

SIXTH DAY

Thursday 31 March 2016

DRAFT HANSARD

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SIXTH DAY

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The Acting Speaker (**Mr Aide Ganasi**) took the Chair at 10.00 a.m..

There being no quorum present, Mr Acting Speaker stated that he would resume the Chair after the ringing of the Bells.

Sitting suspended.

Mr Acting Speaker, again took the Chair at 10.50 a.m., and invited the Member for Kundiawa-Gembogl, **Honourable Tobias Kulang** to say the Prayer:

“Once again we come before you this morning, thank you for this Nation, for its people, for the abundant resources that we enjoy and freedom to you once again. We thank you for the Leaders appointed by the beautiful people of the land as we gather here for yet another day of decision making. We ask dear Lord that you will embrace us with your spirit of wisdom and understanding that we will be able to make decisions that will affect your people in this generation and the next generation in a positive way.

Thank you Father we commit this session into your hands and we all pray the prayer that your son taught us.

Our Father who art in Heaven hallow be your name. Thy Kingdom come, thy will be done on earth as it is in Heaven. Give us this day our daily breath and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation but deliver from evil. For thy, is the Kingdom, the power and the glory from now and forever, Amen!”

MOTION OF NO CONFIDENCE – STATEMENT BY THE ACTING SPEAKER

Mr ACTING SPEAKER – Honourable Members the Chair would like to make a statement with regard to the vote of no confidence.

Dr Allan Marat – Point of Order!

Mr ACTING SPEAKER – There will be no point of order entertained.

Mr Sam Basil – Point of Order! That is why he is making a point of order.

Mr ACTING SPEAKER – It will not be entertained. I will make a statement.

Mr Don Polye – Point of Order! Mr Acting Speaker –

(Members interjecting)

Mr ACTING SPEAKER – No point of order will be entertained. I will make a statement.

(Members interjecting)

Mr ACTING SPEAKER – Member for Rabaul can you sit down.

Dr Allan Marat – Thank you, God bless you

(Members interjecting)

Mr ACTING SPEAKER – Mr Acting Speaker – Honourable Members a motion for vote of no confidence in the Prime Minister, Mr Peter O’Neill proposed by Mr Sam Basil and seconded by the Grand Chief, Sir Michael Somare nominating, Honourable Don Polye as the alternate prime minister pursuant to Standing Order 22 was received by me on Tuesday 22 March 2016, and subsequently put before the Permanent Parliamentary Committee on Private Business. The Permanent Parliamentary Committee on Private Business sat to discuss the motion as well as private business before the National Parliament and resolved that the document might not contain the required number of signatures under Section 145 of the Constitution. The fact that some signatories to the motion denied having signed the motion and one member is currently suspended from Office. To support –

02/06

(Mr Sam Basil interjecting)

Mr ACTING SPEAKER – I will continue to make a statement. To support the process of due diligence, letters were sent out to all members that supported the motion to ensure they had signed the motion and were in support of it. The Committee received replies from the majority of papers and confirmed that there were nine members that supported the motion, seconded it and were in support of it.

The Committee also established that the member for Vanimo-Green open electorate is currently suspended by law from exercising his duties and functions as a member of parliament; irrespective of his Supreme Court appeal. This prevented his signing and prevented his support of the motion. The Committee also established that the Governor of Morobe, Kasiga Kelly Naru signed three copies of the initial motion submitted on the 3rd of November 2015 but did not sign or supported the current motion dated 22 March 2016. Instead a copy of the initial motion was used and submitted with the attachment of the initial signatures of the even though the member did indicated his support of the current proposed motion.

The Committee further established on the basis that there was inadequate support for the motion. It failed to meet the minimum requirement of *section 145* of the *Constitution*. Therefore the propose motion failed to meeting the procedural requirement for tabling. On this basis, the Committee rejected the motion outright. Furthermore, the Committee after careful consideration find out that there may be a possible breach of parliamentary privileges in the unauthorised use of member's signatures. They felt that the member should be referred to the permanent parliamentary privileges committee for further investigation against the deputy leader of the opposition as the proposer and the initiator of the motion.

Mr Don Polye – Point of Order!

Mr ACTING SPEAKER – Similarly, the chair received the return response, under the letter head of the deputy leader of opposition which in the view of the chair was an abuse of parliamentary privileges, in the wording imputed that the Chair was biased in his decision making due to the fact that he was a member of the People's Progress Party.

Sam Basil – **Point of Order** – *(Opposition members interjecting)*

03/06

On this basis, the Chair has also decided to refer the Honourable Member to the Permanent Parliamentary Privileges Committee for investigation in relation to this matter.

Honourable Members, the Chair advises that on Wednesday 23rd March, 2016 a Supreme Court Reference was filed by the General Secretary of the Peoples National Congress Party, seeking interpretation of *Section 142, 143 and 145 of the Constitution*.

More specifically the application was for the Supreme Court to declare that proper interpretation or application of *Section 142, 143, and 145 of the Constitution and Section 63 of the Organic Law on the Integrity of the Political Parties and Candidates 2003* should require:

(1) That the person nominated has the next Prime Minister in a Motion of No-Confidence pursuant to *Section 142, Subsection 2a of the Constitution* be a Member of the Registered Political Party which, was endorsed as having the greatest number of candidates elected in the last General Elections prior to the said motion and;

(2) That in the event of vacancy occurring in the Office of the Prime Minister under *Section 142, Subsection 5 of the Constitution* following the passage of the Vote of No Confidence pursuant to *Section 145 of the Constitution*, the person decided upon by the Parliament to be Prime Minister by the Head of State should be a Member of the registered Political Party which was endorsed as having the greatest number of candidates elected in the last General Elections prior to the proposed appointment.

The Chair further advises all Members of Parliament that due to the filing of the Supreme Court reference the matter is now sub judiciary and the Chair will not entertain anymore Motions of Vote of No-Confidence until such time when the Supreme Court completes the reference.

Mr Don Polye – Point of Order! Mr Acting Speaker,

Mr ACTING SPEAKER – There will be no debate on this issue.

Mr Don Polye – Point of Order! Mr Acting Speaker, let me say one or two things in regards to your ruling because you have broken the *Standing Orders* to make a statement when you have rejected the motion therefore I will have a right to speak.

