



The Demolition of Paga Hill

A Report by the International State Crime Initiative

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Contributors



Kristian Lasslett is the author of this report. He is currently Lecturer in Criminology at the University of Ulster and a member of the International State Crime Initiative's Executive Board. Kristian is editor of the *State Crime Testimony Project* and joint editor-in-chief of *State Crime*. He has conducted extensive fieldwork in Australia and Papua New Guinea, and has published papers on state crime, scientific method and criminological theory in leading international journals. His first book *Winning Hearts and Mines* (Pluto Press) is forthcoming.



Philippe Schneider was born in France in May, 1967. After dabbling in student activism whilst completing a Bachelor of Arts and Communication at university, Philippe found his calling as a Humanitarian Aid Worker. He has been exposed to the spectrum of human existence whilst working in Iraq, Lebanon, Palestine and Darfur. Philippe believes that the commentary of human experience can ideally be shared through the medium of photography and strives to create work that informs the social conscience. Philippe contributed the photographs featured on pages 7, 11, 17, 22, 29, 36, 38, 41, and 47.



Jeffry Feeger is one of the most prolific contemporary artists to emerge from the Pacific region. Jeffry was chosen as the lead design consultant for the Papua New Guinea showcase at the 2010 World Expo in Shanghai. He is also a celebrated live painter, Jeffry has collaborated on stage with some of the world's best musical talent. In his spare time, Jeffry holds free painting classes at Paga Hill. Jeffry contributed the photographs featured on pages 5, 9 (bottom), 21, 39, and 43.

Other Contributors

The author would like to thank Sam Moko and Johnny Blades for the photographs featured on pages 30-31, and pages 32, 33, 35 and 45 respectively, Geetanjali Murti for the interview transcriptions, and Alicia D'ath and Emily Baxter for proofreading and commenting on the report.

Forced evictions constitute gross violations of a range of internationally recognized human rights, including the human rights to adequate housing, food, water, health, education, work, security of the person, freedom from cruel, inhuman and degrading treatment, and freedom of movement.

- Office of the High Commissioner for Human Rights (2012)



BRITISH
ACADEMY



Summary

On 12 May 2012, one hundred police officers descended on the prominent Port Moresby landmark, Paga Hill. Armed with assault rifles, machetes and sticks, they had come to demolish one of the city's oldest settlements. This forced eviction would make way for the Paga Hill Estate, an "exclusive" property development that promises to turn the 13.7 hectare site into "the icon of the new progressive Papua New Guinea". Underpinning this controversial development is a web of companies which have featured in nine official inquiries into corruption and public mismanagement, and a Lands Department described by Papua New Guinea's own Public Accounts Committee as an "an arm of private enterprise". This report chronicles the chequered history of Paga Hill Estate and the 12 May demolition of the Paga Hill settlement.



List of Acronyms

AGO	Auditor General's Office
COI	Commission of Inquiry
NEC	National Executive Council
NHC	National Housing Corporation
OHCHR	Office of the High Commissioner for Human Rights
PAC	Public Accounts Committee
PHA	Paga Heritage Association
PHDC	Paga Hill Development Company
PHLHC	Paga Hill Land Holding Company
PNG	Papua New Guinea
RAM	Ram Business Consultants
RPNGC	Royal Papua New Guinea Constabulary
UDL	Urban Development Lease



Part 1 - Introduction

It was Saturday 12 May 2012. Paga Hill's Seventh Day Adventist Church was beginning its morning service as usual; on the other side of Port Moresby, a number of Paga's leaders were petitioning the National Court. Just ten days before they had learnt of a District Court decision to grant the Paga Hill Development Company (PHDC) an eviction order. Described by Papua New Guinea's Public Accounts Committee (PAC) as a "private, foreign speculator with no ability to even pay the Land Rental, much less build anything on the site" (PAC 2006a: 70), PHDC had been awarded a 99-year business lease over Paga Hill. The developer now wished to evict Paga's 3000 residents so they could build "an exclusive, master planned development" (PHDC 2012a), which will evidently feature "residential living, waterfront restaurants and retail, commercial and office spaces, marina complex, hotel and cultural facilities" (Hillside Civil 2012).

As community leaders waited at the National Court, ten Royal Papua New Guinea Constabulary (RPGNC) land cruisers descended down the steep dirt road into Paga Hill. Armed with assault rifles, machetes and

Paga Hill, 12 May 2012





sticks, the police had come to execute the eviction. News of the community's imminent appeal was not enough to delay the action. Employing a large excavator supplied by L&A Construction – a company owned by friends of the Prime Minister – RPNGC officers began the demolition.

As the excavator crushed homes along Paga Hill's shore line – the site of a proposed marina complex – member of parliament for Moresby South and leader of the opposition, Dame Carol Kidu, intervened. Dame Carol denounced the eviction's illegitimate nature. Officers frog-marched her away and then opened fire on a crowd of bystanders – fortunately, no one was hit. One community leader present at the demolition claims the RPNGC was opposed to any delay in the eviction. A senior officer told him, “time is money, we are working against time here” (Personal Communication, 2012). Nevertheless, when the community's lawyer arrived with a stop-order, issued by the National Court, the police reluctantly ended the demolition. Lower Paga lay in ruin.





