

SEVENTH DAY

Thursday 3 November 2016
DRAFT HANSARD

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SEVENTH DAY

Thursday 3 November 2016

The Acting Speaker (**Mr Aide Ganasi**) took the Chair at 10 a.m..

There being 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 11.55 a.m., and invited the Member for Goroka, **Honourable Julie Soso**, to say Prayers:

‘Papa God, mi laik kisim dispela taim long tok tenkiu.

God, almighty, yu tasol em bikpela. Yu Papa tru bilong mipela, yu krieita bilong mipela, Papa God. Mipela, live in you, move in you and exist in you, Papa God.

Papa God, mi daunim mi yet na kam bifo long yu long dispela moning na bringim dispela Palamen, olgeta Membas bilong mipela, Praim Minista bilong mipela, Papa God, ol Membas bilong Opposisen, ol Ministas bilong mipela na olgeta Membas mipela stap long hia, Papa. Mi bringim miplea kam bifo long sia marimari bilong yu.

Papa God, mi laik tok tenkiu, God almighty, that, yu wok long mekim greit tings in this nation, Papa God, na mi tok tenkiu dat yu wok long wok insait long mipela wanwan long helvim mipela long lukluk long nid bilong ol pipol bilong yu insait long dispela neisen bilong mipela Papua New Guinea.

Papa God, for dispela neisen Papua New Guinea em neisen bilong yu.

Papa God, ol pipol bilong yu, yumi stap long dispela neisen tu na Papa, planti mipela luksave olsem yu God bilong mipela na mipela ol krietet bings bilong yu na mipela pipol bilong. Olsem na Papa God, wanpela moa taim mipela stap hia long holim dispela Palamen sesen na miting bilong mipela. Mi askim yu Papa, long lidim na gaidim mipela tru long pawa biloing Holi Spirit bilong yu.

Papa, dispela taim tu mi laik tok tenkiu long pikinini bilong yu, Jisas Kraus long dai bilong em na kirap bek bilong em long matmat, we em givim niupela laif long yumi gen, na mipela ken hamamas long kolim mipela yet olsem ol kristens bicos long dispela pinis wok bilong Jisas Kraus antap long diwai kros na kirap bek gen long matmat. Amen.’

CERTIFICATION OF ACT

Mr ACTING SPEAKER – Honourable Members, I have to inform Parliament that the Speaker in accordance with Section 110 of the *Constitution* certified the *United Nations Paris Agreement Act 2016* made by the National Parliament.

DEATH OF FORMER MEMBER (Mr TOM PAIAS) – STATEMENT BY THE ACTING SPEAKER

Mr ACTING SPEAKER – Honourable Members, I have to inform the Parliament of the death on 28 October, 2016 of Mr Tom Paias, a former Member for Madang Provincial. He was first elected to the Third National Parliament for the Madang Provincial Seat in 1982 General Elections from 1982 to 1987.

He was appointed Minister for Civil Aviation from 1983 to 1985. He was re-elected to the Fourth National Parliament from 1987 to 1992 for the same seat in the 1987 General Elections. He lost the seat temporarily to Mr Melkio Kasap and regained the seat by order of the Court of Disputed Returns on 25 March, 1988, then relinquished to Mr Kasap again by the Supreme Court Order on 24 May, 1989. He retained the seat again after a recount on 24 November, 1989 and was appointed Minister for Agriculture and Livestock from 1991 to 1992.

As a mark of respect to the memory of the honourable gentleman, I, invite all Honourable Members to rise in their places.

All Members stood in their places to observe a minute of silence in memory of the Late Gentleman.

02/07

QUESTIONS

Oro Campus Funds

Mr DAVID ARORE – Thank you, Mr Acting Speaker. My questions are directed to the Minister for Higher Education, Research, Science and Technology. First of all I'd like to

thank the Government for at last taking the people of Oro into consideration for giving back the former Vudal Campus of Popondetta back to the people of Oro.

There is a K1 million promised to be given to the institution to prepare itself for the transition to enrol students next year, so the institution has to close down this year to work on the transition period to re-enrol students next year.

(1) Has that K1 million been released to the institution which is now known as the Eastern Papua Institute of Higher Education?

(2) What is your department doing and can the Minister advise this House and the people of Oro province if the students will surely enrol next year, because whole of this year is a transitional period? Thank you Mr Acting Speaker.

Mr FRANCIS MARUS- Thank you Mr Acting Speaker and I thank the member for Ijivitari for his questions which relates to Oro Campus.

Regarding the K1 million that was appropriated and agreed to be given to Oro Campus, I do understand, Oro Campus was initially part of Vudal, and Government in its wisdom decided to separate the campus and allow Oro Provincial Government to be the overseer of the campus. Therefore, they have allowed the transition which started at the beginning of this year and will conclude this year.

Regarding, the K1 million, because all the major funds were parked under UNRE Vudal, my Secretary has given instructions to the Vice Chancellor of UNRE to return the funds that were parked under the UNRE account to the department where it will then look at allocating that K1 million to Oro Campus.

03/07

The work is under progress now my Secretary has already done the SAN, Secretary's Advance Notice, which is now waiting for the funds to be given back.

On the second one with regard to the selected, yes, Oro Campus is on break. The academic year will start next year and the students will be part of the selection process which my Department will do.

All the students who will be attending the Oro Campus will be selected during the national selection which will be conducted sometimes this month.

I want to assure the Member that the Oro Campus will be opened and will have classes in 2017 and onwards.

Benefits for Warangoi Hydro Power

Mr ELIAS KAPAVORE – My question is directed to the Minister for State Owned Enterprises.

Mr Deputy Speaker, the people of Baining in Sinivit LLG, the resources owners of the Warangoi Hydro Power have not benefitted in any material form since the construction of the hydro system in 1983.

They were overlooked, unlike other PPL owned hydro stations like Ramu in Eastern Highlands Province and Rouna in Port Moresby.

The Warangoi Power Station produces 10 megawatts of electricity with a baseload of 60 per cent for the Gazelle Power Grid supported by the thermal power plants like Ulagunan and Kerevat Power stations

Mr Deputy Speaker, my questions are:

(1) Can the Minister confirm to my people if there was an MOA in place?

(2) If there is, who are the beneficiaries?

(3) Can the Minister assure my people of PPL's assistance in accessing power supply to these resources owners who have suffered silently over the past years?

(4) Can the Minister assure my people of the review of the MOA, if there is any, for the benefit of my people?

Mr WILLIAM DUMA – Thank you, Mr Deputy Speaker. I thank the Member for Pomio for asking this important question and I also want to acknowledge the Member for alluding me to the possibility of these questions earlier on.

Mr Deputy Speaker, upon being alerted by the Member I have asked PNG Power to check and confirm whether there was in fact and MOA between our landowners surrounding Warangoi Power Station and PNG Power. They are looking at it but the current indication is that there is none.

If that is the case, Mr Deputy Speaker, after PNG Power confirms the situation I can assure the good Member that, like in the case of our landowners from the Sirinum Dam and the Yonki Power Station, PNG Power will enter into and MOA with the landowners after a thorough discussion and negotiations have been completed. And I believe strongly that in the case where our landowners have willingly allowed their resources to be used for the benefit of the country then they deserve some kind of recognition and benefit.

I can assure the Member that in the case of PNG Power it will be no different to the benefits that are being currently received by the landowners from the other two projects that have been mention.

Mr Speaker, in relation to the question of whether or not the landowners from around that area can, while waiting for the main part of that MOU to be negotiated, depending upon the ability of PNG Power to provide immediate power supply to those areas, yes that is something that can be done immediately. While waiting for the main body on the MOU to be negotiated and completed, PNG Power can start the process to commence supplying electricity services to the landowners in the vicinity.

Supplementary Question

Landowners Percentage of new Hydro Projects

Mr SAM BASIL – Thank you, Mr Speaker. My question is in relation to a similar project but there are some new hydro power stations, privately owned that will be built soon. There are also other investments that the provincial governments and landowners willing to negotiate to take part in in partnership with the government or the private sector.

There was a recent hydro project that was going to be built somewhere in Morobe and the investor was looking for ways to fit in the landowners. They looked around and they went back to the two per cent of the mining royalties' formula and they applied that into the hydro and other projects that are going to come about.

04/07

Can the Government, through your department, raise the level and make it mandatory, that if the local level government, districts or provincial governments, want to participate in such investments, they must go into negotiations as equal partners and as recognised partners but not 2 percent partners?

Some companies are resorting back to this mining agreement of 2 percent so I urge the Minister to make this Governments position known to the landowners.

Mr WILLIAM DUMA – Mr Acting Speaker, I thank the Deputy Opposition Leader and the Member for Bulolo for asking a very important question.

Mr Acting Speaker, in some of those resource areas where the mining project agreement of 2 percent is applied, we must remember that this figure was agreed upon some

years ago and I personally see why we should not review that figure because at the end of the day we are the Government for the people and that is where we should start to help the people.

Mr Acting Speaker, in the case of the PNG Power projects I can confirm that there is no such set figure that can be negotiated. Our starting point to be consistent is to look at the figure that is available and applicable and that is the mining sector agreement that is 2 percent. If the 2 percent is reviewed between the Government and the mining sectors and it is agreed that it be increased then we will follow suit. But in the absence of a prevailing figure in terms of the PNG Power projects our starting point would be 2 percent.

Mr Acting Speaker, that is to ensure that investors that come to our country know that there is a definite figure to start with.

In the case of an arrangement either with provincial governments and investors or our landowners and investors it would be prudent and safer for our provincial governments and the landowners to allow our National Government through PNG Power to negotiate with those investors to ensure the interests of our provincial governments and investors are properly guarded and taken care of at the national level.

Mr Acting Speaker, I say this because in the past we have seen some things where our landowners have been hoodwinked so to speak by foreign investors.

That is so because our landowners have not sought the assistance of the provincial governments or the National Government. So to be on the safe side I would strongly urge all the leaders to advise our people that the National Government and institutions would be in a better position to properly serve their interest after having sought representations for themselves before going to the investors.

That would be my very strong recommendation to all our leaders so that our landowners are not left out on agreements that don't mean anything at all when it comes to directly implementing the benefit packages in the future.

Mr Acting Speaker, let me take this opportunity to inform the leaders that in cases where there are new developments such as hydro projects no properly identified landowner and provincial government will be left out.

