

SIXTH DAY

Wednesday 2 November 2016

DRAFT HANSARD

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## SIXTH DAY

**Wednesday 2 November 2016**

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

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

Sitting Suspended.

The Acting Speaker again took the Chair at 10.40a.m., and invited the Member for Rabaul, **Honourable Dr Allan Marat**, to say Prayers:

‘Lord of God, we come to you in the name of Jesus Christ the lord, there is no name in Heaven or Earth that is higher than the name of Jesus Christ. You said that we were to believe in you, we have to believe in Christ Jesus, so we come to you sovereign God in that name. Father we just want to commit this meeting into your hands, commit the Prime Minister and all the Ministers, the Government Backbenchers, the Opposition Leader, Acting Opposition Leader and all Members of the Opposition into your hands. We lead your people and Father, we pray that you will grant us your Holy Spirit to lead us in our debates this morning. Father this is our prayer and we ask it no other name but the name of Jesus Christ who taught us to pray. Amen.’

## QUESTIONS

### **PSIP and DSIP Audit Report**

**Mr SAM BASIL** – Thank you Mr Acting Speaker, my questions are directed to the Finance Minister in relation to the 22 Provincial PSIP Accounts, 89 District DSIP Accounts and 314 LLGSIP Accounts.

Mr Acting Speaker, we are heading into elections next year and it's less than six months before the issue of Writs. The Police and the Ombudsman Commission are doing their rounds in the districts asking for the same information. and I would like to make a very good suggestion to the honourable Minister to make it easy for everybody including the intending candidates

for the next election and also to the general public in the electorates, provinces and the local-level governments.

Can the Minister ask the Auditor-General to audit the 22 PSIP accounts, 89 DSIP accounts and the 314 LLGSIP accounts and make the findings public to the Ombudsman and the Police so that it can make it easier for them to pinpoint irregularities if they want to investigate, and also to the intending candidates and general public because some districts and provinces did not receive similar amount of money?

People are choosing districts and provinces and the money that they will be spending but there are disparities in them. So, I humbly to ask the Honourable Minister to get the Auditor-General's Office to audit all those accounts and make them public to the general public before the next election. Thank you.

**Mr JAMES MARAPE** – Thank you Mr Acting Speaker, let me thank the honourable Member for Wau-Bulolo and the Acting Opposition Leader for asking this important question.

Mr Acting Speaker, the Auditor-General as part of its routine jobs, has have not audited some of those accounts but is required to do that. I am told that some instances in certain districts, they will be going out doing audits. I had my books audited in my district as far as my district is concerned. The Minister for Planning had his books audited as far as his district is concerned. It is part of their routine job and I don't have to tell them as a Finance Minister. They are a constitutional office and it is part of job to get up there and do audit in all our districts and provincial accounts.

**02/06**

I will get a clarification from the Auditor General Office as to their status in audit in most of the districts and provincial books. Let me thank you for the question as it is an important question in as far as our policy statement is concerned that all our districts, provincial and LLG books need to be audited.

Mr Acting Speaker, every year for the last four years we have consistently have remitted up till this time. We have remitted every year since 2013, 2015 about K10 million each for all districts. Whether they are seated in the Government ranks or the Opposition ranks they have all been equally disbursed funds from the central government. When you look into these allocations it amounts to K890 million for all districts nationwide and similarly for all

provinces. I also want to announce that we have a little percentage of our PSIP for last year still outstanding and this Government intends to catch up on it as we close this year.

However, the important point with regard to the audits. It is part of the mandatory duty to go out and audit all the districts and provinces. I will impress on the Auditor General to furnish to Parliament a report of all districts and provinces they have visited in terms of auditing.

Mr Acting Speaker, with inference to some districts having received less or more from others, I want state here that this Government has been fair to all district allocations. That must be explicitly spelled out here. The continual inference that some districts have received less especially those in the Opposition ranks is utterly rubbish and nonsense.

I am yet to receive an apology from the Acting Opposition Leader on continual inferences that he has not been receiving any money.

**Mr Sam Basil** – Point of Order! I have on record and I will furnish to your office that last year Wau-Bulolo district got K7 million out of the K15 million. It is on record and we have bank statements. We have record of funds received in the account and we have the district treasury report which we will furnish to you.

Let us no lie here. We are all church goers and there is a very big Bible sitting right in front of all of us. We must respect that Bible and not lie here.

**Mr ACTING SPEAKER** – You have made your point. Minister, please continue!

**Mr JAMES MARAPE** – Thank you my brother the Member for Wau-Bulolo. He has his record and I have mine. We will compare those records in due time but as far as my record shows all districts have been treated very fairly. Our records as Government stand to confirm all this.

### **Illegal Fishing of Sea Cucumbers**

**Mr GORDEN WESLEY** – I direct my questions to the Minister for Fisheries and the Minister for Police and the Prime Minister to take note.

The district of Samarai-Murua is the biggest marine time zone and people depend wholly on marine resources for their livelihood and source of income until the National Fisheries Authority put a moratorium 7 years ago due to the depleting stock piles.

Mr Acting Speaker, I am gravely concerned that there is still illegal fishing of sea cucumbers by foreign vessels within our seas. In fact, my people reported all these illegal

fishing to the very law enforcing enforcement agencies including NFA but little to none has been done about it.

Mr Acting Speaker, in April of this year there was an operation conducted by NFA and police in search of 13 reported illegal Vietnamese vessels. Only one was apprehended within our waters while the other 12 remained in question.

The worst case scenario that NFA had in place is an installed system known as VMS that detects, tracks and monitor all fishing vessels within our waters. Any vessel operating whether it be legal or illegal is automatically detected, tracked and monitored by the system.

Mr Acting Speaker, no fishing vessel can avoid the VMS system because it is very effective, reliable and combating illegal fishing issues. While the VMS system was in place it did not even detect, track or monitor any of this 12 fleeing or escaping illegal fishing vessels.

The arrested vessel had 18 drums of beche-de-mer on board which were processed in Alotau. In fact NFA board approved 18 drums of beche-de-mer to be processed at Nako Export facility but to unknown reasons it was processed at Asepec. There is no record of whether or how beche-de-mer products were further processed in terms of official and disposal.

Mr Acting Speaker, the GPS system of the arrested fishing vessel had all plotted locations beche-de-mer harvested which made it highly suspicious as to how such confidential information had ended up in the GPS system of the illegal fishing vessel.

### **03/06**

Mr Acting Speaker, only NSA carries out marine resources surveillance, know specific bech-de-mer locations and now draws a very strong suspicion between NSA and the illegal Vietnamese Vessel for possessing of such confidential information.

Mr Acting Speaker, on the same operation two longline fishing vessels, MV Diamond 202 and MV Diamond 206, were arrested with illegal shark fins harvested with seven by fifty kilogram bags. Both vessels and all the policemen were directed back to Port Moresby instead of Alotau to be processed by law.

Mr Acting Speaker, there is no record of these longline fishing vessels being possessed with the confiscated marine products in Alotau.

**Mr ACTING SPEAKER** – Ask your question, Honourable Member,

**Mr GORDEN WESLEY** – I would like to clarify this so the Minister can understand what I am trying to ask.

The operation winded down despite progressive arrest made warranting its continuation.

