



Australian Government
Australian Civil-Military Centre



Private Security in Papua New Guinea

A Networked Approach



Sinclair Dinnen and Grant W. Walton

ISBN: 978-1-921933-30-1



With the exception of the Commonwealth Coat of Arms, all images, logos and photographs, and where otherwise noted, the material presented in this document is provided under a Creative Commons Attribution 4.0 International (CC BY 4.0) licence.

The details of the relevant licence conditions are available on the [Creative Commons website](#), as is the full legal code for [CC BY 4.0 International](#).

Suggested citation: Dinnen, S. and Walton G.W. (2021), Private Security in Papua New Guinea – A Networked Approach, Australian Civil-Military Centre, Canberra, Australia, June 2021.

Acknowledgments

The authors would like to thank all those in Port Moresby and Lae who gave up their time to participate in this study.

Disclaimer

The views expressed in this publication are the authors' and do not necessarily reflect the position of the Australian Civil-Military Centre or any Commonwealth agency. The Commonwealth of Australia will not be legally responsible in contract, tort or otherwise for any statement made in this publication.

Contact us

We will review this document periodically. Your comments and suggestions are welcome and can be sent to communications@acmc.gov.au.

Website: acmc.gov.au

Published: June 2021.

PNG Flag Credit: © 2021 iStockphoto LP



**Australian
National
University**

**Department of
Pacific Affairs**

**Development
Policy Centre**

Foreword

This paper is authored by two scholars who have made the study of Papua New Guinea (PNG) their life's work. They follow in the tradition of a deep commitment to learning about the Pacific, and in particular PNG, that has been fostered by the Australian National University (ANU) since its inception. Having access to education and research on the Pacific Islands at the ANU benefits both Australian government policymakers and their counterparts in governments throughout the region. The strong regional engagement led by generations of regional scholars who have passed through the Coral Bell School of Asia Pacific Affairs, the Crawford School of Public Policy and various predecessors underwrites our strong sense of regional community.

Private Security in Papua New Guinea – A Networked Approach makes a valuable contribution to our understanding of a significant emerging policy issue. The private security industry has grown exponentially around the world in recent decades. In dealing with private security all states face issues of regulation, coordination with police forces, human resources, standard setting and relationships within the broader community.

As this paper points out, in PNG it is not a matter of seeing the private sector as a discrete source of security services. There is a significant degree of complementarity between public, private and community security domains. Without a healthy, well structured private security sector, PNG (and for that matter, Australia) would face significantly worse problems of insecurity than is currently the case. When a country's security requirements are unable to be supported by the police force, it is inevitable that the private sector will fill the security gap.

This paper provides an evidence-based perspective to inform policymakers' approach to the private security industry in PNG. It identifies the benefits provided by the industry and discusses the very real challenges that a burgeoning private security industry represents to the people of PNG. It provides a balanced introduction to a complex issue which should inform the development of this industry.

From the perspective of the Australian Civil-Military Centre, public-private partnerships are an inextricable part of the integrated approach to the provision of regional security. We need to understand what works and what does not. We also need a clear appreciation of what is appropriate and of international best practice. While this is an academic paper and in no way represents any government position, we hope that the research contained in this work will inform the provision of security in PNG and in other countries that are contemplating this model of public-private partnerships. And we wish our PNG colleagues the very best as they deal with the challenges of delivering security in a complex and constantly changing society.

Dr Alan Ryan

Executive Director
Australian Civil-Military Centre



GUARD DOG GROUP OF COMPANIES
P.O. BOX: 651 LAE, MOROBE PROVINCE 411 • T: 475 1000 • M: 7273 2600



SECURITY SYSTEMS **DALCO**

www.guarddogpng.com



Introduction: Private Security in Papua New Guinea – A Networked Approach

The growth of the private security industry over the last few decades has been a global phenomenon, although its biggest expansion in recent years has been in the developing world. A current projection shows the monetary value of the private security industry is expected to reach USD290.7 billion by 2025.¹

In line with this global trend, Papua New Guinea's (PNG) private security industry has grown inexorably over the past two decades as a result of both global factors (growing security firms looking for new markets) and national factors (weak police and deteriorating security). By some estimates, it is now the country's third largest employer. Despite the growing presence of private security in PNG, not much is known about it and the industry rarely features in discussions and analysis on how to improve public security in the country.

PNG's security and stability are critical to Australia's national interests. Since PNG's independence in 1975, Australia has been the country's most significant bilateral aid donor and principal security partner. Australia has provided substantial capacity-building assistance to the Royal Papua New Guinea Constabulary (RPNGC) since the late 1980s, primarily in the form of training. This was initially delivered by technical advisers working for managing contractors but now entails direct police-to-police assistance provided by the Australian Federal Police under the Papua New Guinea–Australia Policing Partnership (PNG–APP).

In this report we look at the growth of the private security industry in PNG, the interactions between different security providers, the level of regulation of the industry (domestic and international), and the implications of industry growth for public security in a country which has experienced serious law and order problems over the years. Drawing on in-country interviews conducted in 2019 and 2020 and available literature, we seek to increase the level of understanding of the network of interactions between state and non-state actors – regulators, police, citizens' groups and private security firms – and the reality of how security is actually provided in Australia's northern neighbour. By doing so we can identify areas where reforms and interventions might help to improve public security.

Private security growth in Papua New Guinea

There is not much information available about the early days of the private security industry in PNG, but it likely emerged in the 1970s and 1980s against the backdrop of growing insecurity in PNG's main urban centres, notably Port Moresby and Lae, as well as the increasingly manifest limitations of the police service. Port Moresby, then as now, was home to most of the country's international community and to a vibrant media that gave prominent coverage to crime and violence, while Lae is the country's main commercial hub and industrial port with a road connection to the Highlands region. Since the country's independence in 1975, the private security industry has expanded significantly, particularly during the 1990s and early 2000s. Private security services are now routinely used by a wide range of clients including government departments, schools and universities, hospitals, airports, banks, hotels, shopping centres, embassies, non-government organisations (NGOs) and some households and individuals.

