

FOURTH DAY

Friday 28th October 2016

DRAFT HANSARD

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FOURTH DAY

Friday 28 October 2016

The Speaker (**Mr Theo Zurenuoc**) took the Chair at 10 a.m..

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

Sitting suspended.

The Speaker again took the Chair at 11 a.m., and invited the Member for Wapendamanda, **Honourable Rimbink Pato** to say Prayers:

‘Our Father, who art in heaven hello thy name. Thy kingdom come and 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 and lead us not into temptation but deliver us from evil. For thy is the Kingdom, the power and the glory for ever and ever, Amen!’

QUESTIONS

Government’s Position on Prostitution

Mr ANTON YAGAMA – Thank you, Mr Speaker, for recognising the people of Usino-Bundi. My question is directed to the Prime Minister.

As a Christian Nation, I am concerned that there is a lot of talk surrounding prostitution. Bulk of Papua New Guinean’s are Christian families and we have proved that by placing the Bible in this very Chamber.

Mr Speaker, we pray every morning in the Chamber to our God and yet, we talk about wanting to legalise prostitution.

Can the Prime Minister, tell us what is the Government’s position is on this issue?

Thank you, Mr Speaker.

Mr PETER ONEILL – Thank you, Mr Speaker, and I thank the honourable Member for Usino-Bundi for his question.

02/04

I assume the Honourable Member is asking his question in relation to the Bill that was proposed by the good Member for Sumkar on the proposed Bill to protect sex workers in the country.

Mr Speaker, as we all know, we are a Christian country and we do not condone these kinds of practises in the country, although it is happening. I understand that the Member for Sumkar and the Members of Opposition are in support of this Bill but I can assure you that the deliberation of the Government Members, the caucus and the majority of the Members do not support this and the Government will not support this Bill.

Mr Speaker, there are other means and ways we can protect these people who are engaged in this industry so there is no need for us to legalise prostitution in the country. For the safety of the sex workers, Mr Speaker, we have got enough laws under the *Criminal Code Act* and other laws that protect issues like assault and abuse of individuals in the country. We do not need to have a specific law on a legalisation of sex workers in the country to protect individuals in that industry.

Mr Speaker, I understand one of the reasons that people in this industry are targeted are for carrying things like condoms around. I don't necessarily believe that, that is true. A lot of people carry condoms around because it promotes safe sex in our society. It does not mean people carrying condoms around are prostitutes or a sex workers. Average Papua New Guineans and all around the world are engaged in safe sex and they carry condoms around and it does not need to be legislated for them to be specifically protected by law.

Mr Speaker, it is unnecessary, it goes towards the morality of our nation and the principals as a Christian nation. That is why I believe it is not necessary for the Government to support this Bill. In fact, I encourage the Opposition to take this issue to the elections and let the people make the decision for us and give us the mandate to discuss these things. Let us debate it with the people during election, come back and see if that has been mandated by the people.

Mr Ken Fairweather – Point of Order! – This is not Opposition's Bill, it's my Bill. I'll take it to the election and I don't give a damn, but it's my Bill.

Mr SPEAKER – Point of Order noted.

Mr KERENGA KUA – Thank you Mr Speaker, I was hoping that the 2017 Budget will be introduced this week to allow Opposition at least one week to look at the volumes and volumes of numbers in there and the justifications that goes with it because the volumes are thick so we need time to look at it to make sensible reply. But unfortunately it hasn't been brought in this week so can the Treasurer give us the assurance that when he does next week, that we will have as is traditionally seven days to look at his submissions and make sensible replies and verify the integrity of the Budget estimate before we can all pass it?

Mr PATRICK PRUAITCH – I thank the honourable Member for Sinasina-Yonggamugl for raising his question in relation to the presentation of the Budget. Yes, I can assure the honourable Member and the Parliament that the Budget will be introduced and once it is introduced and as the tradition prevails, we will make ample time for the Opposition to make a Budget Reply.

03/04

ILG Clarification

Mr ELIAS KAPAVORE – My questions are directed to the Minister for Lands.

Mr Speaker, since the announcement of the deadline on the Incorporated Land Group (ILG) registration come 17th of February next year there are still a lot of confusion amongst our people.

(1) Can the Minister clarify what happens to the existing ILGs come 17th February 2017?

(2) Can the Minister also clarify what will happen to those groups which have not yet registered their ILGs?

(3) Do they lose their customary land?

Mr BENNY ALLAN – Thank you, Mr Speaker.

I want to thank the honourable Member for asking those very important questions.

Mr Speaker, what he is saying is quite true. Those ILGs which have registered under the old Act and have ILG certificates will expire in 17 February 2017. This means that the new *Act* will come into force.

So, our advice to the ILG groups is that they will have to apply for renewal of their ILGs. This means that they will have to start the process all over again.

They've already got the ILG groups there, the landowners have been identified in that area and they have gotten a certificate.

