The National Government and the Southern Highlands since the 2002 General Elections

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National government interaction with the Southern Highlands Provincial Government (SHPG) and administration has been based on a commitment to decentralisation, consciousness of the legal roles and limitations of central agencies and line departments, awareness of the political culture of the Southern Highlands Province (SHP), and political pragmatics since the national election in Papua New Guinea in July 2002. This chapter describes: national interventions in the SHP following the national election and in preparation for the supplementary election in April-May 2003; residual activities of the SHP desk in the Ministry for Inter-Government Relations (MIGR) between the supplementary election and the decision of the National Executive Council (NEC) to strengthen intervention in the SHP, made in July 2004; and steps taken since the NEC decision, and their effect.

The analysis focuses on the work of MIGR under the Minister for Inter-Government Relations, Sir Peter Barter, and the department under his ministry, the Department for Provincial and Local Government Affairs (DPLGA). MIGR and DPLGA are responsible for monitoring performance of provincial governments and administrations, and coordinating activities and support of the central agencies and line departments in response to the needs of the provincial government and administration.

The work of DPLGA and MIGR largely depends on implementation of the Organic Law on Provincial Governments and Local-level Governments (OLPGLLG). The analysis shows that the national government has had its authority to intervene limited by gaps in the Constitution, which were not recognised by the authors of the OLPGLLG, and that national agencies have limited capacity and commitment to respond to the special challenges offered by the SHP.

The present analysis complements the analysis by other authors of the present volume. It was written after their drafts were available, and gives the national context in which the developments they describe evolved. The authors of this chapter share concerns about maladministration, breakdown of services and infrastructure, decline of local-level government, breaches of sound governance, breakdown of law and order, and failure to develop a sustainable economy.
The authors are also concerned by the proliferation of weapons, including high-powered firearms, in the hands of certain individuals and their supporters, and intimidation of the public and rival groups. The possession of firearms by one clan or faction is a pretext for another clan or faction believing that they need access to weapons. More broadly, armed hold-ups and confrontation along the highway between Tari and Mendi, and animosity between Nipas and Hela, are an excuse for the Hela people, who occupy the western part of the province, to retain their weapons.

The authors believe that the consequences of prolonged collapse of services and law and order in the SHP are drastic. SHP could continue a downward spiral in services, peace, infrastructure and commerce. Services such as health, education and transport, when provided, legitimate and support the government presence, and offer access to commercial opportunities for villagers. Their absence is a rationale for reverting more to clan-based society, in reaction against a government presence.

The economic problems could be accentuated by premature closure of Kutubu Oil Field and Hides Gas Field, and by the precarious position of the SHP at the end of the Highlands Highway. There are threats, for example, to the power supply from the Hides Gas Field (in Hela) to the Porgera mine (in Enga). These are based on perceptions and allegations of a lack of services to areas adjacent to the gas field, and on poor distribution of benefits. They are backed up by weaponry and felling of the pylons which carry power to Porgera.

The economic consequences could be drastic for the nation. Premature closure of Kutubu Oil Field and Hides Gas Field would reduce government revenue. The light at the end of the pipeline from Papua to Queensland would grow more distant. National income is already under threat as a result of the anticipated closure of major mines in the next decade. Collapse of law and order would deter investment, and give overseas commentators opportunity to stigmatise Papua New Guinea as a ‘failing’, if not ‘failed’, state.

There are allegations that provincial corruption induces national corruption by bribing national members of parliament (MPs) to vote a certain way on particular issues, such as the votes of no confidence in the national government, and bribing members of central agencies to make decisions that favour and protect members of the SHP government and their friends and allies.

The authors are besieged by visitors and submissions from the SHP, which are designed to influence decisions by the ministry. They know what they are told, but do not always know the motives of the informants or the relationship between the information and realities within the SHP. The authors also receive numerous allegations of misbehaviour in the SHP. In some instances these allegations have been substantiated by investigations. In almost no case have they resulted in criminal prosecutions; they remain, therefore, allegations.
Specific knowledge comes on the rare occasions when departments (and most notably the national Department of Education) have made systematic surveys.