Mr Acting Speaker, Tropic Air Pilots engaged in the air surveillance revealed that they were directed by a senior officer of NFA not to fly until he got to his office and not to release information directly into the ground troops to pursue the illegal fishing boats.

Mr Acting Speaker, the Tropical Air Pilots were indeed deprived and restricted of their air surveillance by this senior officer of NFA. The ground troops were also denied information from air surveillance to effectively carry out the suits by the same senior officer of NFA.

Mr Acting Speaker, the questions are triggered by the recent incident widely reported in the media on the second week of October 2016, in regard to the apprehension of yet another four illegal Vietnamese Fishing vessels and the confiscation of eighteen containers of sea cucumbers by my people.

Mr Acting Speaker, the people's actions were done on reasonable and legal grounds, being that we are the rightful resource owners and we legally and lawfully exercise our powers of citizenship arrest to respond of reprocessing our rightful resources.

Mr Acting Speaker, what my people did was not an intentional loot, as published in the media reports but solely intended to leave the fishing vessel and its crews with enough supply to head back to where they came from because the more they stayed they will harvest and steal from us.

Mr Acting Speaker, our actions arose because the NFA was not being in control of all these ongoing illegal fishing issues. No attempt was made by NFA to take control of the situation so the only option available was to take ownership of the issue and to recover our own rightful resources.

**Mr ACTING SPEAKER** – Member that is becoming a grievance statement. Ask your question.

**Mr GORDON WESLEY** – Mr Acting Speaker, I now ask my questions;

(1) Can the Minister Fisheries explain to this Parliament and the people of PNG, in particular Samarai-Murua of the control measures that are in place by NFA to safeguard our resources from foreign exportation?

(2) Can the Minister tell the Parliament and the people as to why NFA had in place its VMS Vessel Monitoring System to detect, track and monitor all these illegal fishing vessels illegally fishing within our Mine Bay waters?

(3) Can the Minister tell the Parliament, how this illegal fishing vessels have harvested locals plot on their GPS as only NFA conducts marine's surveillances and knows information which are confidential and no one else besides NFA?

(4) Can the Minister inform this Parliament why Tropical Air Pilots were restricted and directed by a senior named officer of NFA from carrying air surveillance and why was all information was restricted from the pilots to ground troops by the named senior officer?

I believe the issues I have raised are highly suspicious and serious in nature thus warranting a thorough investigation.

(5) Can the Minister assure this Parliament that an immediate investigation be conducted? With the present two major disasters Cyclone Easter and the El Nino drought faced by my people it is now eminent that NFA seriously consider the uplifting for the people to harvest and sustain themselves financially.

(6) Can the Minister, assure this Parliament and the people of this country, in particular Milne Bay Province for this life threatening issue?

**Mr MAO ZEMING** – Thank you, Mr Acting Speaker. I wish to thank the Member for Samarai-Murua for the series of questions and I would like to ask him to put it down on the question paper so that I can give detailed answers in due course and also write to the Member.

**04/06**

But, let me generally say this, as we all know in this country that the surveillance issue in terms of the border patrol and the capacity issues with the planes and with Navy boats, that is a big challenge for this country and it's been a challenge and it's still a challenge. But this government is doing its best to try and address this. As our economy improves and the cash flow improves we'll be addressing those issues.

Nevertheless, to say that NFA is totally responsible for the illegal activities, this is not true. The National Fisheries Authority is only one of the agencies in collaboration with other government institutions that carry out surveillance and monitoring in this country and it is also incumbent for everyone in this country to make it our responsibility as well. If we do not have the capacity and villagers are able to capture these illegal boats coming to our seas and villages, it is important that all of us make sure that we do the right thing by capturing them –

**Mr Gordon Wesley** – We become the victims, Mr Acting Speaker!

**Mr MAO ZEMING** – and immediately it becomes State property –

*(Mr Gordon Wesley interjecting)*

**Mr MAO ZEMING** – and it's both anything illegal that is captured by the citizens or by agencies of government immediately becomes State property. Therefore, if you want to take the law into your own hands then the law will catch up with you.

*(Mr Gordon Wesley interjecting)*

**Mr MAO ZEMING** – So, Mr Acting Speaker, basically, I do not want to repeat answering this question about beche-de-mer –

*(Mr Gordon Wesley interjecting)*

**Mr MAO ZEMING** – If I can kindly ask the Member to listen so that I can at least explain to the nation –

**Mr Sam Basil** – Take the law into your own hands.

**Mr Gordon Wesley** – I listen too much and nothing is happening!

**Mr MAO ZEMING** – Mr Acting Speaker, I want to tell the nation that the question is about beche-de-mer –

*(Mr Gordon Wesley interjecting)*

**Mr ACTING SPEAKER** – Order! The question has been answered.

You may continue Minister.

**Mr MAO ZEMING** – Mr Acting Speaker, I will give the Member my answers in writing.

Thank you.

### **Preparation for PNG Games**

**Mr SASINDRA MUTHUVEL** – Thank you, Mr Acting, I would like to direct my questions to the Minister for Sports and National Events.

My questions are:

(1) What preparations are in store for the FIFA Games that we are going to witness in a week's time?

(2) Can the Sports Minister explain to this Parliament what preparations are being done for our PNG Games?

Mr Acting Speaker, the PNG Games is a national event and not the West New Britain Provincial Games. It's called the PNG Games and it's all the 22 provinces and it's a national event. The PNG Games are supposed to take place at the end of November but because of the FIFA Games the PNG Games Council has postponed the games to next year March.

(3) What preparations have been taken considering the National Election next year?

This is because the date that was set for the PNG Games is around the end of March and I have heard from sources that a Parliament Session will also come about at this time as well.

(4) What is the assurance that the PNG Games will take place around this time?

(5) What funding has the Minister secured to conduct operational expenditures?

Mr Acting Speaker, for the record, the West New Britain Provincial Government has spent money on infrastructures and I would like to thank the Minister for Higher Education and the Member for Talasea for their support with almost over K5 million to build infrastructures. The provincial government has already built infrastructures worth over K25 million.

Thank you, Mr Acting Speaker.

**Mr JUSTIN TKACHENKO** – Thank you, Mr Acting Speaker, and I thank the Governor of West New Britain for his questions.

Firstly, on the FIFA World Cup, we are games-ready for all the 15 international teams to arrive here starting as of today. Venezuela will be arriving today followed by the United States of America. The teams will be arriving today and they will continue to arrive over the next week.

All the facilities will be games-ready and will be handed over to the FIFA Organising Committee to run the competition at the end of this week. Also, with that, the opening and closing ceremonies have all been sold out since the tickets have been on sale, which is a fantastic response from our people and especially, for football in our country.

**05/02**

We are moving forward to ensure this world cup is televised throughout the world, 650 million people will see this country and watch this game for the next four weeks. Thanks to the effort of the Tourism Promotion Authority through the Minister working closely with the Minister for Tourism, we are able to promote the country throughout the world as well with those broadcast and they are also participating in doing the opening and closing ceremony as well. This is the first time we had tourism working together with sports to promote our country which is great.

When it comes to the PNG Games, yes the date is locked in to the end of March for the PNG Games 2017. I actually want to congratulate the Governor and the host committee for doing a fantastic job in organising this PNG Games when they had really no facilities at all.

