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LEE SIROTE
Acting Principal Parliamentary Reporter

EIGHTH DAY

Friday 5 June 2015

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EIGHTH DAY

Friday 5 June, 2015

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

The being no quorum present, Mr Deputy Speaker stated that he would resume the Chair after the ringing of the bells.

Sitting suspended.

The Speaker (**Mr Theo Zurenuoc**), again took the Chair at 10 a.m., and invited the Member for Sohe, **Honourable Dellilah Gore** to say Prayers:

‘Oh mighty God in heaven, we want to give praise, glory and honour in your name for who you are and what you are.

This morning we have gathered representing our own people in this Chamber to make decision that will help bring blessings to your people.

Father, we ask you to lead our Speaker, the Prime Minister, the Leader of the Opposition and everyone who are present here today.

We bring ourselves to your merciful thrown as leaders and servants of your people and we ask you Lord, today to guide in all our deliberations.

Thank you God for the wonderful blessing for your son, Jesus Christ who came and died on the cross for us.

We thank you for your son, Jesus who came and lived a life for all mankind to follow. ‘Amen’.

QUESTIONS

Mr KEN FAIRWEATHER – My question is directed to the Minister for Foreign Affairs.

A prominent Madang businessman, Mr Peter Yama and his wife, doctor Yama –

Mr SPEAKER – Honourable Member, I must caution you that you should not be mentioning names in the Chamber.

Mr KEN FAIRWEATHER – A prominent Madang businessman and his wife have been banned from entering Australia.

I would like the Minister to find out why that is so and I would kindly ask him to explain to me in writing.

This is quiet injustice because the wife of the businessman is from my electorate and it concerns me as a leader.

Thank you.

Mr RIMBINK PATO – I thank the Member for Sumkar for the important question. I am not aware of the matter but, I would ask him to raise the matter with the High Commissioner of the Government involved and get a response from them.

However, I will certainly reply to him in writing concerning this particular matter.

02/08

I will provide a detailed response to him in relation to this particular matter he needs to know. So, I hope I've answered the question. There's no particular reason why those citizens should be banned from entering Australia. But, each particular situation must be looked at in relation to the circumstances giving rise to the decision that the relevant government or department would have made.

I will certainly check for the Member so that he can provide the answers to members of his constituency.

Mr LABI AMAIU – Thank you Mr Speaker for recognising the people of Moresby Northeast.

First of all I wish to congratulate the Member of Pomio and I welcome him to the House of Assembly –

Mr SPEAKER – Parliament.

Mr LABI AMAIU – I wish to direct my question to the Minister for Civil Aviation but in his absence I shall redirect it to the Minister for Lands.

As we all know, all the land on both sides of the airport are classified as aerodrome under the *Civil Aviation Act*.

NAC has carried out an eviction exercise which resulted in some of my electors, regardless of whether they be legal or illegal seeking shelter due to reasons known only to them.

I specifically wish to bring this question to you because the Department of Lands has started some minor exercise to support individuals and corporations to acquire land in my electorate.

Our government is going through an exercise to try and acknowledge their people, especially people who have settled here in the last 40 years to contribute to the development of this city.

My questions are:

I want to know if NEC has made a decision to evict private citizens residing at Six Mile, sharing common borders with businesses such as Airways and other institutions, including a construction company which has acquiring a huge portion of land.

It has now set up its quarry opposite the road leading in to ATS and just next to the airport where the airport perimeter is running through and set up its base camp. I want to know how it acquired that title. In regard to the portion of land I want to raise the following points:

(1) If the Department or Civil Aviation can support this business or corporation and allocate them such land, and assist them to settle in that land I think it would be appropriate also if they can allocate land to my people also so they can set up their livelihoods and businesses and it would be even better if they can give the land to my people so they can build their houses for their security.

(2) If I now go to Court, our people at ATS have about 17 portions of their land would be taken over by another business. I am currently in Court on other land such as Bushwara, and specifically business houses are entering into contracts with business house to acquire those land.

(3) Mr Speaker, can the Minister tell us, if his office can entertain and support those business houses and by giving them land at a time when our Prime Minister publicly supported

all the settlers in Port Moresby and throughout the country to find a way forward to give them acknowledgement and secure their land which they are occupying?

(4) And if our government is supporting these settlers then can the Minister explain and inform us how these corporations acquired those land when there are people settling on it and the department failed to give them the opportunity to acquire those land?