They will now have to come to the department and ask them to advertise that this particular ILG group is now in the process of registering an ILG. If there is no objection within the given period then the ILG group will be registered formally under the new *Act*. That's the response to the first question.

For the new applicants or applications, my advice would be to get the ILG groups to wait until after 17th of February 2017 so that they do not have to pay extra fees there.

Whilst saying that, Mr Speaker, we are, through the department, encouraging all landowner groups or landowners to come forward, come to the department and register their customary land through the ILG groups and then we can give them issued titles through the Voluntary Customary Land Registration process which will give them a customary lease if they follow that process.

We are discouraging our landowners from selling their land outright, selling their land for K5000, K10 000, or K20 000. They are giving away their birthright. So, we are discouraging them from doing this and are encouraging them to enter into ILG groups and register their land under the Voluntary customary Land Registration process.

So, Mr Speaker, I want to thank the honourable Member for asking those very important questions and I would like to ask all MPs to also advocate in their respective districts to encourage our landowners to register their land under the ILG groups or ILGs and also have customary leases over their land.

CMC Funding for Balimo Airport

Mr ROY BIYAMA – Thank you, Mr Speaker, for the recognition of the people of Middle Fly District in the Western Province.

My question is directed to the Minister for Mining and I ask the Minister for Justice and Attorney-General to take note.

Non CMC funds have been locked in the court rooms for almost three years now. I have a State contract project under the funding for the upgrading of Balimo Airport.

04/04

The deed says that the JDPBPC or DDA to nominate the project and process followed through to tendering, NEC and to the Governor-General to sign because of the amount involved.

Mr Speaker, my question is this, has the money been released at this time or what are the other processes involved in drawing this fund while it is still locked in the court rooms?

Last night we had a fund raising dinner for Daru Hospital and it is a shame that Western Province has funds that are due to them.

Thank you.

Mr Don Polye – Where are the Government funds?

Mr BYRON CHAN – Thank you, Mr Speaker, and the Member for Middle Fly.

In regards to your non-CMC funds for Western Province. It lies with my department of Geo-Hazards and myself. However, this matter was taken up in court by some of the landowner associations and the funds were transferred and this matter is still before the Courts by court order.

We under that NEC has approved most of the projects prior to the court case and one of them is the Balimo Airport. The airport, like you have said, is a concern to us. The contractor did spend some time and money trying to fulfill his contract. However, since the money has been tied up in court we have a problem. Therefore, I believe that we have tried to adjust this situation with the Prime Minister and Governor the last time with the other Members of the Western Province.

I have spoken to the Attorney-General on this matter as well and I was advised that we should sit with the Prime Minister again in the absence of the Governor so that we can look at the distribution of the non-CMC funds to the three districts there including provincial government. And find a way forward with the Attorney-General and the Prime Minister and seek the court to address after that meeting.

Thank you.

Delay in Goroka Market Project

Ms JULIE SOSO AKEKE – Thank you, Mr Speaker, for giving the people of Goroka the opportunity for us to ask our questions. My question is directed to the Minister for Finance and I would like the Prime Minister to also take note. My question is in relation to the Goroka

Market which this project has so far taken a long time to complete. As the Governor, I have allocated K10 million for this project where K5million was allocated in 2013 and again another K5 million in 2014.

During the Leaders' Summit, the Prime Minister also committed another K10 million towards this project and through the National Planning Office we have received this K10 million. With that, another K2 million specifically for the Goroka Market project was also allocated in the 2012.

We have now almost K22 million, Mr Speaker, and it is in a trust account at the provincial government treasury office. Of that K22 million we have spent half a million to carry out scoping, design work and et cetera. Therefore, all the plans and other documentations for this project is now with the CSTB here in Port Moresby to put this project out on tender.

Unfortunately, the Member for Goroka has challenged this project in court. The courts then ordered that the provincial government could built the market and when work was being started to begin building the market another ex parte order was issued by the Courts, where the Member queried the K12 million from the National Planning Department.

05/04

My question to the Minister is as;

Can the Minister explain to the people of Eastern Highlands on why the Tender process for this important project has taken too long by the CSTB when my Provincial Government has already paid K10 million from its PSIP as counterpart funding?

Mr JAMES MARAPE – Mr Speaker, let me thank the Madam Governor of Eastern Highlands for this important question and also for matching National Government allocations with counterpart funding to partner in this important development for the Goroka Market.

On record for me personally, it is one of the best markets around the country that I enjoy visiting when some of us go up to that part of the country.

Mr Speaker, according to Madam Governor's question she says K22 million is already in the trust account and as Finance Minister I confirm the money is sitting in the trust account. I see no reason why there is prolong Court cases where we see the emergence of these sorts of trend happening around the country where leaders are contesting for funds for the same project. It is incumbent to put our heads together into one program because at the end of the day it is geared towards the same project, same people and same area.

Mr Speaker, I give an undertaking to the Madam Governor that I will direct the CSTB officers to reassess where the Court case is at the moment but the process of tendering for the market must take place immediately and before we go for the General Elections there is a market emerging in that beautiful part of the country.