According to official data, the number of licensed security companies in PNG grew from 174 in 2006 to 474 in 2016, reaching 566 in 2018.² These companies employed approximately 30,279 security guards in 2018. However, there are probably also a very large number of unlicensed companies and guards operating without the required permits. Even if we confine ourselves to the official data, the total number of guards with permits is still well over three times that of serving police officers and exceeds the combined strength of PNG's police, defence force and correctional services.

Three issues have driven the growth of the private security industry in PNG: perceptions of law and order problems and insecurity, the declining capacity of PNG's police force, and the private sector's proactive response to these trends.

'Law and order' and insecurity

PNG has significant internal security issues that are widely acknowledged to be a major impediment to investment and national development. Travel warnings regularly highlight the country's high levels of violent crime. Port Moresby, the national capital, has been portrayed as one of the world's least liveable cities,³ not least owing to security issues. There is a perception that the threat of criminal violence is highest in urban areas. This attitude can be witnessed in the securitised architecture of the urban landscape: heavy fortifications and razor wire adorn many residences, commercial premises and offices. Throughout the 1980s and 1990s, Port Moresby

experienced cyclical patterns of criminal violence followed by special policing operations, often entailing heavy-handed raids directed at the informal settlements where most urban residents live. Many viewed these settlements as the incubators of *raskol* gang crime.

Periodic outbreaks of low-level and highly localised conflict in parts of the Highlands also show that the threat of violence is by no means confined to urban areas. These conflicts often relate to land disputes, contested elections and natural resource projects in some of PNG's least developed rural areas. Many perpetrators are using high-powered weapons and military-style tactics, leading to multiple casualties. Such conflicts often result in widespread destruction of property and displacement of local populations.⁴

Women and girls in many parts of PNG face a major threat of physical and sexual violence. According to Human Rights Watch's 2017 World Report, PNG is one of the most dangerous countries in the world for women. Most women experience assault or rape in their lifetime, as well as facing systemic discrimination.⁵ Addressing violence against women and girls has become a major focus of government, donors, NGOs and other civil society actors.

While concerns about insecurity remain high, there is a noticeable lack of reliable statistics on PNG's law and order problems and trends over time. Relatively few incidents are ever reported or recorded, so available police statistics are patchy. Media reports, surveys and anecdotal evidence suggest that victimisation rates are high by global standards, although other data indicate some stabilisation in recent times.⁶ We do know that anxieties around security first arose in the 1960s as the pace of decolonisation accelerated in preparation for PNG's eventual independence in 1975. Two aspects of the decolonisation process in particular had an important influence on perceptions of law and order and the level of security in PNG.

First, old discriminatory colonial regulations that restricted movement were repealed. This opened up the towns, formerly expatriate enclaves, to migration from rural areas. Young male migrants flocked to Port Moresby in search of adventure and a better life, and the city's population grew by 12.2 % between 1966 and 1977. It doubled again in size during the first decade after independence.⁷ This increase in urban population was not met by a commensurate increase in employment opportunities, which left increasing numbers of people disenfranchised and with few means to sustain themselves and their families.

Second, major changes in governance and administration commenced in the 1960s, including the modernisation of the police and justice system. At that time the government began to withdraw from rural areas as the colonial, devolved system of district administration was replaced with a bureaucratic system of centralised government.⁸ The old system had been quite successful in suppressing tribal conflict because of its mobility and physical presence in rural areas. It was also able to engage pragmatically with indigenous forms of authority and dispute resolution.⁹ However, its withdrawal was accompanied by the reappearance of tribal fighting in the Highlands.

In contrast with the old system of district administration, the modern justice system is mostly located in urban areas. However, the majority of people continue to live in rural areas, and often have considerable difficulty accessing the system. Modern justice also inadvertently weakened the standing of the formerly powerful (colonial) police who were now subject to regular and humiliating 'defeats' in court, often on obscure technical grounds. Renewed fighting in the Highlands can, from this perspective, be viewed as a resort to violent forms of self-help in the absence of effective government alternatives for managing disputes peacefully.

Declining capacity and confidence in the police

At the time of independence, police services were estimated to only cover around 10% of the country's total land area and 40% of the population.¹⁰ Since then, the size of the RPNGC has increased by a modest 30%, while the overall population has more than quadrupled. Failure to respond to requests for assistance from members of the public has been a recurring complaint.

The government relies heavily on the police as the frontline agency in state responses to crime, violence and disorder, but it has not been prepared for or capable of making the necessary investment to build an effective police organisation. Inadequate funding has been a persistent problem for the police. According to a recent Deloitte report, the RPNGC faces a recurrent funding gap of K126 million per annum and would require a one-off injection of around K3.9 billion to enable the organisation to deliver its service mandate.¹¹ Lack of funds to buy fuel for vehicles is a common reason given by the police for a failure to respond to requests for help. Flatlined budgets cover salaries but leave little for operational expenses. This can lead to