03/08

Mr BENNY ALLAN – I thank the Member for North-East for his serious of question. Mr Speaker, the first thing we need to understand is that the State owned land in the country is managed by Lands Department. It's not only in North East or in Port Moresby, but in the country over time, the Department and the authority in each towns or provinces like in NCD and Lands Department in terms of compliance. We are doing our job well in going out and creating awareness to the people that they should not settle on land which, is owned by the State.

When a person decides to go and settle on a State owned land that is illegal in the first place so this has occurred over time resulting in big settlements appearing in urban centres and the Department is having difficulty in evicting them. It is a big challenge for us and therefore I have encouraged the Department to create more awareness among the people before they end up squatting on State land.

They should find out from the Department whether the land is State owned or customary owned. If it is a customary owned then they can deal with the customary land owners, if it belongs to the State then they have to come through the normal process of applying to obtain the land. However, we already have this problem of squatter settlements which is rife in Port Moresby and Lae city.

I would also like to commend the Member for North East for his efforts in applying for land titles for the land at ATS Areas extending towards the nine mile cemetery area. We support his plans to turn that area into a suburb. And we would like to process his plan and award titles to the Member so that he can create sub-divisions in the portion he has applied for and move settlers from the ATS, Eight Mile and Wild Life to that area.

You will also have noticed that under the previous Minister, they made a big mistake in awarding the title of the land along the flight path at Jacksons Airport and Erima. You will notice that there are buildings along that flight path and this is wrong. That issue was raised by NEC

and this Government has addressed some of those mistakes made in the past .We have advised the developer to construct a runway along the property developed which can now be seen when you fly over. In the event that a plane encounters problems it will make an emergency landing using that route.

In the Department we have many issues similar to the one raised by the Member for North East. For the ATS case, the previous government also awarded the title to another person so that area at ATS was available because it was a vacant land and thus the developer obtained the land.

04/08

The development there is affecting some of our people but we must understand that, it is state land and we must respect that. Those of our people migrating into the city and want to settle in any piece of land must find out from the Lands Department, as to whether, the piece of land they wish to settle on is State or customary land.

Then, they have to follow set procedures to settle on the land depending on what type of land, it is they wish to settle on. We have completed some of our pilot projects and I want to thank the Governor for NCD for the pilot project on a settlement in Eight mile. We have subdivided an existing settlement want people to claim titles to the blocks they are residing on.

This is the approach taken by this Government and I also want to support the initiative stated by the Member for Moresby North East, who wants to move all the residents in there and create a new suburb. We will work on the sub-division, before we give you the title.

Mr MAI DOP – I direct my question to the Minister for Sports. With the Pacific Games commencing days away, Can the Minister assure all the people if all the facilities will be ready before the commencement of the Games; particularly the Rita Flynn Netball Courts and the Sir Hubert Murray Stadium and if these two venues are not complete what is the cause of the delay?

Mr JUSTIN TKCHENKO – I thank the Member for his question on whether the infrastructure for the Pacific Games will be ready before July 4. I would like to tell the Member that; yes, this country and this Government will be Games ready on July 4, 2015. For all our pacific athletes as well as our team to utilise the fantastic new facilities that the Government has

put its money, time and effort on for the benefit, not just for the Games but also for the lasting legacy of sports in our country, for years to come.

These facilities were visited yesterday by all the business communities and the people from the Chamber of Commerce, the media and different government departments. This was a grand tour organised to show the country that these facilities are ready. We have four weeks to go before we play host to over a thousand visitors converge on our shores and we are ready.

Mr Speaker, we are cleaning up and doing our final touches and making sure that other bits and pieces of rubbish are removed to ensure cleanliness and most of all ready for all athletes. The Pacific Games Organising Committee have taken over these facilities and they are now putting the appropriate infrastructure in place for all the different sporting codes that will be playing over the two weeks. The Rita Flynn netball Courts had a delay of over eight months due to the fact that the contractor started late because of the architectural design and other things not being ready on time. The Central Supply and Tenders Board delayed this process but the contractor has done very well to catch up as much as possible to ensure that the courts will be ready for training and some of the netball games during the two weeks of the game.