Reimbursement of Forest Funds

Mr MARK MAIPAKAI – Mr Speaker, I direct my question to the Minister for Forests and it is on behalf of all the timber landowners throughout the country.

I have been to the Forestry office and have confirmed that a sum of K80 million has been borrowed by the National Government to supplement its budget and my question is simple and direct.

Can the Minister deny or confirm this and if so, how soon will the funds be reimbursed? Some of the leaders apart from the DSIP and DSG, we are fortunate to be funded by this complementary fund to develop our districts.

Mr DOUGLAS TOMURIESA – Mr Speaker, it would not be in accordance with the *Standing Orders* for me to answer the same question that was asked yesterday. I have been assured by the Prime Minister and the Treasurer that those funds will be reimbursed to the LEDL Trust account through the Department of Forest.

Mr SPEAKER – Minister, your statement is in order. Questions fully answered cannot be asked again.

Climate Change Funding

Mr JOE KOMUN KOIM – Mr Speaker, thank you for recognising the people of Anglip-South Whagi. My question is directed to the Minister for Environment and Conservation and I would like the Minister for National Planning and Monitoring to take note.

06/04

It is in regard to the climate change phenomena that is shipping right across the world. The whole world is now taking the measures to address this issue here. Most of our low land areas are affected. The world through various conventions have assured of assistance.

Mr Speaker, once those in the middle of the ocean are affected, the effects are also felt by the people living in the highlands and the low land areas. I believe the world has taken it on

and have supported various countries who are vulnerable to this sort of disaster and they have made available funding through some bilateral agreement. So I believe the money is sitting somewhere in the country.

My questions are:

(1) If there are funds available in PNG, which department is responsible for assisting those of us who are affected by the massive floods and rainfalls?

(2) For those low land areas who are affected, how do we have access to these funds because most of these funds come in with strict guidelines?

Mr JOHN PUNDARI – Thank you, Mr Speaker, and I thank the Member for Anglimp-South Wahgi for his important questions, very pertinent to the issues of climate change and is a phenomena of natural disaster that is not only affecting PNG but the rest of the global community.

Mr Speaker, the questions require some detail answers and I thank the honourable Member for giving me some attention earlier to the questions he was going to raise, therefore, Mr Speaker, I have some detail answers.

The climate change issue as I said is of global importance and must be addressed from a focal point through proper coordination mechanism and not in a piecemeal approach, Mr Speaker.

The United Nations convention on climate; the *Kyoto Protocol* and the new Paris Agreement which supersedes the *Kyoto Protocol* are critical on this point. They require participating country to have a focal point or a central agency regulating our climate change issues.

Mr Speaker, in this respect, the authority for the climate change is the focal point for our country for that purpose. It has the policy and the legal mandate by virtue of the *Climate Change Development Management Act* which was recently passed. At the present time we have an authority that exists.

Mr Speaker, with the assistance of the Asian Development Bank through the recently signed building resilient for climate change five year project, it will assist in building the authority's capacity by developing a financial management system with a stringent government structure.

Mr Speaker, the structure is to be internationally acceptable, transparent and robust so that it is consistent with the applied accounting standards recognised by ADB and other multi-lateral partners including potential funding sources such as the Green Climate Front.

Mr Speaker, *section 37* of the *Climate Change Management Act* provides for the establishment of the climate change and Green Grow Trust Funds and *Section 39* sets up the resources of funding which includes funds drawn from Redd and Redd+ to resolve base finance.

07/04

Mr Speaker, once internal revenue starts to be generated through various funding sources within CCDA, will funding be made available to the areas of priority related to Climate Change and low carbon growth development. That is the vision that I have for the organisation, not only to be self-sustaining but a one-stop shop for Climate Change financial assistance. In doing so, we will, Mr Speaker, cut out all the expenses that is funnelled through to fly-in and fly-out the consultants and so-call development partners.

Mr Speaker, the instrument of ratification for the Paris Agreement was deposited in New York on the 21 September by the Minister for Foreign Affairs, honourable Rimbink Pato while attending the United Nations General Assembly.

With Papua New Guinea being 23rd country on the planet to ratify the Paris Agreement through Climate Change and Development Authority, Papua New Guinea is ready to implement.

This includes the receiving of capacity building assistance, technology transfer and climate finance from developed countries to assist in the mitigation of climate change and adaptation to the effects of climate change related to the disaster in rural communities.

Mr Speaker, it is at this juncture, Papua New Guinea together with other small island developing states and developing countries will access climate finance to address and mitigate climate related disasters and events. The Minister Pato has signed the *Green Climate Fund Privileges and Immunities Agreement* to enable the Green Climate Fund senior officials and technical staff to travel into Papua New Guinea to work with the government and the Climate Change and Development Authority, and overall assist us to move forward in the implementation state. And I thank the honourable Minister for Foreign Affairs, Prime Minister and the Government for the approval in ensuring that we sign the agreement to ensuring a privileges and immunity to our Green climate funds senior official.