Mr ACTING SPEAKER – It will not be debated and your Point of Order will not be entertained. Honourable Opposition Leader resume your seat.

Mr Don Polye – Thank you Mr Acting Speaker, I will sit down with the understanding that you have rejected this explanation to this Parliament and the Opposition rejects it.

QUESTIONS

Upgrade Tokua Airport

Mr EREMAN TOBAINING – Mr Acting Speaker, thank you for recognising the people of East New Britain. My questions are directed to the Minister for Civil Aviation.

Mr Acting Speaker, as we all know East New Britain has recently been declared as tourism hub in Papua New Guinea and most Members of Parliament frequently visit my province every now and then.

The Tokua Airport was built 19 years ago just after the volcanic eruption.

04/06

My three questions are directed to the Minister for Civil Aviation regarding Tokua Airport runway of 1.7 kilometre which is 1700 metres. To date we are faced with the problem of flights being monitored and limited to certain flights only and that creates the problem of passengers being offloaded. With these pressing problems we are considering bringing 737 to land at Tokua Airport. But the major problem now is there is a crack at the pavement of the airport.

(1) Are you aware of this problem at the pavement of the airport?

(2) When are you upgrading the airport and the facilities in Tokua Airport to meet the daily requirements of the passengers who fly in and out of East New Britain Province?

The MOU was signed between you and the Provincial Government of East New Britain regarding the alternate airport at Tavilo, an allocation of K1.5 million was given to NAC but to date no construction has started at Tavilo Airport to be considered as an alternate airport in East New Britain.

(3) When exactly will the construction of the Tavilo Airport begin?

Mr DAVIS STEVEN – Mr Acting Speaker, I want to thank the honourable Member for Kokopo and Governor for East New Britain Province for bringing our attention back to the safety issues in regards to the Tokua Airport.

Firstly, I was informed of the cracks on the pavement of the airport as of late yesterday afternoon in the briefing with NAC. The engineers were informed of that and will be flying over to Kokopo to check on the cracks on the pavement and carry out the work to fix the problem.

Secondly, I want to inform this Parliament that under the leadership of the Prime Minister, Mr Peter O'Neill has been very particular about the need to make sure that all our airports have some business plans that justify the future developments. And for this to happen it requires concerted effort in terms of agencies that are relevant in the planning process. Just recently the Minister for Sports and Tourism, myself and other Ministers have begun a process in trying to do an integrated process of planning our airports.

Therefore, Tokua is already recognised and earmarked as one of our airports that will underpin our efforts in developing our countries to tourism potential.

Mr Acting Speaker, just recently an NEC decision was approved regarding the construction of infrastructures that are necessary and relevant in developing that process. Right now it's pending because of the funding issue but I want to assure the people and leaders of East New Britain that we are taking every step necessary where we can in preparing for such time when funds are made available.

Mr Acting Speaker, in saying that I want to also bring to the attention of our people that when we talk about airports, we talk about a very technical infrastructure in transport that is highly regulated and audited. And so we have to be very careful so that we don't build infrastructure that is found to be unnecessary and not used to its full capacity.

05/06

Infrastructure that is found to be unnecessary or subsequently found to be unnecessary and not used to its full capacity. For those who have been reading newspapers abroad will realise that there was a similar situation or mistake in Europe where a big airport was constructed and to date no one has arrived there and they are selling it for almost \$US1. Mr Acting Speaker, that is a warning to us to continue to make sure that in making serious investments in our infrastructure, we take all steps necessary to ensure that we are spending our peoples' money for good use.

Yes, with regards to Tavilo I am advised that it the work is in progress and I want to assure the Honourable Governor for East New Britain that the National Airports Corporation will be Tendering out this jobs very shortly.

I am advised that there is also a funding issue with additional funding required and that is a matter that has been discussed with the Provincial Administration in East New Britain.

Yes, I admit to the amount of K1.5 million is still in our project accounts and that money will remain until an appropriate contract is awarded and the funds will be drawn down for works to commence.

Mr Acting Speaker, I give an undertaking to put on Paper a detailed and fluent response for the Governors satisfaction.

Wangan Fisheries Project

Ms LOUJAYA KOUZA – Mr Acting Speaker I direct my series of questions to the Fisheries Minister.

(1) Could the Minister inform the people of Lae, the current progress and status of the proposed Wagang Fisheries project?

(2) Can the Minister confirm whether the National Fisheries Authority has conducted and concluded its landowner consultation and feasibility studies?

(3) Has the Minister prepared protective legislation for landowners in conclusive of social obligations of the existing seven fish factories for the Ahi people?

(4) If so; what are these social obligations by NFA and its development partners?

(5) Will the people of Wagang village be relocated in the interest of this project?

Mr MAO ZEMING – Mr Acting Speaker, I thank the Member for Lae for asking these important questions regarding an important project that is pursued by the Government. Government has given an undertaken of 100 per cent downstream processing of fish in this country.

Lae is one of the important strategic location in this country regarding the fishing sector and this Government is working at doing things properly and adequately in this regard.

Mr Acting Speaker, yes there are a number of feasibility studies that have been undertaken a the National Fisheries Authority has a plan in place and consultation with the landowners, the Provincial Government and stakeholders in this project is underway to work together on this project.

There are five or six fish canneries in Lae and that is entirely the business houses choice to start their businesses there but it is important that we work together with the landowners on legislations.

I can inform this Parliament that the National Fisheries Authority has a big chance and there are opportunities in the big market in the European Union and that has culminated the urgency of reviewing the Act.

06/06

I would like to thank this Parliament for approving some of the amendments that we have come up with in order to address issues regarding the European Union where our biggest market is.

That is why it is important that we need to look at reforming all these Acts so when Members ask questions our laws are in order. I would also like to assure this Parliament that during our time in this term of Parliament we are going to make sure that this work is carried out before the 2017 National Elections.

Therefore, I would like to assure the Member that, yes, there is a big issue in Lae. We are not going to bypass the landowners and the Provincial Government. The NFA has all the plans and programmes in place with feasibility studies to be concluded very soon. We will be calling upon the Member for Lae, the Provincial Government and the leaders of Morobe to sit down with so that we do not repeat this issue of infighting between the landowners, Provincial Government and National Government.