**National government authority between the failed and supplementary elections**

**Unity and devolution**

Papua New Guinea is a unitary state, with functions, powers and finances devolved to the provincial governments and local-level governments (LLGs). The National Parliament retains national authority. It can resume authority devolved to provincial governments and administrations and other lower-level governments, and can, at any time and without consulting provinces, amend or repeal any part of the Constitution or an organic law, or approve a new organic law. The Constitution and the OLPGLLG define the division of functions, powers and finances between the national and provincial governments. The ultimate unitary nature of the Papua New Guinea state is shown also in the authority the national government has to suspend provincial governments or to withdraw functions, powers or finances.

**Authority to intervene following the 2002 national election**

Failure of the 2002 national election in the SHP was a manifestation of ongoing problems in much of SHP society and culture, and its unacceptable expression in provincial politics. The tension had been expressed earlier in district-based confrontation during the governorship of Dick Mune, and in the unsuccessful attempt in 2000 and 2001 to withdraw functions, powers and finances from the Agiru government.

Inflation of electoral rolls and control of voting and counting of votes by force and threat of force preceded the general election in much of the SHP.

The failure of elections was such that no provincial governor was elected, and elections for LLGs in much of the province were void. There was no quorum for the provincial assembly, and no basis to establish a provincial government — or many LLGs.

The Constitution, OLPGLLG and other legislation had not provided for a failed election. The national government as sovereign power resumed authority until supplementary elections were held, but was obliged by the Organic Law on National and Local-level Elections to hold elections ‘as soon as practical’.

The Minister for Inter-Government Relations, Sir Peter Barter, was given overall authority for the SHP. It is indicative of provincial perceptions that Sir Peter, on his frequent visits to the province, was often referred to as governor. However, his authority was temporary, and limited to preparing for smooth running of supplementary elections, in coordination with the Electoral...
Commission, the provincial administration and the Royal Papua New Guinea Constabulary (RPNGC).

As possible, and as part of restoration of government presence, Sir Peter Barter also oversaw provision of government services. He was guided by a ministerial committee which included ministers responsible for major service providers and law and order. This committee was complemented by a bureaucratic taskforce composed of senior representatives of the departmental and agency counterparts of the ministers.

A Southern Highlands Office was set up in the MIGR. It was manned by a senior public servant on attachment, an officer surplus to the requirements of the National Museum, who originated in the Hela Region, and another recruited as part of the ministerial staff.

Government services between the failed and supplementary elections

The interim administration in its short life of less than a year was partly successful in restoring services. Good support from the national departments of Health and Education speeded some recovery of health and education services, although this work was necessarily impeded by collapse of transport infrastructure and lack of banks and other financial services outside the provincial capital, Mendi.

Law and order problems were, in part, solved during this interim period. Sir Peter Barter, with good support from churches, women’s groups and community-based organisations, and community officers of the Hides Project, achieved large arms surrenders in Hela. A special resource was a police mobile squad based in Tari, with a commander who had a good sense of community outreach. This was accomplished by a cultural ju jitsu which used inter-clan connections, self-help projects which transcended the interests of clans and factions, and the display of surrendered arms as a mark of status. Sir Peter’s exceptional presence and role was shown in his willingness to meet face-to-face with villagers and dissidents.

A measure of the success of this approach was that police did not need to use weapons during this period. But this success was transitional. Mobile squads are a short-term resource. The RPNGC has fewer police per head of population than any other South Pacific nation, and limited funding.

The absence of any bank in Tari handicapped restoration of services and redevelopment of commerce. Intercessions with banks failed, largely because of perceptions of lack of security, lack of business, and lack of adequate telecommunications. Only late in 2004 was a facsimile of a bank agency to be established in the district offices in Tari.
Community commitment to maintaining law and order declined with unresolved problems in supply of services and maintenance of infrastructure. Sir Peter also had limited time, and his personal intervention could not be repeated. In other parts of the province, ‘big man’ interventions created unsustainable and unrepeatable precedents. In Mendi, for example, an effort was made to settle disputes which originated from the death of the former governor, Dick Mune, by government agencies paying large sums in compensation and seeking the surrender of weapons. Such measures rewarded those responsible for disputes rather than those who kept the peace, and guaranteed a market for manufacture of homemade guns.

Other aspects of national government intervention were less successful, and lack of success generated further problems. Major problems with delivery of government services have arisen from the absence of staff from their posts and multiple appointments to posts. This has wider ramifications, as lack of services means no government presence and a justification for resistance to the government’s presence in other fields.

