



# THE NATIONAL PARLIAMENT OF PAPUA NEW GUINEA

## PERMANENT PARLIAMENTARY COMMITTEE ON PUBLIC ACCOUNTS

Telephone: (675) 327-7783  
Facsimile: (675) 327-7474

Parliament House  
**WAIGANI**, NCD  
Papua New Guinea

e-mail: [pacparliament@daltron.com.pg](mailto:pacparliament@daltron.com.pg)

---

1. Mr Speaker, I present the following paper pursuant to statute:

*Report of the Public Accounts Committee into the National Museum and Art Gallery and the sale and export of the Swamp Ghost Aircraft.*

I seek leave of Parliament to make a statement in connection with the paper.

*Leave Granted*

2. I have the privilege to table this Parliamentary Reports of the Committee pursuant to Section 86 of the *Public Finance (Management ) Act* and/or Section 17 of the *Permanent Parliamentary Committees Act* .
3. The Report is the result of an Inquiry by the Committee into the National Museum and Art Gallery and concerns the sale and export of wartime aircraft wrecks and parts by foreign private collectors and dealers – in particular the Swamp Ghost aircraft.

4. The Committee commenced an Inquiry into the National Museum and Art Gallery in 2005 and continued that Inquiry through 2006 and 2007.
5. The Committee has adjourned the Inquiry but has resolved to make this Report to the Parliament.
6. the Committee finds that the Museum illegally assumed the power to sell the Swamp Ghost and entered into a Contract with an American citizen to sell and export this piece of State owned property.
7. Legal advice to the Committee states that the purported contract of sale is illegal, invalid, void and unenforceable.
8. The Committee finds that the Museum had no power to sell or approve the export or removal of War Surplus Materials. The entire transaction was illegal.
9. Mr. Speaker, all War Surplus Materials are the property of the State.
10. State property cannot be sold other than by approval of the Head of State acting on advice and then only by public tender as prescribed by the **Public Finances (Management) Act**.

Further, the Museum had no power at all to receive money for its sale. All proceeds must be paid into an approved Trust Account.

11. Mr Speaker, this State property is not mere scrap metal. The value placed on the Swamp Ghost by the American exporter was between USD 14 – 25 million, according to the immediate past Attorney General. That is K 60 – 100 million
12. The State was to receive nothing for the aircraft. No money at all Mr. Speaker.
13. Further, the Committee has found 89 other aircraft or parts exported from Papua New Guinea with Museum assistance and approval – approval which the Museum assumed but did not lawfully have.
14. This State property has been illegally taken from this country with no payment to the State, in breach of the **Public Finances (Management) Act** and with no records kept by the Museum of any of these aircraft.
15. The State has been deprived of many millions of kina, has lost its property and items of our heritage and history.
16. All this was done with the full complicity of the museum – the very Institution that was charged with protecting and preserving these items.
17. Mr. Speaker, this trade has clearly been big business for many years. It has also been quite illegal.

18. The Museum has no interest in tracing or recovering these items and had actually joined in the on-sale of this State property by foreigners, after it had been exported.
19. Compounding this illegal conduct was the fact that the Office of the State Solicitor had given advice to the Museum to the effect that it had no power to sell State property at all or only in accordance with the Public Finances (Management) Act.
20. This advice was completely ignored by the Museum management.
21. The Committee found extraordinary conduct within the Museum. Foreigner exporters of these aircraft clearly wield significant power in the Museum.
22. Clear evidence was received of Trustees and management being threatened by these foreigners and in one instance, of a senior manager of the Museum being physically assaulted by an exporter.
23. The Committee found that the Museum had not made any Reports or been audited for six years.
24. The Auditor General was unable to gain access to the Museum premises to conduct audits.
25. This Committee has asked the Auditor General to thoroughly audit the Museum and to provide a Report to the Committee for future

consideration. The Committee has ordered the Museum to cooperate with the Auditor General.

26. Mr Speaker, a Trustee appearing before the Committee described the Museum as a "National disgrace" and the Public Accounts Committee agrees.
27. I refer Honourable members to the Executive Summary beginning at Page 2 of the Report in particular Para 2.2 thereof, which lists our findings of failures within the Museum.
28. The Committee has made detailed referrals to the Police and Ombudsman for further inquiry into the actions of both Museum management and the exporters and recommends to this Parliament that the Government take all possible steps to trace and recover this very valuable State property to the benefit of future generations.
29. The Swamp Ghost belongs to the State and should be immediately seized and never leave Papua New Guinea unless on a State to State basis for restoration and immediate return to this country.
30. In our opinion it should never be sold.

Mr Speaker, this Report is very detailed and I commend its contents to the House.

I move - ***That the Report and its recommendations be adopted.***