PORT MORESBY BUSINESS CRIME
VICTIMISATION SURVEY, 2005

by Richard Guy

A report prepared for the Government of Papua New Guinea’s Law and Justice Sector’s National Coordinating Mechanism

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<th>Description</th>
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<tr>
<td>AusAID</td>
<td>Australian Agency for International Development</td>
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<tr>
<td>CEO</td>
<td>Chief Executive Officer</td>
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<tr>
<td>ECP</td>
<td>Enhanced Cooperation Package</td>
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<td>GoPNG</td>
<td>Government of Papua New Guinea</td>
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<td>IT</td>
<td>Information Technology</td>
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<td>JAG</td>
<td>Justice Advisory Group</td>
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<td>LISP</td>
<td>Law and Justice Sector Program</td>
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<td>MTDS</td>
<td>Medium Term Development Strategy</td>
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<td>NCD</td>
<td>National Capital District</td>
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<tr>
<td>NGO</td>
<td>Non-Government Organisation</td>
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<td>NRI</td>
<td>National Research Institute</td>
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<td>PNG</td>
<td>Papua New Guinea</td>
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<td>POM</td>
<td>Port Moresby</td>
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<tr>
<td>RPNGC</td>
<td>Royal Papua New Guinea Constabulary</td>
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<td>SPSS</td>
<td>Statistical Package for Social Scientists</td>
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EXECUTIVE SUMMARY

Background to the Study

Law and order has been identified as a major priority area for the government because of the increasing level of crime and its impact on business in Papua New Guinea.

The business community in Papua New Guinea has been affected by crime, but the nature and extent of these crimes have not been systematically documented. There is a need to collect baseline data in relation to crimes against business so that the nature and extent of crime, the initiation and management of crime prevention measures, and roles and responsibilities can be properly assessed, over time.

Since 2004, the AusAID funded PNG Justice Advisory Group (JAG), and the National Research Institute (NRI) have completed a series of community crime victimisation studies which were conducted in Port Moresby, Bougainville, Lae, and Mt. Hagen. A Highlands Highway Crime Study was also undertaken in 2005. These studies have created a valuable database on crime in communities and aspects of the business community in Papua New Guinea.

The Port Moresby Business Crime Victimisation Study further extends information that is available on crime and the business community. It establishes a set of baseline data in relation to business victimisation crime in Port Moresby. The field work for the study took place in 2005.

The objectives of the study were to:

- assess the extent and nature of crime victimisation on the business community in Port Moresby;
- identify the environmental indicators and concerns regarding business crime and victimisation;
- evaluate the opinions of the business community in regard to the provision of state criminal justice services and policing, in particular;
- examine the manner in which the business community is taking responsibility for crime prevention, in particular, through the use of private security agencies;
- evaluate the cost of crime victimisation and prevention measures on business activity and confidence;
- provide information for policy development in the area of integrated business crime prevention; and
- improve the law and order environment for business in Port Moresby (and elsewhere) which may impact on business confidence and investment.

Methodology of the Study

The study adopted a quantitative approach using a structured survey form administered (mainly over the telephone) to 172 businesses that had their head offices in the National Capital District. The businesses that participated in the study were
purposefully sampled. Medium to large-scale businesses operating in the formal economy were selected from the Yellow Pages of the PNG telephone directory.

The survey form contained open and closed questions and was administered using a telephone call-back approach. A group discussion was held to give feedback on the survey form before it was administered. After the completion of the surveys, two group discussions were held in order to provide qualitative data in relation to business crime victimisation.

Description of Businesses that Participated in the Study

The 172 businesses that took part in the study are mostly characterised as:

- located at one address;
- spread across a range of business types;
- owned more or less equally by either Papua New Guinean or overseas interests;
- located in an industrial or business and commercial area;
- have been in their present location for 14.9 years on average;
- employ 134 full-time workers on average;
- have a turnover of more than K1 million per annum; and
- are protected by private security services.

Understanding Crime

The study was concerned with assessing the extent and nature of crime victimisation in the business community in Port Moresby.

A total of 153 businesses (89%) perceived business crime to be a big or very big issue. A total of 151 businesses (88%) had been affected, or highly affected, by crime in the past twelve months.

These are very high percentages that set the benchmarks for measuring the performance of the law and justice sector agencies over short-term and long-term periods.

Businesses were asked to report on the level of crime in the area in which they were located, and the occurrence of crime within their own specific businesses over the past twelve months. Approximately 24 percent of the respondents indicated that crime was getting worse in the local area and within their own business, 16 percent described crime as decreasing, and 52 percent of the respondents stated that crime had remained the same across the local business area and within their own businesses.

The Port Moresby Community Crime Survey, 2005 found that the percentage of respondents who thought that the level of crime was the same or less, improved from 67 percent in 2004 to 78 percent in 2005.

The business community attributed the extent of crime to the low enthusiasm and inefficiency of the police, poor service delivery by the courts and prisons, and increasing raskolism. The descriptions given by focus group participants confirmed
that the business community in Port Moresby felt isolated from the government's provision of crime prevention and control services.

Businesses have adopted a strategic response to these circumstances. The business representatives in the group discussion sessions stated that the community perception of business was that it makes lots of money and is therefore 'fair game' for criminal activity. There may be some truth in this perception as business in Papua New Guinea, according to respondents in the study, operates on high margins and low competition, with crime and its costs being factored into business margins and passed on wherever possible to consumers.

Stealing, robbery with violence, break and enter, assault, and fraud were of most concern to businesses. When asked who was most likely to commit crimes against the specific business, 43 percent of respondents stated people from the local area, while 40 percent claimed that it was outsiders. Thirteen percent of respondents stated that staff are also initiators of crime.

Businesses were asked to nominate the main reason for poor business confidence and investment in Papua New Guinea. Some 75 percent of 154 respondents confirmed that the extent of crime, and 89 percent of 149 respondents confirmed that the fear of crime were the two major issues influencing poor business confidence and investment.

Experiencing Crime

Extent of Crime

A total of 129 businesses (75 percent) in the study experienced some form of crime over the past twelve months.

The crimes most often attempted were:

- business vehicle theft (165 responses);
- malicious damage to property (136 responses);
- burglary (135 responses); and
- theft from premises by employees (106 responses).

The most common completed crimes were:

- malicious damage to business property (243 responses);
- theft from premises by employees (218 responses);
- business vehicle theft (154 responses);
- external fraud (127 responses); and
- burglary (117 responses).

The completed crimes that had the highest percentage of reporting were:

- armed hold-ups to and from work (42 percent);
- business vehicle theft (40 percent);
- armed robbery (40 percent); and
- burglary (39 percent).

For example, malicious damage to business property, which is the most commonly attempted, and completed, form of crime, was only reported seven percent and five percent of the time, respectively.

The data confirm the cynicism within the business community of the ability, or interest of the police to pursue investigations, and the need to report crime. The data suggests that there is less interest by police in pursuing attempted crimes than in pursuing completed crimes. This may be the only realistic approach that the police employ, given the limited resources at their disposal to investigate all forms of crime.

**Fraud**

Fifty-two percent of the 172 businesses involved in the study indicated that they had experienced some form of fraud in the past twelve months.

Embezzlement received the highest number of responses (32%), followed by presentation of bad cheques (25%), false accounting (14%), cheating by suppliers (14%), and credit card fraud (7%). Twenty-nine businesses stated that staff members (32%) were involved in fraudulent activities within the business.

Focus group participants related crime committed by staff to:

- poor training;
- low salaries;
- misunderstanding about the role of business in community welfare;
- confusion about the wealth of businesses; and
- family and clan obligations.

Businesses were asked if fraud was increasing. Some 33 percent of respondents did not report any change in the level of fraud, whereas 47 respondents (27%) stated that fraud had increased over the past twelve months. Some 25 percent of respondents indicated that they 'did not know'.

Representatives of big business in the focus groups indicated reluctance to report employee, or financial services theft, or fraud if it reflected badly on the security and operations of the business concerned.

**Measuring Losses**

A total of 38 respondents of the 90 businesses that had experienced fraudulent activity indicated that fraud cost a total of K5 923 500 over the past twelve months. The average cost of fraud per business was K155 881, although this amount is distorted by the upper range of reported fraud.
Ten businesses stated that they had paid out compensation in relation to crime. The amounts ranged from K300 to K200 000. Some 66 businesses stated that they did not pay out any compensation, while 96 businesses did not respond to the question.

Businesses indicated that a total of 1 138 working days were lost as a result of injuries received during criminal activity, with an average loss of 45 days per business.

Responding to Crime

What do businesses do after a criminal activity has taken place?

Reporting Crime

A total of 65 (47 %) of the 139 businesses indicated that they did not report crimes to the police, while 74 (53 %) stated that crimes were reported to police.

Respondents stated that much of the crime was not serious enough to warrant the time to report it to police and they preferred to deal with it themselves. The majority of responses showed dissatisfaction with the police, and handling of reported crime.

Respondents reported that police:

- lack resources (vehicles, fuel) to investigate crime;
- take too long to respond;
- are inefficient;
- help wantoks but not the general public;
- show no interest in minor crimes;
- would not report back;
- would not return property if it was recovered; and
- ask for money before they will investigate any reported crime.

Respondents indicated that the police response to crime was unacceptably slow. The majority of businesses waited more than two hours before there was a response from police, which reinforced the belief within the business community that there is little value in reporting crime to the police. Few businesses indicated that, when police made an arrest, only a small number of respondents had to attend court in relation to the reported crime.

Seven percent of the respondents stated that they were required in court within one month from reporting the crime. One-third of the respondents stated that it took six to twelve months before they were required in court, and 40 percent stated that it took up to five years. Some 79 percent of the respondents were not satisfied with the way that the police and courts handled the cases. Few respondents indicated that stolen property was returned to them.

A total of 66 (56 %) businesses confirmed that they told another party about the crime instead of the police. The most likely third parties were private security firms (49
responses), business organisations (20 responses), staff members (14 responses), and members of the local community (10 responses).

Insurance

A total of 81 businesses (67%) were insured at the time of the reported crime, and 69 of them had made a claim in the past twelve months.

Sixty of the businesses stated that they reported crime to the police in order to claim insurance.

Those businesses that had insurance, but did not make any claims, stated that the crime was either 'too small', or they did not want to claim 'because it would affect their excess policy and they would end up losing out'.

A number of businesses did not have an insurance policy in relation to criminal activities. Several businesses explained this in terms of:

- the cost of the premium outweighing the cost of possible losses;
- the payouts do not cover the full loss;
- excess amounts are too high;
- police often fail to complete an official report of a crime; and
- businesses are unable to verify to insurance companies that a crime has been committed.

Business Behaviour

Fifty percent of the businesses altered their behaviour after criminal activities in terms of:

- increasing alertness by staff;
- increasing electronic protection;
- improving security operations;
- restricting the use of cheques;
- changing premises;
- encouraging credit customers;
- providing alarms and immobilisers in vehicles;
- paying payrolls directly into bank accounts;
- avoiding 'no-go' zones;
- liaising with local community;
- varying transport routes;
- doing banking irregularly by two or more staff;
- increasing security staff and less insurance; and
- learning from mistakes.
The responses of businesses rely on changing internal behaviour rather than seeking outside behavioural changes from recognised agencies, such as the police or public prosecutors.

**Crime Prevention Measures**

A total of 75 businesses (88%) changed their crime prevention measures after a crime. The changes made were:

- enhanced communications equipment between field staff and head office;
- staff awareness;
- employed new staff with checkable references;
- installation of alarm systems;
- employed more security guards and security escorts, and enhanced perimeter fencing; and
- employed auditors and systems managers.

The cost of the changes totalled K2 731 133 according to the 53 respondents who were able to divulge this information. This represents, on average, some K51 531 per business over the past financial year. The range of the cost varied considerably from K72 at one extreme to two businesses that spent K300 000 each to upgrade security.

**Crime at a Personal Level**

How does business crime affect people at a personal level? The majority of respondents stated that they felt safer after the prevention and operational measures were put in place, but one-third stated that they did not feel any safer as a result of these actions.

The fear of crime dominated the concerns of employers (40%). Twenty-six employers (15%) stated that retaining staff after a crime incident was a major concern. Some staff members were so traumatised by an incident that they required extended leave or resigned in fear of a repeat crime. Crime does not only affect individuals psychologically, but also affects businesses that lose staff, and are required to recruit and train new staff to replace those who resign as a result of crime.

The most important personal actions taken by employers were to:

- avoid being victimised again (41%);
- getting life back to normal (35%);
- recovering lost property (30%); and
- ensuring criminals are taken off the streets (21%).

**Preventing Crime**

What should businesses do in order to avoid or minimise crime against their business? Businesses improved entry controls (66%), security lighting (60%), security
fencing (58 %), employed caretakers or security guards (55 %), and employed a commercial security firm (50 %).

Businesses were asked to nominate local actions that could be taken to make businesses safer. Improving the security of the business premises and business procedures was the popular response from 97 businesses (56 %). Fewer respondents (38 %) stated that they would go out of their way to assist police, while 32 percent stated that they would engage the local community in crime prevention measures by funding local initiatives such as peace and good order committees.

These data are consistent with the view which emerged from this study that businesses have decided that there is little assistance from the government in preventing crime, and that businesses must make their own response.

Cost of Crime Prevention

The total cost of crime prevention measures for the past two years was K42767 171. This represented an average cost of K331 528 over the two-year period for 129 businesses responding to a cost question. The range of expenditure was from a low K200 to K7 million in the case of one national company with an extensive provincial network.

Businesses estimated that, on average crime, prevention measures cost them four percent of their gross annual turnover.

The Government's Role in Crime Prevention

Businesses suggested a number of actions that the government should take to make business safer:

- 54 percent of respondents suggested that more employment be created for youth, to solve law and order issues;
- 50 percent of respondents wanted better trained police;
- 47 percent of respondents wanted a reduction in corruption;
- 47 percent of respondents wanted greater police presence;
- 42 percent of respondents thought that improvements to community infrastructure were needed;
- 38 percent of respondents advocated harsher penalties for criminals;
- 38 percent of respondents wanted a crackdown on gang activity;
- 34 percent of respondents wanted an improvement in living conditions; and
- 12 percent of respondents wanted greater use of dispute resolution strategies.

Businesses are concerned that the government should better recognise the relationship between community welfare and crime prevention. However, there did not seem to be a widespread, parallel view from businesses to take some responsibility for this activity.
Businesses are not overly interested in engaging with local communities and groups. For example, only ten businesses stated that they were aware of a non-government organisation operating in the local area with the aim of improving law and order, while 156 respondents indicated that they had no knowledge of the existence of local law and order organisations.

Business, Community, and the Police

How could the workplace community better assist the police? A total of 120 respondents (70%) indicated that the workplace community could ‘call the police when they observe any criminal activities’, 102 responses (59%) advocated ‘provide information to police’. Some 102 responses (59%) suggested ‘cooperate with the police’. Seventy-three responses (42%) indicated that participation in peace and good order committees would be appropriate.

Business representatives were asked if people in their workplace community would be willing to give information to police. Forty-eight percent of 168 responses stated that people were willing to give information mainly because:

- as a general matter, people should report crime to prevent crime; and
- the community is fed up with some gangs committing the same crimes.

These data come as a surprise, given the strong negativity shown towards the police in earlier questions.

Approximately one-third of the respondents disagreed about providing information to the police, stating that:

- a lot of people fear the police. The grassroots people have difficulties going to the police for help, because police do nothing about it;
- fear of payback. People fear they will be identified as informants, and be intimidated by criminal elements;
- half the time the police do nothing, and sometimes side with clan members and threaten informants;
- no confidence in the police performance. They do not keep information confidential because, later on, informants are threatened; and
- people do not want to be involved.

A total of 155 respondents (92%) indicated that they would report future crime to the police. The reasons given for this high level of support ranged from a moral imperative to report crime ‘as the right thing to do’, a necessity to support the police, and to ensure that perpetrators are dealt with in appropriate ways.

Businesses also viewed this issue from an operational point of view – ‘it is company policy to report all crimes, no matter how big or small’, and acknowledged the ‘legal necessity’ to report crimes for insurance claims, and possible compensation
claims from staff or community members affected by criminal activity. Nonetheless, respondents stated several constraints in relation to reporting incidents to police, such as the need for better policing, and the desirability of rejuvenating the Enhanced Cooperation Package (ECP) to build the capacity of local police to write-up reports of crime, and to subsequently act on those reports.

Businesses stated that the police (44%) are the most responsible for crime prevention and community safety, followed by the community, including business (32%), and individual responsibility (23%).

Making Sense of the Data

Crime and Business Investment

The survey did not ask businesses any direct questions in relation to the effects of criminal activity on the economy and business investment. However, business representatives in the focus groups made a clear connection between the state of the national economy, crime, and business conditions. They also noted that negative media reports, both internal and overseas, impact badly on business confidence and investment. Participants agreed that many new businesses opened and closed in a short period because of the problems associated with crime in the city.

Employment and Youth Crime

Local communities are of the view that high youth unemployment leads to poverty, which results in unemployed youth engaging in criminal activities in order to survive.