Paga Hill 12 May 2012

The following report traces the origins, and impact, of this state-sanctioned demolition. It will begin by examining Paga Hill's chequered administration by the Department of Lands and Physical Planning (Lands Department); a government agency with a documented reputation for corruption, serial mismanagement and impunity. Attention will then be turned to a web of companies intimately connected with the developer. These companies, it will be revealed, have featured in no less than nine official inquiries into corruption and public mismanagement. Nevertheless, the developer

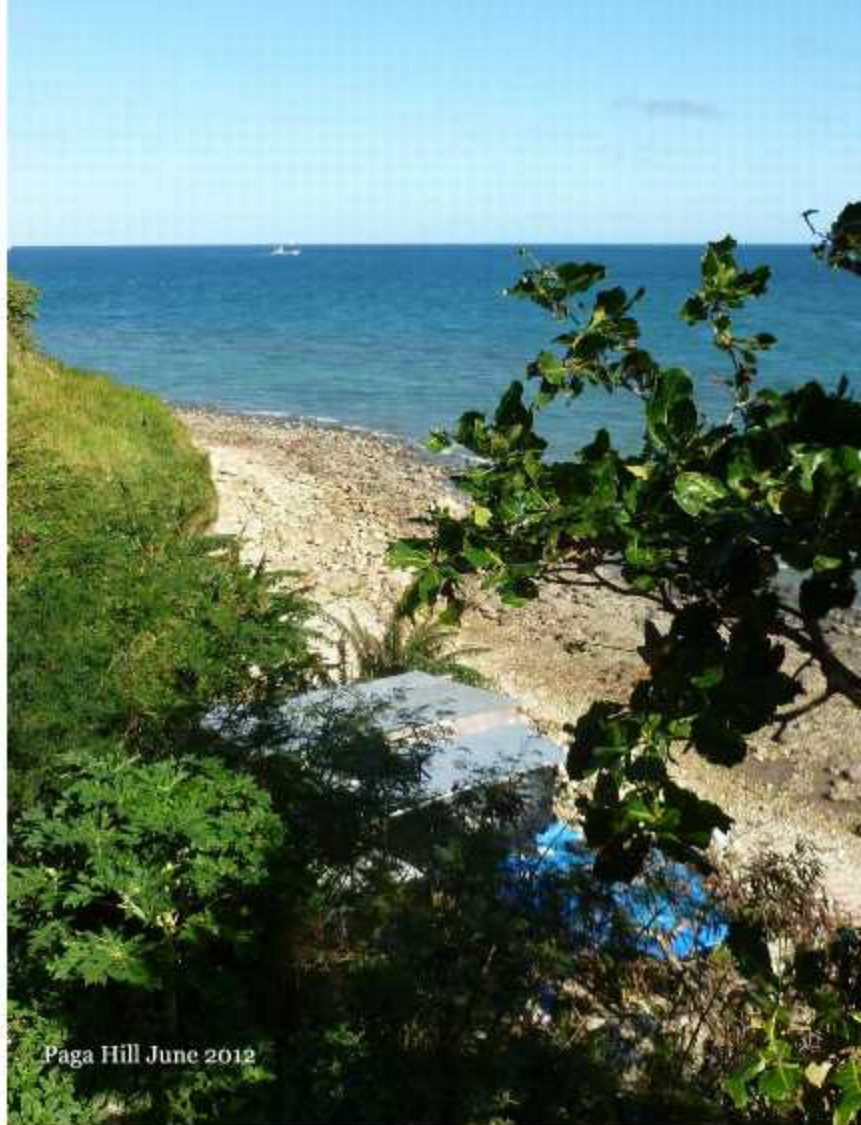
continues to enjoy ministerial support (*The National*, 25/05/2012). In the penultimate section of this report, the events leading up to the 12 May demolition will be examined, before the forced eviction itself, and its aftermath, are documented. The broader themes raised by the demolition will be noted in the conclusion.



Part 2 - The Chequered History of Portion 1597

Portion 1597 is a 13.7 hectare plot of state land that encompasses most of Paga Hill's southwest face, with the exception of the shore frontage contained in Section 26 Lots 15-20 (see appendix A). Its panoramic views of the harbour, and close proximity to the Central Business District (a five minute walk), make it one of Port Moresby's most sort-after pieces of real estate. Yet, owing to its historical significance – Paga Hill features important WWII military installations and prehistoric sites – and natural beauty, portion 1597 was declared a National Park in January 1987. It was subsequently “reserved from lease for the purposes of Open Space”, and placed under the management of the National Parks Board (*National Gazette*, 10/09/1987).

In 1995 the National Parks Board ceased to exist. “It is fair to assume”, the PAC (2006a: 61) observes, “that speculators [thus] saw the land [at Paga Hill] as ripe for acquisition”. Among the interested parties was Paga Hill Land Holding Company (PHLHC). PHLHC wished to construct a large



Paga Hill June 2012

scale real-estate development on portion 1597, which they claimed would be the “the icon of the new progressive Papua New Guinea” (PHLHC 1998). It would include medium rise residential buildings, combined commercial and residential blocks, an international five-star hotel, a cultural centre (boasting a theatre, art gallery, and ballroom), and a marina. At an estimated cost of K400-500 million (approx US\$270-335 million), the proposed “Paga Hill Estate” would involve “one of the largest inje-

-ctions of private capital funds into the NCD [National Capital District] and the country” (PHLHC 1998: 18). PHLHC claimed this “will provide a catalyst of economic activity that will alter the depressed state of the local economy and return it to some normal level of buoyancy” (PHLHC 1998: 18).

Having been briefed on the project, in February 1997 the Minister for Civil Aviation, Culture and Tourism, Michael Nali (1997), informed PHLHC, “I am prepared to sponsor a submission to the National Executive Council [Cabinet] next month to have the project endorsed as a property development of National Significance, it deserves the full support of Papua New Guinea”. Nali, a close ally of the current Prime Minister, Peter O’Neill, would later take up shares in the developer through his company Kwadi Inn (see Appendix B).

Having won Ministerial support PHLHC was granted a five-year Urban Development Lease (UDL) over portion 1597 (even though the land was still zoned open space), following approval by the National Land Board (the Chair of the Land Board, Ralph Guise, later met disgrace during the National Provident Fund inquiry - the inquiry found that he was “fabricating and

gazetting false documents, preparing and signing false Land Board minutes and signing false and fictitious approvals” (Barnett 2002)). Commencing on 18/12/1997, the UDL contained a number of conditions, including an improvement covenant of K300 million (approx US\$171 million), and annual rent of K30,000 (approx US\$17,100) (Appendix C).

A PAC report, which was published in 2006, claims that neither of these conditions were fulfilled by the lessee (PAC 2006a: 66-7). Nonetheless, the developer – which became known as Paga Hill Development Company (PHDC) in 2000 – was granted a 99 year business lease, commencing on 01/09/2000 (see Appendix D). The improvement covenant was reduced substantially from K300 million to K10 million. The rent, however, increased to K250,000 or 5% of the property’s unimproved value. This is a standard calculation for business leases.