Absence of staff from their posts in district offices is understandable. Lack of law and order, lack of maintenance of offices, lack of office supplies and equipment, and, in some areas, occupation of housing and offices — or their removal — by customary landowners made work difficult. Receipt of salaries in much of the province became difficult with decline of transport and banking services.

The Department of Personnel Management issued a special general order instructing government workers to return to their posts, or to have salaries cut. This still has to be enforced — although in November 2004, the Education Department in partnership with the Southern Highlands administration was to instruct the dismissal of absent teachers.

Multiple appointments to the same positions have led to problems of high costs, mixed allegiances, and confused command structures. At the top, no fewer than four officers were being paid as provincial administrator. At the middle level, multiple and often politically-motivated appointments of district administrators have created competing lines of command in district administration, and often district administrators have lacked relevant experience and training.

These problems continue in 2004. Sir Peter Barter has attempted to resolve the situation created by Department of Personnel Management inaction and provincial political interference (which is not unique to the Southern Highlands) by restoring authority to appoint provincial and district administrators to DPLGA, and by making provincial and district administrators accountable to the minister and DPLGA. DPLGA, as of November 2004, had still to act.
Election promises accompanied the supplementary elections. On the part of the national governing coalition, these included promises to move towards a separate Hela Province — based on the comparatively large population of the Southern Highlands and culturally-based antipathy between the Hela region and other parts of the province. On the part of the governor elected by the supplementary election, Hami Yawari, promises included the introduction of ‘free education’, with SHPG paying all school fees.

Neither set of promises has been met entirely. Lack of funding for the Boundaries Commission means that no steps have been taken towards forming a Hela Province — which in any case would need to first resolve tensions between Huli clans and others in the Hela region. The national government has, however, promised funding in 2005. The Hami Yawari government introduced ‘free education’, but had not planned its implementation or costed it. This is discussed in the next section.

**Developments following the supplementary elections**

**The Provincial Assembly**

Under the OLPGLLG, heads of rural LLGs, national MPs, and one head of an urban LLG are *ex officio* members of the Provincial Assembly (MPA). Provincial governors are aware of the need for support in the Provincial Assembly. They need votes of the Provincial Assembly to support legislation, and to elect a deputy governor who supports the governor’s policies and interests, and they need to avoid a vote of no confidence.

Election of heads of LLGs is under the authority of the PNG Electoral Commission. However, the governor or his staff altered the approved lists of elected heads of LLG in order to pack the Assembly with his supporters. The ousted heads of LLGs, where they had the money for court cases (which by their reports could cost up to K150,000), have contested their lack of recognition in the courts. The governor has use of state funds to contest their applications. The outcome has been a court order in November 2003 for admission of heads of LLGs. This was overturned by the argument that the instruction was invalid because it conflicted with a sitting of National Parliament — although no MP need be present for the swearing-in of MPAs, and the Provincial Assembly need not be convened. In mid November 2004, duly elected heads of LLGs still had not been admitted to the Provincial Assembly, and the governor’s nominees were still receiving entitlements as MPAs. The lawyer representing the heads of LLGs was anticipating a full court hearing in March 2005 — well after the passage of the provincial budget.
Flow-on effects to local-level government and administration

No precise survey has been made either of the meetings of the Provincial Assembly or of local-level governments in the SHP. Reasons for this are discussed below. There is, nonetheless, considerable anecdotal evidence of the confusion of having, in effect, two heads for each of 17 LLGs. As funding goes in two distinct routes, accountability for funding is jeopardised. The incipient strife which already occurs when there is more than one approved district administrator is doubled when there is more than one head of an LLG.

There are allegations of the governor handing out large cheques to village representatives outside the LLG system, without accountability and proper process. There is thus less and less ability to deliver services at district level. By some reports, this has been compounded by the absence of members of the administration and government who are in Port Moresby for much of the time, and a breakdown in accountability, morale, and equipment at provincial headquarters in Mendi.

Implementation of ‘free education’

School fees have increasingly blocked access to education in the SHP, more especially in the higher grades, and from areas without access to mineral royalties. The governor’s promise of ‘free education’ in his campaign for election therefore attracted considerable support.