Therefore, I would like to thank the Member for Lae for his five good questions and therefore, I will be putting a brief together and will give it to him.

Mr JOHN SIMON – Thank you, Mr Acting Speaker, for allowing me this opportunity to ask my series of questions to the Minister for National Planning.

Mr Acting Speaker, before I ask my questions, I would like to introduce the Minister and his Department to my district. This is because I seem to see that the Minister and his Department do not know whether there is a district called Maprik.

(Laughter in the Chamber)

Mr JOHN SIMON – Maprik district is in East Sepik of Papua New Guinea. For the record, Maprik District is one of the oldest towns in the country which was discovered in the

early gold rush days in the 1930s and 1940s. Currently, Maprik is performing some of the functions of the provincial headquarters for other six outlying districts of East and West Sepik.

Nevertheless, Maprik is being funded just like another district in the country. By merit Maprik District is the nerve centre of both East and West Sepik. Maprik currently has always been performing as a pinnacle service and growth centre for the outlying six districts of the two Sepik provinces.

Mr Acting Speaker, in 2014, we launched two impact projects in Maprik. They are Hayfield Airport Re-development and the Maprik Hospital.

Mr Acting Speaker, these two projects will not only affect the lives in Maprik district as an electorate but both the East and West Sepik and their six districts, and about more than 400 000 people. I had made a submission with full documentation to be considered in the 2015 Budget after 2014 after it was launched but it did not get through. Then again I did that in 2015 so that it could be considered in the 2016 Budget but still the same thing occurred.

I even approached the respective Ministers to assist me to get it through –

Mr ACTING SPEAKER – Honourable Member, ask your question.

Budget Allocations for Maprik Projects.

Mr JOHN SIMON – I will come to that.

However, thanks to the Prime Minister who continued to assist my project through his Prime Minister's Department.

My questions are:

(1) Minister, is there a set formula for distributing the wealth of this country for funding of impact projects under the National Budget?

(2) Why my two impact projects to impact six districts did not get any special funding from the National Budget?

(3) Why was one district considered for K50 million and continued to get funding and not all districts in Sepik and Papua New Guinea?

Mr Acting Speaker, through you, if the Minister for National Planning and the Treasurer could assure my district that if there is a Supplementary Budget, if ever there is one, they will help to allocate some money for my two projects this year.

Thank you, Mr Acting Speaker.

Mr CAHRLES ABEL – I would like thank the Member for Maprik for his important questions.

Therefore, it is certainly not true that National Planning Department nor I don't believe that Maprik district exist. I am sorry that whilst I have been to East Sepik and West Sepik and the different districts there, I have not actually set foot in Maprik. Nevertheless, it is certainly not because of a desire not to go there or because we do not recognise that Maprik exists.

07/06

I also want to take the opportunity to recognise the good work the Member has done there and noted the very important projects he mentioned. I also recognised the Hayfield airstrip and indeed the Maprik hospital and the central location there and the services they provided to the outline region.

Mr Acting Speaker, there is a very important process called the public investment processes which comes through the National Planning Department but not concluded at there as it is a comprehensive process that involves all other stakeholders involved in the budgeting process. Thousands of submissions are received at the Finance and Treasury that goes into billions and billions of kina. So one project is not important than the other. These submissions comes from all sorts of sources including members of parliament and I say all these submissions and districts are important. It is always difficult in making decisions when resources are scarce and limited. That is why Government is trying to find a way out of selecting individual projects at the provincial and district level because it leads to discretionally allocation and obviously when you fund project over the other, it creates issues.

The PIP projects should be funded and allocated fairly and consistently. That is why this Government has begun a process to focus on national projects and all sub-national projects to be funded under a separate allocation process that is fair and decentralise. The money goes straight down through functional grant for the SIP program for the individual members through their respective district and provincial plan to execute at their level. This is the much talked about process in the SIP program and the commitment of the Government to empower sub-national project.

Mr Acting Speaker, not only through funding but capacity building and legislation like the DDA Act, capacitate public servants at that level supporting through the Public Finances Management Act, increasing financial allocation to sub-national government so that you execute and run your programs. Unfortunately, in this transitional process, some sub-national project continued to be funded but otherwise the transition is to move to a process

where funding is actually allocated down to those level and they take care of their respective priorities at that level.

In relations to his regional and district airstrips, there is the establishment of the rural airstrips authority, through the minister for Civil Aviation through the CIMC process. A very important body established to support the maintenance of regional airstrips and the provision of services to those airstrips through the third level airlines. The Government has been funding this authority since 2014 where MAF and other smaller third level airlines have been supported through this process to maintain and service the airstrips. I've been to Nuku airstrip on a MAF plane, piloted by two American pilots, providing a very wonderful services to a remote location through sometimes difficult weather and terrain and even difficult airstrips. Partnership like this is very important and I would like to suggest to the Member to make contact with the Rural Airstrip Authority if they can give some interim arrangement to help maintain the airstrip and get it open.

Another good initiative of the minister for Civil Aviation is to expand the current cadif program funded by the Asian Development Bank to upgrade all our 22 provincial airstrips to bring them under ICAO standards. The Minster's intention and desire as is for our government is to expand that program into its third phase to take into account the significant regional airstrips. The process of discussions is going on at the moment for the ADB funding of third trench can extend to up-grading selected significant regional airstrips such as the Hatfield Airstrip.

08/06

Mr Acting Speaker, he also alludes to funding for a particular district in East Sepik and I gather that this is the Sepik Plains project. That is not just a district project but rather a National one that came through a lengthy process in terms of significant projects in the country with benefits that –

Mr John Simon – Point of Order! For your information, the funding of K50 million was spent in only one electorate and not the whole East and West Sepik.

Mr ACTING SPEAKER – Minister, please continue.

(Sir Michael Somare interjecting)

Mr ACTING SPEAKER – Order!

Mr CHARLES ABEL – Thank you Grand Chief for your Parliamentary conduct. This project has commenced and not the whole expenditure has been committed or expended yet it is under way.