They put a lot of time, money and efforts from the Provincial Government into the Games with the Government's commitment as well of K10 million and through the PNG Sports Foundation we are also administering the games in March 2017.

The facilities that they are building, the mini stadium they are building, the grand stadium and the sporting complex in Kimbe town and state of the art. That's going to be a new hub when it comes to sporting excellence in the future because the sporting facilities there are fantastic and they just see off and painted their brand new athletic running track for the first time so fantastic new facility for that region and also for West New Britain.

But I encourage all members of Parliament, especially the Governors, please get behind your team, support your team, and get them all there to West New Britain because that's the biggest sporting event the country ever seen when all our provinces come together in the name of sport. Thank you Mr Acting Speaker.

### **Incomplete Bumbu Barracks**

**Ms LOUJAYA KOUZA-** Thank you Mr Acting Speaker for according me this opportunity, I would have like to direct this questions to the Minister for Police but he is not here, could I kindly direct the question to the Prime Minister?

The question is pertaining to Bumbu Police Barracks in Lae, the housing scheme for the police in Lae. The contractor was given payment upfront, he has left incomplete houses there at the Bumbu Police Barracks. The People of Lae would like to know if those houses will be completed before 2017 or by 2017, and if anything has been done to the contractor so far, thank you Mr Acting Speaker.

**Mr PETER O'NEILL-** Thank you Mr Acting Speaker and I thank the Honourable member for Lae for her question. Mr Acting Speaker, I am not familiar with the contract or this contractor and not familiar with this particular issue, but I will get the Police Minister to make a detail response to her question so that she is given the full information on the state of the contract and the building program that is going on at the Barracks in Lae.

Mr Acting Speaker, we have seen in many occasions, contractors are given full payment for building of many of state institutional houses all around the country and many of them are not being completed. Police force need to enforce it strictly that it is important for the members of the police force that we complete the houses on the timely basis.

This has been outstanding for quite some time, I understand the member asked the similar question some time ago, I'll the Minister to give her a full detail response in Parliament over the next few days, thank you Mr Acting Speaker.

### **Supplementary Question**

#### **Police Housing (Jiwaka)**

**Mr DON POLYE** – This supplementary question goes to the Minister for Police or the Prime Minister where I got this question from the people of Jiwaka in one of my recent visit to North Waghi in Banz and they asked me in public to direct this question to the Minister for Police or the Prime Minister regarding the police housing. They asked if the O'Neill Government or the Police Minister to leverage some of the housing project in Jiwaka, especially North Waghi in Banz because the district member, or the local member has used up all their DSIP fund on police housing alone because police do not have housing.

**06/06**

They are asking if it is possible for the Prime Minister or Police Minister to go and deliver the police project in Jiwaka or the electorate of North Waghi.

**Mr PETER O'NEILL** – Thank you, Mr Acting Speaker, I thank the honourable Opposition Leader for his question.

Mr Acting Speaker, again I will get the Police Minister to give us the answers in writing on that particular case in Jiwaka.

I want to inform this honourable House that the government has put in well over K200 million to have a Police Modernisation Programme and Housing Schemes throughout the country.

The Police Department has been in charge of that programme, they are rolling it out and managing it themselves.

Mr Acting Speaker, we are trying to improve the working conditions of the policemen and women right throughout the country because many of them do not have decent or proper houses to live in and work.

That is why it is important that we continue that programme and we will be doing so in the coming years.

But, Mr Acting Speaker, I will get the Minister to give a detailed response to the Opposition Leader's question as well.

### **National and LLG Elections**

**Mr KILA HAODA** – Mr Acting Speaker, thank you very much. My series of questions in relation to the 2017 National Elections are directed to our Prime Minister.

Mr Acting Speaker, the Governor's seat I occupy in this Parliament belongs to the people of the Central Province who are 25 years and above. It is for both the rich and the poor, the abled and also the disabled persons.

(1) Can the Prime Minister confirm or deny whether the nomination fees for the 2017 National Elections have been increased to K3000 or K10 000.00?

(2) Mr Acting Speaker, the ward members of this nation and intending ward member candidates have been kept in suspense for a very long time. Can the Prime Minister tell this nation when will the ward council elections be held?

(3) Will it be held concurrently with the 2017 National Elections or in 2018 when it is due?

(4) There is a rumour that the campaign period has been reduced from eight weeks to four weeks. Intending candidates are already campaigning. If it is true, I suggest it should be further reduced to two weeks.

(5) Can the Prime Minister confirm or deny this rumour?

**Mr PETER O'NEILL** – Thank you, Mr Acting Speaker, and I thank the Governor of Central for his very important questions.

Mr Acting Speaker, elections are very important exercise in the country where once in every five years the nation has an opportunity to judge their leaders and select their leaders through a transparent and fair election process.

Mr Acting Speaker, in saying that, it is also noticeable that over the last three of four elections, every election seemed to be costing more and more because the number of candidates are increasing and the Electoral Commission is required to print every ballot papers with every photos so that every candidate is included in the ballot.

As a result, Mr Acting Speaker, it is a very costly exercise and so it is certainly warranted that there be some increases in the cost of running the elections and that costs must be shared by everyone. So, it is only fair that it is not only paid by the public, it must be paid by candidates as well. That is why, after consultations with many Members of Parliament and many leaders it has been suggested that we increase the fee. And the fee is not for government revenue, it is to assist in funding the election itself.

That is why there is a proposal before the Electoral Commissioner and if he so wishes that it is acceptable, he will propose those changes to Parliament and of course we will approve that increase.

But, Mr Acting Speaker, there is no increase as yet. It will be endorsed through a legislative change in Parliament when the Electoral Commissioner gives his approval.

Mr Acting Speaker, the second question is about the council elections throughout the country.

## **07/06**

It will be endorsed through a legislative change in Parliament when the Electoral Commissioner gives his approval.

Mr Acting Speaker, the second issue is about the council elections throughout the country. The Cabinet is recommending that we defer this elections to the following year in 2018 so that many of the council presidents and councillors can serve their full five year term.

Mr Acting Speaker, it is important that we separate the two elections so that people can have a focus on the coming National General Elections in 2017. We are requesting that we conduct elections only for open members and governors only. The common roll updating process is now taking place. We are informed by the Electoral Commissioner that the electoral officials throughout the country have been in training over the last few weeks and they are now rolling it out to the districts for the updates.

Mr Acting Speaker, we don't want abuses that has happened in the past with the common roll. Once the updates come back and entered into the data, it will be published for public comments and within 30 days anybody can go and object if they feel there has been some unfair increases in the certain areas. That public scrutiny will be in place so that we conduct a very fair election. The people have the right to choose their leaders in fair manner and we don't want inflated additional common rolls throughout the country.

Mr Acting Speaker, I want to assure the Governor that we will do everything possible to assist the Electoral Commissioner. It is also suggested because of eight weeks of campaign and another three or four weeks of counting and declarations. The three months of conducting elections in Papua New Guinea is one of the most expensive elections anywhere comparable. That is why Cabinet and Members of Parliament in their discussions have recommended that we reduce the campaign period from eight weeks to four weeks. We are not going to reduce it to two weeks because I think that is a bit too extreme. We are recommending for four weeks so we can be able to minimise costs. It will be helpful to not only all the tax payers but also to the candidates. We don't run around wasting unnecessary resources on unnecessary items.