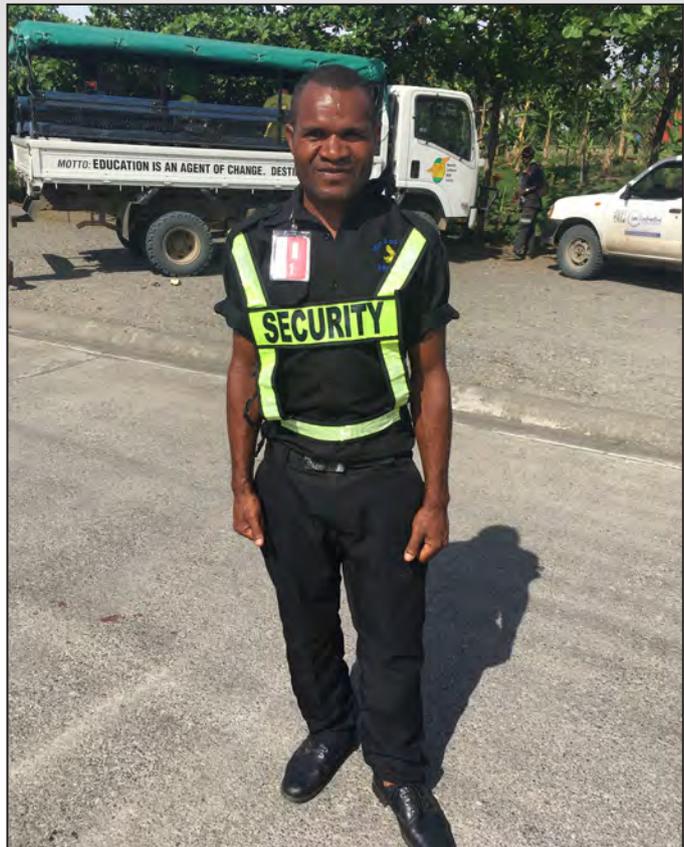
rent-seeking behaviour, including demands for payment for attendance and the imposition of on-the-spot fines at roadblocks. It can also increase police reliance on wealthy patrons, including political and business actors, and this poses an obvious risk to professional integrity.

Police performance and morale have been further eroded by poor working conditions and substandard accommodation, as well as by factionalism and corruption within parts of the organisation. Studies have shown the quality of basic policing to be poor, with low arrest rates, poor quality investigations, evidence collection and custody management, and inadequate brief preparations. This has flow-on effects for successful prosecutions.¹² Victimization surveys show that ill-discipline and use of excessive force also contribute to the lack of public confidence.¹³

The private sector and private security

The corporate and business sector has been a major driver of the development of the private security industry. Law and order problems have been regularly identified as among the top constraints to doing business.¹⁴ A survey undertaken in 2012 found that 80% of business respondents reported that crime had affected their business and investment decisions.¹⁵ It also highlighted low levels of business confidence in the police and judicial system. Businesses have to provide extra security for their employees and property, pay high insurance premiums and claim to have difficulty in attracting international staff.

While many different types of businesses now employ private security firms, PNG's extractive industries have long been a significant user of these services. The early 1990s heralded PNG's first major minerals boom – a period of dramatic expansion in the number and size of projects and prospects, accompanied by buoyant forecasts and rising popular expectations. Economic growth was led by the mining and petroleum industries, with many spin-off activities, mainly in construction and transport, associated with the start of new projects. However the forcible closure in 1989 of Bougainville's Panguna mine in the face of an armed revolt among local landowners vividly demonstrated the vulnerabilities of large-scale mining in PNG. Extractive industries recognised the need to ensure security around large projects, as well addressing the security needs of the businesses that serviced the minerals and petroleum sector.



Most extractive projects are located in remote rural areas, where the presence and reach of government services, including the police, is limited. When serious security threats arise, police have to be brought in by road or air from the nearest regional centre and stationed in the area until order is restored. This can be costly. The operating company often pays a substantial portion of the costs of transport and accommodation, and also pays allowances for the police and, sometimes, defence force personnel involved. Police mobile squads are typically involved in such operations but have acquired notoriety for their excessive use of force. In the 1990s operators became more wary of reliance on mobile squads given the risk that their excesses could amplify local conflicts and grievances. The operator could also end up facing compensation claims and other demands following police abuses.¹⁶

The larger transnational extractive companies, including those operating in the PNG Highlands, have extensive experience of operating in insecure parts of the world where domestic states have limited institutional capacity and reach. Many have acquired sophisticated in-house security capabilities, involving personnel with police and military backgrounds, and have developed ways of engaging with local security actors, both public and private.¹⁷

Private security company operations

The most visible private security companies in PNG are the larger, established firms employed by prominent commercial organisations such as banks and hotels. However, our research reveals that the country's private security industry includes a wide range of companies, which vary considerably in size, services offered and the geographic spread of their operations. In this section, we highlight the diversity of PNG's private security industry and shine a light on some of the lesser-known players and types of operations within this growing sector.

Size

Firms range from small-scale local companies with one car and a few guards through to substantial multinational companies with global reach. Larger companies can draw on an impressive array of transnational ideas, resources and cutting edge technologies. For example, G4S Secure Solutions (PNG) is one of the largest security companies in PNG and one of the top three private sector employers in the world.

Most companies we interviewed began operating in the early to mid-2000s, although some companies predate this. For example, Guard Dog Security (GDS) first registered their operations in 1989, while another small-scale, Lae-based security organisation commenced in 1991. Some began rather humbly, only employing a few security guards in their first year of operation. Others, such as G4S, came to PNG as global companies with headquarters located elsewhere (in London in the case of G4S).

Staffing

The number of staff employed within these companies also varies considerably, from less than a dozen employed by one small-scale operation we spoke to in Lae, to several thousand employed by the largest companies. Recruitment is a key issue for all of the businesses we interviewed: employing the right people reduces the risk of 'inside jobs' and plays a critical role in enhancing the reputation of the business. Companies put a lot of effort into ensuring recruits can be trusted. Some said they mostly employ people already known by those working within their company. One company said they paid the police to check up on potential employees. According to one employee, his Port Moresby-based security firm recruited from different places around the city, including in various settlements, so that security workers have insider knowledge about different locations and can call on locals to assist if they get into trouble (for example, if they are held up by criminals).



Private security firms in PNG are diverse; they include 'in-house' security, and small and large local and international firms.



Working conditions and pay rates

Working conditions and pay rates depend on the company and seniority of staff members. The minimum legal wage for static guards is K3.50 per hour. However, we were frequently told that some companies pay under the award and some do not pay superannuation. Senior static guards – within one company, one senior guard was allocated to a group of four guards – could be paid up to K8–9 per hour. According to one manager we interviewed, pay is the biggest bugbear for employees. In most companies, static guards work 8–12 hour shifts, with around three days off a fortnight. Some of the larger companies provide accommodation for certain staff, particularly those in senior positions.