It was totally beyond our control to have the Rita Flynn Courts a hundred per cent complete but it will be Games ready to ensure that games and training can be held there. For the Sir Hubert Murray stadium, the southern stand will be finished in the next two or three weeks, the lights will be set up and the field is already looking green and will be ready to host the triathlon and some night games including soccer so they are working very hard to meet that four week deadline.

05/08

Initially, the Hubert Murray Stadium was not to be used for the Games because this is a Public Private Partnership between the Government and Curtain Brothers.

The first stage of construction will be ready for the Games and the second stage will be ready by early mid-next year where the whole completion of the project will be done and will become a real place for sports in Papua New Guinea.

So, all of you should be looking forward to 4th July, when we unit the nation through sports and welcome our Pacific neighbours.

Thank you.

Supplementary Question

Mr Wera Mori – On the same issues can the Minister also inform the country on the safety issues?

Some of the sitting arrangements which are constructed possess some concerns and I wonder if the Minister could share light on this, whether they will be safety inspections conducted before the Games?

Thank you.

Mr JUSTIN TKACHENKO – Thank you, Mr Speaker and I thank the Member for the question. Safety is our number one importance for our athletics and the spectators and the public.

Even though the Opposition Leader likes to criticize on the preparedness of the Games on every level and say the Games will not be safe is an absolute lie and mislead everybody. The fact is that these temporary stands and temporary spectator stands are well engineered and satisfied, they have an independent assessment –

Mr Don Polye – Point of Order! I did not ask him that question, the question was asked by the Member for Chuave so why is he mentioning my name?

Mr JUSTIN THACKHENKO – I am making a reference

Mr Don Polye – I was talking about the structures that needed to be satisfied by qualified architectural engineers and that is not a bad criticism, it is a good criticism you cannot have structures on scuffles.

Mr SPEAKER – Your Point of Order is in order.

Mr JUSTIN THACKENKO – Thank you, Mr Speaker I was just going for his front page article about the safety of the Games where he was misleading everybody.

The very important structures would not be put down if they were not satisfied by engineers and project managers. It is very important the safety comes first and this Government

and the Pacific Games Authority will not allow any structures that will be put up that are not safe for the public.

These structures that have been put up in the Sir John Guise Outdoor Stadium and other venues are put up all over the world, these have actually come in from overseas and are put up by international experts in these particular structures.

So, they are satisfied, they are safe and they will be used correctly for the people Games for the people to use and watch the fantastic Pacific Games coming up in the next three or four weeks.

Mr Speaker, I have asked the Opposition Leader and the Opposition Members to come many times and visit all these venues but, time and time again and they continue to ignore. If they came and saw it for themselves, then they will understand the safety precautions we are putting in place and the wonderful infrastructure that has been built.

So, basically at the end of the day, they do not want to come and see these infrastructures because we are doing things too well and they will make fools of themselves.

Thank you.

Mr MARK MAIPAKAI – Thank you, Mr Speaker. I raise my question to the Minister for Correctional Services, my question relates to the establishment of Correctional Services in the Gulf Province.

We are going to celebrate 40 years of Independence this year and Gulf and Central Provinces.

06/08

My question is in regards to the establishment of a correctional service facility in Gulf Province. We will be celebrating 40 years of independence this year but Gulf and Central provinces do not have correctional service facilities.

(1) Can the Minister confirm or deny that these are the only two provinces in PNG that do not have correctional service institutions?

(2) How soon can the Government make commitment to establish these facilities? I am raising these questions on the basis that my people living along the border have to buy K1000 for

an airline ticket to come here and visit a loved one in Bomana. The Bomana prison camp is congested with Gulf and Central province people.

Mr Speaker, if you want economic justification, I export 10 million round logs every year in US dollars. Kikori is the host of gas and oil pipe lines so what more economic justification do you want in order for your government to establish a correctional service institution.

Mr JIM SIMATAB – Thank you, Mr Speaker. The Member for Kikiori was not present in the Chamber yesterday and therefore, did not hear the response I made. There were similar concerns raised by the Governor of Simbu Province. I told Parliament that NEC has given approval so the Department is to secure funding to build a new lock-up. Therefore, we will be building a correctional service institution in Gulf Province as soon as funding is secured.

Mr Speaker, we will also be opening a new jail in Moreguina in the Abau District and will accommodate between 200 – 250 inmates. So for the time being, we will be referring the inmates who are from Central and Gulf provinces to Moreguina.