Mr Acting Speaker, we are therefore recommending four weeks. The nomination fees have increased from K1 000 to K10 000. The last time it was increased was well over 20 years ago and the number of candidates that we had was much lesser than what we are anticipating. This election could be over 4 000 candidates for the 111 electorates throughout the country. This is a substantial increase in the number of candidates and the cost of running that is very expensive.

We have allocated K400 million in the 2017 Budget but we anticipate there might be some cost over-runs. This is because as we all know all the expenses of running elections are conducted independently by the Electoral Commissioner. We have no control over how it is being managed but we are expecting some cost over-runs and we all need to pay for it including the candidates must help the tax payers pay for the elections.

### **Supplementary Question**

#### **Election of Council President**

**Dr ALLAN MARAT** – Will the president for each LLG be elected by all the ward members that will have been elected or will those presidents be elected by eligible voters?

**Mr PETER O'NEILL** – Mr Acting Speaker, there are some areas in some provinces where the LLG president is elected directly by the people but there are some LLG areas in the country where the ward councillors are electing their presidents.

Mr Acting Speaker, there are discussions going on now. We must have a uniform system throughout the country but from the discussions that we are getting from the leaders and all the other stakeholders, it is suggested that we might allow the ward councillors to elect the president after the elections of the LLG. But there is no suggestions put forward to Parliament yet and that amendment will come to Parliament so that we have uniformity throughout the country. We will inform the Parliament as soon as discussions are concluded.

**08/06**

### **Deceased Entitlements**

**Mr JOE SUNGI** – Thank you Mr Acting Speaker, I direct my question to the Minister for Public Service.

My question relates to the unnecessary prolonged and delay of payments for the entitlements of deceased officers. I think this is an ongoing issue that most of our deceased officers especially from the very remote parts of Papua New Guinea where their families have never been to Port Moresby and also have no established families and relatives in the city. Despite these difficulties, they come here to get the entitlements of their deceased spouses or parents.

Mr Acting Speaker, I would like to ask the Minister whether we have any plans especially with the Curator's Office for a better way of processing and ensuring that the entitlements for the deceased officers are paid to the districts rather than for the relatives travelling all the way to Port Moresby to claim the entitlements of their next of kin who have dedicatedly served their country for many years? They even have to go through lawyers to claim their entitlements where the lawyers benefit more out of them and at the end of the day, they get very little out of what their next of kin had worked very hard for and given their service faithfully for this country.

**Sir PUKA TEMU** – I thank the honourable Member for Nuku for that very important question. I acknowledge the issue at hand and as everybody knows, once a public servant is deceased, Curator's Office take-over and this is where the difficulties are experienced and I acknowledge that these are real issues and I have experienced it myself.

The challenge has been for my department to make sure, for example, there different layers of final entitlements, leave in lieu entitlements and then the superfund entitlements as well as any bank accounts that this deceased may have. On the final entitlements whether the deceased has a due payments in terms of furlough leaves and other entitlements, the Department of Personnel Management through their files have to work with the provincial and district administrations in order for them to compare notes. In terms of facilitating that process through the files, the delays are from the provincial administration through the PGAS system which is controlled by Department of Finance and then my department where the personal files are managed.

So I fully agree with the honourable Member for Nuku that we need to establish a proper mechanism to facilitate the clearance of the entitlements due for the deceased. The entitlements can be paid directly through for example, if the deceased is from the Finance Department then the Secretary and his team have to work with my department to identify the amount due and then they can pay directly, it does not have to go to the Curator's Office.

The others are where family members are most burdened is when it comes to bank accounts and superfunds, and if the deceased has not determined in the superfunds what percentage of payments goes to who in the event that the deceased has two or three spouses or children are unnamed.

## **09/06**

And this is where the difficulties and the delays are, and so the system as you know such as Super Fund are also on line now, so we are harnessing I.T. in order for us to facilitate identification of the payments and who has been nominated to the diseased. One issue that we as Papua New Guinea must now take on board is the issue of the will. Either as a leader or a Public Servants, nowadays this is becoming very important, so we must also play our role. When there is no will or will the system then has to resolve the issue.

Mr Acting Speaker, these are very important questions, I would take on board the good recommendations. We need to honour the deceased and recognise that the deceased has contributed honestly, but the relatives have to be also supported in terms of facilitating the final entitlements or whether there are bank account, and the Curator's Office, I strongly recommend that we need to relook at restructuring the Curator's Office, so that the processes they managed are also facilitated, thank you.

### **Recognition of Former Leaders**

**Mr KERENGA KUA** – Mr Acting Speaker, my question is directed to the Prime Minister, but I want you to take note of my question. In Papua New Guinea we believe in customary practises and one of this customs is to give recognition to those who have done great things. So in this Parliament, we know there are three people whose names are known to us. They are Sir Pita Lus, Sir Michael Somare and Sir Julius Chan. They have done great service to this Parliament and the country for many years.

Sir Pita Lus had retired from Parliamentary services after 40 years or so, Sir Michael Somare will be 50 years or so and Sir Julius as well. My question is about Sir Pita Lus and Sir Michael Somare. Will we as leaders of this country in this Parliament, accord any special recognition to Sir Pita Lus and Sir Michael Somare when he resigns at the end of this term of Parliament? Maybe award some kind of special project to the people of Maprik in recognition of Sir Pita Lus and similarly to the people of East Sepik for the work and contributions of Sir Michael Somare according to our appreciation to these people for so many years who mandated their leaders who have done tremendous things which we are enjoying and benefiting today.

**Mr PETER O'NEILL** – Thank you Acting Speaker, and I thank the good Member for Sinasina-Yonggamugl for his good question. Let me state on record that this Parliament and this Country recognise the contribution made by this gentlemen and many others in our country.

Mr Acting Speaker, it is a huge contribution that none of us can of course fill their shoes and of course many others also gone before unrecognised as well, but they are recognise by their communities, their families, electoral and many other citizens in the country.

Of course in the Government, there is no policy and even in current government and in the previous government, there is no policy establish in what sorts of recognition we should accord to these leaders who made huge contribution to our nations.

Mr Acting Speaker, I know for Sir Pita Lus, government has made some level of financial compensation to reward his contribution to the nation I have received some proposals from the East Sepik provincial government and the people of East Sepik.

Mr Acting Speaker, I passed onto our officials to look at the contribution of our former Prime Minister and founding father of our nations, and of course when the other leaders, when their time comes we will also do the same appreciation of services to the nations. There is a proposal being put forward, but in traditional customs, we will do. We are very familiar with

our traditional obligations and I want to assure our people and our nation that we will do everything possible to give the recognition that is deserving of these leaders. Thank you.

**10/06**

### **Supplementary Question**

#### **Awarding Susan Huhume**

**Mr ELIAS KAPAVORE** – Apart from recognising our forefathers can the Government also consider recognising the flag designer, Ms Susan Huhume who designed the flag in 1971?

**Mr PETER O’NEILL** – I thank the Member for Pomio for his question.

Mr Acting Speaker, she is among one of the many Papua New Guineans who have made huge contributions. The officials are working on a proposals that is being put forward as I said by the people of East Sepik. We will take into consideration of the suggestions made by the Member but where do we and when do we stop? That will be another issue. Those are issues I will allow the officials to give us a proper recommendation based on the structure and formula that we all can look towards.