According to the non-government organisation representatives who participated in the study, businesses do not provide sufficient assistance to local youth and communities in terms of providing employment, or assisting with community-based projects.

Businesses are of the view that job creation and individual and community capacity development is a government rather than a business role. Businesses are sceptical of the value of community-based requests for financial assistance aimed at helping youth and reducing or preventing crime.

Isolation of Business

Much of the evidence from the study indicates the acceptance by business that it has had to assume almost complete responsibility for reducing and preventing crime within the business sector. This is at a considerable cost to many businesses, but the cost is simply passed on to consumers. There is a strong feeling among the businesses that they are ‘on their own’, with little assistance from official agencies, and mechanisms aimed at crime reduction and crime prevention.

The businesses involved in the survey stated that:
public and even private sector service delivery in security, crime prevention, and control was generally considered to be poor, by businesses, and therefore the isolation of business was more through a failure of services than by choice; and

there is not much cooperation within the business community to promote crime prevention even though the data and the focus group experience indicates that businesses see opportunities for crime in careless, or unregulated business practices.

Informal businesses, that are unable to afford the high cost of security, operate on a different model and rely on ethnic groupings, and community alliances for protection of their business capacity.

Formal businesses reject this approach, referring to the divisions within communities and the jealousies and sabotaging of activities by one group or another.

**Business and the Community**

The evidence in this study points to a significant separation of business from the community in pursuing what are, for all intents and purposes, shared goals of reducing and preventing criminal activities.

Businesses mostly see community engagement as 'a waste of resources and time'. The majority of businesses continue to conduct their business without investigating the potential benefits of working collaboratively with youth groups, churches, ward councillors, and interested community members to identify suitable approaches that are of benefit to all. Instead, the conventional response of most businesses is to install new, or enhance existing, crime prevention measures at a considerable cost.

Law and Justice Sector Program initiatives, such as Yumi Lukautim Mosbi, may be the mechanism by which businesses and the National Capital District, for example, can work together in relation to crime reduction and crime prevention.

**Action Strategies**

The information that has emerged from this study suggests that a number of actions could be introduced by a range of agencies as part of the overall response of businesses, the government, and the community to business crime. The action strategies are awareness, policing, income generation, and business and community engagements.

**Awareness**

There are a number of misunderstandings about awareness in relation to:

- the roles and responsibilities of business;
- the roles and responsibilities of the community;
• government law and justice sector agencies involved in responding to crime by businesses and communities; and
• how businesses could collaborate and work within the business sector to better manage resources and the effects of crime.

There are no voices in this study that represent the perspective of the *raskols* or other youth in the community.

Businesses need to consider creating awareness of the role of business in the economy, the contribution that businesses make to the well-being of citizens, and the need for businesses and communities to work in sympathetic ways to maximise outcomes.

The various employer groups located in different parts of the country would be effective mechanisms to underwrite awareness activities. Business and employer groups should be provided with the data emerging from the business and community crime surveys to assist them and their members to explore other options to deal with crime reduction and prevention.

**Policing**

The information from this study indicates a high level of dissatisfaction by the business community with the Royal Papua New Guinea Constabulary, and its attention to crime that targets business. The time that the courts took to process cases was also a major concern.

This study adds further weight to the desirability of implementing the findings of the *Ministerial Review of Police Services* (2004) for which funding has been provided in the 2006 Budget.

**Income Generation**

Employment was nominated throughout this study as an important means of reducing criminal activity by providing income sources, particularly for unemployed youth.

The urban community crime study also strongly supports this strategy. It is understood by many to be the key initiative for reducing crime.

Business has a great deal to offer local communities in terms of skills and knowledge to assist operators in the formal and informal economies to be better at what they do. What needs to be considered by business is its role in the community.

**Business and Community Engagement**

Businesses in this study have stated that they have tried to link with local communities in the past, but without success. However, only a few businesses in the study actually took the time or interest to understand how the community itself was
dealing with crime, and forming strategic alliances with communities in the interest of everyone.

The community views the potential for engagement with business in a more positive light, and has a number of initiatives in various locations in the National Capital District which have been claimed to be successful, and contribute to more peaceful communities. Recent initiatives, such as Yumi Lukautim Mosbi, provide opportunities for successful collaboration between youth, businesses, and government.
CHAPTER 1
BACKGROUND TO THE STUDY

Introduction

The Government of Papua New Guinea released the Medium Term Development Strategy (MTDS), 2005-2010, in 2004. This paper articulates an overarching development strategy that provides the guiding framework for prioritising the government's expenditure program as expressed in the annual budget.

Law and order has been identified as a major priority area for government because of the increasing level of crime and the impact on business in Papua New Guinea.

Since the 1990s, foreign investment in Papua New Guinea has slowed markedly, especially in the resources sector ... this downturn reflected law and order concerns (MTDS 2004:36).

Criminal activity also greatly increases the costs to business operating in the formal sector and is a major deterrent to foreign investment (ibid.).

The MTDS points out that an improvement in law and order is one of the drivers of economic activity, and contributes to the improvement in standards of living, and the quality of life in Papua New Guinea.

By fixing the roads and wharves, restoring law and order, enhancing skills and providing extension services, the Government will encourage and empower Papua New Guinean's to utilise more fully their resources for income generation (ibid.:30).

The Government of Papua New Guinea (GoPNG) has increased its expenditure in the Law and Justice Sector as part of its strategy to reduce crime in Papua New Guinea. Table 1 illustrates the government's recurrent budget expenditure for the sector. The development expenditure also includes the government's contributions, as well as the development partner assistance.

Table 1: Government Expenditure on the Law and Justice Sector, 2003-2006

<table>
<thead>
<tr>
<th>Year</th>
<th>Recurrent (Kina)</th>
<th>Development (Kina)</th>
<th>Total (Kina)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>212,019,909</td>
<td>60,264,577</td>
<td>272,284,486</td>
</tr>
<tr>
<td>2004</td>
<td>260,660,971</td>
<td>67,457,775</td>
<td>328,118,746</td>
</tr>
<tr>
<td>2005</td>
<td>287,698,229</td>
<td>80,877,151</td>
<td>368,575,380</td>
</tr>
<tr>
<td>2006</td>
<td>294,265,200</td>
<td>76,321,124</td>
<td>370,586,324</td>
</tr>
</tbody>
</table>

Source: Law and Justice Sector Program, 2005.
Exchange rate K1=US$0.32
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<td>370,586,324</td>
</tr>
</tbody>
</table>

Source: Law and Justice Sector Program, 2005.
Exchange rate K1=US$0.32
The Law and Justice Sector comprises the Royal Papua New Guinea Constabulary, the Correctional Service, the Department of Justice and the Attorney General (including the Public Prosecutor and Public Solicitor), the National Judicial Service and the National Judicial Staff Services, Magisterial Services, the Ombudsman Commission, and the Department of National Planning and Monitoring.

In 2005, the budgeted expenditure within the sector represented 7.67 percent of the combined national recurrent and development budgets.

The government has targeted the reduction of crime in urban areas.

*The law and order problem in Port Moresby impedes investment and tourism not only in the national capital, but throughout the country (ibid.:26).*

The business community in Papua New Guinea has been affected by crime, but the nature and extent of that crime has not been systematically documented. Many observers make a causal connection between the level of business activity and the level of crime. It is often suggested that a reduction in crime leads to greater economic activity and contributes to poverty reduction.

There is a need to collect baseline data in relation to crimes against business in order that the nature and extent of crime, and the initiation and management of crime prevention measures, and roles and responsibilities can be assessed, over time.

**Urban Crime Victimisation Studies**

The AusAID funded PNG Justice Advisory Group (JAG) and the National Research Institute (NRI) in Papua New Guinea have undertaken a series of annual community crime victimisation studies in Port Moresby, Bougainville, Lae, and Mt. Hagen (Findlay et al., 2005a, 2005b; Guthrie et al., 2006a, 2006b, 2006c). These surveys are ongoing and provide valuable data for policy makers and practitioners about the level of crime affecting people and communities. The objectives of the crime surveys are to:

- provide information on levels, extent, and types of crime in Papua New Guinea;
- balance reported crime data;
- ascertain trends in crime levels;
- measure the actual crime environment in Papua New Guinea, so that programs and strategies to counter crime can be formulated in specific response to these conditions;
- capture community perceptions about the police and monitor changes in those perceptions, over time; and
- seek to identify community based crime prevention initiatives and assess their impact on levels of crime.

The Port Moresby Crime study (Findlay et al., 2005a:1) reported that:
• two-thirds of households reported that they have been the victims of crime at least once in the past year;
• public confidence in the police and the delivery of police services is disturbingly low;
• two-thirds of people thought that crime in their areas had stayed the same or decreased in the past year; and
• community groups often take an active and positive role in crime prevention and control.

The urban crime studies have indicated the need to know more about how business is affected by crime. This study is an initial attempt to describe and understand business crime victimisation in Papua New Guinea.

Highlands Highway Crime Study

A Highlands Highway Crime Study was also undertaken by NRI and JAG in 2005 (National Research Institute 2006). The objective of that study was to provide information on the types and cost of crime on the highway in order to:

• enable the heavy transport and law and justice sector to ascertain trends in crime levels;
• provide data that can inform programs and strategies to counter crime; and
• monitor outcomes of crime prevention and control measures.

The study focused on the major heavy transport companies that use the Highlands Highway as part of their everyday business activities. Nine companies were identified as the major carriers of heavy cargo along the highway.

This study provides additional information in relation to business crime victimisation in Papua New Guinea and is referred to several times throughout this report.

Business Crime Victimisation Study

On behalf of the sector, NRI and JAG undertook this study – the Port Moresby Business Crime Victimisation Study. It establishes a set of baseline data in relation to business victimisation crime in Papua New Guinea, and more specifically, in Port Moresby. The field work for the study took place in 2005.

Businesses, for the purpose of this study, refer to individual, profit-making organisations operating in the formal economy whose head offices are located in Port Moresby.

Objectives of the Study

The objectives of the study were to:
• assess the extent and nature of crime victimisation amongst the medium-sized to large business community in Port Moresby;
• identify the environmental indicators and concerns regarding business crime and victimisation;
• evaluate opinions held within the business community regarding the provision of state criminal justice services, and policing, in particular;
• examine the manner in which the business community is taking responsibility for crime prevention, in particular, through the use of private security agencies;
• evaluate the cost of crime victimisation and prevention measures on business activity, and (where possible) confidence;
• provide information for policy development in the area of integrated business crime prevention; and
• improve the law and order environment for business in Port Moresby (and in other centres), which may impact on business confidence and investment.

Methodology of the Study

The study adopted a quantitative approach using a structured survey form administered, primarily by telephone, to 172 businesses located in Papua New Guinea. Three focus discussion groups were held which provided some qualitative data in relation to business crime victimisation.

Sample

The study adopted a purposeful sampling approach because of the lack of a comprehensive database on businesses in Papua New Guinea. There are several business organisations in PNG such as the Papua New Guinea Chamber of Commerce and Industry, Institution of Engineers PNG Inc., PNG Chamber of Mines and Petroleum, and the Manufacturers Council of PNG, but they tend to have specific client groups. The research team decided that the PNG Yellow Pages Directory (2004) was the most informative and comprehensive source of information available for sampling purposes. There are approximately 18 000 entries in the Yellow Pages, of which an estimated one-third did not come within the survey definition of business.

The research team selected 250 businesses as a suitable sample. The sample was selected from the Yellow Pages using a random process of selecting every twentieth entry in the directory, based on the following criteria:

• select only Port Moresby-based businesses;
• avoid government instrumentalities, unincorporated associations, and any other enterprises which did not have the characteristics of a small business organisation; and
• avoid sampling franchises or sub-businesses of organisations already appearing in the sample.

An additional 100 businesses were sampled as a reserve list, in case some of the initial sample businesses did not wish to participate in the study.
The study does not claim to be a representative sample of businesses in Papua New Guinea or Port Moresby. For example, there was no stratification of the sample in terms of the type and size of businesses. However, the study does provide situational data in relation to the businesses that responded to the survey, and it forms a critical mass of data to inform future business studies in Papua New Guinea.

Data Collection

Data were collected using two approaches – a survey form and focus discussion groups.

Survey Form

A survey form was designed to capture factual information and perceptions of business leaders about the extent, location, nature, reporting, responding, and cost of crime to business in Port Moresby. The survey form drew on similar questions to those in the urban crime studies, and from studies completed by the United Nations and the Australian Institute of Criminology.

The survey form was reviewed at the first of the focus group sessions. Some revisions were made, resulting in the final form that is attached as Annex A.

Focus Discussion Groups

Additional data in the study were gathered from the three focus discussion groups held during the study.

- The first focus group was held several weeks before the survey was administered to fine tune the questionnaire, and focus on the quality and relevance of the survey approach. It consisted of 12 representatives from medium to large businesses, together with observers from JAG, NRI, and AusAID. The names of the businesses represented at this focus group were unavailable for reporting.

- The second focus group was held after the completion of the data collection activity. It included 15 members of the business and financial sectors, and the security industry (see Annex B). The focus group provided an opportunity for broad findings from the survey to be presented to the participants, and encouraged discussion of the findings. In addition, participants were invited to discuss broader issues related to crime, policing, and business confidence, which were not necessarily included in the survey, and to discuss recommendations for an improvement in business security environments, and crime prevention service delivery. There were several observers from JAG, NRI, and AusAID who attended this group.

- The third focus group was also held after the completion of the data collection activity. It included twelve participants from groups such as the informal business sector, community interest groups, support services, government instrumentalities, and the media (see Annex B). It had a similar agenda to the
second focus group. There were several observers from JAG, NRI, and AusAID who attended this group.

Process of the Study

The study was conducted in the following manner:

- initial contact with the businesses;
- training of interviewers; and
- establishment of a call centre.

Initial Contact with Businesses

In the initial contact:

- sample businesses were sent an introductory letter explaining the nature and purpose of the survey;
- the introductory letter was intended for senior management who would be in a better position to reliably respond to the questions, some of which were financial in nature; and
- the introductory letter included the survey form, and businesses were asked to complete the form and to be available for a telephone call in order to obtain their responses.

Training of Interviewers

The interviewers were chosen from the team of researchers who had worked in the recent NRI/JAG crime victimisation studies in Port Moresby. A total of 12 interviewers were engaged for the study. They were given a half day of training in the use of the survey instrument, and in telephone techniques. A training document, with instructions for interviewers regarding best interview practice, was produced by the team leader and discussed at the training session. Best practice involved:

- the need for interviewers to maintain accurate and complete diary entries of each interview and its progress;
- the preferred routine for initial contact, introduction, encouragement to participate in the survey, and necessary follow-up; and
- the quality control steps which would ensure uniformity of survey technique and minimum standards of data collection.

The interviewers were paired at the training session and practised using the survey in an interview environment.

Establishment of a Call Centre

A call centre was established from which the interviewers would operate. Multiple telephone lines were installed in rented premises for the duration of the data collection.
phase. The interviewers were supervised by a full-time senior data collector, and by NRI and JAG staff, from time to time.

Interviewers recorded the information on individual survey forms. The respondents kept the original forms, although some original forms in a small number of cases were returned to NRI. The responses, in these cases, were not collected over the telephone, but entered into the Excel database from the original survey sheets.

Data Analysis

The initial analysis of data was carried out using the forms that were completed by the interviewers, over the telephone, using an Excel spreadsheet. Some of the data were re-entered using SPSS software, which allowed for further analysis using descriptive statistics.

The discussions generated from the focus groups were recorded on tape and made available for later analysis.

The use of surveys in Papua New Guinea is fraught with difficulties. Guy et al., (2002, 2003, 2004) found through various studies, that a return rate of 30 percent of survey forms forwarded to prospective respondents is the best that can be expected. The best method to use with surveys is to have respondents come together to complete surveys, and then to continue the session with a series of focus discussions to gain qualitative data.

The study contacted a total of 310 businesses consisting of the initial sample of 250 businesses, and 60 from the reserve sample list. A total of 172 surveys were completed which resulted in a survey completion rate of 55 percent. The completion rate compares favourably to the completed returns achieved by NRI in other survey studies.

The data are available for analysis on the basis of business type, ownership, size, and location.

Lessons from the Study

The data that have been gained from the study are useful and portray an initial understanding of the extent of, and response of businesses to, crime in Port Moresby.

In conducting this study a number of lessons were learned (see Annex C), which would benefit surveys that may be done in future in relation to business crime victimisation. The lessons learned relate to:

- the need for a more rigorous sampling process;
- the appropriateness of telephone interviewing;
- the nature and extent of training provided for interviewers;
- greater use of established networks within the business community; and
- an alertness to gender issues that may relate to business crime.
Reporting

The following sections of the report include data and discussion on the nature of the 172 businesses that participated in the study, understanding crime, experiencing crime, responding to crime, preventing crime, and the community and crime.

There are a number of inclusions throughout the report that are in italics. These represent excerpts of dialogue from representatives of businesses recorded during focus group sessions, and interviews, or taken from extended responses given to open-ended questions in the survey. These dialogues are used to elaborate the quantitative data contained in the report, and provide another view on the activity and impact of business victimisation crime.
CHAPTER 2

DESCRIPTING BUSINESSES IN THE STUDY

A total of 172 businesses were interviewed in the study. The businesses were identified on the basis of distribution, type, ownership, location, staffing, turnover, and security provision.