The problem with ‘free education’ is in implementation. The provincial administration’s estimates of the possible cost fell far below actual costs. The provincial administration also had no enforceable policy on admission of students. The results were grossly inflated enrolments, which pushed up institutional costs. The maintenance of schools and school housing, too, had been lacking, and no extra provision was made for it. Staff and student accommodation and teaching areas were sometimes unusable.

By mid 2004, there were reports of schools closing down, disgruntled parents attacking teachers, unpaid suppliers threatening principals, and even of idle students holding up traffic.

DPLGA from July 2003 to June 2004

Suspension and withdrawal of functions, powers and finances from provincial governments

The OLPGLLG, when it came into effect in 1995 with accompanying constitutional amendments, reduced the grounds for a national government to suspend a provincial government. It transferred most grounds 3 to a new provision for ‘withdrawal of functions, powers and finances from provincial governments’.
There was justification for the enacted changes. Some suspensions of provincial governments under the previous Organic Law on Provincial Governments had been politically motivated. The new provisions allowed selective withdrawal, and steady and public pressure for the provincial government and administration to reform and thereby institutionalise good governance and administration, and it ensured accountability through the National Parliament.

Unfortunately, the authors of the OLPGLLG had not considered the constitutional changes required to validate an organic law to enable the national government to withdraw functions, powers and finances. On 8 October 2001, in a case involving the then governor of the Southern Highlands Province, the Supreme Court — without taking into account substantive issues — ruled that Section 51 of the OLPGLLG was invalid. The authority to withdraw functions, powers and finances needed to be specifically mandated by the Constitution. The authors of the OLPGLLG had not amended the Constitution to enable the national government to withdraw functions, powers and finances from provincial governments.

The consequences for the national government’s relations with provincial governments are radical. The national government now has only two legal grounds for suspension of a provincial government: a challenge to the authority of the National Parliament and declaration of a state of emergency, where that state of emergency includes ‘action taken, or immediately threatened, by any person that is of such a nature, and on so extensive a scale, as to be likely to endanger the public safety’. The former has never been explored. A declaration of a state of emergency in the Southern Highlands risks considerable negative publicity, which might again deter investors.

DPLGA did not advise Sir Peter Barter of this court decision, for almost a year after he became minister. Indeed, DPLGA may have been unaware of the decision, as a number of its lawyers had resigned or were facing disciplinary charges. MIGR, on independently discovering the invalidation of Section 51 of the OLPGLLG, attempted to have the department prepare drafting instructions to close the gap in the Constitution and amend the OLPGLLG. For a long time, copies of the court decision were unavailable; the ministry obtained a partial copy from the University of the South Pacific and eventually DPLGA found a complete copy. After waiting for DPLGA action, MIGR composed the drafting instructions. It then took DPLGA eight months to steer the drafting instructions through other departments and the Central Agencies Co-ordinating Committee. The NEC promptly endorsed the drafting instructions. On latest news, amendments will go to parliament in March 2005.

These delays have left the national government only an unexplored ground for suspending a provincial government, which is a substantial breach of sound
government and administration. Provincial governments know that they can disregard injunctions of national agencies to conform to good practice, that they can delay court procedures by technicalities, and, allegedly, that they can bribe the central agencies for favourable decisions.

The Southern Highlands Office in MIGR

The SHP Office in MIGR has been maintained with a single officer. This unattached senior public servant, although of undoubted ability, has suffered health problems and has been unable to make a full-time commitment to the office. Consequently, a full review of developments in the SHP has not been undertaken, relations of central agencies and line departments with the SHPG have not been well coordinated, and preparation of strategies for enhanced intervention has been slow.

Intervention in the Southern Highlands, February 2004

By January-February 2004, there were constant complaints from the SHP about the collapse of services, the decline of law and order, and the growth of misappropriation. Undoubtedly some complaints had a narrow political or personal agenda; nonetheless, there were enough substantiated reports to give rise to serious concern.

In March 2004 MIGR, in consultation with DPLGA, prepared a policy paper for the National Security Council (a council of ministries concerned with state security), and cabinet. National Security Council approved the submission in April, for NEC to consider.