Mr Speaker, I am glad to announce that the Green Climate Fund officials will be in Papua New Guinea next month to hold a workshop together with CCDA to build capacity and carry out an outreach to relevant stakeholders and state agencies on accessibility to climate finance through CCDA as the national focal point to the Green Climate Fund.

Mr Speaker, for Papua new Guinea, the National Government has already endorsed and approved the National Climate Compatible Development Management Policy in 2014, the *Climate Change Management Act*, as I said in 2015 and the approval of the ratification of the Paris Agreement with the *UNCC Paris Agreement Implementation Act* which we recently did in 2016 last month.

Once guidance is by GCS on how funding can be accessed, project proposals can be prepared and funding made available to assist with Climate Change initiatives and renewable energy projects.

Mr Speaker, Papua New Guinea Government through the Climate Change and Development Authority as the national designated authority for the Green Fund in Papua New Guinea is working in improving its government structure and internal finance management system, the aim is to establish strong financial management system which meets the GCS requirements and standard.

Mr Speaker, ultimately, CCDA would like to qualify to be a credited entity for the purpose of extending direct finance from the Green Climate Fund, just like the Ministry of Environment for Rwanda

Mr Speaker, in this regard technical assistance support will be needed from the Green Climate Fund.

Mr Speaker thank you.

Geothermal Electricity

Mr KEN FAIRWEATHER – Thank you Mr Speaker, I direct my questions to the Minister for State-owned Enterprises.

I notice PNG Power made a profit, good for you! That's long time coming, I think.

Mr Speaker, last month in Madang there was a seminar on investment where there was discussion much made on producing electricity.

08/04

There was bio-meth for K2 billion and a coal fired plant for some other billions, I would like to point out that Karkar Island has the perfect scenario for geothermal production of electricity which is a very cheap and clean form of electricity. This was stalled before because there was no enabling legislation but now, there is an enabling legislation to allow this go ahead.

Could the Minister himself come or perhaps bring some of the PNG Power Board to Karkar to look at this? It is only 10 nautical miles across the north coast of Madang. You can integrate that into all the grids of PNG Power including the Yandera and Ramu Nickel.

Mr WILLIAM DUMA – I thank the Member for his question. Papua New Guinea is one of the few countries in the world that has all the sources of energy available. For instance the sun for solar power, natural gas, hydro, oil, and geothermal.

Mr Speaker, I am very pleased to hear that we have another geothermal source of energy in Karkar and that is a source that is not far from the mainland. I thank the Member for alerting us and I can assure the Member and Parliament provided he is able to organise landowners there. PNG Power stands ready to go and investigate that opportunity. Even as early as Monday, we will establish a team that will be ready to travel to Karkar at short notice to investigate. I can assure the Member that we will do everything possible to look at that source of energy.

Industrialisation Policy – Downstream Process

Mr HAVILA KAVO – I direct my questions to the Minister for State Enterprise and the Ministers for National Planning and Commerce to take note.

The country is growing at a fast pace. Extraction is taking place at a rapid pace of many of our natural resources. After doing one or two researches I found out that many of these extractions do not have clear cut policy guide lines. Many of these natural resources can be processed, extracted and developed into finished products in the country.

Does the Government have a defined industrialisation policy in place to process many of our natural resources in hydro carbons, minerals, timbers and all the energy resources that we have been talking about? Unless we do that this country will lose everything.

Mr WILLIAM DUMA – I thank the Governor for his question. The question is too general but I will try my best to answer it this way. As all of us aware, we already have existing policies in relation to investments in the mining industry where the Government by law has allowed to up with its state owned companies. The Government through its state owned companies is entitled to take up that 30 percent equity on mining projects. In the case of oil and gas the Government also allowed by the *Oil and Gas Act* to take up 22.5 percent. These are all subject to review and negotiations –

Mr Havila Kavo – Point of Order! My question is not about taking equity in a project. It is simply about a policy guideline driving on industrialisation policy that will capitalise on many of these resources into downstream processing. Has that kind of policy been drafted or in place for this country? If we do not have that kind of a policy than all our resources will be exploited and process outside of the country. We will become the buyers of the finished products from outside of our country rather than we doing it ourselves here.

Mr WILLIAM DUMA – I am coming to that. For one to have an industrialisation policy in any of those areas you must own resources.

09/04

Mr WILLIAM DUMA – Mr Speaker, I have encountered that and for one to have an industrialisation policy in any of those areas you must own a resource and I am trying to explain that in those resource for instance, we own 20 percent. The question is that what you do with your experience so when you have and own resources then you are able to come out with policies that will actually develop that resource and that is industrialisation. You cannot go and touch something that you do not own and turn it into industrialisation.

In the case of the oil and gas industry, we are all aware that the recent approaches by Bluechip Japanese Company like Hitachi, to help us go down the path of industrialisation where we go down and develop ethanol. The Minister for Petroleum has already alluded to those and we can do that with our 22.5 percent of our gas. We cannot industrialise on something that does not belong to us that is why I am explaining that and we then decide but in the case of oil and gas we already have an opportunity where we can go down to DME Ethanol.

