JANUARY-MARCH, 2025

ISSUE NUMBER 01

BUSINESS COUNCIL
OF PAPUA NEW GUINEA
VOICE OF THE PRIVATE SECTOR

Business Protection Report

SECURITY AND BUSINESS

TABLE MARKET:
SURVIVAL CRIME HIGH

DOWNTOWN:
CYBER BREACH HIGH

DETERRENCE WEAK
STRATAGY WEAKER

NEW CRIMES
NEW SOLUTIONS

WAIGANI'S PLAN:
NATIONAL SECURITY AGENCY

2025
ACTION ITEMS

BUSINESS COUNCIL OF PAPUA NEW GUINEA
VOICE OF THE PRIVATE SECTOR

5-YEAR STRATEGY 2022-2027

THE 4 PILLARS

EMOTION VS. MERIT

Aims to boost citizen involvement in the economy and promote meritocracy through targeted financial support and G2B engagements.

ANALOG VS. SMART

Focuses on digitizing government services to reduce regulatory bottlenecks and leverage financial technology, big data, and emerging technologies to spur growth.

RED TAPE VS. DEREGULATION

Excessive regulations hinder performance and investment, advocating for G2B collaborations to identify sectors capable of self-regulation to foster growth.

G2G VS. G2B

The importance of G2G investments from the West and China in enhancing supply chains and utilities, while emphasizing the need for G2B efforts to maintain standards and safeguards for these infrastructures.

ENGAGING WITH PURPOSE

EXECUTIVE

Prime Minister's Back-to-Business Breakfast **(PGK 1)**

LEGISLATIVE

Speaker's Business Breakfast - **PGK 2 - National Content Conference**

JUDICIAL

Chief Justice's Business Breakfast - **PGK 3 Futures Forum**

TECHNICAL WORKING GROUPS

- Macro-Economy
- Revenue
- CapEx
- OpEx
- ESG & Social Enterprise
- Critical Infrastructure
- Digital Government
- Business Values
- International Business

INDEX

Table of Contents

BPR: 1

EDITOR-IN-CHIEF

PRESIDENT BCPNG

CONTENT DIRECTOR

BUSINESS COUNCIL PNG

CONTENT SUPPORT

LEGACY GROUP

PHOTOGRAPHERS

ALEF SOLUTIONS

CONTRIBUTORS

PRIVATE SECURITY PROFESSIONALS

GOVERNMENT AGENCIES

CIVIL SOCIETY

FROM THE PRESIDENT

In the aftermath of the January 10 riots in 2024, I remarked at the Prime Minister's 14th Back To Business Breakfast, the abandonment by law enforcement agencies, the active participation of everyday customers destroying millions of kina worth of assets and the unfortunate loss of life, was an inflection point of PNG values.

Acts of violence continued to prevail in other parts of the country, causing disruptions in the market and impacting livelihoods. Policy makers, business executives, and think tanks are all grappling with the central question, is the desire to grow the economy in improve living standards impractical.

As part of our contribution in this important narrative, i'm delighted the Business Council PNG and Legacy Group, have published this timely Report. Where security professionals shared with authority and passion on what is the challenges and offered urgent solutions.

I am confident the Action Items mentioned are attenable as it is in the interest for all of us, to see a thriving Papua New Guinea.

PRESIDENT

SECURITY MATTERS

Security is an integral part of doing business in Papua New Guinea. A key element is the relationship of private security professionals and their counterparts in the police force and other law enforcement agencies. When either party is unable to fully carryout its functions, business protection of physical assets, digital systems and more importantly, staff and employees are vulnureble to acts of crime. This Report highlights the convergence of the high cost of living, high unemployment rate, underperforming regulator and weakened deterence rules have all impacted the performance of both private security professionals and law enforcement agencies. An urgent business protection strategy must be designed and implemented urgently.