Supplementary Question

Power Pylons on Customary Land

Mr JOE KOIM KOMUN – Mr Acting Speaker, PNG Power has all its pylons from Yonki all the way up to the Highlands. Most of these pylons are on customary land.

Since PNG Power is making money out of this pylons and there is a user pay policy, I would like to ask the Minister if the PNG Power can pay for the pylons on customary land.

Can the Minister tell the people of this nation and clarify this issue so that these people will not bother me asking for answers?

05/07

I gave them the negative answer already because these are all State land but people keep pressuring me. Therefore I want the Minister to clarify this to the people of Papua New Guinea so they won't pressure me again. Thank you.

Mr WILLIAM DUMA – I want to thank the Member for Anglimp-South Wahgi for asking a very relevant question.

Mr Acting Speaker, I want to remind our leaders here that I have been in this Ministry for only 11 months and most of these questions relate to things that happened many years ago which my predecessors should have looked at them but again, I don't speak to deflect the blame on these very important issues.

Mr Acting Speaker, all I can assure and inform the Members is that if you look at the power pylons running across the entire Highlands region, most of the big power posts are allocated within the 10 metre distance from the main highway. And as you all know, 10 metres away from main highway are State land and if one looks at the power posts carefully, most of them are allocated up in the stiff mountains or in swarm land where the land cannot be easily cultivated for cash crops or even for commercial reasons by our landowners.

Our landowners and our leaders have to be realistic, we must not encourage our land owners. For instance, if you have big pile in the middle, one cannot earn hundreds of thousands of kina every year by cultivating a block of potatoes or kaukau or even growing coffee trees within that very small radius. So all of us must be realistic. If we all want power, let there be development. We must be nationalistic and be responsible leaders.

We must go out of our way and encourage our landowners to stay away for making unrealistic claims for compensation payment. So when you have a land which is of no

commercial value, please be realistic and contribute to the national economy and the name of the country.

(Laughter in the Chamber)

Outstanding DSIP Funds

Mr KERENGA KUA – Thank you, Mr Acting Speaker. I direct my question today to the Minister for Finance and Minister for Treasury can take note. Our entitlement from the DSIP for this year is K10 million kina and some of us received K5 million while others received K4 million. We still have 60 per cent or 50 per cent outstanding and 95 per cent of this year is almost over now but they keep on saying tomorrow and it is end of the year.

We want this money because people are still waiting. We are also their people, especially my two colleagues on that side. They are waiting for their action so I don't want them to say tomorrow, tomorrow and extend the time, I want that K5 million now. Some of them are waiting for K5 million while others are waiting for K6 million.

We don't want them to tell lies and extend the time, tell the truth and give us our DSIP cheques as soon as possible.

(Members interjecting)

Mr JAMES MARAPE – Thank you Mr Acting Speaker, let me thank my brother, Member for Sinasina-Yongammugl for asking this question. On record up to this year, we have allocated 60 per cent of the DSIP and PSIP commitments already. So let me assure him that the balance of that fund will be remitted by the close of this fiscal year and whether it comes in one lump sum amount of K5 Million or whether it comes in the way we have been doing business up to this year through various batches, the money for the districts will still be transferred to all the districts irrespective of which side of the House our Members sit.

Mr Acting Speaker, you know, yesterday, I received a question from the honourable Member for Wau-Bulolo making inferences that some districts have been unfairly victimised. He claims that last year, he received only K7 million kina but my records show that his district has received K10 million kina. I had the opportunity to discuss this with him outside of the chambers. I told him that his district received K10 million kina but he said his records show he receive K7 million kina.

06/07

I will present to Parliament tomorrow the dates in which the Government has transferred money to Wau-Bulolo district for record sakes so that we establish that the Government is not lying. When we transfer money to districts we make it fair to all districts whether the district Members are in Government or the Opposition ranks.

With regard to the question that the Member for Sinasina-Yonggamugl has raised when we start disbursing the next payments his district will also benefit from it.

Supplementary Question

Audit PSIP and DSIP Accounts

Mr SAM BASIL – After asking the question yesterday, I visited the Auditor-General's Office. This is in relation to the short payment of K7 million which the Minister claimed it was paid in full.

Mr Acting Speaker, I think the best thing for all of us is to allow this process to take place so that candidates, the voters and the general public should know that the 22 PSIP accounts and the 89 district accounts must be audited.

The Auditor-General said that they only need K5 million to K6 million and instruction from the Finance Minister.

Can the Finance Minister allocate funding to the AGs office? He may not be at fault. They may print a statement and give it to him saying they have received K10 million but the process between his office and our office may not have been completed.

It is very important and I will ask again that the Minister allocate K5 million to the Office of Auditor-General and ask for the 22 accounts of PSIP and 89 accounts of the DSIP to be audited before 20 April 2017.

Mr ACTING SPEAKER – Is that a new question?

Mr JAMES MARAPE – The Member for Wau-Bulolo has been in this Chamber for almost nine years now. He should know better this is a new question and it should not be entertained on the Floor of Parliament.

Mr Acting Speaker, for clarity sake let me answer. The Office of the Auditor-General has the allocations. It is part of their routine job to do audit on every district and province. They do not need to seek authority from me and they do not report to me. They are a

constitutional office and mandated to do audits on every Government books. I will not stop them from conducting audits neither will I direct them. It is part of their job within money allocated for them to conduct business in 2016. If they feel that auditing districts and provinces is part of their job then for goodness sake they should be out there doing their job.

Abuse of Parliamentary Appropriations

Mr BIRE KIMISOPA – I direct my questions to the Minister for Finance.

My question relates to the constant abuse of Parliamentary appropriations as well as the *Public Finances Management Act*.

Mr Acting Speaker, it has become a common play ground when we have national projects in the name of national interest. There is a tendency to transfer money from state institutions and trust accounts just to meet deadlines, variations and unconditional liabilities and so forth.

Mr Acting Speaker, in the Budget recently announced there is approximately K250 million ear-marked for the APEC summit for 2018. It has been experienced in the past with respect to the Pacific Games that, considerable amount of money due to the shortfall was transferred out of trust accounts for health, education and most notably the Department of Works to complete those projects in Port Moresby.

Mr Acting Speaker, my question are:

- (1) What guarantee is there that this will not happen again in 2018?
- (2) What are the punitive measures will you propose so that the breaches do not go on like this?

Every time a breach occurs somebody dies in this country. If you take money out of health, someone will die. It is important that the appropriations passed by Parliament must be strictly adhered to.

Thank you, Mr Acting Speaker.

07/07

Mr JAMES MARAPE – Thank you, Mr Acting Speaker and I would like to thank the Member for Goroka for raising yet again another policy question.

Mr Acting Speaker, let me answer it in this manner, the government in all forms and manner tries our very best to stick to the text of the government. It is breaking of the Appropriation Bill if we spend money that is meant for one sector elsewhere.

Mr Acting Speaker, in terms of the Trust Accounts we opened in respect to certain appropriation, this only comes in play for instance in the Pacific Games. For the last three or four years, most of our major contracts, in respect whether its public works or PIP project contracts or in this instance contracts relating to the Pacific Games and today with reference to APEC. Those contracts are inter-budget appropriation contracts. This means the life of these contracts run from one fiscal year into another fiscal year. Now the only time when we invoke the use of trust accounts is when money meant for these projects are not used upon conclusion of a fiscal year. I invoke the use of trust accounts, we pick up that money and transfer into trust accounts so that the life contracts that exist in terms of honouring that project is maintained into the next fiscal year.

Mr Speaker, the use of trust fund comes in play when we cross over from one fiscal year into another fiscal year and when there is a life contract that exist of those important national projects, we need to ensure that the funding is kept safe as we move into the next fiscal year instead of puling all funding back to the Waigani Public Account, that we normally do in many of the recurrent expenditure that is recovered in one fiscal year.

Thank you, Mr Acting Speaker.

Koiari Landowner Benefit Package

Mr PETER ISOAMO – Thank you, Mr Acting Speaker. My question is directed to the Minister for Commerce and Trade, in his capacity also as the ministerial committee chairman of the Koiari Benefit Sharing Review.

My questions are;

(1) After the direction to do a review on Koiari landowner benefit package, that arrangement or program has now been prolonged for some time so can the Minister assure the people of Kairuku-Hiri, especially the Koiari people why it is taking so long?

(2) The ownership and sale of Koitaki Plantation has somehow landed in the hands of shareholders and directors of a company that is associated to a former Member of Parliament from Central Province, when it should be negotiated in a manner and fashion where much of the benefit goes to the initial Koiari landowners or the Dauri clan of Sogeri. It so happened that the directors and chairman have been changed at the IPA Office, after the disappearance of an expatriate that used to own the plantation. From information we gathered, that plantation is now put up for sale at an amount like K45 million. So, can the Minister explain to my people of Kairuku-Hiri, especially the Koiari landowners on this issue I have raised?

Thank you, Mr Acting Speaker.

08/07

Mr RICHARD MARU – Thank you, Mr Acting Speaker, and I wish to thank the Member for Kairiku-Hiri for asking a very important question in relation to the interest of our landowners in Koiari who provide this water for the city for over 40 years, and in turn the water generates power.

I want to thank this Prime Minister and this Government for starting a process to develop a sustainable economic package for the Koiari Landowners which will be the model for other landowners who provided water recourse to this country to provide power and water.

Mr Acting Speaker, we have had some delays in completing the consultation process because I am still waiting for the funding from Treasury to complete the job which we have already started. The Prime Minister has given his commitment last week that the funding will be made available, hopefully by next week so we can or the Department can complete all the consultations with the Koiari people and the Member himself before a proposal can be put to the Ministerial Committee for consideration and of course, it will be taken to the NEC for consideration so, in terms of the package, we are hoping to complete that over the next two months to take to the Government.

In relation to your question on the ownership of the Koitaki Plantation, Mr Speaker, I would like to inform the Parliament that my investigation shows that currently in the IPA records, the expatriate and the women of PNG who I understand are living together, have mysteriously and all of a sudden own Koitaki Plantation.

I have requested for details on how they acquired the Plantation and I am talking about the contractor of sale settlement statement and even the stamp duty payment I must inform this House that such information have not been made available to me.

I am very suspicious in the way that this transfer of ownership has taken place and I have now informed the new Acting Chairman of the Securities Commission to investigate this. I will now have to place a formal complaint to the Police Commissioner.