Staff can be responsible for costs associated with their employment. A trainer for one larger-sized company said that, when starting, guards are given shoes, pants and a shirt. The company then deducted K100 from their wages to cover the cost of the shoes and pants.

Training

Most companies we interviewed provide some form of training for their staff. Even small companies deliver ‘in-house’ training. Larger companies offer more comprehensive training, which can include defensive driving courses (taught by Australians at one company), report writing, ‘discipline’, and ‘customer service’. One company gave staff and their families opportunities to participate in small business training, while another provided training on sexual violence and gender awareness. However, many believe that there are not enough opportunities for security training in PNG to meet the needs of this growing industry. Despite some efforts from the industry regulator, PNG’s Security Industries Authority (SIA), there is still no officially endorsed industry-wide standardised training syllabus or national training facility. Most companies provide training solely for their own employees, although a few larger firms do offer training to employees of other companies for a fee.

Types of services offered

Most companies provide static guards, which make up the bulk of the workforce. Companies provide static asset protection to extractive projects, agricultural plantations, government offices, shopping centres, airports, hospitals, schools, banks, embassies and private residences. They also provide other services, such as close personal protection; escorting mobile assets; security training; security assessments; emergency evacuations; rapid response capabilities; satellite tracking; and the supply, installation and monitoring of electronic surveillance systems.



Mechanics in Lae: Large security companies employ their own mechanics and other technicians.



Security guard creed; some private security companies devise their own sets of regulations, ethical guides and ‘creeds’.

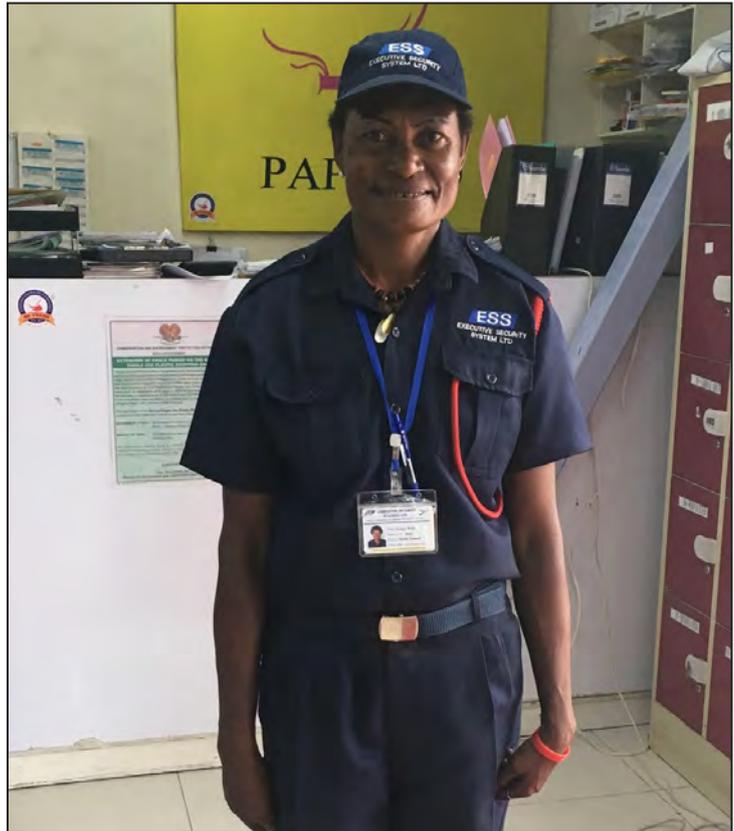
Technology is becoming increasingly important for security firms around the world. While PNG is no exception (vehicle tracking was a very important part of large companies in particular), those we interviewed were cautious about the potential of new technologies for their business. A senior manager with one large firm said, ‘Our approach is that security guards come first, technology second’. The security industry in PNG is still largely defined by a ‘boots on the ground’ mentality.

The bigger companies, both international and national, also integrate their supply chains into their operations. For example, some have mechanical workshops to service their fleet of vehicles. One of the largest companies services its own air conditioning units and manufactures safety fencing and other equipment for sale to clients.

Gender

There is no doubt that men dominate the private security industry. It is hard to find data on the gender of those working in the private security, but larger firms estimated that women make up around 10% to 20% of their workforce. Women make up a higher proportion of administrative roles, such as working in control rooms tracking vehicle movements. Female static guards are sometimes deployed alongside male staff to guard clients' commercial premises, particularly during the day and in lower risk areas. For example, one female security guard we spoke to worked during the day outside a supermarket in Lae, checking the bags of customers as they entered the store. Many other women are deployed to female-specific spaces such as female dormitories and hospital gynaecology wards (for example, in Lae's Angau General Hospital).

Some people we interviewed were concerned about the potential for violence against women who work in the security sector. One security company owner suggested that the threat of 'jealous husbands and boyfriends' was a key 'constraint' to hiring more female guards in his company. Another Lae-based manager said it is difficult to intervene in these altercations: 'We would like to do more on domestic violence, but it is very difficult given the cultural issues involved'. Still, some large companies were trying to address these concerns. For instance, one international company we spoke to ran gender awareness training for their employees.



Female security guard: though rarer than their male counterparts, female guards can still be spotted around urban centres.

Networked security in PNG

Our research shows that private security organisations engage with a wide array of other security providers and stakeholders including the police, communities, businesses and political elites. Indeed, one senior employee at a private security firm told us that 'this business is about networking'. This engagement significantly shapes security networks that help provide public security across PNG. Sometimes private security firms enhance public security, while at other times their influence is less than complementary. In this section, we examine the relationship between private security firms and other key security stakeholders.