STRIKING THE BALANCE

Critical to this strategy are skilling quality security professionals in the entire value chain. From static guards that have superranuation to the front line police officers having life assurance. Deploying technologies need to have the people journey clearly articulated. Bottom line is this is an investment for people and not merely equipment, gear and infrastructure. The Report highlights this pathway and offers steps to achieve it.

Table Market: Survival Crime High

Police Commissioner David Manning in a recent forum indicated the doubling of crime from 2,000 to 4,000 reporting from 2022 to 2024. Private security professionals have seen surge in what they classify as survival crimes, where the intention of the offender is to have basic needs to consume food, clothing and hygiene. There is a consensus this increase is attributed to the lack of economic opportunity, largely to the youth demographic. With limited deterrence capabilities and constraints in law enforcement operations, survival crimes will continue to grow.

PHOTOGRAPHY BY ALEF SOLUTIONS

Survival crime is a direct result of a market unable to create jobs and opportunities to absorb the population, in particular, the youth, in a productive pathway. Being disenfranchised, survival crime is the only means to attest the cost of living and be productive.

Top 5 Pathways Youth Desire

- Work In Australia
- Small Business Grants
- Jobs
- Election Promise Cash
- Further Education

Private security companies engaged in the protection of business assets and specifically retail outlets across the country continue to see increases in the frequency of attempted theft of goods and services from their clients. The increase presence of predominedtly youth, not employed in the zones where they work has been a common feature.

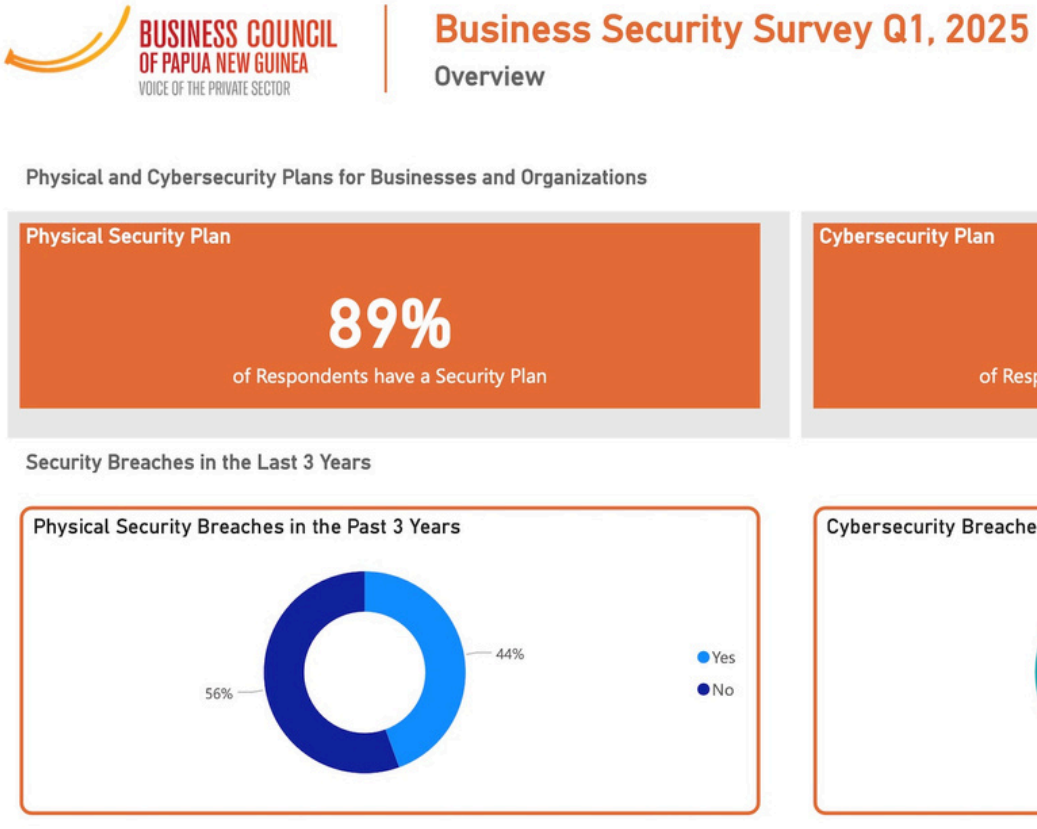
It is estimated the youth account for 50% of Papua New Guinea's population. This would be approximately 7 million. Formal jobs account for 1.3 million. Where superannuation, access to finance and standard of living are relatively stable.