Mr Speaker, priority is given to establish a correctional service institution in Gulf Province but the question is how soon this can be done as we have to go through the system or the process which is currently causing a delay.

Supplementary Question

Mr ROBERT GAWIM – Thank you, Mr Speaker. Towards the end of last year I raised a question to the Minister regarding the lock-up at Mupurumanda in Wapenamanda. I think Enga Province is also one of the provinces that does not have a jail.

Mr Speaker, can the Minister inform us as to when the correctional service institution in Mupurumanda will be established?

Mr JIM SIMATAB – Thank you, Mr Speaker. The dialogue for the construction of the prison camp in Mupurumanda is already underway between the Office of the Enga Governor and the Minister for Foreign Affairs.

Honourable Member was not present when we had the discussion. A committee was established and we are in the process now.

07/08

I have discussed with the Minister for Foreign Affairs and the funds are available so as soon as a team is formed, Mukarmanda will be the first jail to be built this year.

Mr ROY BIYAMA – Thank you Mr Speaker, I want to direct my question to the Minister for Mining but, since he is not in I will redirect it to the Minister for Justice and Attorney General.

Our CMCA funds are locked-up in the Court rooms and we desperately need these funds to develop our infrastructures like Balimo Airport; a contractor has been engaged and it is almost two years now. The machineries are just sitting idle out there and this will add cost for waiting that long. And also to fly to Balimo by air is very expensive and it will cost K1800 one way. The provincial members normally travel by sea and it's very risking most times to attend meetings in Daru.

My question is:

When will these funds locked-up in the Court rooms be released to develop major infrastructures like Balimo Airport and other infrastructures at the provincial and district level?

Mr ANO PALA – Mr Speaker, I thank the Member for his question. These funds does not come under my Department but under the Department of Mining. So the best I can do is refer the question to the Minister for Mining.

Mr Roy Biyama – Point of Order! The funds are locked-up in the Court rooms as I speak today, and we have waited for two years now. The contractor has requested to submit their variations and will take it up with the Courts to access these funds. Why is the money locked up in the Court rooms, this project was signed by the Governor General and it is a State project.

Mr ANO PALA – I will have to find out why the funds are locked up in the court room and I will find out the reasons why the Court has locked them up. I will discuss this matter with the Minister for Mining and get back to you in due course.

Mr CAMILLUS DANGIMA – Thank you Mr Speaker, for recognising the people of Kerowagi.

I want to direct my question to the Minister for Civil Aviation. We thank this Government for road links around the country but we must also consider seriously about the airstrips around the country and develop and maintain them because most people live in remote areas they have access to main centres only by air.

I want the Civil Aviation Minister to inform this Parliament and the people in remote areas, if he has any plans and when these funds will be made available to develop the airstrips, because it was committed for in the National Budget last year?

08/08

Mr DAVIS STEVEN – Thank you, Mr Speaker, and I thank the Honourable Member for Kerowagi regarding airstrips, and his important question regarding funding.

Mr Speaker, the Parliament knows and on record this Government put in place the structures and the scheme by which to revive and maintain what used to be a failing system within our aviation sector.

Mr Speaker, it is true that the government had committed funding in the 2015 Budget. Unfortunately, that amount did not reflect what was requested in terms of the programmes that we had; not just to restore or maintain, but to upgrade the capacity of our people on the ground to manage those airstrips.

Mr Speaker, at the moment the Rural Airstrips Authority is functioning and Member of Parliament are aware, but if, not please, make it your business to contact me and my officers. We will then give you the contacts of the officers you are now running the Rural Airstrips Authority.

At the moment with the limited funds available we are looking at disseminating information in respect to minimum standards of maintenance and safety. Currently our focus is more or less on training to ensure that our people do not build new airstrips that do not meet the standards that we have prescribed.

Mr Speaker, I would like to take this opportunity to commend the work of CASA PNG who has worked together with the Rural Airstrips Authority and the Transport Department officers to come up with amendments to the Safety Regulations under the *Civil Aviation Act* that

will guide future airstrips. And also determining which of our existing rural airstrips meet the standards and ought to be revived.

The short question that the Honourable Member has put to me relates to what we are doing with the funds. The funds therefore are being expended as received by the latest report received from the Authority and about 40 rural airstrips are now receiving attention. We have on record about more than 200 airstrips that must be attended to. The funds that we have received which is also less than K3 million is not sufficient. However, the information and the support mechanism is in place and therefore, in the interest of those of us from rural electorates that depend on rural airstrips, the encouragement from my ministry is to seek professional assistance and use the DSIP Funds to do some of these work in the initial stages until we can resource the Authority sufficiently to help you do the work.