Relationships between police and private security

Most, if not all, private security organisations operating in PNG are, in some way, connected to the police. In fact, all the private security companies we interviewed had a direct relationship with the police. One senior employee at a security firm in Lae said, 'The whole thing is about I'll scratch your back you scratch mine'. Most believed that private security operators would be far less effective if they did not have strong ties to the RPNGC.

There are quite practical reasons for wanting to maintain good relationships with the police. One senior employee of a medium-sized private security organisation in Lae told us that it was important to keep on the good side of the police because 'if we have issues in the Highlands we can call these guys and they will help out'. Others noted that private security operators often use data gathered by the police, such as mobile phone records and incident reports, for day-to-day security planning and operations.

These relationships can also be drawn on when private security operators do the wrong thing. One senior security employee said that, when a private security guard shot an alleged offender,

the company he worked for was able to negotiate a K500 payment to police officers to ensure the incident did not go to court. A senior manager from a rival company said, 'It is good to know police' because establishing a good relationship means that when 'our guards go overboard' and beat people, the police are less likely to prosecute.

Many security companies were started by and staffed with ex-police officers. One in-house security guard manager in Lae noted that 'many senior company people have police backgrounds'. Those who had made the change from the police force to the private sector said improved working conditions were a major factor in their decision. Coming from the police force meant that private sector employees could draw on their existing police networks when required.

Some company employees are also reserve constables in the police, wearing uniforms and exercising the same powers as regular officers in this (part-time) capacity. Some are called out to assist regular police during national events like elections and help to enforce restrictions during emergencies, such as the current COVID-19 pandemic. One police reservist working for an in-house security company was called out to provide support during the 2017 national election. As a continuing reserve police officer, he also attended periodic police training sessions.

Assisting police to improve public security

As we have noted, relationships between the police and private security operators do not inevitably lead to improved security outcomes (paying police to ensure a shooting incident does not go to court clearly undermines the justice system). Indeed, we do not argue that the private security industry inevitably improves security, particularly for those parts of the population that cannot afford these services. However, it is important to note that private security operators are involved in many of the same kinds of policing activities as their uniformed colleagues, including



A private security company repaired a police vehicle.

crime prevention, investigations and responding to incidents. In some cases, the private security industry has taken on these tasks after the RPNGC has been unable or unwilling to do so.

Private security firms also provide resources to the police; for example, they provide food, help buy uniforms, supply fuel and maintenance for police vehicles, and sometimes even pay allowances when working together. Informal networks also facilitate critical intelligence sharing. High-end private security firms have better resources than police – for example, sophisticated communications, surveillance and tracking systems that are unavailable to the RPNGC – and sometimes share intelligence. This support is not simply a form of philanthropy: it is mostly, if not solely, a way of building and sustaining reciprocal relationships that benefit all parties. One senior employee from a Lae-based security firm said, 'We provide things like fuel to the police but, as soon as we do, we note it down. We know exactly how much they owe us and then we ask for favours'.

In other instances, the nature of the relationship is more clearly transactional and commercial. One security insider in Port Moresby noted that their company directly paid police mobile squads to escort them when moving large amounts of money around town. As noted earlier, another respondent from a Lae-based firm said they paid police to vet potential employees.

Some people we interviewed believed that this assistance helped to improve public policing. As a result, many called for greater cooperation between these two groups so that the effectiveness of both the police and private security operations could be improved. However, some were wary about the private security industry taking on greater responsibility for public security. An owner of a medium-sized company stressed that private security companies were, and should be, primarily responsible for their clients' security and it was 'not within our legal mandate to provide public policing'.

Others we interviewed said there were significant limitations around engaging with police. An owner of a medium-sized security firm said that, even where they have photos and video of suspected criminals, they were reluctant to pass them on to the police because getting that information had cost them a lot of time and money. This respondent also noted that his previous efforts to help the police ultimately resulted in a group of police officers beating him up. Others were wary about getting too close to the police because of their concerns about corruption and criminality in the RPNGC. One senior Port Moresby-based employee noted that some factions of the police are themselves involved in crimes, and he was wary of working with potentially compromised police officers.

Relationships between communities and private security

Private security companies run as for-profit businesses; in turn their activities are mostly determined by calculations of profit and loss. Still, all companies interact with the communities where they operate, and maintaining good relations with their immediate neighbours is an important part of private security operations. As one respondent said, 'Trust is the most important asset of a security company'.

The type of support provided to surrounding communities varies. For a start, private security firms can help reduce community crime in the immediate vicinity. Private security firms also assist communities in other ways. One group of in-house security guards delivers community awareness around security issues and provides water to the adjoining settlement during times of drought. Some companies provide sports equipment to local youth.

There is a powerful element of self-interest and mutual benefit in these arrangements. In urban areas, firms want a secure base from which to operate and from where many of their employees reside and are recruited. Keeping the surrounding community onside also helps with intelligence-gathering. Community members sometimes tip off private contractors about potential criminal behaviour that might target their clients' premises. Some companies pay these informants. One senior employee of a large security company said that while they did not pay for information from those not directly employed by them, 'we do have our guys report to us about what is happening around their homes outside of work'.

The character of relationships vary within and between urban centres, but respondents suggested there are different dynamics evident between communities and security companies in rural areas. This is particularly so in the case of security firms owned by landowner groups working around extractive projects. These firms offer a welcome source of employment and lucrative rewards in what are often underdeveloped regions. However, the kinship and other ties binding such companies with the communities in which they operate can lead to social complexities and challenges not faced by those in urban settings.

For example, because of the importance of reciprocal social ties in PNG, disciplining and managing employees who are fellow tribesmen/women can be difficult. As a result, some landowner security companies choose to partner with international or other 'outside' firms to help manage these issues. One of the 'outsider' security firms we spoke to suggested that they were able to take a tougher line with the *wantoks* (kinship networks animated by relations of reciprocity) of those employed by the landowner security company, but they had little say over whether or not *wantoks* were employed. In one instance, the 'outsider' company fired numerous employees working for a landowner company. As a result, within a short time, the workforce almost halved in size.