The remaining 6.5 million are either participating in semi business activities, government programmes or are actively in the black economy. Where there are no superannuation, access to finance products and standard of living is not stable.

Down Town: Cyber Attacks High Physical Breaches Medium

Over 80% of respondents have made physical security plans a critical features in their business continuity plans. A core feature is an Information Security Management System, attributed from the adoption of ISO 270001. These systems include controls on perimeters, entry controls, securing rooms, facilities, CCTV uses and protection of physical and environment threats. These investments may correlate to a lower rate of physical breaches in the past 3 years.

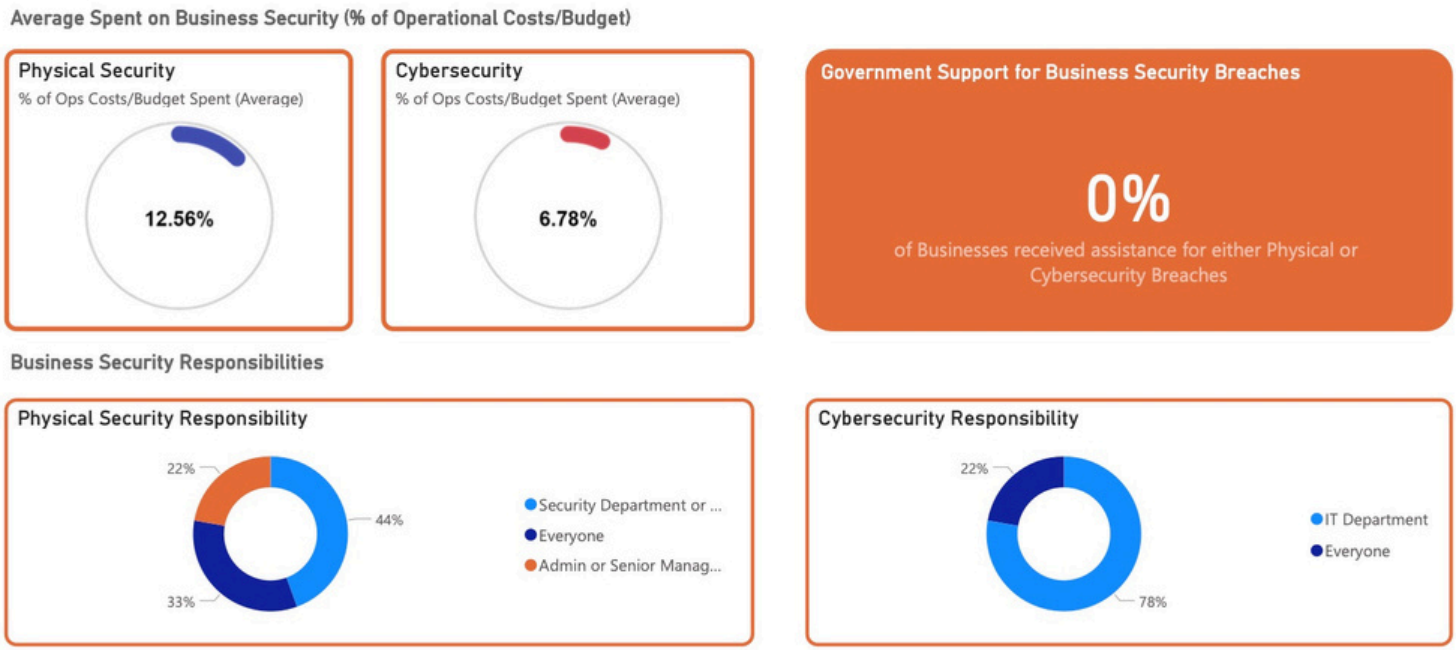
Less than 50% of the private sector have cybersecurity plans present in their business continuity plans. With the absence of adopting management systems and adopting the relevant ISO standards, digital core systems are vulnerable. With 89% cybersecurity breaches on the past 3 years, investments in cyber security is vital to remain operational.