The basis of this project is of National significance and East Sepik is very lucky to have such a project that will provide employment for thousands of people and generate infrastructure and income for the whole country. I am sure Maprik will also benefit through employment and other spin-off activities.

Mr Acting Speaker, with regard to the specific projects the Member for Maprik raised and some of the issues of the 2015 and 2016 National Budgets as we are all aware is that circumstances are temporarily tight so unfortunately we cannot fund all PIP applications. But the primary priority commitments in terms of free education and other important commitments of the Government are being met and we will maintain those commitments.

If there is any possibility through any sort of recovery or supplementary budget, we will do our best to consider the two important projects that the Member of Maprik has raised.

Corruption at UNRE

Dr ALLAN MARAT – I direct my questions to the Minister for Higher Education, Research, Science and Technology.

Mr Acting Speaker, the removal of the Vice Chancellor of UNRE following student demonstrations last year has not improved the situation for good governance and administration. The current care-taker Vice Chancellor is being used to cover up past misdeeds, maladministration, misuse and pilfering of university resources continuing unabated to this day. Officers currently employed by the Papua New Guinea UNRE and having connections with the former Vice Chancellor are very much in control of the operations of UNRE.

My questions are as follows:

(1) Can the Minister confirm or deny that the appointment of the incumbent Vice Chancellor has been hijacked and that you are very well aware of this to the effect that no announcement was made on 7 March, 2016?

The situation on the appointment is unknown to this day with the recommended candidate Dr Issac Puwe from the full council meeting in Port Moresby on 5 February 2016 not submitted before NEC for appointment, and why?

09/06

In fact, there was another push by the senior executive management and a few governing council members on the 1st March 2016 to usher the appointment of Doctor John Warren from Wales, but for which he was unavailable until 2017, meaning that he declined the offer and instead there is now a push for the current acting vice-chancellor Dr Samson Lau to be the new vice-chancellor.

(2) Can the Honourable Minister confirm or deny that corruption at Papua New Guinea UNRE is still rife at the expense of students and staff? Are they denied suitable accommodation, water and sanitation, proper learning and teaching services? And is the delay of the appointment of the vice-chancellor is to prevent exposure of corruption involving certain Senior Executive management with influence from external elements?

(3) Can the honourable Minister confirm or deny, that the graduating students have been penalised by an imposition of K700 graduation fee for their part in the boycott in 2016? Why is the cost of the gown K500 when the purchase price is K250, yet the school sees fit to impose a K500 hire fee and a K200 graduation fee, upon the return of the gown the student will only receive only K200.00. Can the Minister investigate these fees in comparison with UNITECH at K350 and the UPNG of K320? As a result of these fees many graduating students are considering graduating in absence, that is today, I believe in boycott of this very important university event.

(4) Can the Honourable Minister explain his silence over these issues that are in his electorate, in particular, the absence of a full and proper investigation into the mismanagement of the University to effect the recovery of the K16 million for the library, which is incomplete and other projects, where has all the money gone? Can he explain his involvement with the former regime, the governing council and the senior executive management UNRE with regard to these matters as his integrity is being questioned?

(5) There has been so much financial and other resources abused at UNRE that would justify the establishment of a commission of enquiry. Would you, Minister, be inclined to have such a COY setup, if so when might the establishment be? If not, why not?

6) Students graduating do not want their hard earned certificates to be signed by an acting vice-chancellor but a substantive vice-chancellor.

Will you do something about this issue?

Thank you, Mr Acting Speaker.

Mr MALAKAI TABAR – Thank you, Mr Acting Speaker. I thank the Member for Rabaul for his series of questions.

First of all there is a council in place and the chairperson of this council is Margaret Elias, the second in charge of the council is George Bopi, and I am always in touch with them.

In relation to the appointment, the law effectively gets me to wait on the process that they have gone through and eventually I get the documents and NEC has not made any deliberations on this. The documents were passed through my office two weeks ago and I think NEC is going to deliberate on this in the next week or two.

Yes, corruption is still occurring in that institution. The administration is very weak and the person who was appointed as the Acting vice-chancellor, unfortunately, the person doesn't know how to deal with the issues. The former vice-chancellor has still got some influence, like the bursar of the institution who is someone that is working hard for the former vice-chancellor. I thought we sacked the vice-chancellor but unfortunately some people who are still there are basically working for him.

10/06

Mr Acting Speaker, I too had an issue with the institution as one of my vehicles from the district was put off the road by one of the vehicles belonging to the university. The vehicle was driving around and looking for home brew from the other side of the district and they crashed into one of my vehicles.

Therefore, I have been trying to get them to pay K36, 000 to Ela Motors. There is a Police report and now we are thinking of going to Court and get them to pay for the damages.

So, yes, that institution is getting out of hand and the former vice-chancellor is in Rabaul and living in either hotels or other places. I have spoken to the council and they are working hard to get him to face the law by getting the Police involved in this matter.

As for the graduating students the fee has been reduced to K255. The graduating students protested to the administration and the fee was reduced from K700 to K255 but I have received no information regarding this.

There is a council and my Department waits on the council to do its work. The council is independent and has an autonomy on the institution and we would like to make sure that the council does its part. I have a responsibility also over the council and that is what I have been considering.

I have been talking to the council members but not to every one of them. A few committed ones have been turning up in the meetings and we would like to make sure the person is brought to court. We would also like to recover everything that has been siphoned off from that institution and restore that institution's integrity. Restoring that institution would mean that people who were working for the former-vice chancellor must also be identified and removed by the administration of that institution and not by the Minister.

Regarding financial resources we would like to make sure that the court proceedings start first. I think it is important that we establish all the facts and the whole issue and then decide whether establishing a commission of inquiry but it is going to be an expensive exercise on the part of an institution like UNRE.

Regarding the signatures on papers, I think it was a letter from the registrar made it clear that anybody acting on behalf on an institution, especially a university represents the institution and can have his or her signature on any documents or agreements for and on behalf of the university. So, I think last year he was the acting vice-chancellor and he actually signed the degrees and diplomas for last year.

Therefore, I do not know why the students are arguing about this because the registrar has informed students that anybody that has been appointed acting on behalf of the university has got that authority on behalf of the university on any agreements and any documents for and on behalf of the university.