Distribution of Businesses

Some 54 percent of businesses had a single address within Port Moresby, while 31 percent of businesses were located at more than one address (Q.1.3). The businesses with multiple addresses tended to be in various parts of Port Moresby, rather than throughout Papua New Guinea.

Table 2: Distribution of Sample Businesses

<table>
<thead>
<tr>
<th>Location</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Only at one address</td>
<td>93</td>
<td>54</td>
</tr>
<tr>
<td>At several addresses</td>
<td>54</td>
<td>31</td>
</tr>
<tr>
<td>Part of larger chain or bigger business</td>
<td>24</td>
<td>14</td>
</tr>
<tr>
<td>Not identified</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>172</td>
<td>100</td>
</tr>
</tbody>
</table>

The remaining 14 percent of businesses were part of a business chain, but were located in Port Moresby.

Several businesses were involved in wholesaling and distribution and had distribution outlets in several provinces. Some businesses, such as those involved in mining and primary industry that were based in Port Moresby, also had an extensive network of outlets in several provinces. These businesses were categorised as 'part of a larger chain or bigger business'.

Type of Business

There is an uneven selection of businesses in the study (Q.1.7). The sampling procedure did not use a stratification process based on business type.

Table 3 shows that professional services, retailing, and manufacturing businesses dominated the other types of businesses participating in the study. Although professional services appear to be overrepresented, this category contains businesses such as legal and accounting firms, training organisations, and real estate agencies.
Table 3: Type of Businesses in the Sample

<table>
<thead>
<tr>
<th>Type of Business</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>23</td>
<td>13</td>
</tr>
<tr>
<td>Primary Industry</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Construction</td>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td>Retail</td>
<td>29</td>
<td>17</td>
</tr>
<tr>
<td>Wholesale/Distribution</td>
<td>11</td>
<td>6</td>
</tr>
<tr>
<td>Transport</td>
<td>16</td>
<td>9</td>
</tr>
<tr>
<td>Hospitality/Tourism</td>
<td>11</td>
<td>7</td>
</tr>
<tr>
<td>Professional Services</td>
<td>41</td>
<td>24</td>
</tr>
<tr>
<td>IT and Communications</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Multiple types of business</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>No response</td>
<td>19</td>
<td>11</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>172</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Business Ownership

Most of the businesses in the study were owned either by Papua New Guineans (41 %) or overseas interests (38 %). Some 17 percent of businesses operated on a shared ownership basis between overseas and Papua New Guinean interests (Q.1.4).

Figure 1: Ownership of Sample Businesses
Businesses were asked to categorise the location of their business from a given set of locations (Q.1.9). A total of 51 businesses (30%) were located in an industrial area, and another 51 businesses (30%) were located in a business and commercial area. The remaining businesses (38%) were located in shopping centres, business complexes, professional offices, and private homes.

Respondents were asked to indicate the number of years that the business had been operating in the same location. The mean number of years in current premises was 14.9 years (range is two months to 60 years) according to the 145 responses received.

**Staffing Levels**

A question in the survey related to the full-time, part-time, and casual staffing levels in each of the businesses (Q.1.7). The mean number of full-time employees was 134.3, ranging from 1 to 2 000; a mean number of 15.1 part-time employees, ranging from 1 to 200; and a mean number of 23.7 casual employees, ranging from 1 to 400.
Table 4: Number of Employees, by Category

<table>
<thead>
<tr>
<th>Type of Employment</th>
<th>No. of Employees</th>
<th>1-10</th>
<th>11-20</th>
<th>21-50</th>
<th>51-100</th>
<th>101-500</th>
<th>No response</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>%</td>
<td>N</td>
<td>%</td>
<td>N</td>
<td>%</td>
<td>N</td>
</tr>
<tr>
<td>Full-time</td>
<td>31</td>
<td>18.0</td>
<td>27</td>
<td>15.6</td>
<td>36</td>
<td>21.0</td>
<td>20</td>
</tr>
<tr>
<td>Part-time</td>
<td>24</td>
<td>14.1</td>
<td>7</td>
<td>4.1</td>
<td>1</td>
<td>0.6</td>
<td>1</td>
</tr>
<tr>
<td>Casual</td>
<td>38</td>
<td>22.1</td>
<td>11</td>
<td>6.5</td>
<td>5</td>
<td>3.3</td>
<td>-</td>
</tr>
</tbody>
</table>

Part-time workers are not a feature of the sample and casual employees are more in evidence. The high number in the 'no response' category means that the sample businesses generally do not employ people on a part-time or casual basis.

Annual Business Turnover

The study focused on medium to large businesses. This was done according to the research team's knowledge of the businesses that were listed in the Yellow Pages. The study was not concerned with very small businesses, or those operating in the informal economy. Businesses were asked to indicate their size in terms of annual turnover (Q.1.6). Sixty-one percent of the sample consists of relatively large businesses with turnovers exceeding K1 million per annum.

Table 5: Annual Turnover of Sample Businesses

<table>
<thead>
<tr>
<th>Turnover</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than K500 000</td>
<td>24</td>
<td>14</td>
</tr>
<tr>
<td>K500 000 - K1 million</td>
<td>30</td>
<td>17</td>
</tr>
<tr>
<td>K1 million - K5 million</td>
<td>37</td>
<td>21</td>
</tr>
<tr>
<td>More than K5 million</td>
<td>68</td>
<td>40</td>
</tr>
<tr>
<td>No response</td>
<td>13</td>
<td>8</td>
</tr>
<tr>
<td>Total</td>
<td>172</td>
<td>100</td>
</tr>
</tbody>
</table>

Business and Security

The provision of security services has grown considerably in Papua New Guinea over the past decade. A total of 140 businesses (81 %) participating in the study are protected by private security services, while 32 businesses (19 %) do not have such an arrangement (Q.1.10).

Businesses were asked to indicate the additional security measures that they took to prevent or reduce criminal activity (Q.1.11):

- 33 percent of businesses were walled;
- 76 percent of businesses were fenced;
- 38 percent of businesses were monitored electronically; and
- 29 percent of businesses were monitored by cameras.
CHAPTER 3

UNDERSTANDING BUSINESS CRIME

This chapter assesses the extent and nature of crime victimisation amongst the business community in Port Moresby.

Size of Business Crime

Businesses were asked to comment on the size of criminal activity against business (Q.6.29). Table 6 indicates that almost 90 percent of the respondents perceived business crime to be a large or very large issue.

Table 6: Perceived Size of Business Crime

<table>
<thead>
<tr>
<th>Size</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very large</td>
<td>84</td>
<td>49</td>
</tr>
<tr>
<td>Large</td>
<td>69</td>
<td>40</td>
</tr>
<tr>
<td>Average</td>
<td>12</td>
<td>7</td>
</tr>
<tr>
<td>Not large</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Don't know</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>No response</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>172</td>
<td>100</td>
</tr>
</tbody>
</table>

Business Safety in the Workplace

What is the perception of businesses in relation to safety in the workplace? Businesses were asked if they felt safe and secure from crime in the area where the business was located (Q.3.1). Fifty businesses responded positively, while 48 businesses gave a negative response.

Table 7: Perception of Business Safety in the Workplace

<table>
<thead>
<tr>
<th>Workplace Safety</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>50</td>
<td>29</td>
</tr>
<tr>
<td>No</td>
<td>48</td>
<td>28</td>
</tr>
<tr>
<td>Sometimes</td>
<td>73</td>
<td>42</td>
</tr>
<tr>
<td>No response</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>172</td>
<td>100</td>
</tr>
</tbody>
</table>

A large number of businesses were ambivalent, stating that it varied from time to time.
Impact of Crime on Business

During the study, questions were asked to gauge the impact of crime on businesses (Q.1.15). Figure 3 shows that 153 businesses (89%) were affected, or highly affected by crime in the past twelve months.

Figure 3: Impact of Crime on Business

This is a very high percentage which sets a benchmark for measuring the performance of law and justice sector agencies over the short term and long term, as initiatives are implemented. A business manager who has lived in Port Moresby for 15 years commented:

Every so often you see or hear about major crime against business. Who can forget the hijacking of the police helicopter and the attempted rooftop robbery of the PNGBC in 2000. That led to a lot of shooting by raskols and the police in the middle of town. Everyone was on their toes for weeks after that. Most of the crime against business is not at that scale. It is more opportunistic and knowing when it is pay day at a local business or seeing someone withdraw a large amount of money from a bank. This stuff is continuous. You’re always mindful of possible crime, but a lot of it is relatively small scale and not worth reporting to police.

Businesses were asked to indicate whether the level of crime in the local areas where the businesses were mainly located had increased over the past twelve months (Q.2.1). Figure 4 shows that 39 businesses (23%) stated that crime had increased, 28 (16%) stated that it was less, 90 (52%) stated that it had remained the same, and 15 (9%) stated that they did not know.
Figure 5 refers to a slightly different question concerning the change in crime against the respondent’s specific business (Q.2.3). The data indicate that 43 respondents (25%) perceived crime against their business to have increased, 29 respondents (17%) stated that crime had decreased, 86 responded (50%) that crime had remained the same, and 14 respondents (8%) stated that they 'did not know'.

The data in Figures 4 and 5 are very similar. Approximately 24 percent of respondents indicated that crime was getting worse in the local area and within their own business, an average of 16 percent of respondents described crime as decreasing for the two questions, and more than 50 percent of the respondents stated that crime remained the same across the local business area and within their own businesses.
The Port Moresby Community Crime Survey (2005) found that the percentage of respondents who thought that the level of crime was the same or less, improved from 67 percent in 2004 to 78 percent in 2005.

Data from the Port Moresby Business Crime Victimsation Study shows that 69 percent of businesses believe that crime has stayed the same, or has decreased across the general business area, while 67 percent stated that business crime has stayed the same or decreased within their own specific businesses. These data show a high degree of similarity with the 2004 Port Moresby data and are worthwhile monitoring, over time.

Changes in Crime

Respondents were asked to comment on the contribution of the police, courts, prisons, community, and *raskols* to changes in the level of crime over the past twelve months (Q.2.2).

Figure 6 shows that the perception is that the activities of the police, courts, prisons, and *raskols* have become worse; that is, *raskol* activity has increased. There is a marginal improvement in the rating given to the community for its contribution in reducing the level of crime.

The views of the focus group participants confirmed that the business community in Port Moresby feels that it is isolated from the state provision of crime prevention and control services.

**Figure 6: Reasons for Change in Level of Crime**

Respondents consistently made negative statements about the relevance of the police, the courts, and the prisons. They stated that their performance had deteriorated.
These statements confirmed the perception held by businesses of their isolation from official law-enforcement agencies, and that business must look after itself.

*There's no point going to the police. They either can't help or won't help. If you did get some satisfaction from the police then there is the cumbersome court system. Who is going to wait a few years before a case comes together? The witnesses and the raskols have long disappeared.*

A lone voice in one focus group provided somewhat of a defence of the police force:

... the police are doing a good job, particularly in the area of fraud investigation. The problem is that they are so poorly resourced that case-loads are high and matters take too long to resolve. As a result, the communication between the police and business is poor and unproductive.

Businesses adopt a strategic response to these circumstances. The business representatives in focus group sessions stated that the community's perception of business was that it makes lots of money, and is therefore 'fair game' for criminal activity.

There may be some truth in this perception as businesses in Papua New Guinea seem to operate on high margins and low competition, with crime and its costs being factored into business margins, and passed on, wherever possible, to consumers.

The business community appears to be more hardened in terms of accounting for changes in the level of crime than the evidence emerging from the Port Moresby Community Crime Survey (NRI 2004:24). Members of the community stated that:

- the community was doing a good job (some 25 percent of responses);
- the threat from raskols had diminished;
- opinion about the effect of the police on changing crime levels was evenly balanced; and
- neither the courts nor the prisons were thought to be having an impact either way.

Is there any relationship between the perception of criminal activity and business ownership and business type? Table 8 indicates a consistent response across businesses in terms of the level of crime, except that businesses owned by overseas interests have a higher response rate (35%) than nationally owned companies (14%), or those owned on a shared basis (17%). The prevailing perception by businesses is that criminal activity has either stayed the same, or decreased in the local area.
Table 9 illustrates the change in the level of crime in relation to the type of business.

Table 9: Business Type and Changes in Business Crime Victimisation

<table>
<thead>
<tr>
<th>Business</th>
<th>More Count</th>
<th>More %</th>
<th>Less Count</th>
<th>Less %</th>
<th>Stayed Same Count</th>
<th>Stayed Same %</th>
<th>Don’t know Count</th>
<th>Don’t know %</th>
<th>Total Count</th>
<th>Total %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>8</td>
<td>35</td>
<td>4</td>
<td>17</td>
<td>8</td>
<td>35</td>
<td>3</td>
<td>13</td>
<td>23</td>
<td>100</td>
</tr>
<tr>
<td>Primary Industry</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>40</td>
<td>2</td>
<td>40</td>
<td>1</td>
<td>20</td>
<td>5</td>
<td>100</td>
</tr>
<tr>
<td>Construction</td>
<td>1</td>
<td>14</td>
<td>3</td>
<td>43</td>
<td>3</td>
<td>43</td>
<td>0</td>
<td>0</td>
<td>7</td>
<td>100</td>
</tr>
<tr>
<td>Retail</td>
<td>4</td>
<td>14</td>
<td>8</td>
<td>28</td>
<td>17</td>
<td>58</td>
<td>0</td>
<td>0</td>
<td>29</td>
<td>100</td>
</tr>
<tr>
<td>Wholesale/Distribution</td>
<td>1</td>
<td>9</td>
<td>3</td>
<td>27</td>
<td>6</td>
<td>55</td>
<td>1</td>
<td>9</td>
<td>11</td>
<td>100</td>
</tr>
<tr>
<td>Transport</td>
<td>8</td>
<td>50</td>
<td>0</td>
<td>0</td>
<td>8</td>
<td>50</td>
<td>0</td>
<td>0</td>
<td>16</td>
<td>100</td>
</tr>
<tr>
<td>Hospitality/Tourism</td>
<td>4</td>
<td>36</td>
<td>1</td>
<td>9</td>
<td>5</td>
<td>46</td>
<td>1</td>
<td>9</td>
<td>11</td>
<td>100</td>
</tr>
<tr>
<td>Professional Services</td>
<td>11</td>
<td>27</td>
<td>2</td>
<td>5</td>
<td>22</td>
<td>54</td>
<td>6</td>
<td>14</td>
<td>41</td>
<td>100</td>
</tr>
<tr>
<td>IT and Communications</td>
<td>2</td>
<td>40</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td>60</td>
<td>0</td>
<td>0</td>
<td>5</td>
<td>100</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>50</td>
<td>1</td>
<td>50</td>
<td>2</td>
<td>100</td>
</tr>
<tr>
<td>Multiple types</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>33</td>
<td>1</td>
<td>33</td>
<td>1</td>
<td>33</td>
<td>3</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>39</td>
<td>25</td>
<td>24</td>
<td>16</td>
<td>76</td>
<td>50</td>
<td>14</td>
<td>9</td>
<td>153</td>
<td>100</td>
</tr>
</tbody>
</table>

The data in Table 9 are for the 153 responses that were received. This is less than the sample of 172 because 19 respondents did not answer the question that related to 'type of business'.

From the data in Table 9, it appears that criminals have not targeted any particular business sector. The responses from each business show that crime has increased, decreased, or stayed the same, and this is consistent with the distribution of the data in Figure 5.
The majority of the data for each business sector indicates that crime has either decreased or stayed the same over the past twelve months. Figure 7 details the type of crime that is of most concern to business (Q.2.6). Respondents gave more than one answer to this question. Stealing, robbery with violence, break and enter, assault, and fraud are of most concern to businesses.

Figure 7: Crime of Most Concern to Businesses

![Bar chart showing the percentage of respondents who listed different types of crime as most concerning. Stealing is the most concerning at 41%, followed by break and enter and assault at 19% each, robbery with violence at 27%, damage to property at 6%, business fraud at 16%, and don't know at 3%.

It is interesting to understand the perceptions of the business community as to who is most likely to commit crimes against their businesses (Q.2.7). Several respondents provided more than one answer to this question. Figure 8 indicates that 43 percent of respondents stated that it was people from the local area, 40 percent of respondents indicated that outsiders were most likely to commit crimes against specific businesses, and 13 percent of respondents confirmed that staff are also initiators of crime.

Figure 8: People Most Likely to Commit Crimes against Businesses

![Bar chart showing the percentage of respondents who listed different categories as most likely to commit crimes. People from the local area are the most likely at 43%, followed by outsiders at 40%, staff at 13%, and don't know at 16%.