Mr Acting Speaker, I want the ownership transfer to be investigated. I do not believe that the current people who claim to own the plantation actually owned it. So, this is now going to be Police complaint and I now expect the Police to investigate and interview the people and find out how they bought the plantation.

And now, they are trying to sell this plantation for K 25 million. This sale is very suspicious and the Government is investigating that and hopefully next few weeks we will uncover what I consider is a massive fraud. I want to assure the good Member of Kairuku-Hiri and the people of this country that the State will not allow such suspicious transactions to take place. This will not happen and I have made it known to all the parties that there should be no sale until the Government completes the investigation and the Police have done their job.

I want to inform this Parliament that the Koitaki Plantation owes the State K6 million. A couple years ago the State bought that in Markham farm and I understand that K4 000 of that was transferred to Koitaki Plantation, sold and disposed of and somebody walked away with that money and the State is still owed K6 million.

Mr Speaker, I wish to inform this Parliament that we are investigating this matter. It is our intention to recover the liability owed to the State and also, if possible, in whatever arrangement we do in future, I would like as the Minister for Trade and the Chairman of this Committee to put together a package for the people of Koiari. I would like to see the Koiari people own a substantial shareholding in Koitaki Plantation with 5 000 hectares of their prime land has been used.

09/07

Mr AMKAT MAI – Thank you, Mr Acting Speaker, my question is directed to the Police Minister.

Huh? I thought he was sitting there and now, he has disappeared.

Mr ACTING SPEAKER – You may reserve your right because the Police Minister is not here.

Thank you, Governor.

4 Lane Hagen Road

Mr DON POLYE – Thank you, Mr Acting Speaker, I would like to direct my questions to the Minister for Works in relation to some projects that he and the Prime Minister committed to have them completed this year. I would also like the Ministers for National Planning and Finance to take note.

Firstly, before I go on, I would like to say thank you to the Minister for Police for answering questions that were put to him yesterday regarding accommodation for police personnel in Jiwaka and Lae. I would like to just say thank you to him and that I will convey his response to the people of Jiwaka and to the people in Lae at Bumbu.

With that, Mt Hagen City is the third largest city in Papua New Guinea behind Lae which is the second largest city in the country.

Just recently in Mt Hagen when I travelled from Wabag down along the highway I saw this huge billboard. The billboard showed the face of the Prime Minister and other leaders as well. On this billboard it said, upgrade of the Highlands Highway Togoba to Mt Hagen, four lanes. Now, from where I live and come from you can imagine the joy of the people about this four-lane road. The people of Western Highlands and the whole of Papua New Guinea were excited that this road would be built because this billboard is so big that I think it is almost as big as four buildings put together.

(Laughter in the Chamber)

Mr DON POLYE – Mr Acting Speaker, this is a very sad story because we had the whole Cabinet go up to Mt Hagen where they made this grand announcement to upgrade Mt Hagen and the highway.

About 10 or 12 months have gone and nothing has being done to address the deteriorating road conditions in and around Mt Hagen City and along the Highlands Highway. The potholes in Mt Hagen and on the highway look like bomb craters created by Japanese bombers or volcanic craters caused by volcanoes.

Mr ACTING SPEAKER – Opposition Leader, ask your question. You are making a statement.

Mr DON POLYE – Will the Minister and the Prime Minister honour their commitment and build this road?

Mr Philip Undialu – Point of Order! The Opposition Leader is exaggerating. There is no pothole like crater in Mt Hagen.

His statement is very degrading, therefore, can he withdraw his statement.

(Laughter in the Chamber)

Mr ACTING SPEAKER – Honourable Member, you have already made your point. Honourable Opposition Leader, carry on with your question.

Mr DON POLYE – I am flabbergasted that a Member from that province is talking like that. You know you are –

Mr ACTING SPEAKER – Opposition Leader, please, ask your question.

Mr DON POLYE – Mr Acting Speaker, I am a civil engineer and we do not deserve potholes in Mt Hagen.

Mr James Marape – Point of Order! Mr Acting Speaker, our experienced civil engineer, the Member for Kandep and Opposition Leader, served as the longest serving Works Minister.

Mr Acting Speaker, let me put that on record.

Mr Acting Speaker, he is asking a long and winding question making a statement in the context of a question, and consuming so much of our Question Time.

Can the Chair tell him to get to the point before he forgets that he once served as Works Minister, Mr Acting Speaker?

Mr ACTING SPEAKER – Your Point of Order is in order.

Mr DON POLYE – My question is this, in my time as Works Minister I did a lot of work.

(Government Members interjecting)

Mr DON POLYE – The transport plan, all those works and programmes that you are implementing are my plans and my programmes.

It is my money that you are using. You have no money and you are running the country down, Mr Acting Speaker.

My questions is this, regarding the billboard. Is the billboard in place of the proposed road upgrade? Are we going to use that billboard as the road or are you and the Prime Minister actually going to upgrade the road into a four-lane road?

If the Minister and the Prime Minister cannot upgrade the road then they should just say so. They should just say that they have failed.

Thank you, Mr Acting Speaker.

10/07

Mr FRANCIS AWESA – I thank the Acting Speaker and the Member for Kandep and the Opposition Leader. You served in this Ministry I am in for the last eight years.

Mr Don Polye- Point of Order! I never put a billboard, I never committed a four-lane road. You did, are you going to do it or not? That's the simple question. I was never in the Government, they did, so please tell them not to talk about me. Talk about the road they said they will deliver, they failed and are beating around the bush, Mr Acting Speaker.

Mr FRANCIS AWESA- The answer to the Opposition leader's question is simple. We will hop on that project on 19 of January 2017. Funds are available, Cabinet has already approved the funding, so the date is 19 next year and I will invite you to come and witness the opening. I want you to make a speech as well because we are building the road to your village in Aviam. You are from Kandep but you live there.

Mr Joe Koim Komun- Point of Order! Mr Acting Speaker, can you get the Minister to verify if its Aviam or airport?

Mr FRANCIS AWESA- I'm talking about the road which starts from Keltiga to Komun Bridge. That's a four-lane, unless they are talking about another one that I'm not aware of. But, Mr Acting Speaker, the simple answer to this question about the billboard and when we are going to start is that, on 19 January next year, we planned to start the road and funds are available and that's all you need to know. Thank you Mr Acting Speaker.

Give Away Housing Scheme

Mr POWES PARKOP- Thank you Mr Acting Speaker, my question without notice goes to the Housing Minister.

In Port Moresby, many public servants live in National Housing Corporation houses and flats, many have been given redundancy and retrenchments and cannot afford to pay the prices of those houses and flats and all other Housing Corporations properties.

Housing Corporations on the other hand has not repaired, maintained or refurbished all these properties. So all sorts of schemes have come up before, such as Morgan scheme and other give-away schemes. Does the Minister have any plans or scheme to give away some of these houses, especially to the retrenched or retired public servants because they are no longer employed?

They are living in the city and cannot go back to their villages and cannot afford the prices Housing Corporation had fixed on them. They might be already on the scheme to buy properties but given their lack of employment cannot afford it. Is there any scheme like Isikel Scheme or Morgan Scheme to give away houses here in Port Moresby? Some are in the settlements under self-help scheme of the Housing Corporations land. Should we give it to them or not?

11/07

Because, Mr Acting Speaker, I'm of the view that if we give it to them they may have an asset to mortgage and obtain loans from banks to upgrade those properties. Right now the Housing Corporation does not have the capacity but still they are saying that the people should purchase the properties so I am asking a minor issue.

Mr PAUL ISIKIEL – Thank you, Mr Acting Speaker, I also wish to take this opportunity to thank the honourable Governor of NCD for his goods questions.

Yes, housing is a major issue in the country and today we have a lot of tenants occupying houses being former public servants. Yes, in the previous years under the Give-Away Schemes of the government many of those houses have been given away.

Our problem at the stage, Mr Acting Speaker, many of the tenants have been identified for give-aways but we are not in the process of giving away titles because of a number of issues.

One of the major issues that the Housing Corporation has today, Mr Acting Speaker, is that we have a lot of loggerheads with the deductions done by the previous tenants or the current tenants never made its way to the Housing Corporation. Most of the tenants' deductions actually ended up with Treasury and Finance.

And so we don't have proper data in place to be able to reconcile and identify them and so we can generate titles out to give to most of those tenants. It's a sorry state and this issue is not a new issue. It has been floating around before my time and it will continue to go on for quite a while.

My advice to all the current tenants, Mr Acting Speaker, is, I would want to encourage them to come up to Housing. I've got a trust team in place and we are going through all the records. We're negotiating with Attorney-General's Office, Treasury and Finance to get the data so that we'll be able to identify and rightfully give the title to the current tenant who deserves it. That's number one.

Number two, yes, Housing, in the past has these projects where NCDC is also assisting, especially in the outskirts of Morata, especially Morata Four and Five. We also have the same situation down at Badili.

It was supposed to be a village-based sub-settlement concept. And currently many tenants are settled already so we should facilitate the titles and give it to them because they are Papua New Guineans and I strongly believe that we should do it for them.

Again, I think this is going to need all the State agencies such as Lands, NCDC, and our other colleagues to collaborate and find a way forward to assist our people of this great nation.

**SPECIAL PARLIAMENTARY COMMITTEE ON HIV/AIDS –
FINAL REPORT – PAPER AND STATEMENT –
PAPER NOTED**

Mr SASINDRA MUTHUVEL (West New Britain) – I present the following paper pursuant to statute.

Special Parliamentary Committee on HIV/AIDS – Final Report

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

Leave granted.

Thank you, Mr Acting Speaker, I rise to present my Committee's Report on the status of HIV/AIDS in Papua New Guinea.

Mr Acting Speaker, in July 2015 I addressed the Parliament of this Committee's intention to carry out an inquiry which covered selected provinces from the four regions of our country.

12/04

Mr Acting Speaker, in July 2015 I addressed the Parliament on this Committee's intention to carry out an inquiry which covered selected provinces in the four regions of the country.

Mr Speaker, Two Sub Committees were formed to speed the conduct of the inquiry. I led the Sub Committee number one to the New Guinea Islands and the Southern Regions, while Honourable Julie Soso led Sub Committee number two to the Highlands and the Momase Regions.