Thank you, Mr Acting Speaker.

Kairuku Law and Order

Mr PETER ISOAIMO – Thank you, Mr Acting Speaker, my question is directed to the Minister for Police.

In my district only recently around mid-last year and about four weeks ago I had a case involving assault and murder at the district headquarters in Kairuku at Bereina. There has been some issues regarding the arrests of the perpetrators. A couple of times when I visited the district I was briefed by my workers at my district office that the police are finding it difficult to enforce law and order in fear of their own safety. Therefore, I wonder if we have a Police Force to protect the citizens or because they themselves are working in fear of their safety.

11/06

This makes me wonder if we have a Police Force here to protect the citizens as the Police officers might also be living in fear. From this issue I have come to realise that the department needs to rotate the officers from their postings or tenure in each district so that they are not too accustomed to the locality. I think there are similar situations across the country.

My question to the Honourable Minister for Police is, does the Department have plans or a timeframe for the rotation of posting or tenure for each Police Officer in each district and province in the country?

I think when we have such a system in place it will help when dealing with law and order situation on the ground.

Mr ROBERT ATIYABA – Thankyou Mr Acting Speaker, and I also thank the Member for Kairuku for his question. Lately this country has been facing a lot of law and order issues such as murder cases, drug trafficking and many more. Over the years the Police Force was governed by the Police Force Act but the Police Force don't have a policy paper like the Defence Force White Paper. With a policy paper, this can clearly give directives on which part the Police Force is heading in the next five or ten years but when there is no policy paper and there is no clear directives on this. The previous Governments failed to recognise this leaving the Police Force in a sorry state. The question on transfer and rotation of police officers from their current posts is not possible at this stage because of lack of funding. In the past there was transfer and rotation of officers but this is not possible today.

The other issue that I would like to inform the Parliament and the country on is that there is a limited number of especially, skilled and technically trained police officers. These officers are needed to investigate big cases and sensitive issues. Many officers under the CID and fraud Squad have retired and some have moved on to other areas. Over the last 15 years these trainings have stopped until my appointment two years ago but this new recruits still need to be unskilled in the investigation, arrest and prosecution. Currently, we are trying to amend the Police Force Bill to look at all these.

So give us time, when there is money available, we can look at the plan on rotating and transferring officers. I can agree with the Honourable member that there are some police officers who have spent more than 20 years in some districts and they are now reaching retirement age. So we admit that we do have management issues in the Police Force and when we are able to we will fund these plans.

12/06

Tapini Highway Funding

Mr WILLIAM SAMB – I direct my questions to the Minister for Works. There is an allocation of K5 million in 2015 and another K5 million in 2016 for Tapini Highway.

(1) When I enquired at the Works Department to utilise that money, I was advised that there is no money. Can the Minister for Works confirm if there is money or not?

(2) From the turnoff at Arapokina to Tapini is about 100 kilometres so can the Minister confirm or deny that each year there is an allocation of K5 million? Has there been any studies done to confirm that the road will cost K5 million? It is a road that is not in a good terrain to cost that much. Have there been studies carryout out to prove that it will cost that much?

(3) If there is no money, can the Minister confirm with me if my team can put up proposal to seek funding?

Mr FRANCIS AWESA – I thank the Member for Goilala for his questions. I will answer the third question first.

In terms of partnering with the Works Department to do up roads in his electorate or other parts of the country, we welcome any funding to carryout constructions in our districts.

When saying this I must add that I am aware of some funding given to the Works Department by certain Members of Parliament but have been misused or abused by some of my officers in the Department. I am aware of that and the individual cases that have come on the Floor of Parliament by the Member for Kikori and some of the other Members of Parliament. I will undertake to investigate so that we will know what happened to all this funds.

In relation to the funding of K5 million for the Arapokina road to Goilala, I am not aware that K5 million was allocated in this Budget or the last year's Budget. However, I will undertake to find out from the Department if the money was allocated and what happened to the money.

In relation to the first question about funds allocated, you would be aware as a former engineer in the Works Department that if you have checked and they said there are no funds then. That means the Treasury or other relevant agencies have not released those funds. My advice is to check this information properly because if there are no funds held by the Works Department then it will mean that no funds have been released.

Supplementary Question

Mr SAM BASIL – I would also like to refer to the misuse of K14 million for the Kumalu bypass by the contractor.

Mr ACTING SPEAKER – Is that a new question?

Misappropriation of Funds Works Department

Mr SAM BASIL – It is about the misappropriation of funds in the Works Department and it is related.

(1) Mr Acting Speaker, the K14 million that was allocated for the Kumalu bypass has seen five kilometres on each side dirt road and the money has not been properly spent. Can the Minister order an investigation into that K14 million?

(2) Regarding the Markham to Menyamya road that runs through Bulolo District, that road has not been maintained and is full of potholes. The Works Department is not maintaining it and there are no funds to do so. Are there any funds for that particular highway because it also serves the Hidden Valley Mine?

13/06

Mr FRANCIS AWESA – Mr Acting Speaker, I thank the Deputy Opposition Leader and Member for Bulolo.

In relation to the first question on the K14 million allocated some years back for the Kumalo river by-pass. I have explained last year, stating that this Kumalo river and the bridge is very difficult to maintain. Because the river changes course every year, and he would appreciate that. What has actually happened is that we have tried to use that money to build an access road further upstream but the soil is not staple also and we tried our very best to have access Wau-Bulolo because they are very important towns.

But, I want to assure the Member that we have engaged a permanent contractor on the ground to clear the debris as they occur because the river changes course many times. So our plan now is to look at the road access further to the East, but then it will require a lot of money. But it's one of the options we are considering.

If you were to build a bridge then you have to relocate and build a new bridge upstream or downstream and that's where the problem is right now.

Second question in relation to the maintenance of that particular road to Wau-Bulolo; I can assure you that we are doing everything possible to maintain that portion of the road

with the funds available. More funds will be allocated to make that road accessible because of the mine operation in Wau-Bulolo and other mines in Morobe Province like Wafi Gold Field Mine. It's a major project and we want that road to be upgraded to highway standard.