32 Port Moresby Business Crime Victimisation Survey, 2005
Businesses were asked to state the main reason for poor business confidence and investment in Papua New Guinea. Seventy-five percent of 154 respondents stated the extent of crime, and 89 percent of 149 respondents stated the fear of crime were the two major issues accounting for poor business confidence and investment. Respondents elaborated further by stating that:

- police need more cars, more staff, better communication, quick acting police, and courts to hand down stiff penalties, put law breakers in gaol until they are reformed and then bring them back to the community that provides employment;
- laws on crime to be reviewed and penalties increased. White collar crimes to be prosecuted in order to restore respect for the rule of law by the entire population. Tougher penalties for corruption;
- increase funds for police and the Correctional Service. More effective prosecutions;
- restore the Enhanced Cooperation Package;
- change of culture – stop nepotism and wantokism;
- need honesty and professionalism on the part of Ministers and departmental heads in managing human resources, cash, and physical assets;
- more powers to be given to the Ombudsman Commission to forward evidence to court for prosecution of corrupt leaders;
- hire and train more private securities;
- give confidence and better picture of Papua New Guinea overseas; and
- encourage development to improve social and living standards of all citizens in Papua New Guinea, and provide more employment.
CHAPTER 4

EXPERIENCING BUSINESS CRIME

What is the extent of business crime victimisation and what is the experience of businesses with crime in Port Moresby?

Extent of Business Crime

The data in Table 10 indicate that a total of 129 businesses (75 %) experienced some form of crime over the past twelve months (Q.4.1).

Table 10: Number of Businesses Experiencing Crime over the Past Twelve Months

<table>
<thead>
<tr>
<th>Occurrence</th>
<th>Number</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>129</td>
<td>75</td>
</tr>
<tr>
<td>No</td>
<td>38</td>
<td>22</td>
</tr>
<tr>
<td>No response</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Total</td>
<td>172</td>
<td>100</td>
</tr>
</tbody>
</table>

These statistics confirm the high rates of business crime, as reported in earlier questions that related to the size of business crime (see Table 6), and the impact of crime (see Figure 3).

Table 11 shows the number and percentage of the different types of businesses experiencing crime.

Table 11: Type of Businesses Experiencing Crime in the Past Twelve Months

<table>
<thead>
<tr>
<th>Business</th>
<th>Yes Count</th>
<th>Yes %</th>
<th>No Count</th>
<th>No %</th>
<th>Total Count</th>
<th>Total %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>17</td>
<td>74</td>
<td>6</td>
<td>26</td>
<td>23</td>
<td>100</td>
</tr>
<tr>
<td>Primary Industry</td>
<td>3</td>
<td>60</td>
<td>2</td>
<td>40</td>
<td>5</td>
<td>100</td>
</tr>
<tr>
<td>Construction</td>
<td>5</td>
<td>71</td>
<td>2</td>
<td>29</td>
<td>7</td>
<td>100</td>
</tr>
<tr>
<td>Retail</td>
<td>21</td>
<td>72</td>
<td>8</td>
<td>28</td>
<td>29</td>
<td>100</td>
</tr>
<tr>
<td>Wholesale/Distribution</td>
<td>8</td>
<td>73</td>
<td>3</td>
<td>27</td>
<td>11</td>
<td>100</td>
</tr>
<tr>
<td>Transport</td>
<td>14</td>
<td>88</td>
<td>2</td>
<td>12</td>
<td>16</td>
<td>100</td>
</tr>
<tr>
<td>Hospitality/Tourism</td>
<td>9</td>
<td>82</td>
<td>2</td>
<td>18</td>
<td>11</td>
<td>100</td>
</tr>
<tr>
<td>Professional Services</td>
<td>29</td>
<td>71</td>
<td>12</td>
<td>29</td>
<td>41</td>
<td>100</td>
</tr>
<tr>
<td>IT and Communications</td>
<td>4</td>
<td>80</td>
<td>1</td>
<td>20</td>
<td>5</td>
<td>100</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
<td>50</td>
<td>1</td>
<td>50</td>
<td>2</td>
<td>100</td>
</tr>
<tr>
<td>Multiple types</td>
<td>1</td>
<td>33</td>
<td>2</td>
<td>67</td>
<td>3</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>112</td>
<td>73</td>
<td>41</td>
<td>27</td>
<td>153</td>
<td>100</td>
</tr>
</tbody>
</table>
Experiencing Business Crime

Crime may be attempted – whether completed or not – and may or may not be reported to police by business. Table 12 shows the types of crimes perpetrated against business, and the action that businesses take in response to crime (Q.4.2).

Table 12: Frequency and Reporting of Crimes Committed against Businesses in the Past Twelve Months

<table>
<thead>
<tr>
<th>Type of Crime</th>
<th>No. of Attempted Crimes</th>
<th>No. of Completed Crimes</th>
<th>No. of Reported Crimes</th>
<th>Attempted%</th>
<th>Completed%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of Respondents</td>
<td>No. of crimes</td>
<td>No. of Respondents</td>
<td>No. of crimes</td>
<td>Atte-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>mpted</td>
<td>mpted</td>
</tr>
<tr>
<td>Burglary</td>
<td>40</td>
<td>135</td>
<td>51</td>
<td>117</td>
<td>25</td>
</tr>
<tr>
<td>Malicious damage to business property</td>
<td>10</td>
<td>136</td>
<td>12</td>
<td>243</td>
<td>10</td>
</tr>
<tr>
<td>Business vehicle theft</td>
<td>31</td>
<td>165</td>
<td>61</td>
<td>154</td>
<td>24</td>
</tr>
<tr>
<td>Armed hold-up to or from work</td>
<td>26</td>
<td>73</td>
<td>35</td>
<td>74</td>
<td>18</td>
</tr>
<tr>
<td>Theft from premises (non-employee)</td>
<td>17</td>
<td>85</td>
<td>22</td>
<td>92</td>
<td>7</td>
</tr>
<tr>
<td>Theft from premises (employee)</td>
<td>24</td>
<td>106</td>
<td>49</td>
<td>218</td>
<td>9</td>
</tr>
<tr>
<td>External fraud</td>
<td>17</td>
<td>85</td>
<td>26</td>
<td>127</td>
<td>7</td>
</tr>
<tr>
<td>Fraud by employees</td>
<td>16</td>
<td>52</td>
<td>30</td>
<td>94</td>
<td>6</td>
</tr>
<tr>
<td>Violence against owner/employees</td>
<td>8</td>
<td>24</td>
<td>10</td>
<td>40</td>
<td>5</td>
</tr>
<tr>
<td>Armed robbery</td>
<td>11</td>
<td>22</td>
<td>23</td>
<td>48</td>
<td>8</td>
</tr>
<tr>
<td>Unarmed robbery</td>
<td>2</td>
<td>4</td>
<td>2</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Bribery or extortion</td>
<td>15</td>
<td>61</td>
<td>9</td>
<td>84</td>
<td>3</td>
</tr>
<tr>
<td>Owner/employee threatened</td>
<td>14</td>
<td>77</td>
<td>11</td>
<td>34</td>
<td>5</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
<td>3</td>
<td>4</td>
<td>7</td>
<td>0</td>
</tr>
</tbody>
</table>
Forty respondents stated that 135 burglaries were attempted on their premises in the past twelve months. A total of 51 respondents indicated that 117 burglaries were completed in the past twelve months. Twenty-five of the attempted burglaries (19%) were reported to police, and 46 of the completed burglaries (39%) were reported to police.

Table 12 provides useful data to show the kinds of crimes that were attempted and completed. For example, the crimes that were most often attempted were:

- business vehicle theft (165 responses);
- malicious damage to property (136 responses);
- burglary (135 responses); and
- theft from premises by employees (106 responses).

The most common crimes that were completed were:

- malicious damage to property (243 responses);
- theft from premises by employees (218 responses);
- business vehicle theft (154 responses);
- external fraud (127 responses); and
- burglary (117 responses).

Table 12 also shows the number of attempted and completed crimes that were reported to police, as a percentage of the total number of attempted and completed crimes. For example, malicious damage to business property which was the most commonly attempted, and the second most completed of crimes was only reported seven percent and five percent of the time, respectively.

The completed crimes that had the highest percentage of reporting were:

- armed hold-ups to and from work (42 percent);
- business vehicle theft (40 percent);
- armed robbery (40 percent); and
- burglary (39 percent).

Table 12 confirms that attempted crimes and completed crimes were not always reported in Port Moresby. There is no clear pattern in the data at this time, except that completed crimes were more likely to be reported than attempted crimes. This is consistent with other evidence in this survey report.

The survey asked respondents to indicate the financial losses suffered by the companies as a result of crime. Respondents found it difficult to estimate the losses. Further investigation needs to be carried out to find out the cost of the crimes that were reported.

The Highlands Highway Crime Study (2006) gathered estimates of the cost of crime in the heavy transport industry. The report concluded that some K17.2 million (15%) of the estimated total industry turnover of K112.5 million was the total cost of crime. The report stated that:
Over the long term, the effect of all this is to drive up the price to consumers for a single truck trip by some 15 percent (National Research Institute 2005:6-10).

This amount included K7.1 million (6%) of total industry turnover as the estimated direct cost of crime from theft, damage, compensation, fraud, and preventative security, and K10.1 million (9%) of total industry turnover as the indirect cost of crime through loss of revenue because companies could not travel through certain areas at night, or at all.

The increase in price to consumers of 15 percent of industry turnover, as reported in this study, provides some comparative information that may be indicative of the business sector in general. One of the managers in the Highlands Highway Crime Study observed that, 'In the community, they don't understand yet that they are paying for the cost of crime. Eventually, tradestore goods will be more expensive.'

Focus group participants were in agreement with this observation. One of the chief executive officers attending the final focus discussion group, who drew attention to other forms of crime and the associated costs, stated that:

*A significant amount of crime is not directed at business as such, but the people involved in business. It doesn't matter if it's locals or expatriates. The costs of crime are in the difficulty of getting the right people to work for you. And the second thing is all the sick days, and the lost time, and the trauma of things like domestic violence and the effect these things have on productivity.*

Table 12 shows that 73 attempted and 74 completed armed hold-ups to and from work, and 22 attempted and 48 completed armed robberies occurred in the past twelve months. Table 13 further illustrates the kind of weapons that were used in these robberies over the past twelve months (Q.5.1). A total of 45 respondents answered the question and indicated that 111 offences were committed.

**Table 13: Type of Weapon Used to Stage Armed Robberies in the Past Twelve Months**

<table>
<thead>
<tr>
<th>Weapon</th>
<th>No. of Respondents</th>
<th>No. of Offences</th>
</tr>
</thead>
<tbody>
<tr>
<td>Firearms</td>
<td>24</td>
<td>63</td>
</tr>
<tr>
<td>Imitation firearm</td>
<td>4</td>
<td>7</td>
</tr>
<tr>
<td>Knife</td>
<td>11</td>
<td>30</td>
</tr>
<tr>
<td>Stick or iron bar</td>
<td>4</td>
<td>9</td>
</tr>
<tr>
<td>Axe</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>45</td>
<td>111</td>
</tr>
</tbody>
</table>

Firearms and knives are the preferred method of armed robbery. The same question (Q.5.1) was asked in the Highlands Highway Crime Study. A different set of responses was provided in relation to 68 reported incidents, where sticks, iron bars, and axes were used 37 times, knives were used on 21 occasions, and firearms were used ten times. The relatively higher use of firearms in the Port Moresby study suggests a greater prevalence of guns in the Port Moresby area.
Business Fraud

Table 12 reports that a total of 33 respondents had experienced attempted fraud, while 56 respondents experienced fraud that was completed over the past twelve months. Less than 20 percent of completed fraud was reported to police.

The following is how one employer described fraud:

*Fraud happens in many ways. There's the institutional planned fraud that involves a number of public servants and even politicians who are able to send public money overseas. You need bank approvals to do this, and it is the banks that forward the money. So there are a lot of people and a lot of vested interests involved in that kind of fraud. In my business, it is petty fraud that continues. Wages are low and the cost of living is high in Port Moresby. It is tempting for those who handle money to find ways that they can skim off some of it for their own pockets. False cheques are written, petty cash receipts are forged, contractors employed at high rates, and the spin-off goes to the person letting the contract. You handle these things by terminating employees, or getting it back from their pay.*

Figure 9 illustrates data obtained in relation to a question on fraud (Q.5.5). Respondents were encouraged to provide more than one response to this question. About 90 of the 172 businesses involved in the study (52 %) indicated that they had experienced some form of fraud in the past twelve months. The other 82 businesses (48 %) did not report any fraudulent activity.

Embezzlement was the main type of fraud as shown by the responses of those 90 respondents (32 %), followed by presentation of bad cheques (25 %), false accounting (14 %), cheating by suppliers (14 %), and credit card fraud (7 %). A total of 29 businesses stated that their own staff members (32 %) were involved in fraudulent activities.

**Figure 9: Number and Nature of Fraud Cases Reported by Businesses**
A total of 38 respondents of the 90 businesses claimed that fraudulent activities had cost them a total of K5,923,500 (Q.5.6). The range was from K1,000 to K4.5 million. The mean cost of fraud was K155,881. However, this amount is distorted by the upper range of reported fraud:

There was an impression given at the focus groups that both employees and employers may be in denial about the rates of victimisation and the involvement of employees as crime perpetrators. Some business representatives felt that the amounts were disproportionate, and misleading in that employee were only involved in low-level crime. The relatively small level of financial loss from employee-related theft might confirm this, but not so when it comes to the total cost of employee theft and fraud.

Forty-five out of the 172 businesses stated that they had attempted to recover the cost of fraud from insurance companies (Q.5.7). Nine businesses reported that they were successful in their claims, 35 stated that they were unsuccessful, and one business had mixed results - having some claims approved and others not approved.

Businesses were asked if fraud was increasing (Q.2.4). Table 14 presents a mixed picture in relation to fraud.

Table 14: Business Perception of the Level of Fraud over the Past Twelve Months

<table>
<thead>
<tr>
<th>Level</th>
<th>Number</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>More</td>
<td>47</td>
<td>27</td>
</tr>
<tr>
<td>Less</td>
<td>23</td>
<td>13</td>
</tr>
<tr>
<td>Stayed the same</td>
<td>57</td>
<td>33</td>
</tr>
<tr>
<td>Don't know</td>
<td>42</td>
<td>25</td>
</tr>
<tr>
<td>No response</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>172</td>
<td>100</td>
</tr>
</tbody>
</table>

Fifty-seven respondents (33 %) did not report any change in the level of fraud, whereas 47 respondents (27 %) stated that fraud had increased over the past twelve months. Forty-two respondents (25 %) indicated that they 'did not know'.

Table 15 further analyses the data contained in Table 14, according to the type of business. How do the different types of businesses perceive change in the level of fraud over the past twelve months?

The three largest business types in Table 15 are professional services (41), retail (28), and manufacturing (23).

Approximately one-third of the respondents from these three business types commented that the level of fraud has increased over the past twelve months. Approximately 30 percent of respondents from the manufacturing sector stated that fraud had decreased. However, retail and professional services indicated that the percentage for improvement was much lower at 10-14 percent.
Retail (42.9 %) and professional services (26.8 %) both described fraud as staying at the same level over the previous 12-month period.

The 42 'don't know' responses from the three main business types in Table 15 may mean that the survey was not completed by a senior officer who would be aware of fraudulent activities. It may also mean that businesses are reticent about reporting internal fraud, in particular, as it reflects poorly on the management of the business, which chief executive officers may not want to publicise.

It would be useful in subsequent business studies to understand what businesses do in response to fraudulent activities. Do businesses liaise more closely with banks to counter fraud involving credit cards and cheques? What sort of auditing processes are in place, or had been enhanced, as a consequence of fraud? Do businesses simply terminate staff, or write-off the loss and move on?

**Table 15: Number of Businesses Reporting Changes in the Level of Fraud in the Past Twelve Months, by Type**

<table>
<thead>
<tr>
<th>Business</th>
<th>More</th>
<th>Less</th>
<th>Stayed same</th>
<th>Don't Know</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Count</td>
<td>%</td>
<td>Count</td>
<td>%</td>
<td>Count</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>8</td>
<td>35</td>
<td>7</td>
<td>30</td>
<td>2</td>
</tr>
<tr>
<td>Primary Industry</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Construction</td>
<td>7</td>
<td>25</td>
<td>3</td>
<td>11</td>
<td>12</td>
</tr>
<tr>
<td>Retail</td>
<td>3</td>
<td>27</td>
<td>1</td>
<td>9</td>
<td>5</td>
</tr>
<tr>
<td>Wholesale/Distribution</td>
<td>5</td>
<td>31</td>
<td>4</td>
<td>25</td>
<td>6</td>
</tr>
<tr>
<td>Transport</td>
<td>1</td>
<td>9</td>
<td>2</td>
<td>18</td>
<td>5</td>
</tr>
<tr>
<td>Hospitality/Tourism</td>
<td>15</td>
<td>36</td>
<td>6</td>
<td>15</td>
<td>11</td>
</tr>
<tr>
<td>Professional Services</td>
<td>1</td>
<td>20</td>
<td>1</td>
<td>20</td>
<td>3</td>
</tr>
<tr>
<td>IT/Communications</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
<td>33</td>
<td>1</td>
<td>33</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>41</td>
<td>27</td>
<td>25</td>
<td>16</td>
<td>47</td>
</tr>
</tbody>
</table>

Focus group participants related crime committed by staff to:

- poor training;
- low salaries;
- misunderstanding about the role of business in community welfare;
- confusion about the wealth of businesses; and
- family and clan obligations.