BUSINESS COUNCIL OF PAPUA NEW GUINEA
VOICE OF THE PRIVATE SECTOR

Business Security Survey Q1, 2025

Operational Costs on Security and Responsibilities



No support from any government agency when breaches of physical and cybersecurity. All responses, recovery and remedial actions are all carried out by the private sector and thier contractors.

Security costs accounts less than 13% of operational expenditure. Cybersecurity half of physical security. Most respondents have fixed positions managing security. Whereas physical security has a variety of employees managing them, 78% of respondents IT Department manginess cybersecurity.

Respondents have indicated a major challenge in investing in cybersecurity resources is the lack of skillsets in the market. They further observed many of the current professionals also lack professional development on establishing cybersecurity plans and adequately applying appropriate technology to reduce threats.

Conversely there are a wide range of professionals in the physical security space. Recruiting or outsourcing is common. These professionals are able to design and implement physical security systems and periodically improve them through regular audits.

Businesses will invest in cybersecurity in the coming years. It is predicted in the short to medium term, foreign professionals will be utilised to support and manage these systems.

Deterrence Weak Strategy Weaker

"Our role is one of deference. Where the focus is to ensure our client is safe and secondly, those that have criminal intent, are unable to act because we have assets that will harm them severely. When our deterrence is weak, it undermines our ability to protect the safety of clients and their assets."

Security professionals have identified 3 areas that undermine deterrence:

Limited Enforcement Coverage
With limited operational resources, police and other law enforcement agencies are not expanding enforcement coverage. Large ungoverned areas host criminal activities and private security professionals are unable to apply any degree of deterrence. They advise clients either not to participate in any active investments or limit business operations.

Limited Sector Compliance
As one the largest employees of Papua New Guineans in the private sector, workers compensation, life assurance, minimum wage rates and superannuation are essential for this important sector. Standards on training, auditing and uses of assets and technology are also critical. All these vital activities are not administered by the Security Industry Authority. This has impacted the performance of private security operators.

Limited Assets Importation
With limitations on lethal and non lethal products, deterrence models are limited in its scope. This is where static guards are used and technology domains such as drones.

PHOTOGRAPHY BY ALEF SOLUTIONS

Private security professionals overwhelmingly agree there needs to be a grand strategy for business protection that must include public private partnership on increasing the footprint of compliance and enforcement; a functional Security Industry Authority and appropriately import classes of goods critical for deterrence.

The Business Council Papua New Guinea intends to use the Task Force of Business Protection, where the mandate is to monitor national security issues and impacts of markets. The key message is designing an engagement model where the security professionals, private or public, have all the tools to build a strong deterrence ecosystem. The Business Protection Task force is Led by Prime Minister NEC's Director for National Security Agency: Dr Francis Hualopmoni and Business Council PNG Vice President (International): Kenneth Imako.

Urban Market Security Outlook

Retail and small businesses will continue to experience high rates of survival crime. Private security will increase static guard recruitments as the only viable deterrence model available. The youth will remain the highest demography to carryout survival crimes. Government programmes of employment, workforce exports and business grants will reduce survival crime. Greater effort is required to also incentivise businesses to assist government programmes so it will accelerate youth productivity and rapidly reduce survival crime.