Relationships between elites and companies

Business, government and political elites also shape the operations of private security firms. Indeed, some members of PNG's political elite are strongly invested in the private security industry. For example, MP for Lae Open, John Rosso, is a reserve police chief sergeant and owner of Executive Security Services (ESS), a private security firm with a current workforce of over 1,500. Rosso established ESS and was running it as a successful business before he became an MP in 2017. While social media is awash with rumours connecting PNG's politicians, including former prime minister Peter O'Neill, to particular security firms, the exact number and nature of such connections are extremely hazy.

There is no doubt that owning a security company can aid some political hopefuls. A number of respondents noted that employing large numbers of constituents can help guarantee votes,

particularly in areas with few other employment opportunities. Some also claimed that politically aligned firms are more likely to receive government contracts. One in-house security manager said that many companies aligned to politicians have grown in size. Firms with connections to politicians are more likely to be paid because MPs are usually in a better position to squeeze money out of an increasingly cash-strapped government.

On the other hand, political instability can mean companies that are closely aligned with political powerbrokers risk losing their advantage. Changes in government and political leadership contribute to the noticeable fluctuations in the fortunes of a number of well-known companies. Indeed, according to one respondent, being associated with a politician does not always guarantee payment. Even though his security firm was politically connected, this security manager noted that 'We don't have government contracts now but we have in the past. They don't pay, that's why we are not interested. Although in the past [one department] has been OK'.

Private security companies also foster and maintain relationships with private sector businesses and with the local chamber of commerce. Some rely on their relationships with businesses during their day-to-day operations. One security firm used clients' car parks as a 'safe space' for their vehicles during cash transfers across Port Moresby. Maintaining relationships in government offices is also important. One respondent made this point rather menacingly, saying, 'As I said networking is so important. If you give me a hard time, I'd call up my mate in immigration and make sure you had difficulty leaving the country'.

Relationships between private security companies

There have been some attempts to increase cooperation between private security companies. The Professional Security Providers Association is an industry-run group of Port Moresby-based security organisations. Its members discuss issues affecting the security industry. Some people we interviewed welcomed this attempt at providing a more formal venue for meeting other security companies, but others were sceptical. One senior manager said he was not interested because he thought it was simply a forum to enable those organising the network to secure contracts. Given the association is based in Port Moresby and includes representatives from large foreign-owned companies, one Lae-based security manager said it was 'not very representative'.



Private security companies also meet on an informal basis. Respondents from larger firms said they found it important to catch up with their competitors over the phone or coffee. One respondent noted that, without these relationships, conflict between firms was more likely. He recalled a conflict between his firm and another that resulted in one guard being stabbed:

It was sorted out through a compensation ceremony. We gave pigs and 14,000 kina compensation, [the other company] gave back 6,000 kina. We are good mates now.

Other people we interviewed told us about physical altercations involving guards from rival private security firms. This can happen when a business or government department replaces one security firm with another. When guards from the ousted security company lose their job, some take their frustrations out on the newly employed guards.

Still, some said they are cautious when engaging with other firms. One senior employee based in Lae said, 'We don't share too much with other private security firms, they are our competitors; our engagement is more informal'. Others noted that larger firms generally did not engage with smaller ones. One senior employee from Lae said, 'We don't have a good relationship with the smaller companies because they see us as a threat'.

Our interviews suggest that relationships between small and large companies tend to be particularly adversarial. Respondents from large companies often described smaller companies as responsible for poor standards and underpaying their employees. A Lae-based client of a large security firm noted that smaller firms were in a much more precarious situation than the larger firms. He said there are 'big differences between G4S, Guard Dog, etc and the smaller firms, with the smaller firms drunkards come and bash them up'. A Lae-based manager said that people often tested the commitment of smaller and new firms:

One thing that happens when new players come up is that people test them, they try to see if they are weak. The new players need to be strong and aggressively fight back, otherwise they won't last.

In sum, as we have seen, private security organisations' operations are impacted by various relationships that tie them to a broader security network. The nature of these relationships also shape public security provision. In the next section, we examine efforts to regulate the private security industry.

Regulating the private security industry

As the industry has grown, there have been numerous stories of violence, theft and other misdeeds by private security personnel. This highlights the need for effective regulation for this fast-growing industry. In this section we examine these regulations and find that while significant strides have been made, national and international regulations are still inadequate.

Domestic regulation

When it comes to regulating private security, PNG is something of a regional leader. It was the first Pacific Island country to attempt to regulate its private security sector and is currently one of only three countries in the region (along with Tonga and Fiji) to have enacted dedicated legislation for this purpose.

The Security Industries Authority (SIA) came into operation in January 2006 under the *Security (Protection) Industry Act 2004*. Its functions include:

- granting operating licences and guard permits to security companies
- specifying minimum standards of training
- establishing, providing or approving training facilities for security personnel
- approving security equipment other than firearms
- ensuring that companies and guards operate in accordance with their licences and permits
- formulating a code of conduct covering discipline and work ethics in the industry.



The everyday business of the SIA is undertaken by a small full-time secretariat. Its governing body is the Security Industries Council (SIC), which is chaired by the police commissioner and reports to the minister for police and internal security. Its membership includes representatives from the security, insurance, mining, agriculture and manufacturing industries as well as trade unions and churches.

The SIA has a strong incentive to issue more licences and permits, as it gets to keep the fees from each company and security guard it registers. These fees are the main source of the authority's funding. However, it only provides licences - and thereby an ostensible level of regulation - to a relatively small proportion of the firms that are operating in the industry. SIA figures from 2017 estimated that there

were 219 unlicensed security companies with around 7,649 security guards operating illegally.¹⁸ However, the actual number of illegal operators could be substantially higher than this. The SIA has tried to increase the number of licensed private companies. For example, there was a significant jump in licensed security companies between 2013 and 2014, in part as a result of SIA's efforts to track down unlicensed security companies.

