

Finally! Julie Bishop speaks out about PNG-Australia money laundering

by Grant Walton
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In 2012, Sam Koim, head of PNG's Taskforce Sweep, called Australia the '[Cayman Islands of the Pacific](#)' for money laundering. Koim was drawing attention to the millions of kina that have been laundered into Australia by PNG elites – much of it ending up in the Cairns property market. His comments reflected his, and others', frustration that Australia was doing very little to respond to the laundering of ill-gotten gains.

Since these allegations the Australian government has been, by and large, silent about PNG corruption and money laundering. There appears to have been a greater willingness from Australia to cooperate with PNG investigators: [in 2013 Koim noted](#) that since his speech Australia increased its cooperation with Taskforce Sweep. But little was said *publicly*.

As a regional power, it's important that Australia publicly demonstrates its commitment to the rule of law in the region.

So it is heartening to see that on the back of a media investigation into [PNG money laundering](#) (which has gone viral on PNG social media sites), Foreign Minister Julie Bishop has spoken out about Australia's role as a destination for PNG's dirty money. In a recent [Fairfax media article](#), she is quoted as saying:

We take very seriously allegations that the proceeds of crime in PNG and the proceeds of corruption can be laundered in Australia...We are working closely with PNG to ensure Australia is not a safe haven for the proceeds of corruption.

Of course, these words need to be matched by action – specifically investigation into the transnational flow of corrupt funds – but Bishop's response is welcome. It was also good to see Bishop saying that Australian authorities recently recovered \$574,000 of 'misused' aid money.

Still there's more that needs to be said (and done) about *political* corruption in PNG. We are still waiting for Australia to publically condemn the defunding of Taskforce Sweep. And Australia should be speaking out about Peter O'Neill's refusal to submit to an arrest warrant, which was issued last year but is still being contested in the courts.

Australia doesn't need to become the Pacific's morality police (there's plenty of

corruption here), but as Stephen Howes and I **argued** in August last year, it should speak out when there have been flagrant attacks on anti-corruption institutions and legal processes in the Pacific. Let's hope that Bishop's recent statement is just the beginning of a more meaningful conversation about corruption in PNG, and between PNG and Australia.

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Link:

<https://devpolicy.org/finally-julie-bishop-speaks-out-about-png-australia-money-laundering-20150702/>