During the focus group discussions, representatives of big business indicated reluctance to report employee, or financial services theft, or fraud, if it reflected badly on the security and operations of the business concerned.
Fraudulent activities within businesses are often seen by many as consistent with the increasing number of corruption cases that have been reported taking place within government. The business community was asked to comment on the trend in corruption in government (Q.2.5). A total of 89 respondents (52 %) stated that corruption in government in Papua New Guinea was increasing, 13 (8 %) stated it was decreasing, and 62 (36 %) said it had stayed the same.

Cost of Business Crime

Ten businesses stated that they had paid out compensation because of crime (Q.5.9). The amounts ranged from K300 to K200 000. A total of 66 businesses commented that they did not pay out any compensation, and 96 businesses did not respond.

Businesses were asked to indicate the number of work days lost as a result of injuries received during criminal activity (Q.5.8). Only 25 businesses responded to the question, revealing that 1 138 days were lost, with a mean number of 45 days.
CHAPTER 5
RESPONDING TO BUSINESS CRIME

This chapter examines what businesses do after criminal activity has taken place.

Reporting Business Crime

Businesses were asked to recall instances in which they had decided not to report crimes against them to police (Q.6.1). Out of the 139 businesses (81%) of the sample that responded, 65 (47%) indicated that they did not report crimes to police, while 74 (53%) indicated that crimes were reported to police.

Table 16: Frequency of Non-Reporting of Business Crime to Police

<table>
<thead>
<tr>
<th>Decision</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>65</td>
<td>47</td>
</tr>
<tr>
<td>No</td>
<td>74</td>
<td>53</td>
</tr>
<tr>
<td>Total</td>
<td>139</td>
<td>100</td>
</tr>
</tbody>
</table>

The data in Table 16 are inconsistent with the data reported earlier in Table 10 in which 129 businesses indicated that they had experienced crime in the past twelve months. It is not known why this inconsistency has occurred. Ten businesses may have mistakenly responded to either Question 4.1 or Question 6.1, or it may relate to those questions not having a clearly stated timeframe attached to the questions.

Respondents were asked to nominate reasons for not reporting crime (Q.6.2). Respondents indicated that much of the crime was not serious enough to warrant the time to report it to police, and that they would prefer to deal with it themselves. The majority of responses involved dissatisfaction with the police and the handling of reported crime. Respondents pointed out that police:

- lack resources (vehicles, fuel) to investigate crime;
- take too long to respond;
- are inefficient;
- help wantoks, but not the general public;
- show no interest in minor crimes;
- would not report back;
- would not return property if it was recovered; and
- ask for money before they will investigate any reported crime.

Focus group discussions further confirmed this view of policing in Port Moresby:

There are long delays in responding to reported crimes, and in some cases this is because police weren't available or didn't have a vehicle. Police are under-resourced and undisciplined. I know that many businesses are reluctant to report crimes to police because of the hassles that it creates. I had to use my vehicle one
time to pick up the police to look at a break and enter, and then they asked me for some money so they could buy some food that night.

The data in Table 16 were analysed on the basis of ownership of business. The data from Table 16 were also analysed on the basis of type of business. Table 17 shows that there is little difference between locally-owned and overseas-owned businesses and the reporting of crime.

Table 17: Business Ownership and Reporting of Crimes

<table>
<thead>
<tr>
<th>Decision</th>
<th>PNG-owned Count</th>
<th>PNG-owned %</th>
<th>Overseas-owned Count</th>
<th>Overseas-owned %</th>
<th>Part overseas-owned Count</th>
<th>Part overseas-owned %</th>
<th>Total Count</th>
<th>Total %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>28</td>
<td>47</td>
<td>27</td>
<td>49</td>
<td>10</td>
<td>40</td>
<td>65</td>
<td>47</td>
</tr>
<tr>
<td>No</td>
<td>31</td>
<td>53</td>
<td>51</td>
<td>15</td>
<td>60</td>
<td>74</td>
<td>74</td>
<td>53</td>
</tr>
<tr>
<td>Total</td>
<td>59</td>
<td>100</td>
<td>55</td>
<td>100</td>
<td>25</td>
<td>100</td>
<td>139</td>
<td>100</td>
</tr>
</tbody>
</table>

Table 18 indicates little difference in the rate of reporting on the basis of the type of business. According to the data, there is a tendency for manufacturing, construction, wholesale/distribution, hospitality/tourism, and IT and communications to be less interested in reporting crime than other business types. However, the size of the sample is small, and therefore that conclusion should be treated with some caution.

Table 18: Business Type and Reporting of Crimes

<table>
<thead>
<tr>
<th>Business</th>
<th>Yes Count</th>
<th>Yes %</th>
<th>No Count</th>
<th>No %</th>
<th>Total Count</th>
<th>Total %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>7</td>
<td>41</td>
<td>10</td>
<td>59</td>
<td>17</td>
<td>100</td>
</tr>
<tr>
<td>Primary Industry</td>
<td>2</td>
<td>50</td>
<td>2</td>
<td>50</td>
<td>4</td>
<td>100</td>
</tr>
<tr>
<td>Construction</td>
<td>2</td>
<td>33</td>
<td>4</td>
<td>67</td>
<td>6</td>
<td>100</td>
</tr>
<tr>
<td>Retail</td>
<td>12</td>
<td>46</td>
<td>14</td>
<td>54</td>
<td>26</td>
<td>100</td>
</tr>
<tr>
<td>Wholesale/Distribution</td>
<td>2</td>
<td>29</td>
<td>5</td>
<td>71</td>
<td>7</td>
<td>100</td>
</tr>
<tr>
<td>Transport</td>
<td>9</td>
<td>56</td>
<td>7</td>
<td>44</td>
<td>16</td>
<td>100</td>
</tr>
<tr>
<td>Hospitality/Tourism</td>
<td>4</td>
<td>40</td>
<td>6</td>
<td>60</td>
<td>10</td>
<td>100</td>
</tr>
<tr>
<td>Professional Services</td>
<td>17</td>
<td>52</td>
<td>16</td>
<td>48</td>
<td>33</td>
<td>100</td>
</tr>
<tr>
<td>IT/Communications</td>
<td>1</td>
<td>25</td>
<td>3</td>
<td>75</td>
<td>4</td>
<td>100</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>100</td>
<td>1</td>
<td>100</td>
</tr>
<tr>
<td>Multiple types</td>
<td>1</td>
<td>50</td>
<td>1</td>
<td>50</td>
<td>2</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>57</td>
<td>45</td>
<td>69</td>
<td>55</td>
<td>126</td>
<td>100</td>
</tr>
</tbody>
</table>

Businesses were asked why they do not report crimes and were given a set of possible responses (Q.6.3). Respondents were also encouraged to give more than one response to this question.
Figure 10: Reasons Why Businesses Do Not Report Crime

- the crime was not serious enough. Minor crimes were dealt with at the business or community level;
- reporting would not achieve anything and would be a waste of time;
- the police would not do anything about it, as they are involved in crime and some police expected payment before they investigate matters; and
- the police take too long to respond to crime because they lack resources, such as vehicles and fuel.

Police Response Time

The businesses which stated that they reported crime were asked to complete a further set of questions. They were asked to indicate how long it took police to respond to reported crime (Q.6.4).

Table 19: Response Time of Police to Reported Crime

<table>
<thead>
<tr>
<th>Response Time</th>
<th>Number</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 30 minutes</td>
<td>9</td>
<td>8</td>
</tr>
<tr>
<td>30-60 minutes</td>
<td>30</td>
<td>28</td>
</tr>
<tr>
<td>One to two hours</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>More than two hours</td>
<td>60</td>
<td>57</td>
</tr>
<tr>
<td>Total</td>
<td>106</td>
<td>100</td>
</tr>
</tbody>
</table>
A total of 106 respondents answered this question and indicated an unacceptably high response time to reported crime. This further reinforces the belief within the business community that there is little value in reporting crime to the police.

Approximately 30 percent of respondents indicated that an arrest was made and 57 percent of respondents stated that ‘no arrest was made’ in relation to the crime (Q.6.6). Some 13 percent of respondents stated that they did not know the outcome of the police action. A total of 43 respondents answered the question on the need to attend court in relation to the reported crime (Q.6.7). Approximately 26 percent of those 43 respondents attended court, and 58 percent were not required at court. A further 12 percent stated that they ‘did not know’ if they were required to attend court hearings.

A total of 15 respondents answered the question on how long it took before they were required in court (Q.6.8). Seven percent of the respondents were required in court within one month from reporting the crime. It took 6-12 months for one-third of the respondents before they were required in court, and 40 percent stated that it took up to five years. Approximately 79 percent of the respondents were not satisfied with the way that the police and courts handled the cases (Q.6.9).

Businesses were asked if they reported crimes to anyone else, other than the police (Q.6.10). A total of 66 respondents (56 %) stated that they told a third party about the crime, while 51 businesses did not tell anyone else. The most likely third parties were private security firms (49 responses), business organisations (20 responses), staff members (14 responses), and the local community (10 responses). Respondents gave multiple answers to this question (Q.6.11).

**Insurance of Businesses**

Approximately 40 respondents (35 %) indicated that stolen property was returned to them, while 64 respondents (55 %) stated that it had not been returned (Q.6.12). Eleven respondents stated that sometimes property was returned.

A total of 81 businesses (67 %) were insured at the time of the reported crime (Q.6.14), and 69 of them had made a claim in the past twelve months (Q.6.16). Presumably, 12 businesses decided that it was not worth making a claim in their particular circumstances.

<table>
<thead>
<tr>
<th>Insured at the Time of Crime</th>
<th>Claim Submitted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes 81</td>
<td>69</td>
</tr>
<tr>
<td>No 34</td>
<td>51</td>
</tr>
<tr>
<td>Sometimes 6</td>
<td>1</td>
</tr>
<tr>
<td>Total 121</td>
<td>121</td>
</tr>
</tbody>
</table>

Sixty of the businesses confirmed that the reason they reported crime to the police was so that they could proceed with an insurance claim (see Table 20). However, 52
businesses disagreed with that statement. Nine businesses did not complete the question (Q.6.19).

Those businesses that were insured, but did not make any claims, stated that the crime was either ‘too small’, or they did not want to claim ‘because it would affect their excess policy and they would end up losing out’ (Q.6.18).

A number of businesses did not have an insurance policy to recover losses incurred as a result of criminal activity (Q.6.15). Several businesses explained that:

- the cost of the premium outweighing the cost of possible losses;
- the payouts do not cover the full loss;
- excess amounts are too high;
- police often fail to complete an official report of a crime; and
- businesses are unable to verify to insurance companies that a crime has been committed.

A focus group was also concerned about the role of insurance companies in Papua New Guinea:

There was also disillusionment with insurance as a response to high victimisation rates. The informal sector could not get insured, and all levels of business felt that insurance premiums were too high, and the process for claims too complex. As an alternative, business representatives preferred to pass on the costs of crime to the consumers. Relatively modest as its involvement may be in business security, the cost of insurance was also passed on to the purchaser. It was also pointed out that the high cost of insurance was related to high crime rates in Port Moresby.

The Bougainville Urban Crime Study (2005) found that, for some communities in Papua New Guinea, insurance was not even an option. A business manager with links to business on Bougainville observed:

You can’t insure anything on Bougainville yet. After the crisis, no insurance company will take the risk. So it’s not an option in that place. Business has to shoulder the risk entirely.

Post-Crime Activity

What do businesses do to secure their business after criminal activities? Question 6.20 sought responses to this issue. A total of 87 businesses (51%) gave a positive response, 30 respondents (17.4%) said ‘no’, and 55 respondents (32%) did not answer the question. In what ways (Q.6.21) did those businesses that responded positively to Question 6.20 change their behaviour? The responses were:

- increased alertness by staff;
- increased electronic protection;
- improved security operations;
- restrictions on the use of cheques;
- changed premises;
by a male driver because of the perceived risk that she posed to herself and the business, as the company driver.

Personal Effects of Workplace Crime

A total of 58 respondents (67%) stated that they felt safer after the prevention and operational measures mentioned earlier had been put in place (Q.6.27). However, 28 (33%) stated that they did not feel any safer as a result of these actions.

Respondents were then asked, 'What were the personal effects of having been subjected to crime in the workplace?' (Q.6.28). Respondents were encouraged to provide more than one answer to this question.

Figure 11 indicates that the fear of crime dominated the concerns of employers (40%). Twenty-six employers (15 percent) noted that retaining staff after a crime incident was a major concern. Some staff members were so traumatised that they required extended leave or resigned for fear of a repeat crime. Crime does not only affect individuals psychologically. It results in businesses losing their staff, and they are required to recruit and train new staff to replace those who decide to resign as a result of crime.

Figure 11: Personal Effects of Crime Reported by Employers

Figure 12 shows the response of businesses in relation to a question on the most important actions taken by them as business victims after a crime (Q.6.13). Respondents were encouraged to provide more than one answer to this question.
• encouraged credit customers;
• provision of alarms and immobilisers in vehicles;
• payroll paid directly into bank accounts;
• avoiding ‘no-go’ zones;
• liaison with local community;
• varying transport routes;
• banking done irregularly by two or more staff;
• increased security staff and less insurance; and
• learn from mistakes.

It is interesting to note that the responses of businesses to tighten security procedures was to change internal behaviour rather than seeking outside behavioural changes from agencies such as the police or public prosecutions.

In addition, 75 of those businesses (88 %) changed their crime prevention measures after the crime (Q.6.22). The changes made were (Q.6.23):

• enhanced communications equipment between field staff and head office;
• staff awareness;
• employed new staff with checkable references;
• installation of alarm systems;
• employed more security guards and security escorts;
• enhanced perimeter fencing; and
• employed auditors and systems managers.

According to 53 responses, the cost of the changes totalled K2 731 133. On average, it cost a business some K51 531 over the past financial year (Q.6.24). The cost varied considerably from K72 at one extreme to K300 000 each for two businesses to upgrade their security.

Forty of the businesses that responded (47 %) indicated that they changed their business operations as a result of criminal activities, and 46 businesses (54 %) stated that they did not change (Q.6.25). Some of the changes that were made included:

• avoiding certain areas and the timing of certain activities;
• providing escorts for staff;
• restricting the handling of cash by staff;
• increasing internal auditing;
• customers collecting freight rather than delivering it; and
• women no longer working outside of the head office.

Issues to do with gender in business crime victimisation require further analysis in subsequent studies. In the meantime, it appears that female employees are at some risk, both in terms of business crime and employers, who may unknowingly restrict the access of women to some occupational areas within businesses. For example, one participant recounted a story of a woman who had held the position of driver in a business for a long time. The woman was terminated by the management and replaced
The four most important personal actions were to:

- avoid being victimised again (41 %);
- get life back to normal (35 %);
- recover lost property (30 %); and
- criminals to be taken off the streets (21 %).

A business manager who was interviewed recounted his experience with crime:

*I was held up in the evening as I was leaving work. They thought I had the payroll to take to the office on the other side of Port Moresby. They had a shotgun and knives. I really thought they were going to stab me when I kept saying I had no money. Every year now, for the past five years, I think about that incident, what if ... and I always remember the anniversary as well. The exact time and the day, every year.*
CHAPTER 6

PREVENTING BUSINESS CRIME

What should a business do in order to avoid or minimise crime against it?

Common Crime Prevention Measures

Figure 13 presents data that define the range of responses by business which are aimed at crime prevention (Q.3.2). Respondents were encouraged to provide more than one answer to the question.

Figure 13: Most Popular Crime Prevention Measures

![Bar chart showing the percentage of businesses adopting various crime prevention measures.]

Entry controls (66%), security lighting (60%), security fencing (58%), caretakers or security guards (55 percent), and employment of a commercial security firm (50%) were the most popular crime prevention measures adopted by businesses.

Cost of Crime Prevention

The total cost of crime prevention measures over the past two years was stated as being K42 767 171 (Q.3.3). The 129 businesses that responded to questions relating to crime prevention stated that, on average, businesses spent K331 528 over the two-year period. The expenditure ranged from a low K200 to K7 million in the case of one national company, which had an extensive provincial network.
On average, businesses estimated that crime prevention measures cost them four percent of their gross annual turnover (Q.3.4). One company claimed that crime prevention was costing as much as 30 percent of its gross annual turnover. The focus group sessions discussed this high cost, and business representatives stated that it was simply an overhead cost which was passed onto consumers.

The view of many focus group participants was that, if the public was more aware of the costs of crime, it might change the general attitude to business, as a crime opportunity.

This is also the view of transport executives in the recent study of criminal activity along the Highlands Highway (NRI 2006) in which the cost of crime is simply included in the cost structure of a company, and eventually passed onto consumers of tradestore products.

A total of 103 businesses (60 %) that answered questions in this study stated that the cost of crime prevention had increased over the past five years (Q.3.5). This was attributed to an increase in the extent of crime prevention measures adopted by businesses, the depreciation of the value of the kina, inflationary effects, and higher labour and equipment costs (Q.3.6).

