

Papua New Guinea government faces no-confidence vote

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Opposition MPs in Papua New Guinea (PNG) are preparing to move a no-confidence motion in an attempt to remove Prime Minister Peter O'Neill. The People's National Congress (PNC)-led government is disintegrating in the wake of a series of high-profile resignations.

The 26 opposition parliamentarians or MPs have allied with two dozen MPs who quit O'Neill's coalition in the past two weeks and are offering to accommodate other government members. A successful vote in the 111-seat parliament will require the support of 56 MPs.

Lobbying intensified over the weekend, with the opposed camps gathering at hotels on either side of Port Moresby, each announcing they had the numbers to secure a majority. Some 1,000 extra police are being deployed in the capital.

The government won a procedural vote on Tuesday, by 59 votes to 50, to adjourn parliament until May 28, giving O'Neill more time to consolidate support. The no-confidence motion has to be vetted by a parliamentary committee to check that it meets legal requirements before being tabled.

The opposition has named James Marape, a former O'Neill ally, as their choice for prime minister. Marape's sudden resignation as finance minister last month, citing a "lack of trust" between the two, sparked the defections.

Shifting allegiances within the country's unstable and corrupt political establishment are not unusual. Nevertheless, the current groundswell of desertions is the most significant in O'Neill's nearly eight years in office and takes place amid widespread popular hostility to all the parliamentary parties.

On May 3, the latest tranche of nine MPs resigned from O'Neill's PNC. It included three cabinet

ministers, Health Minister Puka Temu, Defence Minister Solan Mirisim, and Forestry Minister Douglas Tomuriesa. Six other government MPs joined them in a press conference last Friday announcing their decision to resign.

This followed the resignations of eight PNC parliamentarians the previous week. Radio NZ reported that at a PNC caucus meeting O'Neill was urged to resign but he refused. Meanwhile, the PNC's main coalition partner, the Pangu Pati, has all but collapsed, with at least half its MPs opposed to party leader Sam Basil and defecting to the opposition.

O'Neill's government is widely regarded as illegitimate. In the 2017 election he won a second five-year term in an undemocratic and disputed poll, with a significantly decreased majority. The election was mired in bribery and corruption, ballot rigging and the wholesale omission of names from the electoral roll.

Ongoing turmoil is an expression of explosive social tensions produced by the government's austerity policies imposed in response to the country's economic crisis, worsened by the collapse in global energy prices. Following protests by students and workers, the government has increasingly turned to police-state measures.

The current crisis has erupted over a new \$US16 billion natural gas contract. Former Prime Minister Mekere Morauta has denounced the deal signed last month with French company Total, as a potential "disaster" for PNG.

Mekere contends that O'Neill hijacked the approval process, putting government finances and landowner interests at risk. Mekere claimed O'Neill shut out the State Negotiating Team and the Department of Petroleum, meaning the gas agreement was largely the work of private companies.

Mekere said this risks royalties and development levies not being paid, as happened with the \$US19 billion ExxonMobil LNG project. Further, billions of kina (the PNG currency) worth of concessions and exemptions were given away, Mekere claimed, in line with the demands of project partners.

The deal also fails to meet laws on the supply of gas for the domestic market. The agreement provides for a maximum of 5 percent of gas from the project for domestic purposes but the government's Natural Gas and National Energy policies call for 15 percent, the former PM said.

There is deep popular dissatisfaction over the failure of the massive gas projects to produce any benefits for the population. Landowners in the Highlands region have been waiting years for royalties, levies and dividends owed them.

In February 2017, more than 1,000 protesters gathered at the ExxonMobil site to demand overdue payments, estimated at over 1 billion kina (\$US256 million). In response, the government intensified a police-military operation, involving 300 personnel, to protect the company's operations.

A 2018 report by Australian academic Paul Flanagan, *"Double or Nothing: the Broken Economic Promises of PNG LNG,"* declared the projects have been a disaster for PNG's people. The impoverished population would have been better off "on almost every measure of economic welfare" without the ExxonMobil deal, the report concluded.

The litany of economic failures included lower than expected GDP gains, which "focused on the largely foreign-owned resource sector." Meagre government earnings from the project saw revenue, predicted to be around 1.4 billion Kina (\$US590 million) per year in 2016 come in at less than K0.5 billion.

Intensifying the political crisis, a court ruling in Singapore on April 5 dealt a blow to a challenge by O'Neill to one of Mekere's initiatives as prime minister. The court rejected legal action to wrest control of the Singapore-based PNG Sustainable Development Program (SDP), which holds an estimated \$US1.4 billion.

Earnings from the SDP's shareholding in the formerly BHP-owned Ok Tedi gold mine are meant to fund community development. O'Neill wants more direct control over the SDP's billions. Claiming that

the SDP is being run in a "highly unsatisfactory manner" and that it has failed to benefit local people, he has vowed to continue the legal fight.

The political infighting in ruling circles involves a sordid grab for the control of financial spoils. The only beneficiary of the exploitation of PNG's vast natural resources has been a layer of business leaders and politicians who operate in the interests of the mainly US- and Australian-based banks and corporations.

The decline in the living standards of ordinary people has been stark. A major recession hit the non-resource sector from 2015. By 2016, household incomes had fallen by 6 percent, employment by 27 percent and spending on government services, including education, health and infrastructure, by 32 percent.

The growing political instability is viewed with alarm by the regional powers, Australia and New Zealand, which have backed O'Neill. PNG is of vital economic and strategic importance to both in their drive to dominate the South West Pacific and counter China's growing influence.



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