I take note of the Member’s question and let’s work through it.

#### **Building Sports Academics**

**Mr SALIO WAIPO** – I direct my question to the Minister for Sports. Before I ask my question, I would like to thank this Government, Prime Minister Peter O’Neill, the Minister for Sports, all other Ministers of Government and Members of Parliament including the Opposition ranks for the support to host the coming under 20 FIFA games.

Many a times we criticise Papua New Guinea but I would like agree with the Governor of West New Britain to commend this world event that will take place in this country. I would like to thank the Government for putting up world class facilities to cater for the games. It is our pride to see those facilities being built in our country.

I stand here as the father of a child who will be taking part in those games. There are actually three kids from my electorate of Angoram that will be taking part and I am very proud of them. I am very proud to see people who come from some of the remotes parts of this country representing our country.

Mr Acting Speaker, after the World Cup, does the Sports Minister have any plans of building academies in our four regions for this young generation of sports people? This is because the development of this nation also involves our young people too. This academy must have some form of education involved because currently some of them have missed out on their grade 10 exams.

**Mr JUSTIN TKACHENKO** – I thank the Member for his question. This Government has put more emphasis on sport in the last four years in the history of the country. We have built some of the best internationally accredited facilities that you will find anywhere in the world. With that we have to make sure that they are used properly.

We must make sure that they develop and enhance the sporting abilities of our people because we have got no excuses now. With all the sporting facilities that we have it is now time to enhance the personal attributes of our people.

**11/06**

Mr Acting Speaker, this high performance centre is the icing on the cake which basically puts all the sporting codes together and enhances the sports ability of the athlete and takes them to the commonwealth of being a champion or being an Olympic champion.

When it comes to football, we have just built a brand new stadium at the Sir John Guise sporting complex for the FIFA World Cup. That is a legacy project that is going to be sub-leased and given over to PNGFA to continue the training and education of this sporting women in the FIFA World Cup and also train up and coming football stars into the future as well. It is a facility that is not only made for hosting events but it is also there with proper training officers, proper facilities that will allow football to be taken to the next level for men and women. It is not just about hosting these international events, it is about leaving a lasting legacy that will go on within the different sporting codes.

The other important one is in the Eastern Highlands where we have the PNG Institute of Sport that is also being developed and being utilised by many sporting codes and for training our future athletes to ensure that at the end of the day our country is seen as a sporting nation not only in the Pacific but also in World.

So, we will not forget our sporting codes and our future development of them but we want to take sport now to a level where PNG is on the map, when they hear PNG we will have in the future some world famous athlete that will make our country very proud and it is our

commitment through the PNG Sports Foundation that looks after sports in our country that we will train, look after and educate the future sporting stars of our country.

Thank you, Mr Acting Speaker.

**AUDITOR- GENERAL OF PAPUA NEW GUINEA – REPORT OF  
THE AUDITOR-GENERAL – PART IV, 2015 – PAPER –  
MOTION TO TAKE NOTE OF PAPER**

**Mr ACTING SPEAKER** – Honourable members, pursuant to statute, I present the Report of the Auditor-General upon the inspection audit of the financial statement of the public bodies and their subsidiaries and National Government-owned companies Part IV of 2015.

Motion (by **Mr John Hickey**) agreed to –

That the Parliament take note of the paper and the Report be referred to the Permanent Parliamentary Committee on Public Accounts.

**MOTION BY LEAVE**

**Mr JAMES MARAPE** (Tari – 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 **James Marape**) agreed to –

That so much of the *Standing Orders* be suspended as would prevent Notice No. 340 of the Government Business being called on forthwith.

12/06

## CITIZENSHIP (AMENDMENT) BILL 2016

### First Reading

Bill presented by **Mr Rimbink Pato** and read a first time.

### Second Reading

Leave granted to move the second reading forthwith.

**Mr RIMBINK PATO** (Wapenamanda – Minister for Foreign Affairs and Immigration)

– I move –

That the Bill be now read a second time.

Thank you, Mr Acting Speaker, earlier this year Parliament passed the constitutional amendment No.43, *Dual Citizenship Law 2016* which was certified by the Speaker and published in the National Gazette.

The primary objective of that law was to enable dual citizenship under PNG Law so that people with connections and interests to PNG may hold dual citizenship, that of PNG and that of another country which is prescribed under our law such as Australia and New Zealand.

Dual Citizenship will allow these people to return to PNG and remain in PNG and contribute to national development. Some of these people are without such connections presently but are genuinely desirous to live and contribute to the development of our country when granted citizenship.

In order to fully implement dual citizenship, Mr Acting Speaker, further amendments are needed under PNG Law to the *Citizenship Act*.

I, hereby, therefore, move that the Bills to amend the *Citizenship Act* to enable and implement the constitutional amendments passed earlier this year by this Parliament now be read as I have said.

It is therefore, my pleasure, Mr Acting Speaker, to present for the consideration of the National Parliament the *Citizenship Amendment Bill 2016*. The *Citizenship Amendment Bill* provides for the renunciation of foreign citizenship by persons under the age of 19 years who wish to renounce their foreign citizenship before they become 19 years of age. Prior to turning

the age of 19 years, a person is allowed under our laws to hold dual citizenship that of PNG and that of another country depending on their parentage.

Before turning the age of 19 the person is required to make a decision is to whether or not to hold onto his or her PNG citizenship and renounce the foreign citizenship or renounce the PNG citizenship to retain the foreign the citizenship. Also, such a person should be able to apply to retain his or her dual citizenship so that he or she may be allowed by the law under the Bill when passed to continue to hold dual citizenship that of PNG and that of a prescribed country or his or her parentage is that is of the countries prescribed.

This Bill makes provision for such a person before attaining the age of 19 years to make a decision to either renounce the other foreign citizenship or to apply to retain his or her dual citizenship after attaining the age of 18.

Mr Acting Speaker, the amendment also provides for guidelines for consideration when an application is made by a sports person. Considerations such as the background of the applicant, the specific qualifications and skills that will be of a gainful use to our country. Also, consideration is also given to whether the applicant has knowledge of and can communicate in Pidgin, Hiri Motu or a local vernacular or whether the applicant has any other connections to this nation.

Mr Acting Speaker, similar guidelines for consideration also apply when an application is made by an investor. Considerations such as the applicants business and investment background, and his statement in another country, the applicant's background in having created employment opportunity and imparting skills to his or her employees and whether the applicant has been in the country on the correct investor visa. And of course, the consideration of whether the applicant has knowledge and can communicate in our national languages, Pidgin, Hiri Motu or a local vernacular and whether the applicant has any other connections to our nation.

Mr Acting Speaker, the amendment also provides for relevant documents on an applicant to be submitted for consideration for dual citizenship, including forms and declarations containing the relevant information, some of which I've referred to in order to enable the appropriate authority; this is the Citizenship Advisory Committee to arrive at a decision to grant or refuse the applicant's application for dual citizenship.

Those are prescribed in the forms as are contained in the Bill.

**13/02**

Mr Acting Speaker, the Bill also makes provisions for various factors that are to be taken into consideration when deliberating on the application for dual citizenship by a person

such as the likelihood of the applicant being granted dual citizenship by another country, should he or she want to hold dual citizenship that of PNG and that of the other country.