Mr Acting Speaker, inquiries were held in Kokopo, Kimbe, Kavieng, Alotau, Popondetta, Mt Hagen, Wabag, Mendi, Goroka, Lae, Madang, and Port Moresby. Inquiry was well received by HIV/AIDS Development partners, donor agencies and implementing partners, stakeholders and provincial administrations and the general public. The Committee received invaluable information and insight on the status and spread of HIV/AIDS in the country.

Mr Acting Speaker, HIV/AIDS inquiry was a fact finding inquiry on the current situation and spread of HIV/AIDS and its impacts on the general population. And also assess the effectiveness of the national health delivery system in the fight against HIV/AIDS epidemic.

Mr Acting Speaker, I have to thank the National Government, Development Partners, International Donors, the Churches; Non- Governmental Organisations, and stakeholders for contributing in whatever capacity in the effort to minimize and prevent the spread of HIV/AIDS in the country.

Startling evidence and information suggest that the National Government and leadership can no longer remain complacent against HIV/AIDS but take a lead role and ownership in the fight against HIV/AIDS. The National Government's contribution to HIV response is dismal compared to international funding agencies. PNG relies heavily on international funding for its HIV response. Nearly 80 percent of the total funding for HIV response in PNG is from international funding sources.

Since 2011 PNG's domestic funding for the HIV response has been on a downward trend. The PNG Government contributes less than 25 percent of all resources towards the national HIV response in 2013.

Our Government needs to take active role and ownership of the HIV response to address deficiencies in the fight against HIV/AIDS.

Mr Acting Speaker, HIV/AIDS is far-reaching and rampant in the remote rural communities while many people lack knowledge and risks of how HIV/AIDS is spreading and blamed AIDS related deaths to sorcery. Furthermore, these communities often are not within the reach of any medical facilities while education and awareness on HIV/AIDS is lacking.

Mr Acting Speaker, at the time of the inquiry in 2015 data and information of the National Aids Council Secretariat showed an estimated 33 948 adults and children were living with HIV and these include 14,684 males and 19,265 females and of the 33,948 people 4,166 are children. Since the epidemic started around 60,000 Papua New Guineans have been infected with HIV and about 24 000 have died of AIDS related deceases.

Again we are wholly relying on data as provided by various health centres and the Secretariat.

Mr Acting Speaker, the highest prevalence was seen in the Highlands region 0.85 percent and Southern Region excluding NCD .57 percent, Momase region .46 percent and New Guinea Islands .32 percent.

More recently Oro, Manus and Madang have increased infection rates which needed further data verification to confirm these increases. The Committee noted in some provinces improper up-keep of data and quality data collection contributed to discrepancies creeping into data and information.

Mr Acting Speaker, on the brighter side and at my own initiative after visiting Indi with our Honourable Prime Minister I had written as Acting Chairman of this Committee to the

Indian High Commission to bring in HIV/AIDS drugs (ART) which are easily available and cheaper in India.

13/07

The Indian High Commission has delivered all those medicines to our Honourable Health Minister. I wish to thank the honourable Health Minister for facilitating the receiving of this medicines and also clearing, in terms of Customs and helping the Indian High Commission to secure these medicines safely. Also I would like to thank the Government of India and people of India for generously supporting for more than a year the supply of ART drugs, which according to the High Commission is worth K7.2 million as written here, but it is almost US\$ 10 million.

I also like to thank the Honourable Prime Minister who also countersigned my letter which made it easier for the High Commission to secure this supply.

Mr Acting Speaker, I now turn to my committee inquiry recommendations;

Recommendation 1

A) The Committee finds Christian Health Services reaching the majority of the population in the rural areas and recommends that National Government adequately fund and resource Christian Health services for effective HIV response delivery in the country.

B) That the Catholic Church is adequately funded, because the church is heavily involved in prescribing life-saving medication and a third of all anti-retroviral therapy in PNG is dispensed from Catholic Church-run facilities and to have impact on HIV/AIDS the Catholic Church must be heavily funded.

Recommendation 2

A) That the National Government takes ownership of the HIV/AIDS response and increase it's funding to match donor funding if the government is seriously concerned about the well-being of its citizens.

B) That the much of the HIV response funds has been abused in non- HIV response priority areas and this must change with stringent control and measure to ensure funds are spent on HIV response priority areas.

C) That the Members of Parliament establish and adequately fund district HIV/AIDS committees in their respective electorates to monitor and coordinate HIV/AIDS response intervention programs in each of the 89 districts.

Recommendation 3

That proper information and data collection on HIV/AIDS is not adequate to plan and effectively execute HIV response because the National HIV prevalence represent date received from health centre and clinics and does not reflect on HIV/AIDS epidemic in the country.

HIV/AIDS response coverage is limited for the data to reflect on the extent of HIV/AIDS epidemic the country. The anomaly in data collection and reporting is immediately rectified to avoid tempering and improper data becoming manifested in HIV/AIDS database.

Recommendation 4

That key population (who drive the HIV epidemic in PNG) have unhindered access to HIV prevention, treatment and care: we request that the Government of Papua New Guinea address the programs, policies and laws which promote stigma and discrimination against key populations to eliminate travel restrictions which prevent the free movement of people living with HIV.

Recommendation 5

That Government institute compulsory testing of grade 8, 10 and 12 students before they sit for their National examinations. This should be made mandatory for the majority of our young population to know their HIV status as AIDS should not be treated as disease but an epidemic. That the Education department should consider including the subject of HIV/AIDS in the education syllabus and taught as a subject in schools if we are serious about our future generation.

Recommendation 6

That the Health delivery system connecting the provincial level to rural communities is defunct and not delivering services to the communities and the national Government through health authorities rectify the problem so that the Health delivery reach bulk of the disadvantages rural population.

Recommendation 7

That HIV/AIDS recommending the appropriate authorities of the National Aids Council Secretariat and the National Department of Health to find ways to fast track setting standard HIV facility and in-built drop-in Centre within given time period to develop plan for standard HIV response facility set up nationwide, taking into account requirements needed by HIV positive patients to minimize travel time and cost to access ART medication.

Recommendation 8

The HIV/AIDS Advocacy Committee want the Department of Community development, the National AIDS Council Secretariat and National Department of Health to formulate and implement policy for HIV/AIDS orphans and abandoned Children's Orphanage.

14/07

Recommendation 8 and 9 are similar.

The HIV/AIDS Advocacy Committee want the Department of Community Development, National AIDS Council Secretariat and the National Department of Health to formulate and implement policy on HIV/AIDS orphans and abandoned children's orphanage.

That the Government develop policy for children living with HIV/AIDS with the objective to establish orphanage facilities for children living with HIV/AIDS. Certain private individuals have been taking care of orphans of HIV/AIDS parents who passed away.

Recommendation 10

The National Parliament considers and deliberates on establishing a stand-alone and fully-fledged institution or department of HIV/AIDS or restructuring the National AIDS Council with full funding and annual budgetary support.

Mr Acting Speaker, my committee's report and its recommendations should be read and acted on by the relevant authorities in the fight against HIV/AIDS and taken seriously because HIV/AIDS transcends all boundaries and our general population is at risk. HIV/AIDS is rampant and progressively spreading into rural communities although studies have indicated that in urban areas HIV/AIDS may be concentrated on certain populations however studies this far are not comprehensive.

I commend my Committee's report to Parliament.

DISTINGUISHED VISITOR (SIR PITA LUS) – STATEMENT BY ACTING SPEAKER

Mr ACTING SPEAKER – Honourable Members, I wish to acknowledge the presence of the former Member for Maprik who is in the Speaker's Gallery.

On behalf of the National Parliament, I extend a warm welcome Sir Peter Lus.

Debate resumes.

Mr MALAKAI TABAR (Gazelle – Minister for Transport and Infrastructure) – I move –

That the Parliament take note of the paper.

I would like to thank the honourable Governor, Sasindra Muthuvel and his Committee with the Governor of Eastern Highlands, Julie Soso, who was leader of a sub-committee to that report being put together.

I thank Parliament for their support to this Committee especially when it is a very sensitive area of our society. They basically highlighted some short-comings of our Government. I believe the Minister for Health is going to help shed some light on some of the short-comings. But there are some very startling figures and I believe we will go through parts of this report.

I stand to support through Government that we will work together to address this issue. This is an issue that we have heard of and always aware of. I also would like to thank the Health Department under the leadership of Honourable Michael Malabag. I thank the provincial health authorities that have been established for their support. I think a lot of them have been given powers to effectively coordinate and address this issue.

While the districts will have HIV/AIDS committees to coordinate awareness, I believe the national and provincial health departments do a lot of data collecting and understand the way we should be addressing this problem.

As it is, the figures provided are from people who have come forward and have got treatment and that we know of. There are people who opted to stay away and who were never part of the statistics.

15/07

I stand here also as the Minister for Transport and while there is free movement with new infrastructure that is now available for people to move around easier, I don't think we should be blamed for allowing free access and et cetera because the infrastructure that is available is there to help us with economic agendas and development programs within this country. Obviously, people are free to move around and people will always be allowed to move around and do their business.

There is a major challenge on our hand, Mr Acting Speaker, I believe the Minister for Health and HIV/AIDS has got this agenda to reorganise the National AIDS Council and I believe that we will hear something from him.

I also found that in this report the increase in deaths is blamed on sorcery, I see this as a lame excuse for some of the educated people in this country and especially in areas where sorcery was never heard of before. We are hearing of a lot of abductions and a whole lot of other things. We honestly should realise that HIV is here to stay and is with us and we must accept the fact that it is affecting our society.

I believe that there is a major challenge as leaders in our respective districts and our provinces to stand up and work together with the churches, National AIDS Council, National Health and also the organisations that are responsible for helping to fund the drugs and the treatment.

I stand here to also thank the Indian Government for their support to this problem that we have in Papua New Guinea.

Thank you, Mr Acting Speaker.

Mr MICHEAL MALABAG (Moresby North West – Minister for Health) – Mr Acting Speaker, let me thank the Honourable Muthuvel, Chairman of the Advocacy Committee, for highlighting this enquiry report here in Parliament this morning. The Chairman and Governor also is very passionate about the HIV/ AIDS issue and we concluded yesterday with the donation of very important ART medicine from the Government of India and I thank the chairman, not only for his initiative but following through with my ministry, the Health Department and also with the Government of India to securing this medicine.