The paper recommended a hierarchy of interventions concerned with institutionalising sound government and administration. Proposed strategies in order of priority were:

- enhanced administrative procedures for ensuring sound administration and delivery of government services;
- SHP members of parliament to use their dual role as MPAs to activate public accountability at provincial and local levels;
- MIGR to use authority given by the OLPGLLG under suspension provisions to secure accountability of the governor of the SHP; and
- the possibility, as a last resort, of moving to suspend the SHPG.

Delayed approval

The National Security Council and the National Security Advisory Committee strongly endorsed the proposed intervention plan. The plan, in the form of a cabinet submission, had then to be taken by the secretary for Provincial and Local Government Affairs through the Central Agencies Co-ordinating Committee. This was delayed until the end of July 2004 largely because the DPLGA had not
taken steps to obtain responses from concerned ministries and agencies. Cabinet approved the submission in late July 2004.

**Establishment of the SH Office in DPLGA**

The Southern Highlands (SH) Office was to have been re-established in DPLGA. Funding did not arrive until mid October. The same unattached officer continues to fill the position, when he is not absent (he still has not been paid his outstanding entitlements by DPM). No other officers have been recruited, nor have definitive proposals for staffing the office been approved.

The funding allocated by NEC for the operations of the SH Office was transferred during October 2004, but no plans have been made to use the money. Delays in the establishment of the office mean a continuation of *ad hoc* responses from DPLGA staff, who have other tasks and other priorities.

**Recommendation for establishment of the SHP Task Force**

The bureaucratic SHP Task Force has been convened twice since July 2004, facilitating progress towards intervention (see below).

The same departments which had been present during the consultations leading to the development and approval of the submission continued their pro-active engagement with the SHP government; those which had been absent, including the Department of Personnel Management and the Department of the Attorney-General, remained absent.

**Recommendations for enhanced administrative interaction**

The national government’s normal mode for interaction with the SHPG is to support, strengthen and institutionalise good governance by the SHPG and sound administration by the SHP administration in order to ensure delivery of services and honest and transparent use of government resources.

Where normal patterns of monitoring and support fail, the national government can strengthen the pattern of monitoring and support by line departments and central agencies. The effectiveness of such administrative interaction depends on coordination of the work of central agencies and line departments, and the capacity and commitment of those agencies and departments. The response from some line departments, and especially the Department of Education, was strong. Other agencies, including the Department of Personnel Management, were unwilling or incapable of acting.

**Recommendations for activating referral agencies**

The plan as approved asked for accelerated preparation of prosecutions for well-documented cases of misappropriation. The success of administrative
intervention also depends on the effectiveness of referral agencies such as the Police Fraud Squad, and the Ombudsman Commission.

The plan reflected concerns that referral agencies either lacked commitment or capacity to undertake investigations and take appropriate action. In some instances, where evidence of large-scale misappropriation seemed strong, people wondered whether corruption at the provincial level had metastasised to the national level.

The RPNGC reports that prosecutions are being prepared. As of mid November 2004, no case had come to court.

**Recommendations for activating provincial democracy**

Provincial politicians may work as members of the Provincial Executive Council, as MPAs, or through national or local publicity of issues.

Assumptions which underlie use of MPAs include: willingness and capacity of national MPs to be effective MPAs supporting sound government, and proper representation of heads of LLGs as MPAs.

All these interventions are problematic. Some national MPs are allies of the provincial government. Some national MPs have allegedly not been sworn into the Provincial Assembly, or have been disqualified by failure to attend Assembly meetings. The provincial governor has allegedly chosen his supporters as MPAs, without regard to their election as heads of LLGs.

The minister for justice was asked to prioritise the hearing of election-related cases. Nonetheless, cases related to the swearing-in of heads of LLGs as MPAs have yet to be finalised.

**Recommendations for improving law and order**

RPNGC, the Corrective Institutions Service and the Ministry for Justice act as a partnership. While law and order problems are undoubtedly endemic, there is as yet little government support for Defence Force and the National Intelligence Organisation involvement in the development of short-term and long-term strategies for law and order in the SHPG. Major developments have included:

- proposals to rectify the very low constabulary: population ratio, and achieve long-term development, based on analysis by the RPNGC;
- support from the SHPG for training of community police;
- the re-opening of prisons in the SHP by the Corrective Institutions Service; and
- the revival of magisterial services.
Interim intervention

The Minister for Inter-Government Relations used his authority under Section 187E(1) of the national Constitution to require accountability of the SHP governor; to encourage good governance and sound administration in the SHP, and to establish grounds for possible suspension of the SHPG. The procedures to be followed are specified in the OLPGGLLG. Section 56 states that:

> When the minister responsible for provincial government … is of the opinion that the ground for suspension of a provincial government … exists or may exist, he may … require … the provincial governor … to appear before him and give an explanation of any matters which have come to the attention of the minister.