The biggest practical challenge for the SIA is its extremely limited capacity to fulfil its designated duties. The authority operates out of a run-down former police station in Badili (in downtown Port Moresby). It is headed by a registrar, currently a former senior police lawyer, with a staff of around 14 people, including four regional security inspectors who are each responsible for one of PNG's four regions (Momase, Highlands, New Guinea Islands and Southern). The New Guinea Islands and Southern regions are currently serviced from Port Moresby. The SIA recently opened an office in Lae to cover the Momase and Highlands regions. The new office has two inspectors, a driver and a secretary. These resources are woefully inadequate given the rapid rate of industry growth and the size of the country. It is quite unrealistic to expect the SIA to regulate the industry in each of PNG's four extensive regions with such limited resources.

In addition, there are still no clear guidelines for the issuing (and revoking) of operating licenses and guard permits, and there has been little progress in achieving a standardised and mandatory training framework.

Not surprisingly, many industry members and security commentators express frustration that the SIA is not living up to its mandate. For example, many say that training for security guards is inadequate or non-existent, and the SIA has limited powers of enforcement in the face of non-compliant operators.

International regulation

There are now a number of voluntary international codes and agreements that provide another potential source of regulation and self-regulation for private security companies. The international codes and agreements are intended to supplement existing state legal oversight of private security companies in the countries where they operate.

The *Montreux Document on Pertinent International Legal Obligations and Good Practices for States related to Operations of Private Military and Security Companies during Armed Conflict* (Montreux Document) (2008) came about through the joint efforts of the Swiss government and the International Committee of the Red Cross (ICRC). It was the first international document explicitly aimed at codifying state responsibilities for private and military security companies (PMSCs). The document compiles good practices designed to help each category of state adopt national measures to implement their obligations under international law.¹⁹

The *International Code of Conduct for Private Security Providers* (ICoC) (2010) is aimed at the security companies themselves. The code is framed in terms of human rights principles, including in areas such as use of force, detention, identification and registration, personnel vetting, record-keeping, weapons management and training, and incident reporting.²⁰ While primarily drafted with private military contractors in mind, membership of ICoC is open to different kinds of private security companies. An International Code of Conduct Association was established in 2013 to provide independent governance and oversight of member companies. Members of the association comprise private security companies, civil society organisations and states. Its main tasks are the certification of companies under the code; human rights-oriented monitoring of company performance; and supporting member companies to address claims alleging violations of the code.

The most obvious limitation of transnational forms of regulation such as ICoC is their voluntary character. Some critics also believe that these mechanisms are susceptible to domination by powerful industry interests.²¹

On a more optimistic note, membership of ICoC can become a valued mark of differentiation in a notoriously competitive industry – companies can assert their membership of this global framework as a sign of quality assurance to both competitors and potential clients. The United Nations (UN) now requires membership of ICoC as a mandatory requirement for the hiring of private security providers by UN agencies. Other international organisations and governments are likely to follow. Guard Dog Security, PNG's largest nationally-owned security company, achieved membership of ICoC in 2020, becoming the first local company in the Pacific Islands region to do so. It now promotes its membership to potential clients.

Conclusions

This report has examined the way private security companies contribute to PNG's broader security network, which is the product of relationships between different security actors operating as part of a broad network or web. While it is still common to think about different domains of security provision – public, private, community – as if they were separate and discrete, the reality is one of increasing entanglement between them. Three key implications arise from this analysis: the importance of weighing negatives and positives of private security, the need for strengthening existing security networks, and the relevance of supporting efforts to regulate the industry.

Weighing the negatives against the positives

Policymakers and researchers have long debated the role that the private security industry plays in contributing to public security. Some suggest that the private security industry ultimately undermines state security agencies such as the police. Our analysis suggests these concerns are not without merit. Private security firms can be a law unto themselves and our interviews suggest some are operating in ways that skirt or flaunt national laws. Indeed, many of those we interviewed viewed reliance on private security as something of a double-edged sword. A number considered private security as necessary, but they felt it potentially undermined the long-term foundations for law and order in PNG. PNG's inaugural National Security Policy also warns of the potentially corrosive impact of foreign private security operators on public security (although considerations of economic nationalism may play a part in this stance).

However, our analysis also suggests that the industry can play an important role in improving public security in a country known for major problems of insecurity. While the private security industry is subject to many limitations and challenges, as we have noted, many within the industry are helping to provide public security. We would surmise that without the private security sector, PNG's problems of insecurity would likely be significantly worse than they currently are. It is critical that the many negatives associated with the industry be weighed against the positives. In turn, we suggest there needs to be a more nuanced picture of the private security industry in these debates.

Strengthening security networks

Given the cooperation on the ground between private security organisations, the police, political elites and local communities, it is important to consider ways of strengthening or enhancing relationships between different actors in the network rather than concentrating narrowly on one set of actors in isolation from others. In particular, donors and policymakers must look beyond traditional approaches that have focused exclusively on supporting state security services.

A good place to start building productive interaction between security groups is to facilitate dialogue between the SIA, the police, civil society leaders and key members of the private security industry so that potential areas for collaboration can be identified. This would not be straightforward given the complex and fractious relationships that are a feature of PNG's security networks. However, it is possible to build on existing networks of cooperation. It will be important that any resources channelled to programs that emerge from such efforts are subject to the types of incentives and political economy analysis that accompanies many donor and government-funded projects.

Supporting better regulation

With many concerned about the lack of meaningful oversight, it is clear that more needs to be done to improve the regulation of private security firms. Larger companies in PNG are starting to differentiate themselves from their competitors by signing up to international codes of conduct. However, given the voluntary nature of these codes and the fact that few companies in PNG are signed up, these efforts are limited in their efficacy. This highlights the importance of strengthening regulatory efforts at the national scale.

The SIA has proposed amendments to the Security (Protection) Industries Act to cover new technological developments in the industry, such as the growth of electronic security, and surveillance and tracking technology. These amendments also extend regulation to foreign security consultants and advisers working in PNG, increasing fees and empowering the regulator to prosecute offending companies.