In cases for other opportunities in Fisheries, Commerce and etcetera, as the Minister responsible for Kumul Petroleum Holdings, I can inform that we have a policy where Kumul Consolidated Holdings is now required to look at opportunities in investing in other areas like agriculture.

Many of you will be aware that recently there was an agreement that was signed between Kumul Consolidated Holdings and an Israeli Company where both companies have agreed to invest in agriculture on a big scale in the electorate of the Minister for Commerce. Again depending on what is owned by the Government or the State than you decide what you do with what you own so, you cannot go down the path of general industrialisation unless you own that asset.

There are many policies that are devolved by various government department where the Ministry that I am responsible for has no control over but when it comes to investing we have resource and the policy to invest and help those department go down the path of industrialisation.

Thank you, Mr Speaker.

Supplementary Question

Domestic Market Provision

Mr KERENGA KUA – So to achieve that, does the Minister have a policy for domestic market provisioning of our resources that he can publish to this Parliament to achieve the kind of question that was raised by the Governor?

Mr James Marape – Point of Order! Yesterday, I saw the Member for Sinasina-Yonggamugl sitting on the third Chair in the Opposition side, today he is sitting on the fourth Chair and the honourable Member for Kavieng was sitting on the second Chair.

Mr Speaker, is it in line with the House de quorum that they change seats and sit as they like, can I seek clarification?

Mr SPEAKER – I think he is on the right seat but yesterday was a mistake but he should have not sat on the third seat.

(Laughter in the Chamber)

Mr James Marape – The Member for Kavieng sat on the second Chair.

(Laughter in the Chamber)

Mr SPEAKER – The Member for Kavieng should have sat on the third Chair on the Opposition side and that was wrong yesterday, if the presiding officer should have corrected that but unfortunately I was not here.

I will let the Minister answer the question.

Mr WILLIAM DUMA – Thank you, Mr Speaker and I thank the Member for Sinasina-Yonggamugl for his question.

Again, policies especially in industrialisation are all formulated and driven by the responsible government departments, for instance if the department of Mining comes up with an industrialisation policy that all the raw copper and gold that we are exporting should be smelted in this country and the policy set are by the lead agencies then it is a matter for the Ministry that I am responsible for to consider whether to invest in those industries subjected of course to the investment guidelines that we have.

So, my ministry is not responsible for developing the policy in the first instance.

10/04

My ministry will than to consider whether to invest in those industries, subject to the investment guidelines that we have, so my ministry is not responsible for devaluing the policies for sale in the first instance. We are only responsible for investing on behalf of our people. Thank you Mr Speaker.

Vote of No Confidence Bribery

Mr DE KEWANU – I direct my question to the Prime Minister in relation to the Vote of No Confidence period, I believe a Member of the Opposition was offered K5 million as announced publicly recently and I believe it by the Member for Laigap-Pogera. It was published in the papers so can the Prime Minister confirm or deny that such has happened.

Mr PETER O'NEILL – Thank you Mr Speaker, you know, it's ridiculous to think that we can go around paying K5 million to each member to remain in Government. There never was a meeting with the party leadership, and the Honourable Member and I want to challenge him to get out, it's a very serious allegation, I want him to refer it to the police and refer the person who has offered him that kind of bribe. It is unbecoming of a leader to go around accusing political parties, political leaders that this kind of money has been floating around in our political climate in this country.

Mr Speaker, nobody pays anybody that kind of money. There is no need to, we do not need numbers in the first instance, PNC has 60 strong members that can guarantee Government to remain in Government by itself so why should we go around giving monies to anybody? So Mr Speaker, this is a complete lie, false accusation and I challenge him to go to the police and give evidence on where and when, who offered him that kind of money and Mr Speaker, he

needs to apologise to this Honourable parliament and to the people of Papua New Guinea for misleading this kind of debate on this kind of statement.

ANSWERS TO PREVIOUS QUESTIONS

Mr BYRON CHAN – Mr Speaker, to add on what the Minister for State Enterprise Minister said and various Departments, we have policies that will guide us into the industrialisation. My department right now has several policies NEC has approved and just waiting to come to the Floor of Parliament which addresses issues of taking our nation to the industrialise stage from our own natural resources. Part of them also covers geo-thermo, copper refineries, gold refineries capturing all these production and using our own resources and capturing and developing potential to go into industrialise refineries, getting greater value out of those minerals resources that are being exploited and exported out of our country. At this stage, we don't have laws to enforce them, it has a very shallow provisions for it. But the new Acts and the new Policies that will come into play, hopefully in the new year will address this issue of industrialisation and that will enable us to get to that stage by capturing almost 50 percent of all our resources to be processed here in the country.

That's including geothermal and that also will increase all benefits to the landowners, provincial government and the State as well.