Mr Acting Speaker, we are not ignoring that important road linkage but we are doing everything possible to maintain the road to be more accessible.

But, I thank the Deputy Leader of the Opposition and Member for Wau-Bulolo for his patients.

I invite him to come and discuss with me and my officers to solve some of these major problems.

PERSONAL EXPLANATION

Mr MARK MAIPAKAI (Kikori) – I seek leave of Parliament to make a personal explanation.

Mr ACTING SPEAKER – Do you claim to have been misrepresented?

Mr MARK MAIPAKAI – Yes Sir!

Mr ACTING SPEAKER – Go ahead, leave is granted.

Mr MARK MAIPAKAI – Thank you Mr Acting Speaker, I rise before this Parliament to do a self-explanatory on an article in the daily newspaper, *The National* today regarding the illegal operation in the Gulf Province.

The question was raised by my Governor and appeared on today's newspaper. Here I have all the necessary documents which legalises subsections and the legitimacy of the company that was in question yesterday, Guapera Investment

14/06

I have here a set of documents which legalizes the transactions or the legitimacy of the company that was called into question yesterday the Ropera Investments.

Mr Acting Speaker, I have been the Chairman of this company since 1992 and my interests have been declared to the Ombudsman Commission.

Mr Acting Speaker, I have also before me a letter of extension of the timber permit signed by the Honourable Minister through an exhaustive process of evaluation.

The Governor himself who is seen most of the time flying around the world does not know that PMT of Gulf endorsed this and it came to the National Forestry Board who then endorsed it and this is a legitimate document qualifying the extension from 14th to another 10 years from now.

Whatever that was said is all hog, total lies and the case before the Courts has no relevance to any abuse by myself. I have been there for over 20 years and that is the mandate my own tribesman have given me.

The case before the Courts is all about a contract that was terminated by a permit holder which just got paid. There are only 10 concessions in the country where timber permits are held by people and this is one such organization that I have been Chairman of.

Mr Acting Speaker, yesterday so much was said about Rimbunan Hijau but I will put on record that they have a K30 million export sawmill.

A lot of timber is coming from my yard and the saw mill is owned by Rimbunan Hijau and they have left the area in 2007; they are not in existence there.

I am proud to say that wrong people are knighted and I should be given a knighthood because as a private citizen, I have put up a multimillion kina operation and over 500 people of my tribesmen are employed, and that is the basis where I dwell my strength in every campaign to get elected in Parliament. With those few remarks, thank you.

(Laughter in the Chamber)

MOTION BY LEAVE

Mr JAMES MARAPE (Tari-Pori – Minister Finance) – I ask leave of the Parliament to move a motion without notice.

Leave granted.

**SUSPENSION OF STANDING ORDERS –
REARRANGEMENT OF BUSINESS**

Motion (by **Mr James Marape**) agreed to –

That so much of the *Standing Orders* be suspended as with prevent Notice Nos. 209 and 255 of Government Business been called on forthwith.

CONSTITUTIONAL AMENDMENT (COURT RESTRUCTURE)

LAW 2015

Second Reading

Second required opportunity for debate and First Vote from 23 March 2016 (See page)

Motion – That the Bill be now read a second time – put

Motion – That the Proposed Law without amendments be agreed to – put.

The First Vote on the Proposed Law requiring three-quarters absolute majority of 83 Members as required by the *Constitution*, Mr Acting Speaker ordered that the bells be rung.

15/06

Mr ACTING SPEAKER – This is a very important vote and people of South-Fly ought to be recognise so I will also vote in support of the Bill.

16/06

The Parliament voted (the Acting Speaker, **Mr Aide Ganasi** in the Chair) –

AYES – 87

NOES – 6

Motion so agreed to.

Bill read a second time.

Ordered – That the Third Reading which is the second required opportunity for debate and the Second Vote be adjourned for at least two months this day as required by the *Constitution*.

17/06

MANAM RESETTLEMENT AUTHORITY BILL 2015

In Committee

Motion (by **Mr Leo Dion**) agreed to-

That the amendment circulated on the 4th of November 2015 and moved on the 30 November 2016 be discharged.

Motion (by **Mr Leo Dion**) proposed –

That the following amendments be made:

Section 9 of the Bill is amended by repealing Subsection (1) and replacing it with the following;

“9 MEMBER OF THE BOARD

(1) The Board Shall consist of –

(a) an imminent and respected person who shall be appointed by the National Executive Council;
and

(b) the representative of the Church nominated by the Madang Provincial Government; and

(c) the Madang Provincial Administrator, representing the Madang Provincial Government, who shall be the Deputy Chairman; and

(d) the Bogia District Administrator, who shall be the advisor and consultant; and

(e) one landowner representative representing landowners where Manam and Boisa people are resettled, nominated by the Bogia District Authority and appointed by the National Executive Council; and

(f) a Manam Island Tenopwa or recognised leader, nominated by the Manam and Boisa communities and endorsed by the Bogia District Authority and appointed by the National Executive Council; and

(g) a representative from a recognised non-governmental organization group which is established and recognised by the Manam and Boisa communities and endorsed by the national Executive Council; and

(h) an officer from the Office of the Prime Minister, nominated by the Prime Minister and endorsed by the National Executive Council, who will report to the Prime Minister.

Motion - That the question be now put –agreed to.

Amendments agreed to.

Remainder of the Bill, by leave, taken together and agreed to.

18/06

Bill reported with amendments, report adopted.

Third Reading

Motion (by **Mr Leo Dion**) proposed –

That the Bill be now read a third time.

Motion – That the question be now put – agreed to.

Motion – That the Bill be now read a third time – put.

The vote requiring an absolute majority of 56 Members as requirement by the *Constitution*, Mr Acting Speaker ordered that the bells be rung.

19/06

The Parliament voted (the Acting Speaker, **Mr Aide Ganasi** in the Chair) –

AYES – 91

NOS – 0

Motion so agreed to.

Bill read a third time.

20/06

MOTION BY LEAVE

Mr JAMES MARAPE (Tari-Pori – Minister for Finance) – I ask leave of the Parliament to move a motion without notice.

Leave granted.