Local Crime Prevention Measures

Businesses were asked to nominate actions that could be taken locally to make business safer (Q.3.7). Respondents were encouraged to give more than one response. The data are consistent with the view that emerged from this study that businesses have decided that there is little, if any, assistance from government in preventing crime, and that businesses must make their own response.

Figure 14: Actions to Make Businesses Safer from Crime

Ninety-seven respondents (56 %) stated that improving the security of business premises and business procedures is the most favoured crime prevention measure. Fewer
respondents (38%) would go out of their way to assist police, and still fewer (32%) would engage the local community in crime prevention measures by funding local initiatives such as peace and good order committees (see Figure 14).

Businesses were also asked to indicate the areas that they would suggest to government to make business safer (Q.3.13). Respondents were encouraged to give more than one response. The data that were collected from respondents indicated that:

- 54 percent suggested more employment for youth to solve law and order issues;
- 50 percent wanted better trained police;
- 47 percent wanted a reduction in corruption;
- 47 percent wanted greater police presence;
- 42 percent thought that improvements to community infrastructure were needed;
- 38 percent advocated harsher penalties for criminals;
- 38 percent wanted a crackdown on gang activity;
- 34 percent wanted an improvement in living conditions; and
- 12 percent wanted greater use of dispute resolution strategies.

Business was concerned that government should better recognise the relationship between community welfare and crime prevention. However, there did not seem to be a widespread, parallel view in business to take some responsibility for this activity. A business participant at a focus session stated that, 'the general public needed to take more responsibility for crime prevention against business'.

The issue of youth unemployment in relation to crime was a constant theme in focus discussion groups, and in extended responses given in the survey.

Despite a low basic wage in Papua New Guinea, there was agreement amongst business participants in the focus groups that the opportunity for work was present, if youth wanted to take it up.

From the focus group discussions that were held, it seems that business managers see local community capacity enhancement and employment growth as the responsibility of the government rather than business:

*Government should take the lead by strengthening basic social conditions (such as health, education, basic life-skills, and employment skills). The community is looking up to business to provide sponsorship and all these things. Businesses are here to do business while these issues can be reduced, if the government comes in and does what it is entitled to do.*

Community representatives in the focus groups saw youth employment from a different perspective and stated that businesses were not doing enough to create jobs, particularly for young people in their locality. A response to this by one manager suggested:

*Get more Papua New Guineans into business to better understand the priorities of business and how business runs.*
The study is interested in understanding the level of engagement between business and local communities in relation to crime and crime prevention. The urban community crime studies that were conducted by the NRI/IAG (Port Moresby 2004, 2005; Bougainville 2004, 2005; Lae 2005; Mt. Hagen 2005) indicate that crime within local communities is as much a problem as crime aimed at business. The Port Moresby Community Crime Survey (2004:2) summarised the following key findings:

- two-thirds of households had been victims of crime in the past 12 months;
- approximately 57 percent of households had been victims of multiple crimes (two or more crimes of any sort);
- approximately 33 percent had been victims of repeat crime (the same crime more than once); and
- more than one household in eight had been the victim of crimes, at least 10 times or more.

It would seem apparent that the two groups could find common ground and work together to reduce crime. A strong conclusion from the Port Moresby Community Crime Survey (2004:9) suggested that:

One of the most significant findings of this review is the apparent willingness and capability within the community to take responsibility for crime prevention.

However, on the basis of the data in this study, businesses did not seem overly interested in forging a relationship with local communities and groups. For example, only ten businesses acknowledged that they were aware of the existence of a non-government organisation operating in the local area with the aim of improving law and order, while 156 indicated that they had no knowledge of the existence of local law and order organisations such as peace and good order committees (Q.3.8).

Five of the ten businesses that responded to this question, noted that the organisations do community patrols (Q.3.11), six of the organisations mediate and resolve local law and order disputes (Q.3.12), and another six participate with the NGOs, or provide some financial assistance to the operations of those organisations (Q.3.10).

The focus group sessions with business representatives only served to illustrate the significant gap between businesses and communities. One speaker summed up a common view amongst business representatives:

_A general lack of trust exists here. Business is critical of the community because they don't understand the relationship between successful companies and increased job opportunities. They feel that business is a target, or something to be milked, rather than an ally or partner._

Another participant commented that:

_The relationship between business and the community is mixed, with most business representatives having a negative attitude toward the community because they are_
seen as simply wanting to 'take' all the time. I know of a couple of company representatives, who say the opposite and that a close relationship with the community has benefited their business in better security and loyalty.

Another business representative highlighted the apparent conflict between business and civil society when it comes to the appreciation of multi-cultural communities. Cultural obligations and interests contribute to employee crime. The extended family and the wantok system places heavy demands on workers to look for ways to get extra money, which are often illegal and represent fraudulent activity within a business.

An example was given that if workers from one ethnic group were employed, then other ethnic groups would demand that their wantoks should also be engaged. This often created friction in communities and possible reprisals against the company.

Community integration forgets about workplace integration. What is the community? We get five groups coming to us with their hands out saying that they have a great idea to reduce crime and that they represent the community. You don’t know who the community is. They represent five different groups that live separately. We should be dealing with the councillors, and the political representatives. The youth groups are difficult to work with.

Several of the community representatives at the final focus group session stated that:

Businesses do not work well with the communities in which they operate, and are not good corporate citizens. When communities sense that businesses are not willing to invest in legitimate community activities, then these communities won’t be sympathetic to businesses as crime victims.

The evidence from the Port Moresby Crime Study (2004:10) suggests that the businesses in this particular study are mostly unaware of one of their greatest potential allies:

The communities that were surveyed viewed themselves as having a high level of responsibility for crime prevention (for example, through working in peace and good order committees) and control. Consistent with respondents' views that the community is equally or more responsible than the police for crime prevention within their area, there is much in the survey data to indicate a greater confidence in reporting to community authorities.

Village leaders or community leaders were often nominated as being important in maintaining and promoting community crime prevention. Leaders were often the first resort when it came to reporting crime in preference to the police. Community leaders were also nominated as being significantly involved in mediation, negotiation, and compensation for crime victimisation. They were generally described as important participants in the community-based crime prevention framework. Community leaders took responsibility for the organisation and delivery of community crime prevention. In some situations, the importance of community leaders was not so much in an organisational capacity, but rather through their informal interventions.
CHAPTER 7

BUSINESS, COMMUNITY, AND THE POLICE

This chapter analyses the kinds of relationships that exist, or are likely to exist, between business, the community, and police in relation to the reporting and reduction of crime.

Assisting the Police

How can the workplace community better assist the police (Q.7.1)? Respondents were encouraged to provide multiple responses to this question. A total of 120 respondents (70%) indicated that the workplace community could 'call the police when they observe criminal activity', while 102 responses (59%) advocated 'provide information to police'. A further 102 responses (59%) suggested 'cooperate with the police'. Seventy-three respondents (42%) indicated that participation in peace and good order committees would be appropriate.

Business representatives were asked if people in their workplace community were willing to give information to police (Q.7.2). A total of 168 responses were received, of which 80 (48%) agreed that people were willing to give information mostly because:

- as a general matter, people should report crime to prevent crime; and
- the community is fed up with some gangs committing the same crimes.

A total of 44 responses (26%) disagreed about providing information, 38 (23%) responded as 'don't know', and six respondents indicated they would be willing to give information 'sometimes'. Respondents gave extended answers to this question (Q.7.3) indicating:

- a lot of people fear the police. Grassroots people have difficulties going to the police as they do nothing about it;
- fear of payback, fear they will be identified as informants, and intimidation by criminal elements;
- half the time the police do nothing, and many times take sides with clan members and threaten informants;
- no confidence in the police performance. They are not confidential. Informants are threatened later on; and
- people do not want to be involved.

Some 155 positive responses (92%) were received in relation to the question (Q.7.4) asking, 'If your business is a victim of a crime in the future would you report it to the police?'

The reasons given for this high level of support (Q.7.5) included a moral imperative to report crime 'as the right thing to do', a necessity to support the police, and that perpetrators are dealt with in appropriate ways.

Businesses also viewed this issue from an operational viewpoint by stating that, 'it is company policy to report all crime no matter how big or small'. They also
acknowledged the 'legal necessity' to report crimes for insurance claims, and possible compensation claims from staff or community members who were affected by criminal activity.

Several constraints were referred to by respondents in relation to reporting incidents to police, such as the need for better policing, and rejuvenating the Enhanced Cooperation Package (ECP) to build the capacity of local police to write-up reports of crime, and to subsequently act on those reports.

Responsibility for Crime Prevention

The final survey question (Q.7.6) asked, 'Who do you think should have most responsibility for crime prevention and community safety?' Respondents were given a choice of four possible responses and encouraged to give more than one answer.

Figure 15: Number of Responses Attributing Responsibility for Crime Prevention

![Bar chart showing responses for police, community, individuals, and don't know]

Figure 15 shows that 44 percent of the responses attributed responsibility to the police; 32 percent of the responses referred to the community, including business; and 23 percent of the responses indicated that responsibility for crime prevention rested with the individual.

Reflections on Business Crime

At the conclusion of each focus group, business and community representatives were invited to reflect on the issues that might impact positively on the high business crime victimisation rates in Port Moresby. These reflections strongly endorse the relevance of the community. This is somewhat surprising given the strong statements by business that
they felt isolated from conventional mechanisms of crime prevention and control, and being exploited by the community at large. There was little appreciation of the extent to which businesses suffered as a result of crime, and the impact it had on the cost of living. Some of the general reflections for change included:

- a broader public awareness of business and how it relates to community well-being in Papua New Guinea;
- greater cultural sensitivity between businesses and the community;
- economic development and the enhancement of purchasing power;
- significant improvements in government accountability;
- a better trained and skilled workforce;
- improved educational opportunities through home and school, with specific emphasis on apprenticeships;
- the enhancement of parental responsibility for the actions of young people;
- improved community infrastructure; and
- international donor assistance to be more creatively applied to local solutions for crime.
CHAPTER 8
MAKING SENSE OF THE DATA

Four major themes emerged from the quantitative and qualitative data that have been collected in this study. This chapter evaluates and attempts to make sense of these data.

Crime and Business Investment

The survey did not ask businesses any direct questions in relation to the effects of criminal activity on the economy and business investment. However, the issue was raised by respondents in several open-ended questions in the survey and within focus discussion groups.

A number of assertions were put forward by the business community in relation to crime and the economy:

- business representatives in the focus groups made a clear connection between the state of the national economy, crime, and business conditions. For example, mismanagement of the economy by the national government, the devalued kina, and the high cost of living, particularly in Port Moresby, were believed to have encouraged many in the community to resort to crime;
- negative media reports, both local and overseas, impact badly on business confidence and investment; and
- many new businesses opened and closed in a short turn-around time because of the problems associated with doing business in the city. The perception of the level of crime was highlighted as an important factor in business closures. Despite this, some businesses managed to survive and prosper in the face of high crime rates and costs. A representative from the PNG Chamber of Commerce and Industry commented:

  The majority of our businesses are long-term businesses. They know the situation and they have learned how to survive in business and they do it very well. Newer businesses find it much harder and many go out of business quickly.

The focus group's impression was that little could be done immediately to reduce crime and the answer relied more on business adaptability and resistance rather than productive engagement with the community or government.

In areas where crime and violence had increased, businesses simply closed up and moved elsewhere:

Existing businesses understand the measures that have to be taken to absorb crime, whereas new business ventures may be put off by the extent of the problem – by bad publicity, and by lack of local knowledge. This tended to work against the growth of the competitive business environment, and perpetuated business practices where crime was a tolerated cost factor. Businesses continue in the face of crime because, in general, they are profitable, irrespective of crime. Crime is no more than a
business cost. Business management becomes cynical about change and accepts the crime environment along with the provision of poor crime control services by national agencies.

The Isolation of Business

Much of the evidence available in the study strongly indicates the acceptance by business that it has had to assume almost complete responsibility for reducing and preventing crime. This is at a considerable cost to many businesses, but the cost is simply passed on to consumers.

Acceptance of this approach by businesses was exemplified by one business representative at a focus group:

_The cost of crime is a business overhead which is passed onto consumers. High margins and low competition allow for the high cost of crime. High risk means high returns._

Public and even private sector service delivery in terms of security, and crime prevention and control were generally considered by business to be poor. The isolation of businesses is more through a failure of services than by choice. Larger businesses saw private security as not being 'up to the mark', and in this situation had developed their own internal security facilities.

In addition, the data and the focus group experience confirm that, although business acknowledges that opportunities for crime are enhanced by careless or unregulated business practice, there is not much evidence of cooperation across the business community to promote crime prevention.

Focus group experience suggested that the larger the business and the more established, the better able it was to cope with crime as a business cost, and crime prevention as an operational expense.

Informal businesses that are unable to afford the high cost of security operate on a different model and rely on ethnic groupings and community alliances for protection of their business capacity. Formal businesses reject this approach, referring to the divisions within communities and the jealousies and sabotaging of activities by one group or another.

Some focus group participants recalled that community/business interaction in crime prevention had previously been efficient, but the general view was that, now, it was not worth the investment. This was strengthened by the belief that local government in the National Capital District (NCD) had virtually broken down, and there was no effective community representation to liaise with business in crime prevention or other important community initiatives.
Youth employment was a dominant theme in the survey responses and in the discussion groups. Several issues emerged in relation to youth employment:

- the issue mostly concerns male youth;
- local communities were of the view that high youth unemployment leads to poverty, which causes unemployed youth to engage in criminal activities in order to survive;
- local communities were of the view that businesses do not assist local youth and communities by providing employment, or assisting with community-based projects;
- businesses were of the view that job creation, and individual and community capacity development is a government role rather than a business role;
- businesses were sceptical of the value of community-based requests for assistance aimed at reducing or preventing crime; and
- in the majority of cases, businesses have isolated themselves from communities and constructed defences to combat crime. In doing so, they have separated themselves from local communities, and the cost is inevitably passed onto consumers. The argument that businesses use is that local communities do not understand business culture.

- These issues represent the prevailing views of the majority of participants in this study. It should be noted that there are some businesses in Port Moresby that continually meet, discuss, and assist local communities to resolve issues to do with crime and the quality of life. These businesses claim that crime in the workplace is reduced because of the strong community relationships that have been developed. The relationships need not depend solely on money, but rather on trust and understanding to survive periods of instability within communities.

Business and the Community

The evidence in this study points to a significant division between businesses and the community in pursuing what are, for all intents and purposes, common goals of reducing and preventing criminal activities.

For the most part, businesses view community engagement as 'a waste of resources and time'. The majority of businesses carry on with their business without realising and experiencing the potential benefits of working collaboratively with youth groups, churches, ward councillors, and interested community members to identify suitable approaches that are of benefit to all. Instead, the conventional response of most businesses is to install new, or enhance existing, crime prevention measures at a considerable cost.

The participants had few concerns about this and simply viewed it as another cost to business, which is passed onto the consumer. Businesses pointed out that most members of the communities do not appreciate the culture of business and the positive
contributions it makes to civil society. Businesses are of the view that community welfare and crime prevention is solely a government responsibility.

The voices of non-business representatives in this study are restricted to several participants who attended the final focus discussion group. Those participants raised concerns about the poor corporate citizen image that many businesses had amongst groups in Port Moresby.
CHAPTER 9

ACTION STRATEGIES

This study does not claim to be representative of businesses in Papua New Guinea. The 172 businesses that participated in the study were located in Port Moresby, with a number of them having branches in other provinces. As such, some of the responses and reflections from the respondents have been drawn from knowledge and experiences gained in places other than Port Moresby. The study also does not claim to be representative of businesses in Port Moresby either, because of the sampling approach that was adopted for the study.

Nonetheless, the information gathered during the study is useful as situational data that may be used for comparative purposes, and as an indication of a baseline situation in relation to the extent of business crime. The data also provide valuable information in relation to the delivery of services by government agencies, particularly the RPNGC and the judiciary.

The information that has emerged from this study suggests a number of actions that could be introduced by various agencies as part of the overall responses of business, government, and the community to crime, in particular, business crime. This chapter looks at some of the actions that should be introduced.

Awareness of Business Crime

The responses to the survey questions in this study, and the comments from the focus groups and interviews, suggest that there are a number of misunderstandings about business crime. For example:

- the role and responsibilities of business;
- the role and responsibilities of the community;
- government law and justice agencies involved in responding to crime by businesses and communities; and
- how businesses could collaborate and work within the business sector to better manage resources and the effects of crime.

Knowledge and understanding of the perspectives of *raskols* are not available in this study because their voices are not represented.

The evidence in this study suggests that there is a noticeable gulf between key stakeholders, particularly from the perspective of members of the business sector. There is a need for awareness amongst key stakeholders in relation to business crime and actions that are taking place in various parts of the country. Who should do this or who can do this?

The various business and employer groups located in different parts of the country would be effective mechanisms to underwrite such activities. Business and employer groups should be provided with the data and the reports emerging from the business and community crime surveys to assist them and their members to explore other options to
deal with crime reduction and prevention. Continued efforts need to be made to be inclusive of all the stakeholders who have an interest in business crime victimisation.

Policing

The Port Moresby community crime studies (Findlay et al., 2005; Guthrie et al., 2005) clearly indicate that the public in Port Moresby are very critical of the behaviour of the police, and the extent and quality of services provided by the RPNGC.