Though, on 24/05/2001, in unusual circumstances, the annual rent was reduced by 80% through a handwritten amendment to the State Lease agreement (see Appendix D).

Even under these relaxed conditions, the PAC (2006a: 66) claims, “neither covenant has been complied with”. As a result the PAC (2006a: 115) recommended that “the Government take immediate action to recover portion 1597 Paga Hill and declare and preserve that land as National Park”. Despite assurances from the Lands Secretary that forfeiture proceedings would begin, the state did not recover portion 1597. Instead, PHDC was granted a revised 99 year business lease in 2009 (see Appendix E). The lease conditions were relaxed even further. The improvement covenant was reduced to K5 million, while the annual rent dropped from K250,000 (as stipulated in the 2000 lease), to K50,000. Given that the annual rent attached to business leases is calculated at 5% of the unimproved value of the land, it would appear that portion 1597 – described by Anvil Project Services (2002: 3) as “the best large single [land] parcel in PNG, if not the South Pacific”– defied Port Moresby’s real-estate boom by dropping in value from K5 million to K1 million, in the space of nine years. To this day, the 2009 lease remains in place.



In an affidavit prepared for the National Court during May 2012, Francis Nianfop, a Paga Hill resident and officer of the National Housing Corporation, claims a recent check of the Lands Department LAGIS database reveals rentals for portion 1597 remain in arrears to the tune of K200,000 (approx US\$94,200).



Paga Hill June 2012

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Part 3 - Scrutinising PHDC and the Lands Department

To understand how the irregularities and illegalities noted by the PAC could potentially come into being and remain unactioned by the state, it is useful to scrutinise the main organisations involved in the recent administration of portion 1597 – PHLHC/PHDC and the Department of Lands. We will start with the developer.

The developer began life in 1996 as PHLHC. At this stage PHLHC was closely entwined with the accounting firm Ram Business Consultants (RAM). Not only was RAM's office listed as the developer's place of business, its principal, Rex Paki, was PHLHC's Director and Secretary, while a RAM consultant, Gudmundur V Fridriksson, was the company's other Director. Like a number of organisations closely associated with the developer, RAM (and its principal) has been censured in numerous official inquiries.

For example, in January 2004 the PAC reprimanded RAM for issuing an "empty cheque" to the Accountants Registration Board, and then "practicing without ... formal registration" (Wakus 2004: 5). Two years lat-

er in a separate investigation – which Paki attempted to block – the committee found that over an 18 month period (1998-2000) the Public Curator's Office had paid RAM K1, 561,062 (approx US\$640,000), without the existence of a contract, proper invoices, or evidence of completed work (PAC 2006b).

Two Commission of Inquiries (COI) also found reason to censure RAM. Following its first appearance, RAM was accused by the COI of receiving "improper benefits" and charging a client "excessive" fees (Barnett 2002); in the firm's second appearance, the COI found that RAM had substantially inflated a cash-flow projection so a prominent client could amplify his damages claim against the state (Davini et al 2009: 174-75). In light of these findings, it is perhaps unsurprising that most recently, in a 2010 appearance before Papua New Guinea's (PNG) Supreme Court, the court described RAM's principal as "evasive and dishonest", following Paki's fairly extraordinary efforts to frustrate the process of discovery (Paki was being sued for allegedly overpaying himself as liquidator of Motor Vehicle Insurance Ltd, see *Paki v Motor Vehicle Insurance Ltd*



[2010] PGSC 2). However, despite its chequered history, RAM's association with Paga Hill Estate was primarily limited to the 1997-2000 period (though according to the 2006 PAC report this period was not without controversy (2006a: 62-5)). During PHLHC's metamorphosis into PHDC in 2000 the developer's connection with RAM, and Rex Paki, seemingly dissolves. Though metamorphosis is perhaps the wrong word, according to Investment Promotion Authority records PHLHC and PHDC are two separate companies (indeed PHDC now includes such notable shareholders as the former Deputy Prime Minister of Papua New Guinea, Michael Nali, and Tracey Kluck, the wife of prominent indigenous Australian activist, Noel Pearson). The former, PHLHC, was granted the five year UDL in 1997, while the latter, PHDC, received the 99 year business leases in 2000 and 2009.

The main enduring link between PHLHC and PHDC is the current CEO of the Cape York Institute (Australia), Gudmundur V Fridriksson, who became PHDC's Chairman and Secretary (Fridriksson also

dissolved his relation with RAM in 2000 (AGO 2005: 43)). Indeed in a 2002 information memorandum we are told that since arriving in PNG the Icelandic businessman has “focussed on driving the Paga Hill project to the ‘development ready’ state it is currently in” (Anvil Project Service 2002: 18). It adds, “Gudmundur has been involved in the project since inception” (*ibid*). To this day, Fridriksson continues to be the main driver behind the Paga Hill Estate.

However, that said, over the past 17 years Fridriksson’s commercial interests have stretched well beyond the Paga development. Soon after arriving in PNG Fridriksson gained notoriety when the national government awarded his company, Destination Papua New Guinea, K2.5 million (approx US\$1.9 million) to produce a book celebrating the nation’s 20th anniversary (see Callick 1996; Dorney 1996a, 1996b, 1996c; O’Callaghan 1996). The venerable ABC correspondent, Sean Dorney (1996c), suggests this was an “astronomical” commission, given that the going industry rate for a like volume was approximately K500,000 (Dorney 1996a). Even with this premium price tag, Dorney laments, the book, when finally de-

livered, was riddled with “appalling mistakes” (see Appendix F). Despite the book’s poor quality, Dorney (1996c) reports Destination Papua New Guinea was paid in full by the government. Though not before the company “had signed a contract with a member of the Finance Minister’s personal staff (he’s since been sacked) offering him a percentage of the government’s contract price if he could help ensure the money was paid” (*ibid*).