SUSPENSION OF STANDING ORDERS – REARRANGEMENT OF BUSINESS

Motion (**by Mr James Marape**) agreed to –

That so much so much of the *Standing Orders* be suspended as would prevent Notice Nos. 257, 136 and 137 of Government Business being called on forthwith.

CONSTITUTIONAL AMENDMENT (DUAL CITIZENSHIP) LAW 2015

Third Reading

Second required opportunity for debate and second vote from 3 November 2015 (See page....)

Motion (**by Mr Rimbink Pato**) proposed –

That in accordance with *Standing Order 222f*, the Proposed Law be now read a third time.

Motion – That the question be now put – agreed to.

Motion – That the Proposed Law without amendments be agreed to – put.

The Second Vote on Proposed Law requiring two-thirds absolute majority of 83 Members, Mr Acting Speaker, ordered the bells be rung.

21/06

The Parliament voted (the Acting Speaker, **Mr Aide Ganasi** in the Chair) –

AYES – 91

NOES – 0

The Proposed Law passed with the concurrence of an absolute majority as required by the *Constitution*.

Bill read a third time.

22/06

**CONSTITUTIONAL AMENDMENT PAPUA NEW GUINEA'S OWNERSHIP OF
HYDROCARBONS AND MINERALS AND THE CONSOLIDATION AND
COMMERCIALISATION OF PAPUA NEW GUINEA'S BUSINESS)**

LAW 2014

Third Reading

Second required opportunity for debate and Second Vote from 4 June 2015 (See page...)

Mr ACTING SPEAKER – I present the report of the Permanent Parliamentary Committee on Constitutional Laws, *Acts* and Subordinate Legislations.

Mr SOLAN MIRISIM (Teleformin) – Mr Acting Speaker, I rise to present the report of the Committee's inquiry into the *Organic Law on Papua New Guinea's Ownership of Hydrocarbons and Minerals and the Consolidation and Commercialisation of Papua New Guinea's Business Law 2014*.

The proposed law if passed by Parliament will establish the Kumul Companies. The Committee examined the proposed laws by undertaking its inquiry in an open and transparent manner whilst also providing an opportunity for members of the public to participate and share their views on the proposed laws.

When conducting its inquiry, the Committee advertised its inquiry in both the *Post Courier* and *The National* papers to raise public awareness. The Committee convened a public briefing on Wednesday 24 June, 2015 and invited written submissions on the proposed laws. The Committee conducted public hearings in Kavieng on Thursday 25 June, 2015 and in Mt Hagen on Monday 29 June, 2015.

Mr Acting Speaker, the purpose of the *Organic Law* is to establish the Kumul companies –

Mr Kerenga Kua – Point of Order! Mr Acting Speaker, there are two separate items, 136 and 137. Item 136 is on the Constitutional amendment and item 137 is separate bill for an *Organic Law* so I think the Chairman is reading his paper on the *Organic Law* which will come in the next part. We are currently on the Constitutional amendment now. Maybe he should read his paper later when we come to the *Organic Law*.

Mr SOLAN MIRISIM – I am doing one report for both. It's the Chairman's statement so I am presenting it now. The report will come later.

(Laughter in the Chamber)

Mr ACTING SPEAKER – Okay Chairman, go ahead!

Mr SOLAN MIRISIM – The purpose of the *Organic Law* is to establish the Kumul Companies. The establishment of the Kumul Companies gives effect to the amendments to Section 212 of the *Constitution*.

The amendments provide for the State to take ownership of hydrocarbon and minerals and the consolidation and commercialisation of the business. The *Organic Law* will establish three entities under the Kumul Consolidation Companies.

Firstly, the Kumul Petroleum Holding Limited which will replace the National Petroleum Company Holdings Limited and will regulate all State's oil and gas assets and interest in the petroleum sector.

Secondly, the Kumul Minerals Holdings Limited will replace the Petroleum PNG Holdings Limited and will regulate all State assets and interest in the mining sector.

Thirdly, the Kumul Consolidated Holdings will replace the Independent Public Business Corporation and will regulate all State owned enterprises.

23/06

Mr Acting Speaker, the only concern with this Proposed Law relates to the processes it has gone through the Parliament. The amendment to the *Constitution* has to be passed first, than the phases of the *Organic Law* or related legislation will go before Parliament. Otherwise, precedence has been set for future amendment and the *Organic Law* to be brought together in Parliament.

Mr Speaker, the Committee made the following recommendation on the *Organic Law on Papua New Guinea's Ownership of the Hydro carbon and Mineral and the Consolidation and Commercialisation of Papua New Guineas Business* be passed. I commend this report to Parliament.

Mr PETER O'NEILL (Ialibu-Pangia – Prime Minister) – In accordance with *Standing Order 222f*, I move –

That the Proposed Law be now read a third time.

Mr Speaker as I have stated earlier, we are trying to correct some of the abnormalities that we have in the legislation by giving the ownership of the minerals and resource prospect back to our people. I want to thank all the work that many of our professionals and our team have put into formulating this legislation. It is important that we support this amendment so that we can take the ownership back to our people back in this very important resource sector.

Motion- That the question be now put – agreed to.

Motion – That Proposed Law with without amendments be now agreed to – put.

24/06

The vote on the Proposed Law requiring a two-thirds absolute majority of 74 Members as required by the *Constitution*, Mr Acting Speaker ordered that the bells be rung.

The Parliament voted the (Acting Speaker, **Mr Aide Ganasi** in the Chair) –

AYES – 88

NOES – 0

The Proposed Law passed with the concurrence of an absolute majority as required by the *Constitution*.

Bill read a third time.

**ORGANIC LAW ON PAPAUA NEW GUINEA’S OWNERSHIP OF HYDRO ARBON
AND MINERALS AND THE CONSOLIDATION AND COMMERCIALIZATION OF
PAPAUA NEW GUINEA’S BUSINESS LAW 2014**

Third Reading

Second required opportunity for debate and Second Vote from 4 June 2014 (see page)

Motion (by **Mr Peter O’Neill**) proposed –

That the Bill be now read a third time.