The looseness of wording of this section allowed the Minister for Inter-Government Relations to summon the governor of the Southern Highlands to his office, and there require him to explain, before the minister and secretary for Education, the governor’s ‘free education’ policy. This in turn led to a partnership between the SHP government and the Department of Education which has led to repeal of the SHP government’s free education policy and substantial rebuilding of the provincial education system.

Application of grounds for suspension

The attorney-general has not been represented at meetings of the SHP Technical Task Force, and has not responded to instructions from NEC to detail considerations affecting the application of the grounds for suspension under Sections 187(E)1 and 187(E)4 of the Constitution. MIGR has prepared a draft statement of application and procedures, for comment.

Other recent developments

The SHP government has taken steps which suggest a longer-term orientation. These include a program for development of cash crops as a sustainable replacement for the oilfields as they close down. It has also contributed to training of community police, with an emphasis on project sites.

Some moves by members of the SHP government resemble earlier models of misappropriation and corruption. The SHP government, although it has no legal right to do so, has set up its own Kutubu LLG Special Purpose Authority, to substitute for the Special Purpose Authority properly recognised by DPLGA. It hoped thereby to obtain control of benefits from the Kutubu oilfields. This attempt has been publicly and effectively countered.

The national government has moved for substantive appointment of a SHP provincial administrator, with the object of ensuring an independent and impartial source of authoritative advice for the SHP government. An apparent
attempt by a senior officer to bribe his way to a substantive appointment as provincial administrator has been foiled by reference to the Public Service Commission.

There have been strong and public calls by SHP leaders of the principal governing party, the National Alliance, for suspension of the SHP government. These have proposed declaration of a national emergency under Section 187(E)4 of the Constitution, even though this is open to legal challenge and is only a short-term alternative.

The governor has switched his allegiance from the opposition in the National Parliament to the government, in the context of an impending vote of no confidence. His reasons for changing are not known. However, as at November 2004 steps to explore possible suspension of the SHP government are on hold.

References


ENDNOTES

1 Although the authors work with the Ministry for Inter-Government Relations, opinions expressed here are personal opinions. Shortage of time and other work-related pressures have prevented us consulting with the minister for Inter-Government Relations and other stakeholders as this paper was being written. This — most emphatically has not been because of lack of respect for their views. The shortage of time for a multiplicity of tasks is one aspect of work in the Ministry for Inter-Government Relations. Concerns with the Southern Highlands provincial government are embedded in work with the other provinces, including Bougainville, the National Capital District, and Emergency and Fire Services.

2 The problems of delayed court decisions are general in Papua New Guinea, rather than specific to the Southern Highlands. See Kwa, Gelu and Golman (2003).

3 Section 51 of the OLPGLLG defines these grounds:
   • corruption or abuse of power within a Provincial Government … so as to render the government either ineffective or lacking in public respect and confidence; or
   • failure by a Provincial Government … to keep or cause to be kept proper accounts and records of transactions or dealings; or
   • a Provincial Government … has an ineffective internal control system; or
   • a Provincial Government … has failed to submit reports as required by law; or
   • there has been a breakdown in the administration of a province; or
   • there has been deliberate and persistent frustration of or failure to comply with lawful directions of the National Government; or
   • a Provincial Government … has deliberately and persistently disobeyed applicable laws, including the Constitution, an Organic Law (including this Organic Law) or any national legislation applicable to the province …; or
   • there has been a failure to carry out functions in accordance with the development policies and standards of the National Government.

4 SCR No. 04 of 2000, in the matter of Section 18(1) of the Constitution, in the matter of application by Anderson Agiru, Waigani: before Amet CJ, Kapi DCJ, Los J, Salika J, Sevua J., 2001: 26 April, 8 October.

5 Section 187E(1) of the Constitution.

6 Section 187E(4) of the Constitution.