The information from this study indicates a high level of dissatisfaction by the business community with the RPNGC, and the manner in which it attends to crime that targets business. The inability of the courts to process cases in a timely fashion was also of concern to respondents.

This study, together with the community crime studies, adds weight to the desirability of implementing the findings of the Ministerial Review of Police Services, 2004, which received funding in the 2006 Budget.

The positive comments concerning the rejuvenation of the Enhanced Cooperation Package in the report, including the involvement of police from Australia, reflects the concerns of business about the necessity for good policing and capacity building within the RPNGC.

Income Generation

Employment was nominated throughout this study as an important means of reducing criminal activity by providing income sources, particularly for unemployed youth. This strategy is also strongly supported in the community crime studies. Employment and income generation is understood by many to be the key measure for reducing crime.

Businesses in this study do not see employment creation as their responsibility. Rather, businesses stated that it is the responsibility of the government. Businesses want to be left alone to concentrate on business, while the government, on the other hand, looks towards a vibrant private sector to stimulate job growth.

There is a commonsense view that there is a relationship between economic activity and the level of crime. However, this study does not provide any evidence to support this view.

Business has a great deal to offer local communities in terms of enhancing the skills and knowledge of operators in the formal and informal economies to be better at what they do. What needs to be considered by businesses, as a collective task, is the extent of the role of business in the community.

Business and Community Engagement

The Port Moresby community crime studies conducted in 2004 and 2005 indicate that community mechanisms are successful in maintaining the peace in settlements and village-type areas located in Port Moresby. For example:
'Communities with village-derived crime prevention systems often improve public confidence in law and order and reduce fear of victimisation' (Guthrie et al. 2005d:9).

This study is concerned with the lack of engagement amongst businesses and between businesses and communities. There are issues to do with awareness, collaborative behaviour between businesses and between businesses and communities, income generation, and using established community networks and practices to understand crime, to respond to crime, and to reduce and prevent crime.

Businesses in this study stated that they have tried to link with local communities in the past, but without success. However, few businesses in the study actually took the time, or showed interest to understand how the community was dealing with crime, and forging strategic alliances with communities in the interests of everyone.

The community views the potential for engagement with businesses in a more positive light and has a number of initiatives in various locations in Port Moresby which are claimed to be successful and contribute to more peaceful communities. These initiatives would willingly accept the involvement of the business sector. At this time, there are difficulties in communicating with the various stakeholders.

The Law and Justice Sector Program (LJSP) in collaboration with the National Capital District has introduced the Yumi Lukautim Mosbi initiative, which engages unemployed youth and former raskols in innovative programs as a response to urban crime in Port Moresby. This particular project has the potential to bring communities and businesses in Port Moresby together.

The Eastern Highlands Project, which is sponsored by the LJSP, has amongst one of its law and justice activities, the provision of skills training for unemployed youth and reformed raskols, and restorative justice initiatives aimed at rehabilitating offenders, rather than incarceration.

Initiatives such as these, which are also happening in other places throughout the country, have the potential to assist businesses to better manage crime and the repercussions of crime.
REFERENCES


APPENDIX
ANNEX A
SURVEY QUESTIONNAIRE
PNG Business Crime Victimization Survey, 2005

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<td>Location</td>
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<td>(Business ID No.)</td>
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For supervisor/office use only

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Introduction

(The interviewer can shorten this or simplify it if they think it is appropriate in any particular interview. The respondent will already have received a letter about the survey and a copy of the questionnaire).

Initial telephone contact: (To the person who answers the telephone)

Hello. My name is __________________________. I am from the National Research Institute. Can I speak to the manager/director/boss if he or she is available? (On contact, make a time to do the survey, if it is not now convenient to do so. Suggest an after hours contact if that seems the best way to ensure cooperation. If the person you want to speak with is not there, make a time to call back and speak with him or her.)

Second telephone contact to carry out the interview:

Hello. My name is __________________________. I am working for the National Research Institute. In association with ________________________, we are conducting a national
survey about attitudes to crimes against business, and attitudes to the police. We need the manager’s (boss’s) views on crime and safety in their business contexts in order to help the government develop practical ways to combat crime and victimisation of the business community. We have picked some businesses to survey by randomly drawing names from the Yellow Pages of the telephone directory. Can I confirm that you have received a letter about this from us as well as a copy of the questionnaire? It would be of great assistance to us if you now have time to answer a few questions about your views on crime and policing. The survey will take approximately 30 minutes. Your answers will be confidential and they will help develop practical ways to combat crime. This is a chance for business people to have a say in crime prevention planning. No-one outside the survey team will have access to your personal information. Anything you say about your business operations will only be used for the purposes of this survey. Please answer as accurately as you can. Some questions might require you to get some additional information on the workings of your business and I hope you have been able to do this. If you are uncomfortable with any question then don’t answer.

Time interview commenced: 

★NOTE TO INTERVIEWERS: Numbers for coding are in bold.

Section 1: Screening Questions and Demographics of the Business

1.1 Do you or your organisation do business for the police, the courts, or the prison service?

1. Yes 2 No (If yes, please specify: 

1.2 Where is your business headquarters located?

1.3 Is your business:

1 Located only at one address
2 Located at several addresses, or
3 Part of a larger chain or bigger business

1.4 Please state the form of ownership of your business (Tick one only):

1 PNG-owned
2 Overseas-owned, or
3 Part overseas owned
1.5 How long have you done business in your current premises? ___ (years) ___ (months)

1.6 Please indicate the range of your business turnover for the past financial year.

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<td>K500 000 – K1 million</td>
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<td>3</td>
<td>K1 million – K5 million, or</td>
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<td>More than K5 million</td>
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1.7 Estimate how many people (including yourself and business partners), on average, worked in your business during a typical week in the last financial year?

- Full-time workers (  )
- Part-time workers (  )
- Casual workers (  )

1.8 Which of the following business/industry categories best describes the nature of your business? *(Tick one only)*:

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<td>Transport</td>
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<td>Hospitality/tourism/entertainment</td>
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<td>8</td>
<td>Professional services, or</td>
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<td>9</td>
<td>Other (please specify)</td>
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1.9 Please describe the main activity of your business.

1.10 Which of the following best describes the area in which most of your business is located? *(Tick one only):*

1. Industrial
2. Shopping centre
3. Business complex
4. Business and commercial area
5. Local area
6. Isolated area
7. Home based
8. Professional offices, or
9. Other (please specify)

1.11 Are your business premises/compound(s) protected by private security services?

1. Yes  2. No

1.12. Are your business premises/compound(s) *(can give more than one response):*

1. walled
2. fenced
3. unfenced
4. monitored electronically, and/or
5. monitored by cameras
1.13 Is your business open to the public?

[ ] Yes [ ] No

1.14 Can you indicate the hours of operation of your business during any average week in the last financial year? ( ) Weekdays ( ) Opens ( ) Closes
( ) Weekends ( ) Opens ( ) Closes

1.15 Do you have concerns about the stability of government rules, regulations, and policies that influence your business?

1 highly concerned
2 fairly concerned
3 unconcerned, or
4 don't know

1.16 To what extent has the 'law and order' situation in Papua New Guinea impacted on your business?

1 highly affected
2 fairly affected
3 unaffected, or
4 don't know

1.17 Of the following issues affecting your business operations and future investment decisions, which are the most important? (Please rate from 1 most important to 8 least important):

1 Public corruption
2 Law and order issues
3 Cost of crime prevention
4 Safety of you and your staff
5 Availability of employee expertise
6 Consistency of goods and services
Section 2: General Thinking/Beliefs about Crime

*Interviewer to read out: I would like to ask you some questions about your opinion of local crime?*

2.1 Do you think the level of crime, in general, in the area where your business is mainly located, has changed in the past 12 months?

1. more
2. less
3. stayed the same, or
4. don’t know *(if no change or don’t know go to Q. 2.3)*

2.2 If it has changed, then why? because: *(can give more than one response)*

1. the police are doing a good job, or
2. the courts are doing a good job, or
3. the police are doing a bad job
4. the courts are doing a bad job
5. the prisons are doing a good job, or
6. the prisons are doing a bad job
7. the local community is doing a good job, or
8. the local community is doing a bad job
9. the threats from *raskols* are getting less, or
10. the threats from *raskols* are getting worse, and/or
11. other (please specify)
2.3 Has crime against your business (including you and your staff) changed in the past 12 months?

1. more
2. less
3. stayed the same, or
4. don’t know

2.4 Do you think fraud against business has changed in the past 12 months?

1. more
2. less
3. stayed the same, or
4. don’t know

2.5 Do you think corruption in the government in Papua New Guinea is:

1. increasing
2. decreasing, or
3. stayed the same

2.6 What one crime are you most concerned about effecting your business (including you and your staff) in the area where your business is located?

1. stealing from your business (including theft by staff)
2. burglary from your business premises – break and enter
3. assault (threats or violence) against you or your staff
4. robbery (stealing with violence from you or your staff)
5. damage to business property
6. Business fraud (within or outside your business), or
2.7 Do you think that crimes against your business (including you and your staff) are most likely to be committed by:

1. people who live in the local area
2. outsiders,
3. other staff, or
4. don’t know

Section 3: Crime Prevention

Interviewer to read out: Next, I would like to ask some questions about what you believe you and others can do to alter the level of crime in your business area. Do you feel safe and secure from crime (against you, your staff or your business) in the area where your business is mainly located?

3.1 Do you feel safe and secure from crime (against you, your staff, or your business) in the area where your business is mainly located?

1 Yes 2 No 3 Sometimes

3.2 Please indicate which of the following crime prevention measures you have employed for your business during the past two financial years. (More than one response is allowed.)

1 Entry controls
2 Caretakers or guards
3 Guard dogs
4 Alter transport routing
5 Employ security companies (on site/ radio call-up)
6 Employ your own security (full-time/ day or night)
7 Alarm systems
8 Electronic surveillance
9 Cameras
10 Shopping bag checks
11 Warning signs
12 Security lighting
13 Window protection
14 Security fencing
15 Stock/money kept under lock and key
16 Tagging valuable equipment
17 Special internal auditing
3.3 Approximately how much was spent by your business on crime prevention measures in the past two financial years? ______________ (this figure should include appropriate insurance costs).

3.4 Estimate, if you can, what percentage this represents of your gross annual turnover?

3.5 Has this amount increased or decreased considerably over the last five years or as long as you have been in business here (whichever is the shorter period)?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>no</td>
</tr>
<tr>
<td>2</td>
<td>increased;</td>
</tr>
<tr>
<td>3</td>
<td>decreased, or</td>
</tr>
<tr>
<td>4</td>
<td>increased and decreased</td>
</tr>
</tbody>
</table>

3.6 Please explain why the change occurred, if any:

__________________________

3.7 What one thing could you and your business do better to make your business safer from crime? (more than one response possible)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>help the police</td>
</tr>
<tr>
<td>2</td>
<td>make your premises/business procedures more secure</td>
</tr>
<tr>
<td>3</td>
<td>help fund, or participate more in crime prevention activities in your community (for example, peace and good order committees)</td>
</tr>
<tr>
<td>4</td>
<td>belong to a business/industry/lobby group</td>
</tr>
<tr>
<td>5</td>
<td>avoid some particular hours of business</td>
</tr>
</tbody>
</table>
3.8 Is there a non-profit organisation or group (other than the police) in the area in which your business is mainly located that provides protection against crime?

1 Yes 2 No (If yes, then answer the next five questions. If no, go to Q. 3.13)

3.9 Can you describe it?

__________________________________________________________________________

3.10 Do you or your business finance or participate in this group?

1 Yes 2 No

3.11 Does this group do community patrols?

1 Yes 2 No

3.12 Does this group mediate/resolve disputes/provide positive instruction?

1 Yes 2 No

3.13 If you could tell the government one thing to do to make the area where your business is located, safer from crime, what would it be for? (More than one response is possible):

1 more police presence
2 Better trained police to deal with business crime
3 harsher penalties from the courts
4 crackdown on gangs
Section 4: Experience of Crime

**Interviewer to read out:** Now, I will ask you about your experiences of crime against your business over the past 12 months. I am going to read out a list of crimes that might have affected your business. I would like you to tell me whether you, your staff, or your business has been a victim of any of these crimes and the number of times this may have happened. If you have more than one business location an estimate of crimes across your different sites will do.

4.1 Did your business experience any crime (either attempted or carried out) in the past financial year?

1. Yes 2. No

*If your business did not experience any crime then go to Section 6, Q. 6.29 of the survey. If your business did experience crime then continue with this section.*

4.2 Can you indicate from the following list the types of crimes attempted or carried out against your business during the last financial year, and their frequency?

**Burglary (break and enter) to business premises:**

<table>
<thead>
<tr>
<th></th>
<th>Attempted</th>
<th>Number of times:</th>
<th>Report to police Yes/No</th>
<th>Loss</th>
<th>K</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Completed</th>
<th>Number of times:</th>
<th>Report to police Yes/No</th>
<th>Loss</th>
<th>K</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Malicious damage to business property (including arson) and vandalism:**

<table>
<thead>
<tr>
<th></th>
<th>Attempted</th>
<th>Number of times:</th>
<th>Report to police Yes/No</th>
<th>Loss</th>
<th>K</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Completed</th>
<th>Number of times:</th>
<th>Report to police Yes/No</th>
<th>Loss</th>
<th>K</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Business motor vehicle theft:**

<table>
<thead>
<tr>
<th></th>
<th>Attempted</th>
<th>Number of times:</th>
<th>Report to police Yes/No</th>
<th>Loss</th>
<th>K</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Completed</th>
<th>Number of times:</th>
<th>Report to police Yes/No</th>
<th>Loss</th>
<th>K</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5. Fight corruption
6. Provide more dispute resolution options
7. More employment
8. Better living conditions, and/or
9. Improved community infrastructure
<table>
<thead>
<tr>
<th>#</th>
<th>Attempted</th>
<th>Number of times:</th>
<th>Report to police</th>
<th>Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td></td>
<td></td>
<td>Yes/No</td>
<td>K</td>
</tr>
<tr>
<td></td>
<td>Completed</td>
<td></td>
<td>Yes/No</td>
<td>K</td>
</tr>
</tbody>
</table>

**Theft from business vehicle:**

- **Attempted**
- **Completed**

**Armed hold-up of business vehicle or employees on the way to/from work**

- **Attempted**
- **Completed**

**Theft from premises (by non-employee):**

- **Attempted**
- **Completed**

**Theft from premises (by employee):**

- **Attempted**
- **Completed**

**Cheque/credit card or other external fraud:**

- **Attempted**
- **Completed**

**Fraud by employees:**

- **Attempted**
- **Completed**

**Violence against owner/employees (other than during robbery):**

- **Attempted**
- **Completed**

**Armed robbery:**

- **Attempted**
- **Completed**
<table>
<thead>
<tr>
<th></th>
<th>Completed</th>
<th>Number of times:</th>
<th>Report to police Yes/No</th>
<th>Loss K</th>
</tr>
</thead>
</table>

### Unarmed robbery (theft with force or threat):

<table>
<thead>
<tr>
<th></th>
<th>Attempted</th>
<th>Number of times:</th>
<th>Report to police Yes/No</th>
<th>Loss K</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Bribery or extortion against you or your staff:

<table>
<thead>
<tr>
<th></th>
<th>Attempted</th>
<th>Number of times:</th>
<th>Report to police Yes/No</th>
<th>Loss K</th>
</tr>
</thead>
<tbody>
<tr>
<td>13</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Owner/employees threatened or intimidated:

<table>
<thead>
<tr>
<th></th>
<th>Attempted</th>
<th>Number of times:</th>
<th>Report to police Yes/No</th>
<th>Loss K</th>
</tr>
</thead>
<tbody>
<tr>
<td>14</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Other (Specify)

<table>
<thead>
<tr>
<th></th>
<th>Attempted</th>
<th>Number of times:</th>
<th>Report to police Yes/No</th>
<th>Loss K</th>
</tr>
</thead>
<tbody>
<tr>
<td>15</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Section 5: Experience of Nominated Offences

*Interviewer to read out: Now, I will ask you some questions regarding the particulars of crimes where your business was a victim in the past 12 months. The first four questions relate to armed robbery. If your business was a victim of this crime please answer the following. Otherwise go to Q.5.5.*

#### 5.1 If your business has been a victim of an armed robbery (or robberies) in the past 12 months, indicate the occasions in which the following weapons were used?

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>(number of times)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Firearm</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Imitation Firearm</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Knife</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Stick or iron bar</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Axe</td>
<td></td>
</tr>
</tbody>
</table>
5.2 Did the robbery/robberies occur during the day or night?

1 Day 2 Night

5.3 Generally, how many staff were on the premises at the time of each robbery?

5.4 Were any robberies carried out by more than one offender, and if so, can you recall how many offenders there were on these occasions? 

Now, I would like you to tell me about your experience of fraud. If your business was not a victim of fraud in the last 12 months, go to Q.5.8

5.5 What was the nature of the fraud against your business? (more than one response is possible):

1 Bad cheques
2 Embezzlement by your staff
3 Credit card fraud
4 False accounting
5 Cheating by suppliers/contractors
6 Other (specify) ............................................................