Earlier media accounts from Iceland and Hong Kong suggest this was not the first time Fridriksson was implicated in a controversial business deal. For example, Sigurður Már Jónsson (1992) reports Fridriksson implemented “bold plans” during 1990 to set up a “massive liquorice factory in China” (of course, he notes, first “it would be necessary to teach the Chinese to eat liquorice!”). Icelandic industry figures were sceptical: “Their attention was drawn by the sheer quantity that was to be produced, as well as the optimistic marketing plans. One of them also said he had noticed that the [proposed] factory had moved location within China by around 1000 km without anyone noticing it!” (*ibid*). Writing in September 1992 Jónsson (1992) observes, as yet “there are no signs of



any production”; nevertheless, it is alleged Fridriksson did manage to export, “a consignment of 10,000 pairs of counterfeit Levi’s jeans which arrived here [Iceland] in the middle of last year” – the jeans were impounded by police and destroyed.

Not long after the liquorice/jeans episode, Fridriksson once again made headlines, this time in Hong Kong. In a December 1993, article Ng and Wan (1993: 4) report that the Mandarin Oriental Hotel was suing “Gudmundur Vidar Fridriksson” for the “non-payment of a \$350,000 bill”. “. In line behind the Mandarin Oriental Hotel were the operators of the Fairview Park estate – where Fridriksson resided following his three month stint at the Mandarin Oriental – they alleged Fridriksson had failed to pay \$75,000 in rent and utilities.

Accusations of rent non-payment, would of course become an enduring theme of sorts (see Dorney 1996b; PAC 2006a). For example, in 1995 as the Destination Papua New Guinea affair reached its height, Fridriksson’s Icelandic business partner claimed that Destination Papua New Guinea

“was...evicted from its [PNG] office and Fridriksson from his residence for non payment of rent” (Steinnson quoted in Dorney 1996b).

Nevertheless, despite the negative publicity generated by the Destination Papua New Guinea affair and Fridriksson’s Chinese ventures, he continued to enjoy commercial success in PNG. Having left “RAM Business Consultants shortly before May 2000”, Fridriksson formed Anvil Project Services, which later became CCS Anvil (AGO 2005: 43) (when RAM’s appointment with the Public Curator’s Office was terminated on 12 May 2000, Anvil Project Services was engaged a fortnight later “to provide similar advice and services”, in a deal that would eventually bring the company K5,120,464 (approx US\$2,048,185) (AGO 2005: 42-3)). In a 2003 press release Fridriksson claimed, “we [CCS Anvil] are supported by over 110 full time project managers with over \$8 billion worth of projects on the go” (quoted in CCS Anvil 2003). The press release continues “with offices throughout Australia and also in the Middle East, CCS Anvil is now by far



the largest and most experienced locally based international specialist project and development management firm in the South Pacific” (CCS Anvil 2003).

Both Anvil Project Services and CCS Anvil have been intimately involved with the Paga Hill Estate. Not only did the companies and PHDC share the same principal, the Anvil firms were appointed Project Director of the K500 million Paga Hill development. These companies (i.e. Anvil and PHDC) were, therefore, entwined both through personnel and projects; though, of course, the Anvil firms also secured a number of other lucrative contracts in PNG.

Like with the Paga Hill development, several of these deals came under official scrutiny owing to evidence of serious irregularities. Indeed, collectively Anvil Project Services and CCS Anvil have been cited in five public accounting reports, following PAC and AGO investigations into the Public Curator’s Office, Parliamentary Services, and the Sepik Highway, Roads and Bridges Maintenance and Other Infrastructure Trust Account (AGO 2005; AGO 2006; PAC 2003; PAC 2006b; PAC 2007). In two of these inquiries CCS Anvil was referred to the RPNGC for investigation (PAC 2006b: 100-101; PAC 2007: 96), while in the other the state was

advised to recover extra-contractual payments made to the company (PAC 2003: 19).

Nevertheless, CCS Anvil’s website claims the company was in fact “commended” for their PNG operations. With respect to the Public Curator’s Office they note: “CCS Anvil was commended for their work by AusAID in their recent to Parliament [sic] following a Public Accounts Committee instigated investigation into the Office” (CCS Anvil n.d.).

AusAID’s commendation could not be located, but at the very least it would appear a strange reaction on the part of Australia’s aid agency, given the PAC (2006b: 80) found “that the retainer of Anvil by the Public Curator was riddled by illegalities and an unlawful waste of Estate monies”. Indeed in an earlier report – which the PAC (2006b) cited in detail – the Auditor General’s Office (AGO) (2005: 55-6) claims that in the course of its work for the Public Curator’s Office “Anvil has withheld a significant amount of monies it has received from the proceeds of the realisation of assets of deceased estates, including sale of properties, shares and investment and rent...The AGO can find no evidence that any money realised by Anvil on behalf of estates has been paid into the

Estate Trust Account”. The report also registers the AGO’s (2005: 29) “significant concerns regarding the *Certification* of K1,334,933 of invoices leading to payment of K1,079,226 on 23 March, 2005 to Anvil Project Services”. The AGO (2005: 29-30) continues, “the payment to ANVIL Project Services was *Certified* by the PNG principal of ANVIL Project Services who was engaged in a consultancy role related to the payment, and certainly not a Public Curator employee or Public Servant” (Appendix G).