11/04

GRIEVANCE DEBATE

Question proposed –

That Grievances be noted.

Mr DON POLYE (Kandep – Leader of the Opposition) – Thank you, Mr Speaker.

I have a serious grievance and the same grievance is also experienced by the people of this country in certain decisions made by the O'Neill-Dion Government.

That is in regard to the Asia Pacific Economic Corporation Summit that will be held here in 2018.

Let me say and put on record that if the people give the Opposition the mandate to be in government after the election we will definitely cancel the APEC Meeting. And I would like

to inform our very valued friends and members of the APEC countries that this is the position on the side of the Opposition with regard to the hosting of APEC here in this country.

Mr Speaker, it is a question of life or death for the country's economy, it is a question of providing the much needed services to the people of this country, a job which this government has been mandated to. It is a question of prioritising whether to run an international meeting that will eat up the country's budget and leave us a liability for many years to come or to reprioritise into addressing what the people have mandated us to do.

Based on these questions the Opposition are of the very firm belief that we are primarily mandated to serving our people and when our people have a problem in this country like it is now we have to bite the bullet and make tough decisions for the interest of the people and not for the interest of egoism, big name and the international community. The international community can understand and they will accept it.

The first reason, Mr Speaker, is this. You look at the cost of hosting an APEC Meeting. First of all, I'd like to advise my friends on the other side of the House that they must understand and admit that the Minister and this Prime Minister are already in conflict, a very big disparity as to the actual costs of hosting or even preparing for the APEC Meeting.

When you see the Minister formally, and a media release comes up with a cost of K600 million and then the Prime Minister adversely and on an ad hoc basis, answers to questions on the Floor and says it will cost K120 million,

And then when the Opposition poses that question to clarify this issue the Minister succumbs to the Prime Minister who is his boss and says I think it's going to cost us K120 million. Not just this side of the House but you on the Government side should question the Minister and the Prime Minister what the real figures are? And none of you have raised that.

You've got to justify it. There is no justification. There is no break up to say this is how much it is going to cost. For instance, you have people landing at the Jacksons Airport and you have an emergency arising instantly, what is your fall back plan, the medical evacuation, the fire trucks, or as you said. You are going to hold meeting in ships as the Prime Minister said. What if an emergency arises and what is your fall back plan?

I heard you say that you are preparing for the security system but that must be tangible and can be seen by this House. There is no plan for it. We cannot wait for 2017, it should have been done a long time ago.

I have raised these issues in the Budget session last year, I've been raising it in the Supplementary Budget. There is no such tangible and very articulate programme coming out of the Prime Minister or the Minister responsible on these costs issues.

Just to give you some examples of the cost that I am talking about. Just recently the Philippines hosted the 2015 APEC Meeting and it costed them about US\$207 million. Now this is not going to be K600 million. When you convert it, it is going to be beyond billions.

12/04

Just recently, the Philippines hosted the APEC meeting costing them about US\$207 million. Now that's not going to be K600 million, to convert that, that's going to go beyond billions. Look at Russia, they spend about US\$616 million to host theirs. The China was flourishing then in 2014 and when they hosted it, it cost about K6 billion that's why it's important. And I hear the Minister said they are a different size economies, we are smaller, and we'll do it small. No way, Mr Speaker, the standard of hosting an APEC meeting is an international standard and is the same across the board. Whether you are a developing economy or you are an established economy, the cost is going to be the same or even bigger.

Mr Patrick Pruaitch – Point of Order! I know the honourable Leader of the Opposition is aggrieved, but Mr Speaker, he raised the same issue in a question form and he got some answers to that. Now my question is, how many more times do we allow someone to raise the same issue on the floor of Parliament?

Mr SPEAKER – With greatest respect honourable Minister, Grievance Debate has no clear boundaries but I will just caution the Leader of the Opposition that questions on that issue may have been answered so you need to be responsible in your debate.

Mr DON POLYE – Mr Speaker, I am aggrieved by it so I am going to raise them.

Mr Richard Maru – Point of Order! You get him repeating the APEC meeting in Russia. I went to that meeting Mr Speaker, the Russian Government built a university and spent the entire money on the university. We used the university dormitories for APEC meetings, after which they used it as a brand new university.

Mr Speaker, when he is comparing APEC meetings of various countries, he should not use Russia as an example.

Mr Mark Maipakai – Point of Order!

Mr SPEAKER – The Chair is currently entertaining a Point of Order, honourable Member for Kikori.

Mr Richard Maru – Mr Speaker, the Leader of the Opposition is misleading Parliament.

Mr SPEAKER – Honourable Minister, I will give you an opportunity to debate the issue in your grievance debate.