Also Mr Acting Speaker, the applicant's business interest in the other country, the applicant place of birth, his or her medical conditions and reasons or his or her religions reasons, his or her educational employment history, these are factors which will also to be taken into account.

Mr Acting Speaker, the Bill also make provision for the appointment of a Provincial Government appointed, ad hoc member to the citizenship advisory committee so that provinces can also make their contributions to the process. The Bill gives the power to establish fees for the Minister for Finance in consultation with the Minister responsible for citizenship matters.

The Bill reflects Papua New Guineas changing circumstances in an increasingly globalise world, the need for Papua New Guinea to be part of the global community and for non-Papua New Guinean to be part of a changing faces in the development of our country in granting these people the opportunity and privilege of holding dual citizenship and making contribution to our nation. With those comments Mr Acting Speaker, I commend the Bill to this honourable House.

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

Motion – That the Bill be now read a second time – agreed to.

Bill read a second time.

### **Third Reading**

Leave granted to move the Third Reading forthwith.

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

That the Bill be now read a third time

**Mr KERENGE KUA** – (Sinasina-Yonggamugl) – During the first reading of this particular Bill, I think we were at common ground that the world, the globe is moving in that direction. And it's about time that Papua New Guinea should also look at its own arrangements to capture these category of people who may want to have dual citizenship in two countries.

In doing so Mr Acting Speaker, we are in the process of creating a special category of people who are going to have some really good privileges. They will be enjoying the privileges that is offered by two countries. They will have access to Papua New Guinean citizenship and the privileges that this country offers and the privileges of a second country to which they will also be a dual citizen to, and there's no problem with that.

However, Mr Acting Speaker, when it comes to matters of public interest, national interest, there can also be risks created in giving these people accesses to the privileges of two countries, for example, occasionally creating instances of conflict of interest when matters of two countries to which they are both citizen come into play. And they will be placed in that uncomfortable situation of deciding which loyalty prevail over which. So in order to regulate that kind of uncomfortable situation.

We didn't envisage that the Bill should in its finality should have provisions which will restrict the kind of vocations to which they can be associated with in a country. In the case of Papua New Guinea, the debate was that, people with dual citizenship should not be permitted to contest public office or to be employed in the public service, thereby, potentially being expose to issues of conflict of interest between two countries.

I was listening carefully to the speech made by the Foreign Minister and he has not adverted to any limitation to the kind of vocation vocations that they have access to and that is an issue.

## **14/06**

If there are no provisions in the Bill that has been read for the third time on the Floor of Parliament, perhaps he should look at doing that so that there is clarity in the way forward on what vocations they can be engaged in and what vocations they cannot be engaged in.

If I recall correctly, the discussion beforehand was that this category of people will be fully engaged in the private sector and in the State-owned enterprises, etcetera, but not in elective public office of whatever nature and in any public service or departmental position unless they renounce the second foreign citizenship then they can be in there.

So, that avoids issues of conflicts of interest and that's an important issue in regard to matters of national economic security or national security. We needed to avoid creating those sort of risky areas.

That's a point that I wish to make to alert the Parliament to the risky situations that this kind of Bills or reforms may pose and we need to make sure, as Parliament, that we've accommodated, in the draft Bill and if that is adequately addressed in the Bill that the Minister

is presenting, then in his reply he can educate the Parliament and we can have the comfort in moving the Bill forward.

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

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

Bill read a third time.

**NATIONAL LANDS COMMISSION – ANNUAL REPORTS,  
2012 – 2015 – PAPERS AND STATEMENT –  
MOTION TO TAKE NOTE OF PAPERS**

**Mr ANO PALA** (Rigo – Minister for Justice and Attorney-General) – I present the following paper pursuant to Statute.

*National Lands Commission Reports for the Years 2012, 2013, 2014 and 2015*

I ask leave of Parliament to make a statement in connection with the reports.

Leave granted.

Mr Acting Speaker, thank you for giving me the opportunity to table the report of the National Lands Commission for the years 2012, 2013, 2014 and 2015.

The National Lands Commission is responsible for maintaining a register of all national land secured for public purposes.

The Commission also exercises quasi-judicial powers to settle grievances by determination of claims for settlement payments lodged by former landowners about the manner in which the Colonial Administration acquired customary land.

Mr Acting Speaker, in accordance with Section 38 of the *National Land Registration Act* the National Lands Commission has submitted to my office its annual reports for the years 2012 to 2015 for tabling in Parliament.

Mr Acting Speaker, the reports covered the status of the Land Title's Commissions operations during those years. They highlight the activities undertaken by the Commission as per the work plan for those years insofar as it relates to the claims for settlement payments over State acquired land as per the National Land Registration Act.

The reports show the number of land areas declared as national land under Section 9 of the *National Land Registration Act*, the number of Commission hearings conducted and the number of cases heard.

These reports also show the funding of the Commission's operations and further highlight the issue of limited funds which led to the Commission's backlog of cases which continue to accumulate.

Mr Acting Speaker, the reports also made reference to a recommendation under the White Paper on Law and Justice in Papua New Guinea to amalgamate the National Lands Commission and the Land Titles Commission and notes that this proposal would save the State a lot of money.

Therefore, my department has conducted a review of the relevant laws governing the two bodies and will soon propose amendments to implement this recommendation.

My department continues to support the National Lands Commission to carry out its functions under the *National Land Registration Act* to protect State lands and also to protect our people from unjust deprivation of property.

Mr Acting Speaker, once again, let me thank you for giving me this opportunity to table this report.

**15/06**

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

That the Parliament take note of the paper and the debate be adjourned to a later date.

Debate Adjourned.

**PAPUA NEW GUINEA INDEPENDENT CONSUMER AND COMPETITION  
COMMISSION – ANNUAL REPORTS, 2014 AND 2015 –  
PAPERS AND STATEMENT – MOTION TO  
TAKE NOTE OF THE PAPERS**

**Mr PATRICK PRUAITCH** (Aitape-Lumi – Minister for Treasury) – I present the following paper pursuant to statute:

*Papua New Guinea Independent Consumer and Competition Commission –  
Annual Reports, 2014 and 2015.*

I ask leave of the Parliament to make a statement in connection with the paper.

Leave granted.

Mr Acting Speaker, it is with great pleasure to table these Annual reports from a statutory authority which complies fully with the requirements of the Public Finances (Management) Act in having its annual reports accompanied by the 2014 and 15 audited reports from the Auditor-General available for presentation to this Parliament.

The Independent Consumer and Competition Commission often referred to as ICCC has from its establishment in 2002/2003, operated to high standards of corporate governance, transparency and accountability, which is amply demonstrated by the 2014 and 2015 Annual Reports.

Mr Acting Speaker, the ICCC fulfils and critical role in business regulation, utilities monitoring and consumer protection in our country. It is crucial to the successful operation of any modern economy that its business regulation is administered by an agency which has the confidence and respect of the business community which it regulates, and the broader community as a professional, unbiased, statutory agency, acting independently of any external pressures. The ICCC has over the years of its operation earned that confidence and respect for the way it operates today.