Thank you.

Supplementary Question

Mr SASINDRAN MUTHUVEL – Thank you, Mr Speaker.

Can the Minister also clarify if there is any form of subsidy for those private and church-run rural airline operators?

Mr Speaker, at this juncture, I acknowledge the services provided by those private and church-run rural airline operators for serving the rural community. I just want the Minister to clarify if there is any form of subsidy from the National Government that we could give to those small airline operators.

Mr DAVIS STEVENS – Thank you, Mr Speaker, and I thank the Honourable Governor for his continued interests in aviation matters.

The issue of subsidy is under consideration and there is a policy paper that is currently with the Department of Transport where we believe that the necessary framework will be finalised and approved in due course.

The work as begun and that is the assurance. On our part, Mr Speaker, we have in appreciation of the tireless and dedicated service of our partners, especially the third level aviation operators like MAF and other throughout the country.

09/08

Cabinet has approved an exemption that excludes them from paying levies or paying taxes that are imposed by National Airports Corporation, PNGASL and other aviation entities owned by the State. That is the first step.

Secondly, we are now looking at other areas of subsidy but in due course when all the Government agencies come together especially, in terms of agriculture and other government priority areas, then, these subsidies will come through.

Mr Speaker, the other important point to raise is that Cabinet has now approved a community service obligation policy which is guiding our thinking in terms of how as a Government work towards supporting the third level operators.

Mr Speaker, in the aviation sector we are talking about very complicated issues, the high standard issues and this is a sector that is highly technical. The ground rules are set for us by international conventions.

This is a subject matter that requires thorough and careful consideration. The assurance I can give from my Ministry is that we have started working towards understanding and appreciating the difficulties that third-level operators are giving especially, to those that are in rural areas.

Mr Speaker, as I was saying, the exemption that Cabinet approved which is now in force, is aimed at supporting those operators in rural areas that are primarily doing service for our people. I am talking about MAF, SIL, SDA Aviation, Good Samaritans and those in the Sepik and everywhere else.

This is the first step that indicates our commitment to the aviation sector

Ms JULIE SOSO – Mr Speaker, thank you for recognizing the people of Eastern Highlands. I direct my questions to the Works Minister but since he is not present in the Chamber I will ask the Honourable Prime Minister.

My questions are in regards to the Leaders' Summit that was held in Gateway Hotel in 2013, where provincial Governors submitted three impact projects each.

As Governor for Eastern Highlands I submitted the Goroka market project and I am thankful that through the PIP K10 million has already been allocated but subject to court clearance the market project can't start.

Mr Speaker, my concern is in regards to the K10 million that has already been paid for the Megabot – Ramu Road to link Eastern Highlands Province and Madang Province.

Mr Speaker, K10 million was appropriated and K5 million is already been paid into the Eastern Highlands Provincial Works Department and the other K5 million is in the National Works Department here in Port Moresby.

As we speak this funds have been taken but and I don't know where they are and this project will not be starting as scheduled.

(1) Can the Minister tell the people of Eastern Highlands Province and this Parliament where the K10 million for that publicly announced Megabot – Ramu Road is?

(2) Can he assure my people that that appropriation will be paid back to either the Provincial Works Department or the National Works Department to start this impact project?

Mr PETER O'NEILL – Mr Speaker, I thank the Madam Governor for Eastern Highlands for this very important question.

Let me inform the people of this nation that, that is a budgeted project and funds have already been allocated already.

I don't know why the Department of Works have taken that appropriation back and parked it somewhere but I will reassure the Madam Governor that I will certainly write to them after this Meeting and tell them to restore that money so that work can start on a budgeted project approved by this Parliament.

10/08

Supplementary Question

Mr SASINDRA MUTHUVEL – My supplementary question is about the two road projects which, were appropriated in the 2014 Budget and funding was made available in November but the funding was reverted back to the Consolidated Revenue. The two road projects are the Talasea Ring Road and the Kimbe-Kandrian Road. I thank the Prime Minister for the K2 million he presented for the Kimbe-Kandrian road during his visit to the Kandrian Electorate.

