	81	76
Cook Islands	131	39	70
Nauru	139	13	59

Money laundering through the 'Cayman Islands of the Pacific'



Australia has for decades been ...used as a veritable 'safety-deposit box' for illicit proceeds from our region. ...Australia has been a flag-bearer for an international process that overwhelmingly punishes small developing countries that are the source of these illicit proceeds (for their anti-money laundering 'deficiencies') while waving-through the misdeeds of major money-laundering centres of the world...

John Chevis, ex-AFP, Independent AML and CTF Consultant (2022)

Other areas for concern

- Slow to speak out against the closing of Taskforce Sweep (2014)
- Questions over \$423 million (K1 billion) contract awarded to a relatively unknown company, Paladin (2019)
 - Concerns about engagement with local contractors/politicians
- Not willing to expatriate Samson Jubi (2021 - 22)

In some ways PNG is leading Australia...

...at least in terms of establishing anti-corruption organisations and global transparency standards

- PNG is implementing the EITI, Australia is not
- PNG has just set up an ICAC, Australia is about to (hopefully) establish the National Anti-Corruption Commission (NACC)

Conclusions

- Corruption in PNG is a serious problem
 - addressing this will require significant efforts *within* PNG
- Australia faces its own challenges, particularly with money laundering
- Australia could:
 - Implement AML recommendations from 2022 Senate Standing Committee on Legal and Constitutional Affairs
 - Implement the EITI (even if only to signal to partners that this is important)
 - Mutual learning between PNG's ICAC and the NACC/ACLEI
 - Bolster cooperation between DFAT, AUSTRAC, AFP and PNG/Pacific partners
 - Pacific Centre for Financial Crime?