Mr DON POLYE – I'm talking on facts, you look at the google search and you'll see the facts I'm telling you. I'm not talking rubbish like you guys do, I'm basing on facts. And even very reputable financial institutions have established firmly upon independent assessments, even our own domestic institutions have given us some guidance as to how much it is going to cost. Mr Speaker, you are wise in doing all these things, it is because they are seeing that our budget is small. You've got a K10 billion budget, K4 billion is your development and K6 billion is for your recurrent expenditure. You got to work within affordability and not within your egoism. You work within realistic, affordability of the country's economy, can we afford? So that you can provide for the service and at the same time, you can get your DSIP on time, for the same time other projects can come on board, so you are not affected and disrupted in providing your services while you still run a parallel international meeting.

I better speed up on this as I can see the Prime Minister being arrogant and saying these are rubbish and nonsense etcetera, I question that kind of integrity because you've got to work from a very calculated point of view, educated point of view to at least make decisions to convince rest of us that you are doing the right thing for the country. Let me go to the next reason which is the debt level of this country. It is up to the K30 billion mark at a K40-K50 billion economy. I've been accused by some of my colleague friends saying that Don, we are an economist, you are a civil engineer. I'm telling you, whether you are civil engineer or an economist, it is common sense. You have to learn the facts, look at the economic indicators, you got a debt level way high, you think you going get the K600 million easy to fund this program? You will definitely borrow. Within the domestic market, the liquidity has run out, you have no money there, that's why the Bank of PNG has put out treasury bills and inscribe stocks out to the public to buy. You know why they are doing that, for the first time, because the private sector cannot buy the Government bonds because there's no money in there.

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Do you know why they are doing that for the first time at interest rates that are subject to the public? Because the private sector cannot buy the government bonds because there is no money there. So now they are coming out and getting on the public.

The question is whether the public will get a return to their investment through the Central Bank in terms of Treasury bills and inscribed stock?

So we have a problem here. So, you have to go out to the commercial markets to borrow. And some of the commercial banks that have been lending to Papua New Guinea are not reputable banks like UBS for instance. They have been charged in the US and fined for breaking laws and yet Papua New Guinea goes out to borrow from these banks with credibility problems.

And do you know what is going to happen? You'll go out to borrow more money. If it is going to be K600 million to run the APEC Meeting, this will be done at the cost of Papua New Guinea people's lives.

Mr Speaker, let me go on to the next point because time is running out on me.

Economic indicators. It is projected by ADB that next year you inflation will be 7.5 per cent. You've got a cash flow crisis now, your economy is not growing. It is in recession right now.

Mr Speaker, the Treasurer should take note, from a 21 per cent projection to now it is below three per cent from the report. That means it is declining, it is not growing. If you look at the next three years you will see that there is no Total or any other major capital inflow of money, cash coming into the country to boost the economy. So, the focus for the economy in the next three to five years is not good. And now you want to carry a liability of running a very big multibillion APEC Meeting? It's going to kill us.

Finally, on SMEs, Minister for SMEs listen to this, you have, I am talking from your statistics, you have an estimated 45 000 to 49 000 SMEs. You know what? You are only providing them with 10 per cent worth of business from every billion you spend in this country. And how much are they earning? Their per capita income is less than K2000, well below what Fiji earns.

The question that Ministers like him should be asking is, in the last 2015 Pacific Games, how many SMEs got employed and how much was the share of the cake in the K3 billion funds that SMEs got in the 2015 Pacific Games. If the answer is you do not know, you better trust what I am telling you.

Mr PETER O'NEILL (Ialibu-Pangia – Prime Minister) – Thank you, Mr Speaker. I really didn't wish to speak today because Grievance Debate is supposed to allow the back benchers and others who do not have the opportunity to talk during Parliament sessions to speak. But since the Opposition Leaser has always wants to mislead us with issues and facts I am forced to stand up and correct him once again.

Mr Speaker, because he doesn't believe in things he says, he yells and screams so that other are forced to listen to him.

Mr Speaker, let me put the facts correctly. Normally he doesn't want to listen and he behaves like a child.

Mr Speaker, let me say this, APEC is not supposed to be hosted by the big economies, smaller economies like Brunei have hosted APEC. Even countries like New Zealand and Australia have hosted APEC and they didn't spend billions and billions of dollars to do it.

Even the USA, when it hosted the APEC meeting in Hawaii in 2011 did not spend hundreds of millions of dollars to host it. The misleading statements that the Opposition Leader continues to portray to the nation is because he's got no other policy initiative. The only thing he does is complain, if he wants to how much money we are spending on APEC he can consult the Budget papers. Last year about K60 million, this year it is going to be even less and next year we will spend about K250 million. That's it. Where is he getting all those figures about billions and billions of kina?

He is talking about the K3 billion figure that the IMF has quoted. Like I said yesterday, if we spend K3 billion in one year when our budget –

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He is talking about K3 billion figure that IMF had quoted.

Like I said yesterday, Mr Speaker, if we spend K3 billion in one year – our Budget is only K12 million and I would be crazy to do these kind of things. We are not uneducated people who are here in this Parliament, Mr Speaker. At least, God has given us some common sense to make decisions in the interest of the nation because APEC is a unique opportunity.