While these amendments are welcome, some believe it will be difficult to get them endorsed by parliament and then implemented. Many believe the weakly regulated nature of the industry benefits members of PNG elites (including politicians) who have financial and other interests in this expanding and profitable industry.

This is where pressure from industry insiders, donors, reform-minded politicians, civil society and other stakeholders could make a difference. The government of Prime Minister James Marape, who assumed office in May 2019, appears to be more willing to entertain innovative reform to improve the country's security. Marape appointed member for Madang Open Bryan Kramer as the country's new police minister in a move that surprised many.

Soon after his appointment, Kramer promised to reform PNG's police force, the RPNGC. Kramer outlined a range of measures, including providing more opportunities for women, addressing corruption and improving discipline in the force. He has also encouraged citizens to report crime and police misdeeds through social media.

Although Kramer is no longer police minister, the reformist momentum has also been highlighted by a cadre of younger officers who appear genuinely committed to improving the standing of the organisation with the broader public by tackling longstanding issues of ill-discipline and brutality. Prominent among them is the police commissioner, David Manning, who has been vocal about the need to clean up the RPNGC. With pressure from a coordinated coalition, government leaders may be more amenable to pass reform to further regulate the private security industry than its predecessors.

Having said that, the government has yet to publicly release the details of the amendments to the Security (Protection) Industries Act. Public debate around this legislation is essential to help ensure its relevance and legitimacy. It is important that this regulation does not give undue advantage to larger security companies and political elites at the expense of poorly resourced smaller companies. It is also important to regulate these smaller companies. But, given they are locally owned and employ large numbers of Papua New Guineans, it is critical that they are not regulated out of existence.



Endnotes

1. Signal 88 (2019). *Private security industry outlook*. Signal 88 Security, 8 January. <https://blog.signal88.com/franchising/private-security-industry-outlook>
2. Isari, P.K. (2019). How the Security Industries Authority (SIA) is supporting the security companies address law and order issues in PNG. Presentation to CIMC conference, 15 July 2019, Popondetta, PNG.
3. EMTV Online (2020). Port Moresby one of the least liveable cities, report finds. *EMTV Online*, 22 August. <https://emtv.com.pg/port-moresby-one-of-the-least-liveable-cities-report-finds/>
4. Hallak, A. (2019). In the fight: the challenge of tribal conflict in Papua New Guinea. *Australian Outlook*, Australian Institute of International Affairs, 29 October. <http://www.internationalaffairs.org.au/australianoutlook/in-the-fight-the-challenge-of-tribal-conflict-in-papua-new-guinea/https://www.files.ethz.ch/isn/195090/DCAF-SSR-12.pdf>
5. Human Rights Watch (2017). Papua New Guinea: events of 2016. *World Report 2017*. <https://www.hrw.org/world-report/2017/country-chapters/papua-new-guinea>
6. Lakhani, S. & Willman, A.M. (2014). *Trends in crime and violence in Papua New Guinea*. Washington DC: World Bank.
7. King, D. (1992). The demise of the small towns and outstations of Papua New Guinea: trends in urban census populations and growth from 1966 to 1990. *Yagl-Ambu*, 16(3), 17-33.
8. Gordon, R.J. & Meggitt, M. (1985). *Law and order in the New Guinea Highlands*. Hanover NH: University Press of New England.
9. Dinnen S. & Braithwaite J. (2009). Reinventing policing through the prism of the colonial kiap. *Policing & Society*, 19(2), 161-173.
10. Dorney, S. (2000). *Papua New Guinea: people, politics and history since 1975*. Sydney: ABC Books, 304.
11. Deloitte (2020). *True cost of policing services in PNG*. Final report, January, 5.
12. Coffey, (2013). AFP baseline report. Report commissioned by the AFP prior to deploying an additional 50 police advisors under the Joint Understanding between Australia and Papua New Guinea on Further Bilateral Cooperation on Health, Education and Law & Order. Canberra: Australian Federal Police.
13. Guthrie G. (2013). Social factors affecting violent crime victimisation in urban households. *Contemporary PNG Studies: DWU Research Journal*, 18, 35-54.
14. Fox, R., Howes, S., Nema, N.A., Nguyen, H.B, & Sum, D.K. (2018). *2018 PNG economic survey*. Canberra: Development Policy Centre. https://devpolicy.org/2018_economic_survey_final_draft_29June.pdf
15. Asia Development Bank (ADB) and Institute of National Affairs (INA) (2014). *The challenges of doing business in Papua New Guinea: an analytical summary of the 2012 Business Environment Survey by the Institute of National Affairs*. Manila: Asian Development Bank. <https://www.adb.org/sites/default/files/publication/31209/challenges-doing-business-papua-new-guinea.pdf>
16. Banks, G. (2000). Razor wire and riots: violence and the mining industry in Papua New Guinea. In S. Dinnen & A. Ley (eds), *Reflections on violence in Melanesia*. Sydney: Hawkins Press / Asia Pacific Press, 254-262.
17. Hönke, J. (2013). *Transnational companies and security governance: hybrid practices in a postcolonial world*. Routledge. Netherlands.
18. Security Industries Authority (2017). The security industry in PNG. Information paper, 20 April 2017.
19. Brown, J. (2015). *Privateers in Australia's conflict and disaster zones*. Australian Government: Australian Civil-Military Centre (ACMC), pp 44-45.
20. Buzatu, A-M. (2015). *Towards an international code of conduct for private security providers: a view from inside a multistakeholder process*. Geneva: Centre for the Democratic Control of Armed Forces.
21. MacLeod, S. (2015). Private security companies and shared responsibility: the turn to multistakeholder standard-setting and monitoring through self-regulation - 'Plus'. *Netherlands International Law Review*, 62, 119-140.

ACMC

AUSTRALIAN CIVIL-MILITARY CENTRE