Mr Acting Speaker, this report is the Commission's first and second annual report under its current Corporate Plan for 2014-2016. The Corporate Plane of 2014-2016 is aligned with the Government's Vision 2050, the Development Strategic Plan 2010-2030 and the medium Term Development Plan 2011-2015.

Mr Acting Speaker, as you are aware, the ICCC is responsible for administration of the *Independent Consumer and Competition Commission Act 2002 (ICCC Act)* and a range of related legislation. The ICCC has continued with its high performance level over the two years up to 31 December 2014 in the implementation of its work programme and had achieved the majority of its planned activities for the year.

Mr Acting Speaker, may I inform the honourable Members that while there have been lots happening in 2014 and 2015 for the ICCC which can be read in detail from the two Reports, I will report only on some aspects of the Reports, in particular the primary achievements.

### **Regulated Industries Division Highlights**

Mr Acting Speaker, the ICCC performs a number of roles and functions, one of the ICCC's main regulatory function is the licensing of the electrical industry and the regulation of the State owned entities, namely, PNG Power Ltd. Motor Vehicle Insurance Limited and PNG Ports Corporation Ltd. These state owned entities are subjected to Regulatory Contracts. These regulatory contracts, amongst other things, protect the interests of consumers by definition of the minimum service standards and performances requirements, set the price path that will enable efficient cost recovery for investments in infrastructure development, and other contractual arrangements.

Mr Acting Speaker, the ICCC has successfully completed two of its industry mid-term reviews for the PNG Power Regulatory Contract and the Compulsory Third Party Motor Vehicle Insurance Regulatory (Actuarial Review) while the other of the PNG Ports Corporation Limited's Regulatory Contract was completed in late December, 2015. Further, these new regulatory contracts unlike the previous regulatory contracts, place emphasis on the efficient delivery of service and improved service standard levels. Each contract has new reporting guidelines to ensure contractual requirements set are met, and amongst others, the introduction of penalties for non-compliance and poor delivery of regulated services.

Mr Acting Speaker, apart from the regulatory functions, the ICCC is also mandated under the ICCC Act to set industry Codes and Guidelines for efficient operations of regulated industries. In one of the directives of the National Executive Council (NEC) Decision (Decision No: NG 141/2011) through the Electricity Industry Policy was to develop and implement a Third Party Access Code (the TPA Code) for the electricity industry in PNG. The TPA Code will facilitate third party access to the electricity transmission facilities and network of PNG Power Limited or the electricity network of other licensed electricity undertaker. Under the TPA Code, the ICCC will set power purchase reference price under the bench mark prices that Independent Power Producers (IPPs) can charge for their power and the ICCC will review the

reference price again once information related to connection and wheeling charges become available.

## **16/06**

This will allow third parties to connect and transport power through existing networks to their own customers hence gradually open the market for competition in electricity supply services. It will also compliment the ICCC's licencing functions for the industry.

Mr Acting Speaker, in order for this TPA Code to be effectively implemented, technical rules are required and therefore, a Grid Code was also developed to articulate the rules and guidelines for the implementation of the TPA Code. The TPA Code and the Grid Code were developed with technical assistance from the World Bank and are effective as of 2014.

Mr Acting Speaker, the ICCC as part of its licencing function under the *Electricity Industry Act* is responsible for licensing electricity undertakers. The ICCC has successfully issued three applicants with electricity undertakers licences. They include Ok Tedi Mining Limited (OTML) which has been issued with four licences and that is for generation, transmission, distribution and retail of electricity services within its service areas in Western Province.

The New Britain Palm Oil Limited (NBPOL) was issued with a generation licence to supply power to PNG Power in Kimbe including West New Britain under a power purchase agreement. The PNG Forest Products Ltd (PNGFP) was issued three additional licences for transmission, distribution and retail of power in addition to its existing generation licence issued in 2009.

There is growing interest from investors to enter the generation sector of the electricity industry and the regulatory frameworks administered by ICCC are effective in fostering this expansion of the delivery of electricity to the people of Papua New Guinea.

Mr Acting Speaker, the ICCC in 2015 successfully issued another three applicants with electricity undertakers generation licences to Hanjung Power Ltd, Daewoo Power (PNG) Ltd and ExxonMobil PNG Ltd. These power generation licences were given approval so as to meet the shortfall in power supply in Port Moresby by Hanjung Power and ExxonMobil PNG and in Lae by Daewoo Power.

### **Prices and Productivity Division Highlights**

Mr Acting Speaker, the other important role of ICCC is to administer and implement the *Prices Regulation Act (Chapter 320)*. This involves the overall regulatory administration of this Act, its price monitoring responsibilities of certain declared and monitored goods and

services, and the conduct of special industry inquiries and as when required by the government or decided by the ICCC. Amongst the other functions of administering this Act for declared goods and services, the underlying key role of the ICCC is to promote and protect consumers' interest with regard to price, quality and reliability of goods and services.

Mr Acting Speaker, the ICCC administers the *Price Regulation Act*, whereby certain goods and services declared to be price controlled and price monitored. The declared monitored goods such as rice, flour and sugar products through the factory gate prices have seen very minimal change by comparison to the international benchmarked price for this staple commodities. At the retail end, the ICCC noted an average increase in the retail margin between 10 toea to 26 toea in comparison with the wholesale prices at most of the urban centres. Under the declared services, the ICCC continues to monitor the monthly Import Parity Pricing (IPP) and sets the monthly retail prices for petroleum products.

Mr Acting Speaker, in 2014, the ICCC commenced a pricing review of the refined petroleum products as the pricing arrangement expired on 31 December 2014. This review continued into 2015 with anticipated changes in the wholesale, retail and drum filling margins for petrol, diesel and kerosene.

Mr Acting Speaker, the pricing arrangements for the supply of water and sewerage services Eda Ranu and Water Board PNG Ltd also expired in December 2014. In order to set the new pricing arrangements for both water utilities, the ICCC undertook a full review in April 2014 allowing public and industry consultation and feedback which was carefully considered in formulation of the ICCC's final decisions. A new pricing order for water sewerage was determined and implemented with retrospect to commence on 1 January 2015. Under the new pricing arrangement, Eda Ranu had a four per cent tariff reduction while there was a 0.47 per cent tariff increase for Water PNG. A new set of service standards performance requirements and reporting has also been applied to improve on their service delivery to consumers.

## **17/06**

Mr Acting Speaker, the initiative of this new price setting arrangement is for both water utilities to grow their customer numbers and their portable water delivery volumes.

Mr Acting Speaker, the ICCC is also responsible for the regulation of PMV and taxi fares in PNG.

The existing regulatory period expired in 2009, hence a review into the PMV and Taxi industry was conducted and completed in December, 2014. The new approved fares for PMV and taxi were published in the national gazette and these fares took effect in 2015.

Mr Acting Speaker, under the direction of the National Executive Council through the Department of Treasury gave a directive for the ICCC to formulate Codes of Conduct for the Real Estate and residential building sectors.

Mr Acting Speaker, you will note that this is one of the sixteen recommendations highlighted in the 2010 final report for the PNG Housing and Real Estate Review. The ICCC commenced this specific inquiry in December, 2014.

Mr Acting Speaker, the ICCC also advocates and enforces competition within the PNG economy, as competition is the tried and proven way to drive economic efficiency and activity. The ICCC is tasked with the responsibility to promote and protect competition in PNG markets to ensure level playing field for all our businesses.