Projects Market Security Outlook

Forest, mining, oil, gas, marine and construction businesses will continue to experience mild and serious crimes due to limited law and enforcement deterrence. Due to high value resources, transnational crimes will be present. Private security professionals will continue to build relations with patronage systems, churches, other civil society and leads of criminal organisations to reduce crime. The youth will remain the highest demography committing these crimes. Local content programmes by developers and government programmes of employment, workforce exports and business grants will reduce survival crime. Greater effort is required to also incentivise businesses to assist government programmes so it will accelerate youth productivity and rapidly reduce survival crime.

Rural Market Security Outlook

Micro enterprises, agri businesses and small businesses will continue to experience mild and serious crimes due to limited and no law and enforcement deterrence. Private security professionals will continue to build relations with patronage systems, churches and other civil society presence may reduce these crimes. The youth will remain the highest demography committing these crimes. Government programmes of employment, workforce exports and business grants will reduce survival crime. Greater effort is required to also incentivise businesses to assist government programmes so it will accelerate youth productivity and rapidly reduce survival crime.

New Crimes: Smart Solutions

Technology crimes are here to stay. Actors are faceless, have no physical address and in most cases, live outside Papua New Guinea. Increasingly local actors are on the rise and there is limited capability in the private and public security establishment to arrest this growing trend. Investing solutions need to happen yesterday.

The 3 technology crimes impacting the markets are:

CyberAttacks: Papua New Guinea has experienced highten cyber attacks in core systems of all sectors. In some cases, taking weeks to recover. Auditing teams across the market have applied cybersecurity as a key standard that must be deployed businesses. This has contributed significantly for businesses investing in cybersecurity. Recovery teams are a regular feature in the landscape and as AI increases its use application, so will the defence and offense of cybercrimes and policing.

Copyright Infringements: a largely forgotten crime but one that impacts millions of creators and artisans. With the advent of faster and cheaper production systems, social media business platforms and affordable supply chains, pirated PNG products are circulating in regional and local markets with no royalties to creators.

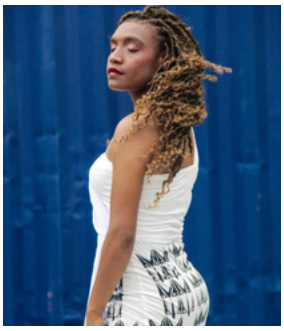
MisInformation: social media and its related technologies have dramatically impacted how Papua New Guineans relate to each other. Like other jurisdictions, the technology is also used for actors to commit crimes of inciting violence, defamation, assemble illegal gatherings and actively spread misinformation. Police Commissioner David Manning also stated there are 23,000 active child pornogrpaghy sites in Papua New Guinea, all attributing to an unregulated cyber landscape.

PHOTOGRAPHY BY ALEF SOLUTIONS

Making Copyright and Cultural Property Priority: Papua New Guinea has struggled to transpose cultural property, inherently in the domain of culture and traditional values, to copyright or broadly economic rights. This has resulted limited commercial pathways of protection and recognition.

This has further led to actors that publish and produce works from creators with no consent, rampant pirating and no lending products. Unfortunately there are no government agencies in the compliance and enforcement.

There needs to be a Copyright and Cultural Property Comission established within the Department Justice Attorney General, to focus on compliance and enforcement.



"PNG HAS THE SKILLS TO FIGHT THESE TECHNOLOGY CRIMES. WHAT IS NEEDED IS REGULAR COORDINATION THAT BUSINESS AND GOVERNMENT ARE ON THE SAME TEAM.

Collaborating to Fight Cyber Attacks: PNG National Cyber Security Center is an integral part of the Department Information Communication Technology. Thy have 4 Divisions: CyberSecurity, Cyber Safety, Cyber Crime and Government Social Media Desk coordinates with the market, regulators, law and enforcement agencies to ensure the digital economy of Papua New Guinea is safe. With collaborations from bilateral partners, cybersecurity professionals, social media companies, PNG National Cyber Security Center is the 1st Responder to Cyber Attacks.

