

Public Statement
by Rt Hon Sir Mekere Morauta
Port Moresby, 07 July 2017

Questions about Highlands election helicopter contract



Former Prime Minister Sir Mekere Morauta today called on the Central Supply and Tenders Board, the O'Neill Government and the Electoral Commission to explain the processes used to award the Highlands Region helicopter contract for the transport of election material and personnel.

The contract, awarded to Heli Solutions Ltd, is said to be for approximately K19 million. The company did not bid for the contract, but won it on advice from "a higher power", one CSTB official said.

The Electoral Commission is said to have already paid the company K4 million, with the contract balance still outstanding. CSTB documents show that two companies made bids for the contract, Pacific Helicopters at K7.2 million, and Helifix at K20.7 million.

"The public has a right to know how taxpayers' money is spent, and that due process is followed," Sir Mekere said. "In this case it appears that there was no process at all in the decision to award this highly lucrative and sensitive contract.

"That is not good enough. Those involved in awarding the contract must explain what happened and who was involved. In particular they must explain how a non-bidder came to win it, and whether that is legal. Who or what was the 'higher power' apparently behind the decision?"

Sir Mekere noted that there appear to be no checks and balances in CSTB processes any longer. "The Secretary for Finance, Dr Ken Ngangan is the person who gives approval for CSTB to advertise a contract, after confirming that sufficient funds are available," he said. "The Secretary for Finance as Chairman of CSTB deliberates on the bids and awards the contract. The Secretary for Finance is the person who approves the release of funds for payment. So the Secretary for Finance, who trails around the country following the Prime Minister, is Mr Three In One."

The owners of Heli Solutions, the company that won the Highlands election helicopter contract, are Mr James Pima and Mr Phil Emeck, both former Defence Force officers.

Mr Pima is standing for Imbonggu Open in the Southern Highlands.

Sir Mekere said candidates and officials have criticized the helicopter transport arrangements and the performance of the company. There are reports of many delays, which raises questions whether the cost of the work will be exceed the original contract and also concerns about the security of ballot papers and boxes.

What steps were taken, and by whom, to establish the capacity of the company to carry out the contract, Sir Mekere asked.

Was there any attempt made to establish whether the price quoted was fair and reasonable? Was it a deliberate decision to award the contract to a Southern Highlands candidate?

What is the current financial state of the contract, Sir Mekere asked. Has K4 million been paid, by whom, and when? Have other upfront payments been made, or progress payments on completion of set tasks?

"This is a very important contract, and a highly sensitive one," he said. "The public's right to know the details is paramount in light of the information that is becoming available."