However, promise was given for the Talasea Ring Road and people have seen some mobilising work by the Department of Works but suddenly everything just stopped.

Can the Prime Minister give us assurance that the K10m million allocated for Talasea Ring Road be given so, that the Department of Works can complete their work?

Mr PETER O'NEILL – I thank the Governor for West New Britain for his supplementary question.

Mr Speaker, why many of these funds are being returned back is because of our budgeting system. For the last 40 years, our budgeting system is such that towards the end of the year the unspent money is returned back to the Consolidated Revenue supposed be reallocated again the following year but many times we all know that that does not happen. That is why our Government has adapted a multi-year budgeting strategy where we are trying to budget for a number of years where projects run over months and years particularly, road constructions around the country.

Mr Speaker, I will talk to the Department of Works and the Department of Treasury so that we can restore this funding and work can start again. We are committed to linking more roads throughout the country. No other government has ever invested so much money in roads throughout the country. No other Minister for Works has ever built a single road as far as we are concerned. We are building more roads than the history of this Parliament can remember. Let us give credit where it is due. We are doing all our best –

Sir Michael Somare – Point of Order! It is good to praise this Government but, but for over 3 years this Government has done nothing good. Most of the Members of Parliament are asking very good questions but, you people are lying to us and not giving us sound feedback. I know you are going to win in the elections but you are still lying to everyone.

Mr PETER O'NEILL – I am happy with the comments of our father but we are still fixing a lot of mistakes. We cannot fix 40 years of mistakes in just one day. I do appreciate his comments but I think common sense must prevail with all of us. Many a times we play a lot of politics and nothing is done in our country.

However, I can assure you that we are doing all we can to address these challenges. I want to assure the Member for Talasea and the Governor for West New Britain that we will ensure that the Talasea Ring Road funding is restored so that work can commence there.

Mr JOE KOIM KOMUN – I wish to direct my question to the Minister for Trade, Commerce and Industry.

(1) In the world news, the maggi noodles were removed from shelves in shops in India so I would like to ask the Minister whether our noodles in Papua New Guinea are safe or not?

(2) Do we have qualified people in the Department that can check on many things that are dumped in Papua New Guinea meet world standards or not?

11/08

Mr RICHARD MARU – Thank you Mr Speaker and thank you for the good question from the Member for Anglimp-South Waghi.

The issue of health standards of food is an issue that is supposed to be taken up by the Health Minister but at this stage, as far as I know, there is no reason for us to ban these food products from the shelves.

I will make a commitment to him in Parliament that I will check that, but I do not see any reason why we should not eat Maggi Noodles in Papua New Guinea.

If there is so, I know that the Minister for Health will take appropriate actions to stop the sale of Maggi Noodles in Papua New Guinea.

In terms of goods coming into the country we have NISIT which, alongside ICCC, check all the goods and give approval for entry into the country. We are in fact revamping that organisation. We are looking at new legislation to strengthen the work of that organisation.

We have people who are checking all the standards of manufacturing in the country, in fact, only last month they issued ISO certification to Niugini Tablebirds in Lae for their manufacturing. We are now going through all the industries and re-checking, especially our manufacturing sector in the country.

In fact, I am glad also to inform you that the Government has only recently allocated funding for them to have their own office and beef up their operations because we are becoming a stronger and stronger manufacturing country and international standards are very important.

We are now in the process of appointing a new board, including some international experts to sit on their board to make sure that we lift up the standards to levels where we can meet because we are now producing goods for the global market.

So we are really beefing up that organisation to make sure we have the capacity but I will check on Maggi Noodles specifically and get back to the Member.

GRIEVANCE DEBATE

Question proposed –

That grievances be noted.

Mr JOE SUNGI (Nuku) – Thank you, Mr Speaker.

Mr Speaker, I wish to contribute to Grievance Debate on our budgeting system. Having been a former provincial administrator I've experienced the issue of racing with time to spend money that comes very late against the Close of Accounts every year.

I think this is the opportunity for me, now that I am in Parliament, to raise this so that we can take note and the respective Ministers can work towards changing the time for the Budget to probably follow the Australian timing.

There are many, many reasons for that. Mr Speaker, in the short time that you were Education Minister you knew very well the hardships that our teachers were facing.

Teachers leave fares come at the end of the year but the requirements of submitting the claims and preparing the leave fares should start in August or even July so that we know the names of the teachers so that their leave fares can be prepared, drawn to the airlines so that their tickets can be prepared so that they can take their leaves on time.