25/06

Mr KERENGA KUA (Sinasiona-Yonggamugl) – Thank you, Mr Acting Minister, I am appreciative of my colleagues to pass this into law. Nevertheless, I think the opportunity to talk about its implications on an occasion like this should not to be passed on lightly. Everything that we need say must be said now so that once it becomes law its full intent, import, meaning, implications and ramifications are fully understood by all the stakeholders.

The first point is in relation to the amendment that we just made to our constitutional law to constitutionalise ownership of hydrocarbons in the hands of Papua New Guineans. For the first time and in my view, this has now restored the lost dignity of the citizens of this country.

It has for the first time put this issue beyond any doubt that all hydrocarbons in Papua New Guinea are now fully owned by our citizens and will be used and harvested to their full benefits.

Mr Acting Speaker, what we need to understand is that once we amend our *Constitution* this law applies to the full length and breathe of Papua New Guinea and its provinces; I say this with Bougainville in mind.

There is confusion about whether or not the Independent State of Papua New Guinea owns the minerals and hydrocarbons or does the autonomous Government of Bougainville owns them. There is confusion not just amongst the political leaders and the people throughout Papua New Guinea especially, in Bougainville but amongst the implementers as well. I have sat through some of those discussions myself before I came to this Parliament and we need to clarify this.

That issue alone has caused a lot of problems on Bougainville and we have lived through 10 to 11 to 12 years of civil strife over there. A fair reconciliation of all these conflicts is down to the issue not of ownership of minerals but of the benefits that have come from it. That was the core issue and now that we have amended the *Constitution* and vested the ownership in the hands of the Independent State of Papua New Guinea, which also applies to our people on Bougainville.

However, our leadership in their generosity and wisdom which I also submit now have been legislated by further constitutional amendments elsewhere in the *Constitution*. Thus, making the management of such resources on the Island of Bougainville to belong to the people.

Therefore, the difference that needed to be understood was that the ownership remains with the Independent State of Papua New Guinea and its management fully delegated by constitutional law to our citizens on Bougainville.

That needs to be fully understood so that they can manage it in the best way possible for our citizens on the Island and for all their brethren and sisters throughout the rest of Papua New Guinea. Therefore, there is a difference between ownership and management that needed to be understood during this debate. That is my first point I would like to raise.

With the passage of this constitutional amendment and the *Organic Law* just introduced by the Prime Minister for the final reading in my view is a journey that has taken us to the half way point. There is another destination that we are yet to set a course for and that responsibility rests in the hands of the Prime Minister and the Ministers for State Enterprise, Petroleum, Mining and et cetera. Once we have constitutionalised ownership and given

ourselves power to commercialise through this *Organic Law*, then we must start to look at how we can maximise benefits of this floatation of resources back to our people.

How are we going to do this? I have explained this several times already but our journey is not complete.

I will continue to remind this Parliament until we complete this journey and maximise the return on harvesting of this hydrocarbons back to the people. We have to maximise the benefits back to our people because we owe them that much.

26/06

Mr Acting Speaker, as I have explained before, at the moment we begin the journey with the ownership of the minerals in our hands. We give out the explorer licence and the explorer finds something and then we give them a developer's licence and along with it we forfeit 100 per cent of the ownership to the developer.

A central tenant in the capitalistic democracy that we have inherited as ours called the Westminster system hinges on the fact that when propriety interest moves from one hand to the other, compensation moves in the other direction whether for the whole or a part of the interest that you have given away. This is the only odd situation where you forfeit the entirety of your ownership lock, stock and barrel and nothing moves in the other direction.

So come the day when you want to participate you have to buy back what was yours yesterday. That is the inequity and that is the kind of situation that forced the former Prime Minister Grand Chief Sir Michael Somare to go and pledge our Oil Search shares, go to IPINK and borrow USD \$1.6 billion to finance our 19.2 per cent interest in the PNG LNG project. That is also the issue that has forced our Prime Minister Peter O'Neill to run off and borrow another AUS\$1.2 billion to finance an interest into Elk and Antelope. We then spend the next 10 to 15 years paying off all those billions of kina. The law as it stood has forced their heads.

They are leaders they want to deliver benefits but they can only do so within the framework of the law as it stands. In order to get back into and have an equity participatory role, they have to buy back in a very expensive way and then we are incumbent with the loan that we spend years repaying.

So all the revenue we derive from all these projects, we spend it on paying off the loan. By the time we are about to pay off the loan the resource is almost extinguished so where is the total net benefit to our people? Negligible so one day we have to move to the point where the State equity in these projects has to be nothing but free carriage.

At the point of the development licence, the law must say that the state's interest must be free carriage and it must be locked in and the balance goes to the developer. It is yours, you are the one deciding how much to give away and how much to keep. What you keep for your people must be fair. That is why I keep saying that once we constitutionalise ownership and we commercialise that interest on the existing projects. That is the half-way point.

Let us stabilise the operation of these Kumul companies, Kumul Holdings, Kumul Minerals and Kumul Petroleum. The Ministers for Mining and Petroleum and the Prime Minister must all get together and commence the process of drafting legislation to move us to the point of free carriage interest.

It's well-known all over the world and it is called a production sharing arrangement. If you search on the internet, everywhere in the world where there are minerals, they have a production sharing arrangement where the sovereign nation's interest is free carriage. The only exception is Papua New Guinea. We are still operating under the post-World War II legislative framework. We are being punished and that has to change.

Ladies and gentlemen, we are on the right track. We are half way there. We have passed the Constitutional law, let us pass that Organic law, and let us move onto the next phase and into production sharing and let the States interest be free carriage. Its over to you NEC.

Motion – That the question be now put – agreed to.

27/06

Motion – That the Proposed Law without amendments be agreed to – put.

The vote on the Proposed Law requiring a two-thirds absolute majority of 74 Members as required by the *Constitution*, Mr Acting Speaker ordered that the bells be rung.

28/06

The Parliament voted (the Acting Speaker, **Mr Aide Ganasi** in the Chair) –

AYES – 89

NOES – 0

The Proposed Law passed with the concurrence of an absolute majority as required by the *Constitution*.

Bill read a third time.

ADJOURNMENT

Motion (by **Mr James Marape**) agreed to –

That the Parliament do now adjourn.

The Parliament adjourned at 1.15 p.m..