Since its inception, they have actively coordinated recovery efforts of major attacks in government and business, promoted online safety and build and managed cybersecurity systems and ensured social media posts harmful to PNG values have been removed. This is a clear priority of government's efforts to protect a safe digital environment and a testament of the outstanding leadership of former Executive Manager: Late Georgina Kiele.

Anti Terrorism Act and the Fight to Eliminate Misinformation: the recent temporary ban of social media demonstrated the determination by the Royal PNG Constabulary, to reduce and eliminate actors using these platforms to carryout crimes in PNG. The unintended consequence was legitimate businesses were heavily impacted and losses were in the millions. More worrisome, regulator National Information Communication Technology Authority and National Cyber Security Center, were not informed of this action. Coordination is critical to ensure the markets are not impacted.

NSA: Waigani's Answer

National Security Agency's core function is to coordinate the government's national security agenda so as to ensure all agencies and constitutional offices are synchronised in its delivery and desired outcome.

PHOTOGRAPHY BY ALEF SOLUTIONS

Since the enactment of the Prime Minister and National Executive Council Act, the function of national security has been a core mandate of the Chief Secretary to Government. For over 25 years this office has led and steered PNG's challenging security environment. From elections, State Of Emergencies and in recent times, the ongoing geopolitical tensions. The operational layer is highly experienced and continues to perform well in its assessments.

With the convergence of regional power competition, technology crimes and the rise of survival crimes, a strategic layer is imperative. This is the primary role of the NSA, provide Cabinet strategic and operational assessments on national security.

Business Protection is a core area the government intends to address in the 4th Medium Term Development Plan. The NSA has taken keen interest to work with the Business Council through the Business Protection Taskforce to design a suitable agenda in prioritising policy.

2024 engagements indicated the themes of black economy, transnational crimes, critical infrastructure protection, cyber crimes and the need to have surges in law enforcement personal as the key priorities. While the investment in these activities are ongoing, there remains limited coordination in its effectiveness.

source | rpngc.gov.pg

Papua New Guinea's security priorities largely remain exclusively in the maintenance of internal law and order. Policing investments increased in 2025 and has seen increases in recruitments, improved housing, expanded logistics and increase stock of tactical assets. It is not clear if these investments has also translated in improved benefits in pay structures, superranuation, life assurance schemes and related benefits to families.

There has also been an exponential increase in defence cooporation where the PNGDF has been the beneficary to improve facilities, tactical capabilities and frequent joint operations with its partners.

Papua New Guinea government has made Australia and the West the preferred Security partner. Bilateral Security Agreement is the facility that caters for these programmes.

source | ABC Australia

BY PHYLLIS SCHWAIGER
PHOTOGRAPHY BY JIN AE SOO

2025 Action Items

Low	Medium	High
National Cyber Security Center regular dialogues to discuss cyber security coordination and cyber safety.	Black Economy strategy to address non compliance and illicit trade.	Reduce Survival Crimes Strategy through public private partnerships on youth related investments.
Establish regular dialogue on social media internet business protection so that they are not impacted in crime enforcement.	General purpose technology such as optic fibre, ICT towers, power stations and other critical infrastrruee to the market such as seaports, airports and major supply chain highways have a security strategy.	Establish Copyright and Cultural Rights Comission to coordinate the protection, promotion and enforcement.
Regular dialogues on PNGDF investments and the intended areas of improving capability.	Regular dialogues on police investments and strategies of improving law and order in its areas of operations.	Design and deploy Business Protection Strategy to focus on improving enforcement coverage, functional regulatory entity and importation of goods and services.

Advancing these Action Items in the Business Protection Task Force is essential for 2025.






Ideas. Solutions. Growth.

Connecting Technology, Markets, Governments and International Relations.

admin@legacygrouppng.com

+675 8220 3451

Legacy Group

Legacy Group Ltd