Let me just add on a few words on what the chairman has said. The analysis of data shows us that about 40 000 people in PNG are living with HIV, 86 percent of them are enrolled in care and 56 percent have initiated treatment. As of 20 June, 2016, a total of 8 739 people living with HIV are receiving treatment from four non-governmental organisation and they are the Angicare PNG, Catholic Church, Save the Children and Susu Mamas.

During the first six months of 2016, 990 people were newly initiated on ART by these NGOs, counterpart funding shortfall in HIV AIDS will put around 42 percent of people receiving ART at risk.

16/07

There has been significant reduction in death rates due to earlier initiation of ART. But little progress has been made in the prevention of mother to child transmission programme. The coverage is still hovering around the 33 percent mark. The number of newly infected infants is still considerably high as was the situation in 2015.

TB, HIV core infection remains a huge challenge for people living with both diseases and for health workers treating them. TB is one of the most common opportunistic infections among the people living with HIV population and close to 90 percent deaths among people living with HIV is due to TB infection.

In the past, there was a lot of generalisation that HIV was spread right across Papua New Guinea, but in reality, it is now concentrated in particular areas. These areas are NCD, Central, Morobe and the Highlands Provinces. That is where the most concentration is.

The Government of Papua New Guinea has provided 100 percent funding for the procurement of ART drugs and other commodities since 2011. The total funding ceiling from an initial K16 million has reduced to K8 million in 2016.

This has disrupted the tight NDOH procurement cycle for the HIV/AIDS Programme. However, contingency plans were put in place to ensure that ART drugs are made available to people living with HIV on treatment daily for life as mandated. There is a new five year strategy development process which is ongoing. The terms of reference to commence the work has been approved and necessary technical assistance are being deployed. The new strategy will build on the achievements of the previous strategy but focus will be towards delivering the ambitious national and global targets in line with the MDGs and the SDGs. This approach is a global direction which PNG must adapt and align with the rest of the world towards a health sector driven response.

The newspapers recently talked about DEFAT, but let me say here, that the Department for Foreign Affairs and Trade in Australia has not, and I repeat, has not announced a withdrawal of HIV funding. However, after 2017 they will reconfigure their method of delivering HIV funding support to both the Health Department and Civil Society treatment providers. That is what they are doing. They are refocusing.

The Department of Health will continue to receive assistance from DEFAT and there will be no disruption to the care and treatment services to people living with HIV. DEFAT and the Health Department will work together to facilitate a process where the government

can streamline its HIV services into mainstream treatment regimes such as the Department's management of the treatment of TB.

I now have a submission that is already before NEC, and that is to appoint the new members of the National AIDS Council. As soon as those appointments are cleared by Cabinet, then I want the board to have its first meeting as soon as possible and get that organisation in order. We cannot have public servants disrupting the process of that organisation.

17/07

We cannot have public servants disrupting the process of that organisation. As a result we are having negative comments, so as soon as the Board is appointed, they will clean up that organisation.

Now as we can also see in the 2017 Budget, the National AIDS Council and Health Department will have to merge into the Health Department. So those things will be ongoing and we want to streamline those process so there is more control over that organisation.

Mr Acting Speaker, thank you for that intervention, and also thank you again my good Governor and Chairman.

Mr CHARLES ABEL (Alotau – Minister National Planning) – Thank you, Mr Acting Speaker. I also rise to add to the debate to support the Health Minister and the Permanent Parliamentary Committee on HIV/AIDS and I want to congratulate the hardworking Chairman Governor Sasindra Mutuvel for bringing this report forward.

I also want to thank the Speaker, through you, Mr Acting Speaker, and the Parliament itself for beginning to fund some of these very important committees so that we can be able to see Parliament functioning in its fullness.

We can see that members of Parliament are fully engaged, busy people as they are, fully engaged and active in performing their various respective roles, the chairman and members of these different committees so I thank the Parliament for that.

I think these Parliamentary Committees have a different purpose and roles to supplement the information that is available to Government and to Parliament and in this case provided a very good example of a functioning committee that has divided the workload in different areas in the country and with the support they were able to travel around and collect

some evidence and data, even its like anecdotal, to come back and raise the issue around the HIV.

And we acknowledge that report and some of the important outcomes and we understand that there need to be more support required there, there continues to be too many of our citizens suffering from HIV/AIDS. We understand that that suffering is exacerbated by issues around sorcery and blaming on sorcery and we understand also that there is a lot of stigma associated with HIV.

Through the good work of the Health Department and the AIDS Council and some of our business partners, through the BAHA business process, some of these issues are beginning to be addressed and there is less stigma associated with HIV now.

I'd say from the Planning perspective, Mr Acting Speaker, we obviously are trying to address the issues around Planning and I just referred us back again to some of the information that we are beginning to release, in particular around the *Millennium Development Goal*.

In terms of HIV prevalent rates as the Health Minister has just reminded us. HIV prevalent rate is actually now below one percent. In 2003, it was reported as a generalise epidemic, that is the prevenance was widely spread throughout the country. It is now more described as concentrated epidemic at .65 per cent as of 2014. We also reported on the TB prevalence rate which is somewhat related to HIV in terms of the primary cause of death and the TB prevalence rate was recorded at 715 cases out of a 100 000 in 1990 reduced down to 437 out of a 100 000 in 2013.

Of course it's still too high and I want to support the committee in their thanks and support we get from all our development partners, in particular through the church health network and of course the Catholic Church and all the other development partners who have contributed to this fight against HIV/AIDS.

They have contributed to the prevalence rate being gradually reduced until we eventually eliminate HIV to a biggest degree we can, in the same way malaria has been reduced by 75 per cent through the hard work of the Health Department and some of our development partners.

18/07

I also just reiterated our heartfelt thanks to the Indian Government for the K7.5 million worth of Anti-Retro-Viral Drugs that have come through and, no doubt there was a

significant input from Governor Muthuvel, himself as he was in India with the Prime Minister. And he has obviously followed that up and this has really added value to the whole process by his personal input.

The government acknowledges the 10 recommendations brought in by the Committee and we will do our very best to try and continue to address this. I must say that I commend the Health Department, they consistently give very thorough budgets to the budgetary process. They've got a very clear 10-year health development plan which our government has been fully funding to the best of its ability or attempting to do so. More so than any other government department.

And so it is one of the imperatives, of course, through all the other important sectors, the priority being health and education for our government and proceeding down to infrastructure and law and order.

So I commend the Committee for the wonderful work that has been done and we very much take note of this report and we'll do our very best, Mr Acting Speaker, to respond accordingly as a responsible government.

Mr POWES PARKOP (National Capital District) – Thank you, Mr Deputy Speaker. I also wish to contribute to this debate.

Firstly, I want to say thank you to Governor Muthuvel and his Committee for discharging their duty. It is good to see that Parliamentary Committees are performing their mandated tasks, especially in this critical area of the health of our people.

Secondly, I think all of us should say thank you to the people at the National Aids Council. There is a visible crisis in that area currently but the previous chairmen and CEOs and all the partners, including churches and NGOs have done some very significant work. These are the unsung heroes working in our communities who have been carrying this challenge to meet this epidemic.

Mr Acting Speaker, all of us have heard from the report which was also echoed by the Minister for Health. We must also extend our thanks to the department and the Ministry also.

This epidemic, when it was first discovered in the 80s, there was a pronounced fear that we were going to be like sub-Saharan Africa whereby it would become widespread and blowout. But to our credit, especially this in the frontline, we have arrested the epidemic and we are now trending away from generalisation to concentration.

We have also reduced its prevalence from two per cent, or two out of every 100 people getting infected, to just below one per cent. That's a big achievement. It is a testament to the work of the National Aids Council, the Department of Health, and Ministry of Health, our partners, the public and other volunteers. So we should give credit to them because we couldn't do it as government or as Parliament without everybody contributing so we must give them credit.

It's a good model that we can apply to other challenges that we face. I think we can take on TB if we use the same model.

Even if we have a problem with violence in our culture, we can apply the same model to arrest and turn it around. So, I wish to encourage the government to acknowledge and consider these options to mobilise our people to take on the different challenges.

Since we are now talking about HIVAIDS, credit must go where it is due and there is so many people out there we need to give credit to.

I think the Minister has heard the report and we have to deal with the National AIDS Council and sort it out. There is a good record of some very good results they have achieved but a few individuals or rotten apples are currently denigrating the positive achievements of the National AIDS Council so arrest that problem quickly. It is now becoming concentrated.

So, I stood up to speak about it also because, concentrated, as you have already heard, it is mainly in the urban areas. It's not that infection is only in the urban areas and people in the rural areas would say, I think the problem is yours in Port Moresby only Governor.

19/07

Mr Acting Speaker, let me highlight my view of rural people migrating into the cities; it maybe because of stigma and discrimination in rural areas. They blame sorcery and family mistreatments, where they are told that because of your sins, you are receiving Gods punishment through this disease and because they are neglected they migrate into the cities to receive comfort because in the cities we don't know exactly who has the virus and maybe people in the cities are more accommodating and they understand and they give refuge to the infected persons.

It is true that there are all kinds of activities in the cities like unprotected sex, sex workers and we are doing our best to reach out to them and contribute to eliminate this epidemic that is threatening our people and the country in terms of the economy and we are of course turning it around.

We must understand that although it is concentrated in the urban areas and in towns but I feel that we are inheriting this problems from the rural areas. So we all need to work together to support this drive against HIV/AIDS so that we can eliminate it and reduce it down to the lowest level. We are capable as a nation to reduce this epidemic and we are doing well.

Mr Acting Speaker, as a nation we must start to educate our people very clearly that people who are infected with HIV/AIDS can actually live longer. We must give them hope by getting them treatment so they can live. Many people throughout the world are surviving even they have full-blown AIDS, they live. It's just a myth.

I extend my gratitude to the Government of India for granting the ART drugs to our people and as a Government we should help our people to medication and treatment.

Mr Acting Speaker, apart from stopping the prevalence rate we should give more effort into helping our people living with HIV/AIDS because it is below par.

In Port Moresby there is a need to improve to reach out to people living with HIV/AIDS to give them support and counselling and in particular provide treatment. So maybe we could make allow for the consumption and treatment drugs that came from India to be free of charge. That would go a long way in helping our people.

Mr Acting Speaker, all the people living with HIV/AIDS can be able to live normal lives in fullness. They don't have to die. All these will come about if we provide the support and essentialities as a Government through our agencies in this fight.