Most of the DSIP money comes just a few days before the close of accounts or even after the close of accounts, so I suggest that we change the timing of our Budget because the money is paid towards the end of the year. Why are we operating in the full year without any money?

Since the money comes at the end of the year why can't we change the timing of the Budget to ensure it comes with the Australian Budget so we can have a Christmas holiday and we can start fresh with the money already there in the system.

A very good example is paying school fees or subsidies for our tertiary students. They have the admissions and enrolments for the tertiary institutions and colleges, their names are already finalised but when you come to the end of the year, there's no money there, the money comes late for the previous year.

So, I think in reality, Mr Speaker, most of the Members who are sponsoring tertiary students, in the districts and provinces are basically using last year's money to pay fees for next year.

12/08

So, in reality we are operating in unrealistic budgetary and financial system. We are not programming our schedule of work in line with the money so we must now change to be realistic. As responsible Members of Parliament let us make some good decisions right now as we are privileged to see the money coming in. I am privileged to be in this Parliament in this time where I am able to see money going down the province, districts and to the local level governments. If we can go one more step by being more practical can we just look at the reality of the system of our budget so that we can have money at the right and we can spend the money on time and we will not have time with the Public Service, I have been there myself before rush within two or three days to spend the money otherwise it goes back to consolidated revenue.

Mr Speaker, this is one of my contributions from the previous debate that seriously the Government right now will have the privilege to be in control right now, can we make some changes in the Budget system and change the timing so that we can program our work plans, activities in line with the budget system so that we have the money in place so that we can spend. During Christmas and New Year, teachers can have their funds available so that students can start school on time and everything flows as usual.

Mr Speaker I think Parliament has to make changes to ensure that we achieve our target otherwise our plan will be there but the budget will not follow the activities of the year.

Mr Speaker That is my contribution and I thank you for the opportunity to contribute as the first speaker during this Grievance Debate and I believe this is one big issue where all the

Members here know and have experienced. In the meeting today, the Member for Goroka raised similar sentiments on the realities of how money comes in very late when we are already trying to report on the achievements so that means we try to report on projects and plans that did not receive funding. How can such reports be provided when the money is not available. Most of you are aware of these situations but are quiet on it therefore I represent you all on this matter.

Mr ELIAS KAPAVORE (Pomio) – Mr Speaker, I would like to thank my people for electing me as their Leader.

Mr Speaker, let me firstly give praise and honour to God for giving me this opportunity to represent my people in this honourable House. It is such a feeling to be in this National Parliament representing my people of Pomio District especially, at such a time when Papua New Guinea is about to celebrate its 40 years anniversary in the independence. I am very positive that the time and season is right for more than 73 000 people of Pomio district to enter into a new chapter of development.

I believe my victory as the Member for Pomio is a record because I am the first Member of Parliament to represent the people from the mountains of Pomio district. For the past 40 years the elected representatives have been from the coast, but not this time.

Mr Speaker, I give sincere thanks to my campaign committee, I entered as an independent candidate but my team supported me and stood beside me and gave me the opportunity to come here. I also take this time to thank the Electoral Commission and the team for running a very successful election in Pomio District. I thank the Provincial Government, the Governor for the province and the administrator for allowing us to have a very good campaign and a peaceful election that has led to the successful completion of the election process.

13/08

Mr Speaker, I thank this Government for allowing the by-election writ returned on June 3rd instead of June 11 2015 as stated before the election as this is done in the best interest of the people of Pomio. Every single day, since the declaration are very important to me. I have believe, I have no time to waste because I have very limited time in the days ahead. I want to thank the Electoral Commissioner for allowing this to happen because Pomio District has been without a Member for the last two years.

And it is the largest district in terms of landmass, covering more than 11,000kmsq and it borders with Gazzelle, Kokopo in East New Britain and Kandrian Gloucester and Talasea Open in West New Britain province. Pomio district has been described as one of the least developed district in the country. And as the new Member, I do not wish to dwell on the past or discuss issues that have contributed towards the current state of the district but to work with the current Government and the Governor, other provincial leaders and other stakeholders who will stand with me and believe that Pomio district can and will change. I don't see a problem for Pomio district, I see opportunities available that will transform and propel Pomio into its new destiny.