It would be generous indeed to construe these findings as congratulatory, though this would not be the only occasion that an organisation closely associated with the Paga Hill Estate would present the PAC’s findings in an unduly flattering light. In a press release dated April 2012, PHDC (2012b) suggests the PAC “found no wrong-doing on the part of PHDC, or the associated government entities in issuing the leases over the [Paga Hill] site” (see also Kelola 2012). This claim, of course, sits uncomfortably with any sensible reading of the PAC report tabled before parliament in 2006 (see Part 2 & Appendix H). When Radio New Zealand International (RNZI) brought this to the attention of PHDC’s lawyer and spokesperson,

Stanley Liria (SL), the company’s position changed somewhat: “SL: It [the granting of a lease to PHDC] has gone through various stages of scrutiny within the country, including the Public Accounts Committee. RNZI: Didn’t the Public Accounts Committee call it fraudulent? SL: The Public Accounts Committee has given various negative thoughts about the grant but that is all they have actually said. They have given all kinds of names and all kinds of statements against the grant but there has not been one single action substantively to actually justify what they’re saying and the company has simply been working to have this negativity cleared.” (Wiseman 2012)

In addition to the above official inquiries, the work of Anvil Project Services and CCS Anvil has featured in numerous press reports. In one more notable instance, which received both national and international media coverage, it was reported that CCS Anvil had been contracted by Parliamentary Speaker Bill Skate to manage a “giant fun park” development at Ela Beach (Ela Beach segues with Paga Hill’s southeast face) (O’Callaghan 2003). This development would include “200-300 metres of water slide from the top of Paga hill and into the sea, a children’s



playground, an open-air cinema, a picnic pavilion, floating pontoons, paddle boats and a lookout on the top of Paga Hill. It would also have a big waterfront area for markets, restaurants, bowling and a mini golf course” (*Post-Courier* 18/3/2003, p.5). Fridriksson informed reporters the project “would become the city’s or even the country’s ‘icon’” (a phrase also used by PHLHC and PHDC to describe the Paga Hill Estate) (*Post-Courier* 18/3/2003, p.5). When quizzed on the development’s details, journalists were told by CCS Anvil, “ground work at the old Sea Park at Ela Beach in Port Moresby would start next month”; this followed “talks with an unnamed European country” who promised “to fund the development” (*ibid*; see also *Post-Courier* 16/4/2003, p.1). One commentator remarked, “‘you gotta laugh, ‘cos otherwise you’ll cry’...despite the capital’s dire need for basic services, including road repairs, Skate’s ‘Luna Park’ was heralded ... as a salve to Moresby’s many woes” (O’Callaghan 2003).

The fun park, however, was never built.

In light of these official inquiries and press accounts, a number of reoccurring themes emerge. Most notably: a) prophecies of ambitious developments that do not eventuate, b) alleged rent non-payment, c) the circumvention of proper procurement processes, d) dishonest or disingenuous public statements; and e) the apparent unlawful withholding or obtaining of public money. Were the operators of the Paga Hill Estate to enjoy a relatively unblemished corporate record, we might be inclined to accept their claim that the 2006 PAC report was based upon “false allegations” (PHDC 2012c), and “negative thoughts” (Liria quoted in Wiseman 2012). However, given that those standing behind the development have been censured in 2 x AGO reports, 4 x PAC inquiries, 2 x COI reports, in addition to over a dozen press articles written by some of the most respected names in Pacific journalism, the wei-

-ght of precedent would appear to support the PAC's 2006 assessment that the States Leases over portion 1597 were facilitated through "corrupt dealings" (PAC 2006a: 60), by "profiteers who...had no capacity to develop the land" (PAC 2006a: 62).

It is perhaps, therefore, fair to ask: why didn't the Lands Department promptly re-examine the State Leases over portion 1597, given the serious question marks placed over the network of companies closely associated with the Paga Hill Estate, in addition of course to the PAC's blunt assessment of PHDC in 2006? The AGO and the PAC offer a likely answer – the Department's autonomy has been virtually non-existent over the past 15 years (AGO 2007; PAC 2006a). Indeed the PAC (2006a: 23) argues that the Department of Lands, in essence, has become an "an arm of private enterprise". It notes "corrupt practices and inept management of the National Estate continues with impunity and immunity" (PAC 2006a: 13). The AGO (2007: 53) concurs, adding "the Secretary is complicit...in that no sanction or control processes are instigated when irregularities occur and are brought to his attention".

Such is the state of the Lands Department that when a recent COI had cause to turn its attention to it, investigators were so concerned they formally recommended that a separate "Commission of Inquiry be established" to identify and rectify "systematic failings and misconduct" (Davini et al 2009: 68). To date, this recommendation has not been implemented by the PNG state. The fact that the National Executive Council (NEC) – PNG's Cabinet – has allowed this unsatisfactory state of affairs to remain uncorrected, in the face of mounting evidence from a variety of public organs, indicates senior politicians have a substantive interest in allowing such a parlous situation to continue. Indeed there is a growing body of evidence which suggests a powerful network of elite actors, operating within the state and in business, are colluding to undermine transparency, accountability, and due process. This willed process creates the conditions in which a) contracts, at inflated prices, can be awarded to select businesses; b) publicly administered resources can be transferred into private hands at massively deflated prices; c) senior civil servants and politicians can supplement their formal income by charging

businesses to circumvent due process or, indeed, by taking a stake in the private firm involved; and d) those public officials further down the food-chain can supplement their low wages, relatively speaking, by losing files, ignoring procedure, improperly signing off documents, etc. (this general assessment is supported by the findings of official investigations into the Department of Lands, Department of Works and Implementation, Department of National Planning and Monitoring, the Office of Rural Development, Department of Justice and Attorney General, Department of Finance, and the National Capital District Commission, to name but a few).

In a political landscape marked by opaque transactions, systemic and systematic corruption, the breakdown in due process and managerial oversight, as well as almost total immunity for known ring-leaders, it is perhaps not surprising to learn that one of the country's most infamous departments has failed to follow through on PAC recommendations, or that the NEC has permitted this to occur. For Paga Hill's residents, this failure to enact forfeiture proceedings, or further scrutinise the developer, has generated the situation where their community, livelihood and security are now under serious threat.



PNG's National
Parliament

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Part 4 - The 12 May Eviction

To minimise concerns over the project's immediate social impact, and to justify the eviction of Paga Hill's residents, the developer has persistently claimed that the hill is "blighted with squatters and illegal uses" (Patching 1997). In a planning document submitted in 1998, the developer claims, "the site is currently houses [sic] a number of people some legally, most illegally, who have been allowed to occupy the site through the inaction of the authorities charged with housing and management of the settlements" (PHLHC 1998: 19). Playing on popular, and largely inaccurate, stereotypes of informal settlements (see Goddard 2005), the developer continues, "these dwellings have no facilities and are poorly constructed from scavenged material from around the harbour. As such the area apart from being unsightly is prone to health problems from the lack of appropriate facilities" (PHLHC 1998: 13; see also PHDC 2012b). PHDC (2012c) recently added "disease and sexual assault" to the list of problems befalling Paga Hill.