Mr Acting Speaker, we continue to support the efforts in the city and we have provided resources to the extent that we can. We really need a conservative effort to reduce and eliminate this epidemic, taking it to generalise to concentrated and then eventually it will be eliminated.

One of our greatest challenges in the city is to reach out to sex workers or the particular circle of people that call themselves the trans-gender group. These are the most vulnerable group. If we don't do something they risk the whole cities and towns. We cannot turn a blind eye and say that it is not our business to reach out to the sex workers. I must tell you that our people still go out, and obtain services of the sex workers

20/07

If we are not helping them then they are going to risk every one of us from the concentrated areas to the generalised areas in the rural Papua New Guinea.

Mr Acting Speaker, we must reach out to those people in those risky areas in some ways so that they don't get these stigma and discriminations, and they can come to a calling centre, or health centre where nobody must not see them and call them as such but they can come forward without feeling shame or embarrassments. This is the challenges we are facing in the urban areas. We stigmatised and talked a lot about these people but they are the risky communities and the risk might not stay with them but may spread to all of us while we think we are good people. We may be alright but one of the partners might be going to get services from this particular community. We don't know, so we need effort to help this community to come out and get services and support, especially get treatment, get prevention so that they do not become risk to everyone in the urban, towns and cities. We don't go back to the past, generalise epidemic. We have done well, we are progressing well, we should continue to go that way and now it's a challenge that we must focus at the risky communities in the urban areas. I'd like us members of Parliament to forget about the way we think such as we don't see it as a health issue and we forget to address it seriously. Do not ignore or discriminate or stigmatise because we are simply risking every one of us. That's my small contribution I wish to add on so congratulation to everyone, the Parliamentary Committee, Parliament and everyone. We have done very well, we have stopped the slide towards the subsharemd type of a trend and we have arrested it, it has gone from generalised to concentrate and now we can eliminate it. We have set the target, the United Nation UNH has set the target by zero, zero, we can achieve it.

Thank you, Mr Acting Speaker.

Sir PUKA TEMU (Abau – Minister for Public Service) – I wish to contribute also to the debate, but for the very short while, the epidemic started in 1981, and we only had one case, than when the Late Honourable Bill Skate was the Prime Minister, this Parliament passed the National Council Legalisation in the first in the region as country ever in this regions to pass a National AIDS Legalisation lead by the Late the Prime Minister the Honourable Bill Skate, and it was that Legalisation which was tight to the 50 million Health Sectors support US dollar health sector programme from the Asian Development Bank, and it was that 50 million US dollars that help the Nations to learn all the lessons around all particular substantially Uganda, when we send the team to Uganda and look at the structures, and came out very clearly at that time, which we put in the legalisation that if the health sectors alone to charges of this epidemic, it will not resolve it as we have done today figures,

there for the recommendation was it must be a multiply sectoral approach it was a development issue, not are health issue alone.

Mr Acting Speaker, to me is the stronger position and global that is now bad practise, countries around the world have mainstreamed HIV AIDS programme development through all the agencies of the states, therefore the establishment of the National AIDS Council has supported by than the Prime Minister whom who moved against and you know the political on that on that time was very difficult, because when I was the secretary for health, I came to the Former Prime Minister, before the honourable Mr Bill Skate, and he told me that HIV AIDS will never become a problem in this country, so forget about the legislation.

21/07

However, when the late Honourable Sir Bill Skate became the Prime Minister he was fully convinced and brought it before Parliament. I therefore would like to take the key from the Governor of NCD that this must not be undone and must remain a multi-central approach.

All agencies of state have already mainstreamed HIV/AIDS programmes. For example, the establishment of then Provincial AIDS Committees and now we must move to the district AIDS committees. All agencies including sports have mainstreamed into HIV/AIDS. We have Australian sports men who are coming in and promoting the fight against HIV/AIDS in our country.

Mr Acting Speaker, Papua New Guinea has introduced global best practices in the fight against HIV/AIDS. The figures that we are enjoying today is because of that structure that was established. I support the Minister in ensuring that the right people must be appointed in the National AIDS Council including the right CEO because the system has been establish and is already there. It is easy to pull it down but it will be very difficult to rebuild it. Let us please not pull down the structure that has been established.

Mr Acting Speaker, I want to mention names of some specific people that have contributed so much about HIV/AIDS in our country. These are people living with HIV/AIDS. They came out during that time. They withstood the shame and stigma associated with HIV/AIDS and openly spoke about it in awareness. The Parliament must recognise such people and thank them for what they did.

They went out big time and convinced and talked to their peers about HIV/AIDS. They went and sat with sex workers around the city and made them aware of HIV/AIDS. The media came on very strong and we in fact had workshops through media agencies.

I thank the media streams for taking this on board and educating our people. They were a very important stake holder in those initial days. It has been 35 years ago and I am very glad as someone who spearheaded the structure and promoted the legislation when I was secretary then. I am very happy today that the outcomes that we have achieved are enormous and it is a story to tell.

As the Governor for NCD was saying, we have some very serious development issues in country. We have some HIV/AIDS models that are multi-sectoral. This is something we can use to address violence against women or tribal warfare or compensation issues. We really need to look at these models and mainstream them into agencies of state. Now that we have funding going to our District Development Authorities is an advantage to help us.

Mr Acting Speaker, the second group that I want to acknowledge are those very hard working HIV/AIDS social workers. A particular one is in our city by the name of Tessie Soi. I do not know where she is and her health status but she came on board took it head on. If you can recall there was a time when children who died of HIV/AIDS were left in our morgue and their bodies were never collected for a proper burial. She went out to collect their bodies and did a mass burial for them.

We must recognise those people for what they did. They went out of their way to take on this challenge. When everybody was saying it is sin even some church leaders said it was punishment from God. We must not feel sorry for them and let them die. I want us to remove that attitude.

22/07

I want us to make a personal strong position on the proposal that the Committee is saying on decriminalising HIV/AIDS, I support it because of global base practise, and when we do not do this we drive them down the ghettos. We allow them to get sick and die in the ghettos and they continue to spread it.

This is a responsible direction and I support the Committee on making a recommendation. I know that there are different views but my personal view is that I believe that globally when we decriminalise this type of matters we bring humanity in and provide the services.

Therefore, now that we got the concentrated areas, I believe that this is the right legislative framework under which we can take the challenge in the next 10 or 15 years

because it has taken us 35 years to come to this level and we need to make sure that over the next 35 years we do not go back to the generalised epidemic.

Mr Acting Speaker, I thank you and those are my views.

Mr WILLIAM SAMB (Goilala) – Thank you, Mr Acting Speaker, for allowing me to contribute to this important issue and the Chairman of HIV and his team for this good report.

I recommend the Committee to recognise one department that is aggressively addressing this issue, the Works Department. When we talk about our roads we ask our Minister but the Minister for Works and his department are aggressively addressing this important issue in their department especially through all their major contracts and I will also want to thank the development partners who are basically funding this operation.

I also recommend the Committee to check what good things the Works Department is doing towards addressing this issue.

Thank you, Mr Acting Speaker.

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

Motion – That the Parliament take note of the paper – agreed to.

MOTION BY LEAVE

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

Leave granted.

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

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

That so much of the *Standing Orders* be suspended as would prevent Notice Nos. 341 and 339 of Government Business being called on forthwith.

TOBACCO CONTROL BILL 2016

First Reading

Bill presented by **Mr Michael Malabag** and read a first time.

23/07

Second Reading

Leave granted to move the second reading forthwith.

Mr MICHAEL MALABAG (Moresby North-West – Minister for Health) – I move –
That the Bill be now read a second time.

Mr Acting Speaker, it is my pleasure today to introduce the *Tobacco Control Bill 2016*. Tobacco use represents a significant and growing threat to public health in PNG.

(Members interjecting)

Mr MICHAEL MALABAG – I have already quit it.

(Laughter in the Chamber)

Mr MICHAEL MALABAG – As per to population health, Mr Acting Speaker, it is a threat to national wellbeing and productivity. Tobacco use is a global problem and the human

consequences are devastating. The World Health Organisation (WHO) predicts that by 2020 the number of people dying from tobacco related illnesses will be 8.4 million per year.

Mr Acting Speaker, this will be higher than the death rate due to HIV/AIDS, TB, road accidents and suicide added together. Globally, we will also see sharp increases in a number of non-communicable diseases, particularly heart diseases, diabetes and cancers among adults which are known to be closely associated with cigarette smoking and exposure to it.

Mr Acting Speaker, these diseases are expensive to treat and our PNG Health System cannot cope with a quickly growing burden of disease from cancer, heart disease and diabetes.

Mr Acting Speaker, the smoking rate in PNG is high, particularly amongst our young people. The WHO statistics tell us that right now just under half of our young in PNG aged 13 to 15 years old smoke tobacco products. The prevalence among boys is 51 percent and it's considered as the highest in the Western Pacific Region.

The overall male smoking rate in PNG is the fifth highest in the world. Between 1960 and 1979 the sale of commercial products in PNG tripled. The rate of tobacco use is still rising. Poor people are particularly affected. Today, in PNG, our poorest families spend almost one-quarter of total household food expenditure on tobacco consumption.

Mr Acting Speaker, we know that others who cannot read are more likely to smoke.

Mr Acting Speaker, tobacco use raises direct costs for individuals and government. Individuals who smoke will on average have higher health costs than non-smokers. Women subject to second hand smoke are likely to have babies with a lower birth rate and higher medical cost.

PNG diabetics and cancer rate, including mouth cancer are increasing. Tobacco use makes treating existing diseases like diabetes more complex and more expensive. All of these aspects have significant effects on our health system, which will be increasingly unable to cope. Smokers also impose costs on industry through absenteeism.

24/07

Mr Acting Speaker, it is clear, tobacco use affects PNG's productivity. Our legislative response, the six phase tobacco products, *Health control Act 1987* is 30 years old and is very limited in scope. It regulates importation, manufacture and sale of tobacco products.

It has some very limited provisions about tobacco advertising which are entirely out-of-date. In a media, Savi Will we can ever grow in array of flat fox for advertising and

marketing. 30 years later, PNG is a very different place. A lot more people smoke, tobacco use is different, the way it is sold and marketed is different. Tobacco use is growing and PNG cannot simply afford its effect on our productivity and our health system and hence, Government response, is necessary.