5.6 How much did the fraud cost your business? 

5.7 Were any of these costs recovered outside insurance?

1 Yes 2 No

Now, for those who experienced crime as well as armed robbery and fraud.

5.8 If any of your staff were injured during the commission of these crimes in the past 12 months, how many work days were lost as a consequence?
Section 6: Responses to Crime Victimisation

Interviewer to read out: Now, I will ask you some questions regarding your attitude to reporting crime and your satisfaction with the responses to any such reporting.

6.1 Did you decide not to report to the police any of the crimes against your business?

[ ] Yes  [ ] No

6.2 If not, why? (please specify)

________________________________________________________________________

6.3 If at any time you decided not to report a crime against your business to the police, was it for any of the following reasons? (more than one response possible):

<table>
<thead>
<tr>
<th></th>
<th>Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Not serious enough</td>
</tr>
<tr>
<td>2</td>
<td>It wouldn’t have changed anything</td>
</tr>
<tr>
<td>3</td>
<td>The police are not interested</td>
</tr>
<tr>
<td>4</td>
<td>The police would not have done anything about it</td>
</tr>
<tr>
<td>5</td>
<td>The police take too long to respond</td>
</tr>
<tr>
<td>6</td>
<td>You were frightened</td>
</tr>
<tr>
<td>7</td>
<td>You knew the offender</td>
</tr>
<tr>
<td>8</td>
<td>The offender was a staff member</td>
</tr>
<tr>
<td>9</td>
<td>You got the property back or received compensation</td>
</tr>
<tr>
<td>10</td>
<td>You relied on private security to deal with it</td>
</tr>
<tr>
<td>11</td>
<td>It would take too much time and paperwork, and/or</td>
</tr>
<tr>
<td>12</td>
<td>You were not sufficiently insured</td>
</tr>
</tbody>
</table>
6.4 If you did report any of these crimes to the police, what was the average response
time?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Less than half an hour</td>
</tr>
<tr>
<td>2</td>
<td>Less than an hour</td>
</tr>
<tr>
<td>3</td>
<td>Less than two hours</td>
</tr>
<tr>
<td>4</td>
<td>More than two hours</td>
</tr>
</tbody>
</table>

6.5 If you reported any of these crimes to the police, overall were you satisfied or not
satisfied with their actions?

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Response time</td>
<td>yes</td>
<td>no</td>
</tr>
<tr>
<td>2</td>
<td>Decision to or not to</td>
<td>yes</td>
<td>no</td>
</tr>
<tr>
<td></td>
<td>investigate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Conduct of investigation</td>
<td>yes</td>
<td>no</td>
</tr>
<tr>
<td>4</td>
<td>Keeping you informed of</td>
<td>yes</td>
<td>no</td>
</tr>
<tr>
<td></td>
<td>developments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Having the property</td>
<td>yes</td>
<td>no</td>
</tr>
<tr>
<td></td>
<td>returned</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

6.6 Was an arrest made in any case where your business was the victim of crime?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
</tr>
<tr>
<td>2</td>
<td>no, or</td>
</tr>
<tr>
<td>3</td>
<td>don't know <em>(If No, go to Q. 6.10)</em></td>
</tr>
</tbody>
</table>

6.7 Did you have to attend court for any of these cases?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
</tr>
<tr>
<td>2</td>
<td>no, or</td>
</tr>
<tr>
<td>3</td>
<td>case ongoing <em>(If No, go to Q. 6.10)</em></td>
</tr>
</tbody>
</table>
6.8 On average, how long did it take before the case came to court?

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>up to 1 month</td>
</tr>
<tr>
<td>2</td>
<td>between 1 and 6 months</td>
</tr>
<tr>
<td>3</td>
<td>6 to 12 months</td>
</tr>
<tr>
<td>4</td>
<td>more than 1 year</td>
</tr>
<tr>
<td>5</td>
<td>more than 2 years, or</td>
</tr>
<tr>
<td>6</td>
<td>still waiting</td>
</tr>
</tbody>
</table>

6.9 Overall, were you satisfied with the way the authorities (police/prosecutor/public solicitor/judge) handled the case (cases)?

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
</tr>
</tbody>
</table>

6.10 Did you report any of the crimes against your business to anyone else (other than the police)?

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
</tr>
</tbody>
</table>

6.11 If you did report to others besides the police, were they:

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Private security</td>
</tr>
<tr>
<td>2</td>
<td>Business/industry organisation</td>
</tr>
<tr>
<td>3</td>
<td>Business dispute resolution body</td>
</tr>
<tr>
<td>4</td>
<td>Local community leaders</td>
</tr>
<tr>
<td>5</td>
<td>Offender’s parents</td>
</tr>
<tr>
<td>6</td>
<td>Staff, or</td>
</tr>
<tr>
<td>7</td>
<td>Others (specify)</td>
</tr>
</tbody>
</table>

6.12 If your property was taken, was it ever recovered?

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
</tr>
</tbody>
</table>
6.13 Overall, after the crime(s) was committed, what was the most important thing for you as the business victim? *(more than one response possible):*

1. getting your life back to normal
2. recovering what you lost
3. that the criminal(s) suffers for the crime
4. avoid being victimised again
5. that the criminal(s) be taken off the street
6. that the criminal(s) pays for the loss or damage, and/or
7. nothing

6.14 Were you always insured at the time of any of these crimes to cover the loss you sustained?

1. Yes
2. No

6.15 If no, why not? _______________________________________

6.16 As a result of crimes against your business, did you ever make a claim for insurance?

1. Yes
2. No

6.17 If yes, please specify.

____________________________________________________________________

6.18 If you did not claim at any time when you were insured, why not?

____________________________________________________________________

6.19 Was the main reason you reported any of these crimes to the police, so that you could claim insurance?

1. Yes
2. No

6.20 Have you changed your business behaviour as a result of the crimes that your business experienced?

1. Yes
2. No *(If No, go to Q. 6.28)*
6.21 If yes, in what way?


6.22 Have you changed your crime prevention measures?

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

6.23 If yes, please specify.


6.24 If yes, how much has this change cost you or your business in the past financial year?


6.25 Have you changed your business operations as a result of crime?

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

6.26 If yes, please specify.


6.27 Do any of these prevention measures and operational adjustment measures make you feel safer?

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

6.28 As an employer, what were the personal effects of having been subjected to crime in your place of business? (more than one response possible):

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>More fearful of crime</td>
</tr>
<tr>
<td>2</td>
<td>Difficulty going back to your business</td>
</tr>
<tr>
<td>3</td>
<td>Nightmares and difficulty sleeping</td>
</tr>
<tr>
<td>4</td>
<td>Difficulty keeping staff</td>
</tr>
<tr>
<td>5</td>
<td>Relationship difficulties</td>
</tr>
<tr>
<td>6</td>
<td>Medication, and/or</td>
</tr>
<tr>
<td>7</td>
<td>Flashbacks</td>
</tr>
</tbody>
</table>
6.29 How do you view the business crime problem in Papua New Guinea?

1. very large
2. large
3. average
4. not large, or
5. don't know

6.30 In your opinion, is crime the main reason for poor business confidence and investment in Papua New Guinea?

1. Yes
2. No

Or is the fear of crime (including government corruption) the main reason for poor business confidence and investment in Papua New Guinea?

1. Yes
2. No

6.31 If yes, what should be done about it?

Section 7: Police – Community Participation

Interviewer to read out: In this section, I want to have your comments on the way in which the police and your workplace community might better interact in order to prevent crimes against your business.

7.1 In what ways could members of your workplace community better assist the police?

1. participate in peace and good order (crime prevention) committees
2. provide more information to the police
3. call the police when they see criminal activity
4. cooperate with the police
5. be more respectful to police, and/or
6. other (please specify)
7.2 Generally, are people in your workplace community willing to give information about crime to the police?

1 Yes
2 no, or
3 don’t know

7.3 Why?

7.4 If your business is a victim to a crime in the future, would you report it to the police?

1 Yes
2 no, or
3 don’t know

7.5 Why?

7.6 Who do you think should have most responsibility for crime prevention/community safety? (more than one response is possible):

1 the police
2 the community, including business
3 individuals, and/or
4 don’t know

This ends the interview. Thank you very much for your cooperation.

<table>
<thead>
<tr>
<th>Time interview concluded:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Interviewer’s initials:</td>
<td></td>
</tr>
</tbody>
</table>
# ANNEX B

## FOCUS GROUP DISCUSSIONS

### Focus Group 2: Participants

<table>
<thead>
<tr>
<th>No.</th>
<th>Company</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Bank South Pacific Ltd</td>
<td>P.O. Box 78, Port Moresby</td>
</tr>
<tr>
<td>2</td>
<td>Delstar Ltd</td>
<td>P.O. Box 938, Boroko</td>
</tr>
<tr>
<td>3</td>
<td>Finance Corporation Ltd</td>
<td>Private Mail Bag, Waigani</td>
</tr>
<tr>
<td>4</td>
<td>KPMG Ltd</td>
<td>P.O. Box 507, Port Moresby</td>
</tr>
<tr>
<td>5</td>
<td>Pacific HR</td>
<td>P.O. Box 480, Port Moresby</td>
</tr>
<tr>
<td>6</td>
<td>Price Waterhouse Coopers</td>
<td>P.O. Box 484, Port Moresby</td>
</tr>
<tr>
<td>7</td>
<td>Department of Treasury</td>
<td>P.O. Box 710, Waigani</td>
</tr>
<tr>
<td>8</td>
<td>Steel Industries Ltd</td>
<td>P.O. Box 1249, Boroko</td>
</tr>
<tr>
<td>9</td>
<td>Internal Revenue Commission</td>
<td>P.O. Box 777, Port Moresby</td>
</tr>
<tr>
<td>10</td>
<td>Ombudsman Commission</td>
<td>P.O. Box 1831, Port Moresby</td>
</tr>
<tr>
<td>11</td>
<td>National Research Institute</td>
<td>P.O. Box 5854, Boroko</td>
</tr>
<tr>
<td>12</td>
<td>NJSS</td>
<td>P.O. Box 7018, Boroko</td>
</tr>
<tr>
<td>13</td>
<td>Pacific Corporate Security Service</td>
<td>P.O. Box 1785, Port Moresby</td>
</tr>
<tr>
<td>14</td>
<td>Steeles Lawyers</td>
<td>P.O. Box 662, Port Moresby</td>
</tr>
<tr>
<td>15</td>
<td>Post PNG</td>
<td>P.O. Box 2, Boroko</td>
</tr>
</tbody>
</table>

### Focus Group 3: Participants

<table>
<thead>
<tr>
<th>No.</th>
<th>Company</th>
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</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Air Niugini Ltd</td>
<td>P.O. Box 7186, Boroko</td>
</tr>
<tr>
<td>2</td>
<td>Dalco International</td>
<td>P.O. Box 176, Port Moresby</td>
</tr>
<tr>
<td>3</td>
<td>Ela Motors</td>
<td>P.O. Box 74, Port Moresby</td>
</tr>
<tr>
<td>4</td>
<td>Goodman Fielders International (PNG) Ltd</td>
<td>P.O. Box 673, Port Moresby</td>
</tr>
<tr>
<td>5</td>
<td>Goodman Fielders International (PNG) Ltd</td>
<td>P.O. Box 673, Port Moresby</td>
</tr>
<tr>
<td>6</td>
<td>Omni Ltd</td>
<td>P.O. Box 6000, Boroko</td>
</tr>
<tr>
<td>7</td>
<td>PNG Chamber of Commerce and Industry</td>
<td>P.O. Box 1764, Port Moresby</td>
</tr>
<tr>
<td>8</td>
<td>Youth Council (Gerehu)</td>
<td>Gerehu</td>
</tr>
<tr>
<td>9</td>
<td>Youth Council (Waigani)</td>
<td>Garden Hills</td>
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<tr>
<td>10</td>
<td>Lawyer</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>NRI</td>
<td>P.O. Box 5854, Boroko</td>
</tr>
<tr>
<td>12</td>
<td>NJSS</td>
<td>P.O. Box 7018, Boroko</td>
</tr>
</tbody>
</table>
ANNEX C

LESSONS LEARNED FROM THE STUDY

The study is limited in several ways. The limitations should be seen in terms of lessons learned so that follow-up business crime victimisation studies will benefit from the experience of this study. The following are the limitations that were identified.

Sampling

Future studies need to adopt a scientific approach to sampling based on stratification by type, size, and location of businesses. It would also make sense to broaden the study to include centres other than the National Capital District, and to include participants from the informal economy.

Process

The difficulties with technology constrained the process of the study. For example, faxing introductory letters and surveys to businesses was slow, and therefore the intention that prospective respondents should have adequate forewarning of the survey and its contents was not achieved. Even though contacts were made with designated businesses, most had not received the surveys prior to the first telephone contact. Email contact often failed to connect with the most suitable respondent.

Survey forms that were faxed rather than the data being collected over the telephone were received with some pages missing and data were unavailable for analysis.

In addition, there were process difficulties with the methodology chosen for the study. For example:

- businesses that were contacted at the end of the month tended to be busy with financial reporting and found it difficult to allocate sufficient time to the survey;
- engineering and construction companies were always on site and so it was difficult to get the managers to answer questions;
- it took a long time for legal firms to respond to the survey;
- a great deal of time was spent following up on initial contacts and endeavouring to get appointments because of the initial reluctance of businesses to participate. Some managers expressed negative attitude to the activity;
- a number of companies were not willing to disclose financial information, or the information was not available to the respondent; and
- those companies that were difficult to contact, or were reluctant to cooperate, appointed a senior survey team member who made more elaborate personal contact and explanation. Some respondents indicated that they did not appreciate the manner or the tone in which the interviewers asked them questions, or they felt that the interview time was not used economically.
Interviewers

The interviewers who were recruited were research assistants who had worked in the urban crime studies referred to in an earlier section of the report. The methodology used in the previous studies was somewhat different to the methodology employed in this study. The Port Moresby Community Crime Survey involved direct interviewing using a structured interview schedule. On the other hand, this study is predicated on the use of telephone interviews and the recording of responses over the telephone.

The half day of training for the interviewers was insufficient considering their past field work experience and the lack of telephone conversation skills.

The following table discusses the methods of data collection. The data were not all collected by the same means. A total of 60 percent of survey data was collected over the telephone. For example, interviewer No. 6, collected 26 survey forms over the telephone.

Data Collection Methods

<table>
<thead>
<tr>
<th>Procedure</th>
<th>Number</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interviewer 1</td>
<td>14</td>
<td>8.1</td>
</tr>
<tr>
<td>Interviewer 2</td>
<td>13</td>
<td>7.6</td>
</tr>
<tr>
<td>Interviewer 3</td>
<td>17</td>
<td>9.9</td>
</tr>
<tr>
<td>Interviewer 4</td>
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<td>7.0</td>
</tr>
<tr>
<td>Interviewer 5</td>
<td>2</td>
<td>1.2</td>
</tr>
<tr>
<td>Interviewer 6</td>
<td>26</td>
<td>15.1</td>
</tr>
<tr>
<td>Interviewer 7</td>
<td>6</td>
<td>3.5</td>
</tr>
<tr>
<td>Interviewer 8</td>
<td>6</td>
<td>3.5</td>
</tr>
<tr>
<td>Interviewer 9</td>
<td>1</td>
<td>0.6</td>
</tr>
<tr>
<td>Interviewer 10</td>
<td>1</td>
<td>0.6</td>
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<tr>
<td>Interviewer 11</td>
<td>1</td>
<td>0.6</td>
</tr>
<tr>
<td>Reserve interviewers</td>
<td>4</td>
<td>2.3</td>
</tr>
<tr>
<td>Faxed</td>
<td>32</td>
<td>18.6</td>
</tr>
<tr>
<td>Email</td>
<td>3</td>
<td>1.7</td>
</tr>
<tr>
<td>Hand delivered</td>
<td>33</td>
<td>19.2</td>
</tr>
<tr>
<td>Personal interview</td>
<td>1</td>
<td>0.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>172</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

A further 40 percent of survey data was returned by respondents in the form of faxes or emails, or hand delivered to the call centre. Only one face-to-face interview was conducted. There are some limitations in varying the method of data collection. The role of the interviewers becomes problematic when they are part of the data collection process, and in other cases they are not part of the process.

Networking

There was some initial contact with the Port Moresby Chamber of Commerce and Industry in the design of the survey form. In addition, the initial focus group brought a
number of senior executives from business together to discuss the design of the survey form and the approach to the study. There was a strong endorsement of the study by these business leaders. More can be done in future studies of this kind to involve employer groups and their networks to enhance the quality of business crime victimisation studies in terms of publicity and awareness, sampling, the distribution and collection of surveys, and attendance in focus discussion groups.

It may also be argued that employee groups should be involved in the network in future studies in order to obtain the employees' perspectives on business crime victimisation, rather than solely from the management's point of view.

Gender

Future studies need to recognise the importance of gender issues in such studies. Although the studies tended to focus on the business entity, people make up the business entity, and there may be information that is gender specific, which would be useful to have in understanding and responding to business victimisation crime.