This picture painted by the developer fundamentally fails to convey the richness and complexity of Paga Hill's built environment (see left and right panels for images taken from the settlement in July 2010). With origins extending back to the immediate post-war period, Paga Hill's communities occupy what is locally known as lower, middle, and upper Paga. Dotting upper Paga is a National Housing Corporation (NHC) development, which provides affordable accommodation to civil servants. At present there are approximately 400 people living in



this development. Below the NHC accommodation, in middle and lower Paga, is an informal settlement. Although the state has not given those living in the Paga settlement formal rights to the land, the settlers have been granted usufructuary rights by the traditional owners, the Geakone clan (sometimes spelt Giakone), who dispute having alienated the land to the state (see Appendix I); such is the complexity of many urban land arrangements in PNG. Many of the settlement homes are built to a high standard, and enjoy access to water and electricity (though this has changed following the forced demolition). Moreover, community elders oversee an informal governance structure which coordinates and provides a range of services to the settlement, including law and order, education and health.



That said Paga Hill certainly faces challenges, nevertheless, its 3000 members show resilience in a difficult urban environment.



The origins of the 12 May eviction, which is the focus of this section, lay in a District Court decision made in February 2012. Unbeknownst either to the settlement or the NHC residents, two settlement members had signed a consent order on behalf of both communities. The circumstances surrounding this consent order are described overleaf by the Chairman of the Paga Heritage Association (PHA) – the settlement's advocacy body.



**Johnny Blades (Radio New Zealand International) Interviews PHA
Chairman, Joe Moses (above)**

JM: What happened was, that they [PHDC] came in, they took two of our elders, without us knowing, without the community knowing, they took 'Daure Kisu' and 'David Kemi'; they took them out to, I think Holiday Inn, somewhere around there, they gave them money they bought them food and asked them to sign a consent letter for the company to obtain a court order.

JB: To evict?

JM: To evict. So, that's what happened.

JB: So, what did they say, these two elders, did they explain and justify it to you guys as a community?

JM: No. They haven't told us anything.

JB: So are they in trouble with you guys?

JM: Yes, and so, at the moment, these two have disappeared.

Having been presented with consent orders signed by these two settlement residents, the District Court granted PHDC an eviction order on 16 February 2012. On 4 April the settlement was approached by PHDC's lawyer and given an ultimatum. Dame Carol Kidu attempted to draw parliament's attention to the ultimatum the following day (her statement below was gagged by the Speaker):

"Yesterday the lawyer, director, and shareholder for the company, Stanley Liria, went to the Paga settlement with a security company and dogs. Dogs!! for law abiding women and children!! He gave people 3 options: Option 1. Dismantle your houses and we will take the materials to 6-Mile for you to reconstruct. You will be given K2, 000 hardship allowance and a tent and mosquito nets. So do we simply move a settlement and make a new settlement?? As it is there is no land at six mile purchased by the company and the people at six mile did not allow the Paga people to settle there. Option 2: Look for your own land to stay on (where on earth would that be!!) and we will give K10, 000 for permanent houses; K5,000 for a semi-permanent houses; and K2,000 for shanties and bunkers. Option 3: If you do not accept 1 or 2 police will be authorised to carry out an eviction exercise" (Personal Communication, 2012).



Settlement leaders rejected this ultimatum on the grounds that: a) the proposed compensation did not adequately reflect the value of their properties; and b) there was no evidence that the community had secure title over the land at 6 Mile – the site of a large, now defunct, waste dump, and an informal settlement home to 17,000 people – or that it would include the infrastructure currently enjoyed by the residents in Paga Hill (i.e. electricity and water supply). According to settlement residents, PHDC's lawyer was told that the community would seek legal representation and then enter further negotiations.

Nevertheless, the developer elected to enact option 3. As PHDC (2012c) put it “a tough line had to eventually be taken”. On 2 May 2012, police arrived at Paga Hill to mark out the area for the eviction exercise. RPNGC officers explained to residents that an eviction order had *already* been granted by the courts, much to the community's surprise. Residents immediately organised a legal action to stay the order. For certain jurisdictional reasons the District Court

denied the community's request. PHDC and the court were advised that the plaintiffs would be appealing the judgement. A special National Court hearing was set for the following day – Saturday 12 May. As community elders waited to be heard, around 100 heavily-armed RPNGC officers descended on Paga Hill.

According to the Office of the High Commissioner for Human Rights (OHCHR), “evictions must be carried out lawfully, only in exceptional circumstances, and in full accordance with relevant provisions of international human rights and humanitarian law” (OHCHR 2012). The UN's *Basic Principles and Guidelines on Development-Based Evictions and Displacement* (2007), note that communities must be afforded the right to have neutral observers present; during the eviction process, the dignity, human rights, and security of community members must be upheld; the state must make every effort to protect vulnerable groups, including women and children; any legal use of force must be necessary and proportionate; every step (continued p.37)



Joe

On that particular Friday, it was Friday at about 10 o'clock, we went and told our lawyer, the company [PHDC] lawyer, the judge and magistrate that we'll be organising an appeal on the same day. While in the process of doing that, time caught up with us, because it was going towards 3 or 4 o'clock in the afternoon, so when we went to the court we were told that there was no judge available to hear our case. So, our case was brought forward to Saturday morning. A special hearing would be held on Saturday morning for our case. On Saturday morning, the judge came in at half past ten and told us that our case would be heard at 1:30. Between 10:30 and

1:30, while we were waiting for the judge to come in at 1.30pm to hear our case, the Company director himself, went and organised policemen from Gordons, Hohola, Boroko, Gerehu, Waigani – all of the suburbs, about five policemen from each of the suburbs, totalling around one hundred policemen. They all came in ten vehicles – ten policemen each to one vehicle – all of them fully armed with guns and machetes. They came down while we were at the courthouse waiting for our case to be heard, for our appeal to be heard...My house was the first one to go down. I couldn't do much to save some of my things.