Now, what does the new law do, the *Tobacco Control Bill 2016*? It is intended to regulate the manufacturer, importation, distribution, sale and use of tobacco. It is intended to make the use of tobacco less attractive to young people. It is intended to fit into the unique environment of PNG by making separate arrangements for the use of brus. How does it do this? It allows us to create a smoke free environment, it introduces much better tobacco product control including strict control on advertising and much stronger control on making smoking attractive to young people.

It regulates packaging of cigarettes to make them less attractive and socially acceptable. It requires registration of various businesses which deal with tobacco products. This allows the Government to check the number of outlets, helps prevent sales to children and helps to identify density of outlets in some areas.

It also increases Government revenue, it develops the administrative functions of District Development Authority, as allowed for under the Organic Law on Provincial and Local Level Governments by giving DDA responsibility to licence the sale of brus.

It develops the PNG underlying law, as allowed for under the *Constitution* in an innovative a separate regime for brus which is sensitive to the fact that it is predominantly sold in informal businesses and markets. The new law also operates to give effects to PNG's International Treaty Obligation. It implements the WHO framework convention on tobacco control in a manner calibrated to the needs, resources and environment of PNG. It also advances progressive realisation of the right to the health, which is part of PNG's commitment to human rights in its ratification of the international convention on economic, social and cultural rights.

The implementation of these measures in a law, is a legitimate exercise of the PNG Government's regulatory powers to protect the health of its citizens.

The national Department of Health receives submissions on the Bill from diverse stakeholders and this led to changes and an improve Bill. Mr Acting Speaker, Health Promotions Funds are increasingly established as effective ways to increasing tobacco use.

In our region, Tonga, Solomon Island, Thailand and Australia, all have a special arrangements, redirecting Government funds to a Health Promotion Funds or Trust. A Health Promotion Trust Fund is included in the Bill.

25/07

It allows the National Department of Health to retain funds from licencing and registration of tobacco imported, manufactured and retailed to help implement the Act and to help educate Papua New Guineans about the dangers of tobacco use.

The Ministry of Finance and Treasury has been consulted on this initiative and support the proposed recommendation for the Health Department to establish a Health Promotion Trust Fund in the Tobacco Control Bill 2016.

Industry stakeholders were consulted in the development of the Bill while the PNG Government supports and encourages commerce to grow in PNG economy it also recognises that the use of tobacco products imposes a severe burden on the Health System and the productivity of its workforce which also affect the PNG economy.

Mr Acting Speaker, I turn now to decentralisation implications. The *Tobacco Control Bill* is a national bill but also makes use of innovative provisions to give powers to district development authorities and local level government presidents to make declarations of customs about how people smoke in villages, schools, markets, and other parts of the district. This Bill gives effect to decentralisation and supports and empowers district development authorities.

Mr Acting Speaker, after 30 years it is time to modernise PNG's law to regulate the use of tobacco products. This is not change for the sake of change.

Mr Acting Speaker, in 30 years the number of smokers have grown. The percentage of young people smoking has grown, particularly our young men.

Mr Acting Speaker, the disease burden has grown, the platforms for advertising has changed, and community expectations about public smoking has changed.

The *Tobacco Control Bill 2016* is a highly legitimate exercise of the power of Parliament to provide the PNG people with a new and modern law to protect them from the risk of diseases and premature death caused by the use of tobacco and exposure to tobacco smoke.

I commend this Bill to the Parliament.

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.

Message from the Governor-General

A message from His Excellency the Governor-General dated 3 November 2016 was announced recommending the imposition of taxation in accordance with *Section 210* of the *Constitution* insofar as the Bill relates to and provides for such imposition.

Third Reading

Leave granted to move the Third Reading forthwith.

Motion (by **Mr Michael Malabag**) proposed –

That the Bill be now read a third time.

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

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

The Bill, requiring an absolute majority of 56 votes as per the *Constitution*, Mr Acting Speaker ordered that the Bells be rung.

26/07

The Parliament voted (the Assistant Speaker, **Mr John Simon** in the Chair) –

AYES – 62

NOES – 0

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

Bill read a third time.

27/07

NATIONAL WATER AND SANITATION BILL 2016

First Reading

Bill presented by Mr **William Duma** and read a first time.

Second Reading

Leave granted to move second reading to be moved forthwith.

Mr WILLIAM DUMA (Hagen- Minister for Public Enterprises and State Investment)

– I moved –

That the Bill be now read a second time.

Mr Acting Speaker, it gives me great pleasure to introduce in this Parliament, the proposal The Water Supply and Sanitation Bill 2016.

Mr Acting Speaker, the main objective of the proposed legislation is to.

(1) Updated a 30 year old legislative framework for the state-owned entity in line with the Kumul Legislation, the wash policy and vision 2050, secondly to corporatize the entity bringing into operation better governance and accountability, transparency systems in accordance with the *Company Act* 1997 and establish Water Papua New Guinea Limited a company replacing Water Board, Thirdly, for separation of business and regulatory function in the organisation.

Regulatory functions will be entrusted to the proposed Wash authority.

Fourthly allow for future technologies, financing and incentives envisaged by the wash policy.

Fifth to ensure uniformity with the water board with all the other State Owned Enterprises entrusted to Kumul Consolidated Holdings in line with the Kumul consolidation

agenda and; lastly to repeal the *National Water Supply and Sewerages Act 1986* which will replace Water board and then establish Water PNG Limited.

Mr Acting Speaker, except for National Capital District all water supply and sewerages services in the country, and Ministers control by Water Board as suggest cooperation under the *National Water Supply and sewerages Act 1986*.

Mr Acting Speaker, the water board currently has certain functions under the *National Water Supply and Sewerages Act* and the regulations, this unfortunately has proven service arrangement both from a policy and administrative the point of view and also because of the untidy nature of the governing legislations.

Mr Acting Speaker, as a policy matter the supplier of water and provincial of sanitation services should done on commercial basis by a new cooperatised entity which will take over these functions from the waterboard.

Mr Acting Speaker, currently waterboard is operating as a statutory authority mandated by existing legalisation to perform a dual functions as a regulator and provider of the water supply and sanitation services in this country, given the nature of existence.

Mr Acting Speaker, the core objective has been focus on community service obligation and less of commercial operations and profitability, this had posed real challenges commercial operation, policy and legalisative of the platform firm work of the entity to be able operate as fully commercial enterprise as envisioned under the O Neill government Kumul Agenda.

Mr Acting Speaker, as a result of current arrangement only 4 of the 19 business centres across the country make profit to cost subsidise the rest of 15 Loss making centres.

Mr acting Speaker, this cycle has been ongoing without any improvement due to the excessive committee CSO obligation impose with less return on investment or state subsidy..

Mr Acting Speaker, the propose Bill is intended to remedy this position and alleviate waterborad operational, policy and legislative challenges and transform its operation across all the 19 business centres on a purely commercial basis. The Bill is also intended to ammonise with Kumul Consolidated Holing Act 2015, and the companies Act 1997 and move away from the public Finance Management Act and public Services Management Act. Hence, the prosed Bill is the first step in this process for the entity to become a corporatized enterprise which is to operate on a commercial basis.in systems and ensure uniformity of waterborad with all other state Owner Enterprises entrusted to the Kumul Consolidated Holding (KCH).

28/07

Mr Acting Speaker, the proposed Bill will provide for the setting up of a new corporatized entity called Water PNG Limited, as a company incorporated under the *Companies Act 1997*. This newly registered company will assume the assets and liabilities of the Water Board. Furthermore, it will provide consolidated legislation under which Water PNG can supply water and sanitation services in any part of the country which is declared to be a water supply district or a sanitation district.

Mr Acting Speaker, for the time being, the National Capital District will be outside this regime as it has its own corporatized entity (Eda Ranu) for this purpose. It is not intended that Water PNG Limited should have any regulatory functions, although as a transitional matter until a new regulatory authority is established, it may need to exercise limited functions of this nature.

Mr Acting Speaker, in summary, Water PNG Limited is intended to be a company under the *Companies Act 1997* and a majority State owned enterprise under the Independent Public Business Corporation of Papua New Guinea or known as *Kumul Consolidated Holdings Amendment Act 2015*.

Mr Acting Speaker, Water PNG will be subject to and obliged to comply with the *Public Health Act*, the *Independent Consumer and Competition Act 2002* under which its fees and charges will be regulated, and the *Environment Act 2000*.

Mr Acting Speaker, Water PNG will not regulate plumbers as this should be done under the *Trade Licensing Act chapter 96*.

The new legislation will replace and repeal the *National Water Supply and Sewerage Act 1986* while the regulations will continue to be in force pursuant to this new legislation. The new legislation will apply to all parts of the country which have been declared by the Minister to be water supply district or sanitation districts. The new legislation will not, for the time being, supersede the *National Water Supply and Sewerage Act 1996*, as it applies in the NCD.

Mr Acting Speaker, the following are the transitional arrangements;

Transitional regulatory provisions relating to policies and standards, and the licensing of water supply and sanitation systems.

Provision for the transfer of the assets and liabilities of the Water Board to Water PNG Limited.

Provision for the transfer of employees of Water Board to Water PNG Limited.

Traditional provisions relating to taxes and duties, environmental permits, statutory easements, transitional tariffs, rates, fees and charges, outstanding debts and charges, and existing water supply districts and sewerage districts to become sanitation districts.

Some of the by-laws and rules contained in the regulations, chapter 393, will need to be saved.

Provision for the setting of tariffs, rates, fees and charges, subject to price regulation by the Independent Consumer and Competition Commission or ICCC.

Provision as in the case of the National Capital District for charges on rateable land.

Mr Acting Speaker, the principal unresolved difficulty is that the new regulatory authority for water supply and sanitation has been set up, and therefore as a transitional measure Water PNG Limited will need to assume some regulatory functions. This is not satisfactory for a body which is otherwise intended to operate commercially.

Mr Acting Speaker, this Bill has been thoroughly reviewed and commented upon by Water Board as the lead operator, National Water, Sanitation and Hygiene or now known as the WaSF Task Force, ICCC, Kumul Consolidated and the Office of State Solicitor and First Legislative Counsel including other industry operators.

All relevant stakeholders have been adequately consulted during the review and consultation process and all were given equal opportunity to provide comments and inputs which has been incorporated in the proposed Bill.