Mr Acting Speaker, the ICCC continues to monitor competition issues in the market in the interest of fostering health competition in our economy for the overall welfare of our people. This includes the assessment and determination of clearance applications on other prohibited conduct. Where necessary, the ICCC also investigates and takes appropriate remedial actions to correct anti- competitive behaviours in the market place. Without the knowledge and intervention of the ICCC, such practice can be detrimental to competition in the PNG market, which leads to poorer service delivery and higher than necessary prices.

Mr Acting Speaker, here are a few highlights of the 2014 and 2015 activities with regards to competition and these include amongst others the authorisation of Air Niugini's freight code - share arrangement with Qantas on the Port Moresby and Brisbane route: and processing of and giving clearance to Telikom PNG limited for the acquisition of Datec from Steamships. The ICCC also allowed then IPBC (now Kumul Consolidated Holdings Limited) to acquire part of Motukea port facilities for purposes of relocating current Port Moresby port.

Mr Acting Speaker, apart from the above, other significant competition work the ICCC has achieved include:

The assessment and determination of an application by Energy seeking authorisation to acquire PNG ground Service limited, the wholly owned subsidiary of Airlines of PNG Limited that operates aviation refuelling services at Jackson's international Airport, daru, Lihir and Gurney airports: which predominantly supplies to its parent company. The ICCC assessed the application and declined to grant authorisation because, if that acquisition proceeded, the likely anti- competitive effects would be substantial given the current market position of Puma Energy as sole importer and refiner of fuel products, including aviation fuel, in PNG. The ICCC also assessed and determined on two separate applications by Air Niugini to enter into code-share arrangements with Air Vanuatu and Solomon Airlines, respectively.

The ICCC assessed the applications and determined to authorise Air Niugini to code-share with its pacific partner airlines because there are potential benefits of travellers having the choice of flying directly between PNG and the countries concerned rather than traveling via Australia.

Mr Acting Speaker, this code-share arrangement also has the potential to increase traffic volume for Jackson's International Airport as tourists from Asia traveling to Vanuatu and Solomon Islands now have the option of traveling via PNG rather than through Australia or Fiji.

**18/06**

Mr Acting Speaker, I have just highlighted a few important decisions of ICCC made in 2014 and 2015 relating to competition. However, there are a number of competition matters being pursued in 2015 and are currently in progress.

This competition issues or concerns will be reported to Parliament when they are completed. The ICCC will continue to perform its role as Papua New Guinea principal competition authority mandated under the *ICCC Act 2002*.

Mr Acting Speaker, yet another area of ICCC work involves consumer protection. It is the primary regulator within Papua New Guinea which strives to ensure that some level of consumer protection is enforced within our economy.

Mr Acting Speaker, this is a mammoth task given the ICCC's limited personnel and resources compared to the country's geography, its population size, the issues faced by consumers throughout the country and the concerted effort that is required from relevant stakeholders that operate in a fragmented service delivery environment, such as ours.

Mr Acting Speaker, some of the highlights of the consumer protection work carried out by the ICCC in 2014 and 2015 includes the following;

**(1) Product safety**

Most developed countries have stringent requirements and standards for manufacturing and distribution of consumer goods. These requirements and standards are recognized internationally by many other countries and the manufacturers of goods, and where appropriate have been adopted and used by countries without home-grown standards. There are also universal international standards adopted by countries under international and regional pacts.

In the absence of enforceable product safety standards in PNG, the ICCC has referenced PNG and international standards to assess whether certain products can be harmful to consumers. Examples of harmful consumer goods include the following two products.

The yoyo-water ball and novelty cigarettes lighters were deemed dangerous to consumers and were banned from being imported and sold in PNG and the ICCC has issued further intention to ban notices on potentially unsafe baby walkers, prams/strollers, and bunk beds and these decisions were gazetted and public notices were issued.

## **(2) Complaints Investigation**

In enforcing consumer interest under the *ICCC Act* and other consumer protection legislations, the ICCC receives and investigates complaints on behalf of consumers. Consumer matters that fall within the ambit of the ICCC powers and functions are investigated by the ICCC whilst those that fall outside of its mandated are referred to relevant authorities. Where cases are referred, it liaises closely with the relevant authority to track progress and provide feedback to the complainant where necessary.

Mr Acting Speaker, 170 consumer complaints were registered in 2014 and 2015, 128 complaints were resolved and 42 complaints were transferred to relevant authorities.

## **(3) Consumer Awareness**

Mr Acting Speaker, the ICCC has hosted a total of 5 Consumer Protection and Competition Consultative Committee or CPCCC forums so far, made more than five radio appearances and talked on specific related topics including PMV fares. It has issued more than 8 public notices and press releases regarding the ICCC's position and decision on specific consumer issues and presented in more than 5 workshops/seminars on consumer protection topics. For example, over charging by PMV operators is an on-going issue.

In 2015, the ICCC investigated and prosecuted 8 offending PMV operators. These operators were fined and warned by the Courts to respect and comply with the fares set by the ICCC. The ICCC believes such prosecution will assist in the PMV sector reforming and improving its poor service delivery.

## **(4) Monitoring and Inspections**

Mr Acting Speaker, the ICCC required under the *Trade Measurement Act 1973* to independently inspect and certify all weights, measures, weighing instruments and measuring instruments used by businesses in PNG for the purposes of trade. This applies to all existing and new scales either bought in-country or sources from abroad. These are inspected and certified by the ICCC before they can be used.

**19/06**

In the area or work, over the two years, the ICCC inspected and certified 273 scales across the aviation, wholesale and retail processors, civil construction and the agricultural sectors. This is a strong consumer's protection outcome.

Mr Acting Speaker, I have touched on the main areas of responsibility under the consumers protection function to inform this House of the enormity of the consumer protection work required in our country and to demonstrate some of the progress made by the ICCC in 2014 and 2015.

**(5) Financial Accountability and Governance**

Mr Acting Speaker, as I mentioned above, the ICCC is justifiably proud of its efficient and effective administration and its strict compliance with all legislative requirements. The Auditor General certified the accounts accompanying the Annual Reports with qualification. This is the first time the ICCC's audit has been qualified but I assure you, Mr Acting Speaker, the new Commissioner Mr Paulus Ain has taken appropriate steps to ensure that an improvement in auditing performance is made going forward.

Mr Acting Speaker, the ICCC's 2014 and 2015 Annual Report amply demonstrates how well the ICCC is carrying out its important functions in difficult circumstances. The role of the ICCC, and the need for it to be, and to be seen as an effective, professional and respected regulatory agency, is vitally important to the PNG economy and to the commercial perception of PNG from abroad. A delivery of strong functions and performance of the ICCC will enhance PNG's reputation as a destination for international investment. The government recognises this importance, and remains committed to properly supporting the ICCC, financially and otherwise, to continue to carry out its functions in a fully functioning and effective manner.

Mr Acting Speaker, I commend the 2014 and 2015 ICCC Annual Reports to the Parliament.

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

That the Parliament take note of the Paper and debate be made an Order of the day for a subsequent sitting.

Debate adjourned.

## ADJOURNMENT

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

That Parliament do now adjourn.

The Parliament adjourned at 12.20 p.m..