Miriam

At that time I was in Kaugere. So my grandfather called me and said, "What are you doing there? They are demolishing our place so you must come and take the tins off the roof, the timber, so we can go; they are demolishing our place". So, what was I going to do? There was nothing to do. I just came, took the bus, I came down here, saw the bulldozer, that they were taking our roofs down, demolishing our place. So I started to cry. There was no place for us to go to, so I cried, I cried and I came down. All of the people were crying, standing with tears ... they [RPNGC] had weapons. They just told us "hurry up, take your things and get out." "Take your roofs out, take your timber out." But my grandparents, they didn't want to. Because they've stayed here for many years. They came when they were young people and now they're old here. So my grandfather said, "No, I'm not going anywhere, I'm going to sit in my house, until they come and take my house away." They said it like this. So the police went and told the others to take down there houses; so my grandfather, he said, "I'm not going." And he stayed in his house. The police had weapons. Some of them had big sticks, of iron. But we stayed. My grandfather said, "I don't want to go anywhere. Because this is my home. I'm old enough to stay here."

should be taken to preserve and protect property (including from looters); residents must not be forced to demolish or destroy their own home; and upon cessation of the eviction, compensation, essential services, and alternative accommodation of a like or better standard, that accords with international human rights law, must be provided. *None of these principles* were observed during the Paga Hill eviction.

RPNGC officers began the demolition in lower Paga. The first home to be destroyed belonged to Joe Moses, a trained anthropologist and Chairman of the PHA. He had been leading the community's fight against the developer. Once Joe's home was demolished, the excavator turned to his neighbours' properties, even though they lay outside the perimeter of portion 1597. As these homes were being destroyed police approached residents in middle Paga. Aware that the excavator could not traverse steep ridges, RPNGC officers warned residents, at gunpoint, to dismantle their homes or they would be burnt down.

During this process, officers pushed, kicked, punched, hit (with sticks/bars) and cut (with machetes) residents (for more on the RPNGC's

tactics/methods, see Dinnen 2001; Human Rights Watch 2005 & 2006; Koczberski et al 2001; Lasslett 2010). Even Dame Carol Kidu – one of PNG's most celebrated leaders (see Throsby 2012) – was attacked by police. She later told *The National* (14/05/2012), "as I was helping a fallen man, police turned on me. They grabbed me and threw me down and I injured my upper arm". Those witnessing the assault on Dame Carol, were then fired upon by RPNGC officers, despite the fact they were unarmed and posed minimal threat. When a neighbour from a nearby apartment block was caught photographing the abuses, RPNGC officers punched him in the face, and confiscated the camera. This treatment was also meted out to residents who attempted to document the demolition of their homes.

Only the intervention of lawyers with a stop-order brought the violence to an end. However, by this stage approximately 350 people had been made homeless. The PNG state made no attempt to provide the displaced with shelter or essential supplies. Indeed in the eviction's immediate aftermath, local human rights activists witnessed displaced families sleeping under lean-tos constructed out of debris, (continues p.40)



Allan

I was trying to take pictures of my house which was demolished by the police. And then they saw that I was taking pictures of my house and they – 10 to 15 policemen – confronted me and they belted me. They used iron rods and sticks, and they also used a gun. One of them even used a bush knife to cut my leg, my right ankle. Then I went back, got all my luggage, and every household thing and brought everything to a safer place, where my family put up a canvas and we slept for the night. Our government is very corrupt – they didn't think of the people. The people are the ones who vote for the government, and the people they are the state, they make up the state. The government should have come to us, resettled us in such a way where they put services like electricity, water, health, everything, they put those services in the relocated area that would be nice, that would be nice for us to settle. They didn't do that.



Left & Right: Paga
Hill 13 May 2012



Left & Right: Paga
Hill 15 May 2012



while others took shelter using tarpaulins. Children left homeless by the eviction were observed studying by candlelight, exposed to the elements.

Even today, a solitary tap is lower Paga's only source of running water, after the demolition severely damaged the community's water and electrical infrastructure. A number of expensive diesel generators, purchased by residents, provide a temporary energy source. Business has suffered too. Those running local trade-stores have experienced a drop in takings, while tenants renting rooms in the settlement have left for more secure accommodation.

The residents of upper Paga are only in a marginally better position. Indeed, despite loudly chastising PHDC in the national newspaper (Erero 2012), the NHC has failed to assist the Paga Hill tenants. With severe shortages of affordable accommodation in Port Moresby, eviction for these tenants is tantamount to homelessness (of course, in PNG kinship networks will act as a safety-net of sorts for displaced NHC residents). Consequently public servants living in the NHC accommodation have been forced to self-fund legal proceedings against PHDC. At approximately K40,000 (about US\$19,500) this is proving to be a large burden.



Robin*

We talk small to them [children] because we might lie. They ask lots of questions "Are we staying or are we going" – and it is very hard for us to tell them the facts...Sometimes when our leaders go to court they come back with results, and we say ok, "How is the court process?" and...we bring it back to the smaller ones. When their mothers sometimes talk, they say, "no, our teachers told us this and that, they told us that." Then they come together with the leaders and prove it is true. So this is how we communicate...and they [children] are so frustrated and angry about this development. "Why are they doing this to us?" And what can I tell them? I said, "Oh, this is some sort of a thing, the developers come and they want to develop this place so they want us to move off this land." "Where can we go now?" The only place is 6-Mile.

*** Robin runs Paga Hill's Elementary School**

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Part 5 - Conclusion

It is common for scholars and analysts, particularly from abroad, to describe the PNG state as failing, broken or fragile (notable examples include, Patience 2005; Scott 2005; Windybank and Manning 2003). Tinged with post-colonial hubris, this narrative characterises PNG as the victim of a failed transition to modernity, held back by a mix of tradition, immaturity, social fragmentation and organised greed. But these assessments miss a crucial point: simply put, if we remove liberal norms from our sociological lens, the PNG state appears a remarkable success of sorts. The *organised* breakdown in basic accounting and oversight procedures, the systematic circumvention of procurement processes, the gradual commodification of public agencies – including the RPNGC and the courts (i.e. their services can be bought), and the continued impunity of state officials in the face of evidenced illegalities, are hard fought strategic victories won by an increasingly coherent, conscious and fluid elite made up of senior civil servants, politicians, and businessmen.