Mr Acting Speaker, Kumul Consolidated Holdings in collaboration with PNG Water Board conducted a workshop on the proposed legislative changes in Port Moresby on 11 December 2014 to which all of the government departments or agencies affected were invited and most of them attended the workshops, others were consulted individually as part of the process.

Subsequently, Kumul Consolidated Holdings received written comments on the proposed new legislation from the Independent Consumer and Completion Commission, National Water, Sanitation and Hygiene or WaSH Task Force, Water PNG as the operator and the State Solicitor's Office.

Mr Acting Speaker, the consultation and review process on the draft Bill continued for 10 months before the certificate of necessity was issued by the Office of State Solicitor on the 9 October 2015.

29/07

Mr Acting Speaker, Kumul Consolidation Holdings engaged the accounting firm KPMG to advise on the strategic and financial aspect of the replacement of the Water Board with a new corporatized entity and the lawyer firm Ashurts to prepare the National Water Supply and Sanitation Bill 2016.

Mr Acting Speaker, the proposed Bill will consistent and harmonies with the WASH Policies vision 2050, development strategic plan 2030 and the medium term development plan II.

Mr Acting Speaker, the proposed Bill is considered to be well reviewed, drafted law incorporating all operational, policy and legislative challenges and aspirations of a new business environment for PNG Water Board to operate as one would under the Companies Act 1997 to achieve the objectives of the WaSH Policy and the Vision 2050.

Mr Acting Speaker, I commend the National Water Supply and Sanitation Bill 2016 to the National Parliament.

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.

MESSAGE FROM THE GOVERNOR-GENERAL

A message from His Excellency, the Governor-General was received dated 3 November, 2016 recommending the Importation of Taxation in accordance with section 210 of the Constitution, insofar as the Bill relates to and provide for such imposition.

Third Reading

Leave granted to move the Third Reading forthwith.

Motion (by **Mr William Duma**) proposed –

That the Bill be now read a third time.

Mr KERENGA KUA (Sinasina-Yonggamugl) – Thank you, Mr Acting Speaker. It is these kinds of Bill that from time to time bring to the Floor the roles and functions of Government in any country. We need to contemplate for a moment when we are considering this sort of bill, what is really the function of Government in a society?

Our adventure to think that the role of Government is to provide services and if there has to be some cost associated with the provision of that service that is needed to be reimbursed then the Government should be looking at levying fees that will able the NEC or the organisation delivering that service to operate on a breakeven basis so the benefits of the service received by the citizen is to its fullest without any additional cost incurred.

In those sort of contemplation the State also, especially this Parliament have to look at the health and economic impact of the proposals that it brings into Parliament. If you look back into at a figure back in the days preceding, in the mid-1980s, water was made available for example, the City of Port Moresby under those sort of circumstances where the Waterboard operated on a breakeven basis. Water was more accessible and therefore the quality of life in Port Moresby was a lot better, you could see flower gardens and orchid gardens, every family made use of the affordable water that was provided to improve the quality of life.

30/07

As a result, Port Moresby, even though dry by nature was a garden city. It was beautiful and everybody had gardens and consequently there were less costs for the Department of Health.

The quality of life was a lot better, however, reforms came into the city of Port Moresby, NCDC, and Eda Ranu was brought in. Agreements were entered into and the supply of water was privatised and along with it came the profit motive. That drove the cost up to the ceiling to a point where you ended up thinking, and you would be forgiven for thinking that you were living in a country in the Middle East like in Yemen, Sudan or Ethiopia where water is very scarce. And yet, we are living in Papua New Guinea where there is a huge abundance of water. Water has become very expensive and so in the process the

cost to the society has been in the health of the city and we have not been able to rehabilitate it.

Therefore, this very Bill is taking us further and further into that problem. That is the way I see it because the Minister is making it very clear and I quote him, 'to supply water on a commercial basis.' So, he has a profit motive with the view of making a profit and declaring a dividend to the State.

However, the question for us before we pass this Bill is, are we here to tax our people to death or are there some services that we should be able to provide at a breakeven basis without operating it on a commercial basis. And giving the benefits to our people to improve and maintain their quality of life.

In the particular Bill I think that we are moving in the opposite direction. I would rather, Mr Acting Speaker, that we maintain this organisation as a statutory entity as it is, and not take it to and within the provisions of the *Companies Act*. This is because companies are for profit and dividends. So, the minute you start creating entities like that we as a government are moving further and further away from our people.

We are taxing them left, right and centre and then pile it up with GST, water, electricity and everything will become very expensive and the quality of life goes the other way. Then the State has to come back and repair the damage in the further cost in the maintenance of health.

So, it is about time and I think that, rather than approaching it in a piecemeal manner such as is the proposition here on the table right now. We should go back and ask the Minister for State Enterprises, with all due respect, that he should go and formulate a broader policy.

A policy on what services should be commercialised with the view for making a profit for the government, and what services should remain on a breakeven basis and the benefit of it passed onto our citizens. Therefore, respecting and delivering on our primary responsibility as a government of bringing affordable but quality service to our people to improve their quality of life.

One important thing to remember is that, if we are going to operate this enterprise that he is proposing on a commercial then one particular jurisdiction that you cannot avoid is the NCD Water Supply. For example, if this entity that he is creating is to be profitable then he must bring in NCD inside the entity. Without NCDC this company is set up for failure. Up to now, it has already failed. It has failed in Morobe, Daru, Kundiawa, Goroka and everywhere.

Changing it into a company is not going to create any miracle and make it perform. You transferring the same board chairman, his board members, the senior management and all the line employees into a new company. How is that going to change the delivery of service? It is still the same people, same operating culture and everything is the same.

I would rather ask or expect our learned Minister today to withdraw this Bill because if he introduces it I am not going to support and vote for it anyway. This is because this is going to be destructive to life in the city and everywhere in this country.

31/07

I would rather he go back to the drawing board and bring in a broader policy framework that helps us and that identifies which services should now become the subject of the commercial operation in which the state can participate. Because that's going to be a deviation from our primary role of providing goods and services to our people. And any deviation which is an exception to the general rule must have a specific and acceptable explanation. Until that is done, we should not take this sort of approach which is a peace meal approach, Mr Acting Speaker.

We need to see what the broader policy platform is. So that can also apply to, example the transport sector, Air Niugini, PNG Power, PNG Water and every other services which the Government is providing services must be identified and anything that is to be profit orientated must be firstly isolated together. And then you introduce a Bill for that industry sector and it will make sense to us.

But until you do that, we don't know how this is going to fit into the overall Government responsibilities of delivering goods and services to the people. So until that clarity is given, Mr Acting Speaker, I don't think this is the right way, we are going the wrong way, we are going to create major health issues for Port Moresby. You always have to look at Port Moresby because it is the only arid region which our capital city is and you got to look at that all the time because all the visitors come here. You got to look at means and ways of beautifying this city and making water more accessible and for the first time home owners which we want to help make their own houses in the peripheral in the smaller suburb.

I tell you, Mr Acting Speaker, present here as it is, their water bill is about one-third of their rent. Power bill is the other one-third. But the bank loan which they subjected themselves to takes up 60 percent of the loan so you can see its all negative hearing. They don't have any other income to supplement all those responsibilities.

We are talking about providing affordable homes which water is supplied, but we are pulling the rug from under the feet of this very people. You go to Tokarara, June Valley, Ensisi, every other suburbs, the price is like that, and it's already at the roof.

Now if you put in this profit motive as the Minister has just said, the price is expected to grow about, maybe another 20, 30, and 40 percent. That is going to add to another problem that the first time home buyers have. Even people who want to go into investment to start with small home investments like this in the suburb, they pay more to the Waterboard, and they pay more to PNG Power. They can't afford to take on in a small business in the first place because these costs add up, add up and you get nothing, Mr Acting Speaker, that's a serious problem.

We would like to as a Government enable people to own a home, start from a humble beginning, own a small house in Gerehu or Tokarara or some own a flat or something that is affordable, water is affordable, electricity is affordable, the loan and the loan interest rate is also affordable. All of these things need to be adjusted properly and the end product must be affordable for the citizens to take off and improve his quality of life. That is what we are here for as a Government.

We are now going the opposite direction, things are going to be more expensive, first time home owners, first time businessman, investors, all these young Papua New Guineans who are coming out of the institutions and going into the labour force are going to be denied the opportunity to have a fair start. That's the impact of this Bill.

Next we are going to deal with power, power is already very very expensive. It's one of the most expensive product in the Pacific region now and water is going the same way. So when are we going to create an environment that is conducive to young Papua New Guineans to make a start?

This Bill must be withdrawn. We must not go down the second and third reading. It must be withdrawn. Let's go back to the drawing board, thank you Mr Acting Speaker.

Mr DON POLYE (Kandep – Opposition Leader) – In addition to my colleague on this side, I just want to raise a very short point which I think the Minister and the Government should take note. This side of the House knows that the new *Water Supply and Sanitation Act* makes no provision for water supply for fire services or hydrants.

32/07

This side of the House knows that the *Water Supply and Sanitation Act* makes no provision for water supply for Fire Service or for fire hydrants. This incapacitates Fire Services responses to fire emergencies. It should be in the *Act*. Given the major losses to fire in urban centres this omission, we believe, is not a responsible way. We believe that the Fire Services and fire hydrants we see around must have free access to water provided under this Act.

We also believe, Mr Acting Speaker that the Fire Service was not included in the consultations when this particular Bill was drafted.

The present *NDC Water Supply and Sanitation Act* makes provisions for hydrants, water supply and fire incidences response training, even so, there has been considerable problems in hydrants' water supply and fire response.

This is especially so in the new roads in Lae and Port Moresby where hydrants have been submerged in the newly repaved roads and omitted from any consideration in the contracts. And we believe that that omission should be looked at because we need to have Fire Service and fire hydrants included as part of this Act where the Act does empower those services to be provided in times of emergency.

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

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

The Bill, requiring an absolute majority of 56 Members as required by the *Constitution*, Mr Acting Speaker ordered that the Bells be rung.

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

AYES – 55

NOES – 7

Motion so negatived.

RESCISSION OF RESOLUTION

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

That the Parliament rescind its resolution and the business be made an Order of the Day for a subsequent sitting.

ADJOURNMENT

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

That the Parliament do now adjourn.

The Parliament adjourned at 1.45 p.m.