Every time, Mr Speaker, governments come in and governments go out and then they are always going to look for investors to invest in this country. How are you going to attract investors when a big opportunity like APEC with over 10, 000 businessmen and women? They are not tourists they are big businessmen and women all around the world coming to PNG at the same time. Isn't that a great opportunity for us to showcase our opportunities in the country

for them to come and invest big money like ExxonMobil, TOTAL and Oil Search is doing now.

We have to invite foreign investments so that we can create employment for our people, Mr Speaker, and not this rubbish that I continuously hear from the Opposition Leader. How is he going to create jobs? How is he going to fund health services? How is he going to fund education?

Mr Speaker, when you see that the Opposition Leader's policies, and he talks about the Budget cuts. Nevertheless, we are the only government that has continuously funding our education, health systems and according to our health plan our transport system and infrastructure.

Mr Speaker, when you note that, you will see that it has been consistent and we have never cut any funding to those areas. That is why I know, Mr Speaker, that we will have a huge benefit out of the APEC. And do not want to see Papua New Guineans to be distracted by these political opportunity that the Opposition Leader is trying to create for himself.

He must now produce his policies on how he is going to fix our health systems in the country, education and our infrastructure that he failed to do when he was Minister for Works and Transport and Civil Aviation for nine years. He failed to build one bridge, Mr Speaker. He has been trying to build a wash over bridge in Kandep for almost nine years.

He is supposed to be an engineer and he is still trying to build a bridge in the swamp, Mr Speaker. I am not an engineer but I am not stupid enough to go build a bridge in the swamp.

(Laughter in the Chamber)

Mr PETER O'NEILL – So, how many millions of kina have we wasted? Let us talk facts and the economy says that we are in recession.

Mr Speaker, we are paying our bills. Everybody is getting their salaries. We are paying are loans but everybody is getting paid. We are paying for our infrastructure, education and health services. So, what are we not paying?

Mr Speaker, yes, cash flow is tight but we are managing it in accordance with the Supplementary Budget not so long ago.

Mr Speaker, that is managing it in a responsible and very prudent manner. There is no other magic solution. I don't control the gold copper prices or oil prices. No government or leader here controls it.

Mr Speaker, we are in a global economy and so when the global economy suffers we suffer as well, but we must make adjustments in our own country so that we can be able to live within our means. If the revenue is down then we cut our expenditure. That is what we have done and we have cut expenditure in the non-priority areas.

Mr Speaker, when Treasurer and his team put out figures they must be conservative. They must know that if we overstate things we might meet the targets in the budgets that we present. So, when they talk about growth projections over 2 or 3 percent it is the most conservative figure that they are presenting to Parliament.

In many occasions, Mr Speaker, over the last four or five years we have beat the projections. In 2015, our figures were at 11 percent growth. That is the official figures that are being released by the National Statistical Office and vetted by all our international partners.

Mr Speaker, I know that we rely on some reports from some of our institutional visitors who come here once a year or twice a year, where they think that they can write an assessment report on Papua New Guinea and how Papua New Guinea is travelling.

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Mr Speaker, the Leader of the Opposition also touched on the issue about SME. What he tends to forget is that the moneys that we allocate to the districts and provinces totals about K5.3 billion over the last four years and it will increase over the next few months before we go to the 2017 Election. If you are building a classroom in Finshhafen or any of our electorates, they will not get some international builders to build the classroom, it is the small local business men and women in this districts. This is called promotion of SME in the districts. They are creating employment and business opportunities.

We have spent more to support SME in this country than any other Government before. And when we continue to invest in the districts and the provinces, next year when we invest in every ward in the country, small Papua New Guinean men and women are going to do the job. For the first time, we have government money going directly to the people and not consumed here in Waigani with nothing to show for.

Mr Speaker, up in the Highlands we have a egoistic habit of hitting our chest and saying I am the one but sometimes please let's get the facts right and give credit where it is due. APEC is a unique opportunity for our country and it's supposed to be bi-partisan support. He should be proud because he has previously represented Sir Michael Somare and the country in the APEC meetings so how can he go against this opportunity and cannot be proud of his own country by hosting this biggest leaders' summit. The Russian President and the President of

the United States of America will never visit our country maybe in the next 40 years. The Russian President has never been here and the Chinese President has never been here.

This is a unique opportunity for these big economies to come into Papua New Guinea and see that this is a great country with a lot of opportunities and very good people who can be able to assist the APEC community in making sure that we have strong business partner. That is what we are trying to encourage and it is not about giving me a medal, I am not doing it for my ego. I am not asking for a knighthood or some kind of a medal, I am doing it for my country.

(Government Members applauding)

Mr PETER O'NEILL – We have to stand together for this event. Thank you, Mr Speaker.

Motion – That the grievances be noted – agreed.

SPECIAL ADJOURNMENT

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

That the Parliament at its rising adjourn until Tuesday 1 November 2016 at 2 p.m..

ADJOURNMENT

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

That the Parliament do now adjourn.

The Parliament adjourned at 12.25 p.m..