These victories – which I might add, are wholly ‘modern’ in origins – have engineered an environment in which state owned or

administered resources can be transferred, at massively deflated rates, into the accumulation cycles of privately controlled capital, accruing considerable profits to those with the connections and know-how. That this reality sits uncomfortably with text-book models of liberal democracy is perhaps evidence of the latter’s failure, not necessarily the former’s. Indeed, the sort of frauds, engineered breakdowns in oversight, and clientalism that are systemic in PNG, have been witnessed on a prolific scale in Western economies; the difference perhaps being, in PNG this graft has met a much louder, more prolonged and better informed response from domestic audiences.

Paga Hill is no different in this respect. They are mobilising their understated resources, to expose the nexus of interests that have placed their homes under threat. Drawing on a deep reservoir of activism experience, Paga’s leaders are mounting a multi-pronged challenge. It has begun with a legal action – although leaders are acutely aware this arena favours those with the deepest pockets – but it is extending in new directions, as the community networks with sympathetic individuals and agencies, at both a domestic and international level. Although nasc-

-ent, this emerging coalition – which includes activists, scholars, lawyers, politicians, artists, NGOs, and even certain public bodies (most notably the National Museum, which wishes to preserve the area's rich heritage) – is creating the foundation on which the community plans to defend their homes and sanction those who colluded in the 12 May demolition.

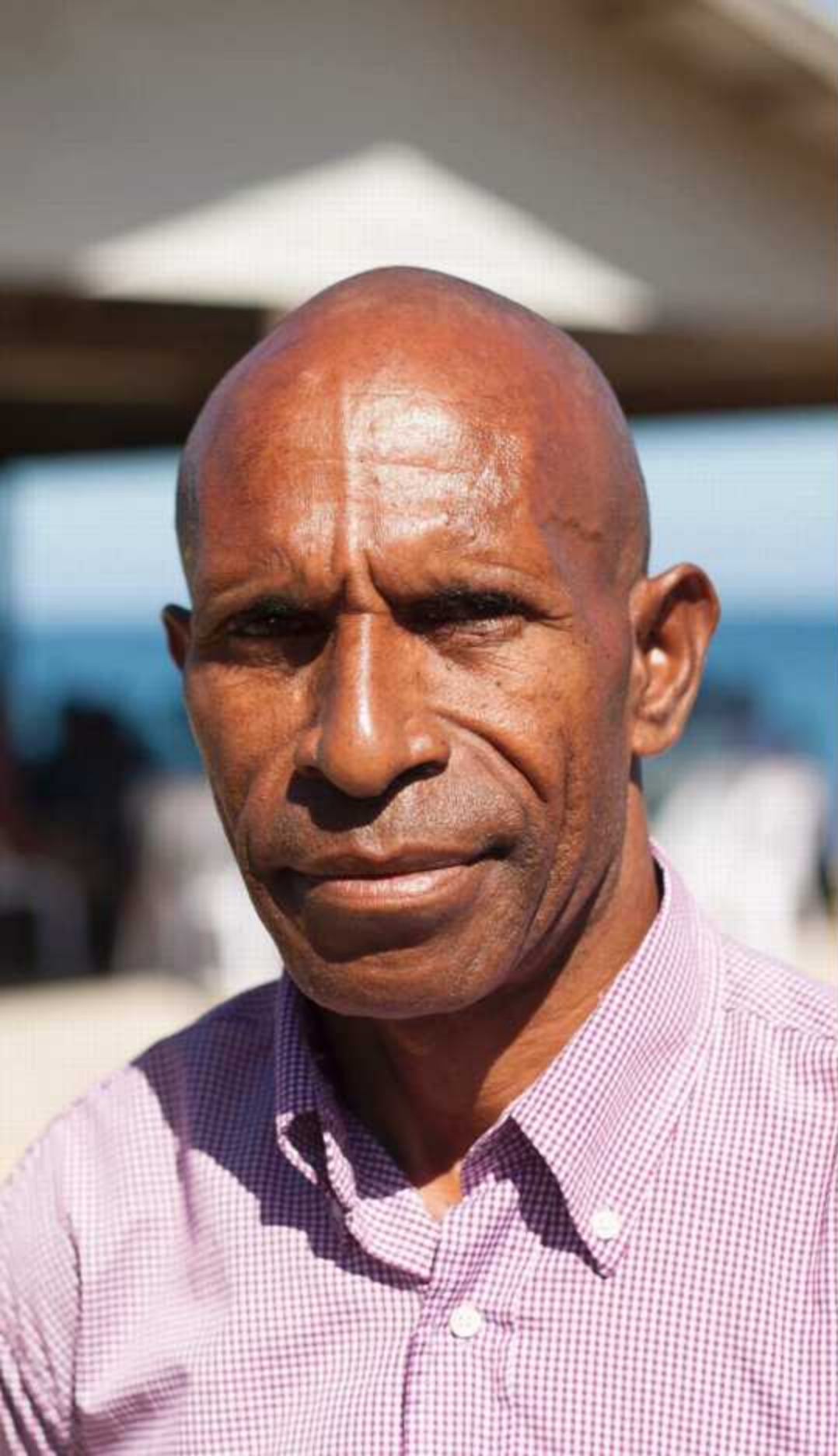
With an urban populous emboldened by recent experiments in mass protests and public occupations – coordinated through a mix of grass roots organisations and social media activism (see Pascoe 2012) – domestic conditions in PNG are beginning to move in favour of community led struggles against corruption and impunity. If Paga's leaders

can draw on these emerging networks of resistance, they stand a reasonable chance of succeeding against a better resourced opponent whose connections extend into the heart of the state.





Paga Hill Community at the
National and Supreme Court
19 June 2012



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