Mr Speaker, considering the many challenges that we have in the district, I have after consulting with my committee made this decision to join the ruling People's National Congress Party of the Prime Minister. I told my people of Pomio district and the 16 candidates that contested the by-election, that the days of politics are over and we must work together to discuss issues for the best interest of the people.

And I am very confident that the Prime Minister with the PNC party and this coalition Government will support me in my capacity to support me in my capacity to improve our roads and provide much needed services to my people. My priority is to seek the National Government's support to make available funding for the South Coast road. The New Britain highway road from Butam in Silivit to the south coast of Baining, east Pomio and all existing roads.

I believe, this will connect Kimbe in West New Britain, we must take this option as many lives have been lost at sea in the past. Air Niugini and other companies are available on the ground to support us in this endeavour. I already have the scope of works done by the East New Britian Provincial Government, for NEC submission and this will be one of the major development that I will embark on as this will not only open up economic opportunities but will improve service delivery for the people of Pomio district and those bordering West New Britain as well.

For this reason, I will open up discussions with the east New Britain and West New Britain provincial governments to discuss the New Britain highway as one of our priority agendas.

Mr Speaker, one of the reasons for contesting the Pomio by-election is to represent the landowners with their outstanding benefits from their resources. And while we appreciate our

development partners, it is only right that, what belongs to the people must benefit the people. I will be having discussions with the investors to re-visit and review all existing agreements.

Mr Speaker, to conclude, I take this opportunity on behalf of the people of Pomio district to congratulate the Prime minister and the Government for the current infrastructure boom in the country. Especially the Kumul Fly-Over Bridge and the preparations towards the hosting of the Pacific Games.

I am very positive and passionate about the changes that are happening in the country. I also want to commend the Speaker, for bringing to our country the original King James Version of the Bible. With all the challenges that we have in Pomio district, I believe that we need the strength of God to lead and guide us.

Mr KELLY NARU (Morobe) – Thank you Mr Speaker, I rise to partake in this grievance debate essentially to talk about money which we are all passionate about, particularly in relation to PSIP, DSIP, and how we go about dealing with them.

14/08

I rise to particularly clarify an issue that arose from the Grievance Debate last Friday by the Honourable Member for Lae, who has essentially queried about the PSIP component for Lae, District.

Mr Speaker, this for the purpose of our understanding and appreciation of how the concept of this development budgets work. There is no doubt the Honourable Members will appreciate it, especially the Governors and their relationship with their honourable Open Members in terms of the functioning of the provincial improvement support program funds. These development grants that allocated to the budgetary processes for the provinces to basically administer the development requirements of the province as a whole and certain components of course represent each of the districts in the provinces.

So, for purposes of the Lae District component, the Honourable Member for Lae has accused me by saying she has not seen the K15 million for the last three consecutive years in her PSIP component pertaining to the Lae district in the development grants.

But, Mr Speaker, I want the Honourable Members to appreciate and understand how this concept works because in my respective view, her perception and appreciation of how these funds are spent, allocated and implemented is totally misconceived, with due respect.

These are funds that are allocated to the province and the Governors sit as chairmen to the JPBP committees who are then responsible for the allocation of those funds in terms of those priority areas of government according to government policy for different sectors of the development in health, education, infrastructure, law and order, economic empowerment and et cetera and that.

There is nothing in the guideline which say I have to give the Honourable Member of Lae K5 million each year, and I want to make that point clear. For that matter there is nothing to say that I have to give the same to the Member for Bulolo or any other members representing Morobe Province Open Electorate and so this point must be very clear.

The misunderstanding and the disconcert of the Member for Lae is that she thinks that the Governor of Morobe Province has a pool of money totalling to K45 million sitting with me which I have the discretion to dispose at will and she can come in and access it, that is wrong.

Mr Speaker, the problem starts with her as the Honourable Member does not attend any meetings where all the Honourable Members go to meet and decide on the allocation of the PSIP funds –

^ **Mr Richard Maru** – Point of Order! The Governor is implying that all Members of Parliament are expecting Governors to give us K5 million as additional funding.

15/08

In East Sepik, we go into the joint provincial and the Grand Chief tells us what project he wants, we allocate the funding and we look in the Budget project, not giving us a grants of K5 million maybe it works that way in Morobe Province.

Our problem is after the budget is passed with the specific projects -

Mr SPEAKER – Honourable Minister I will allow you to debate your views after the Governor.

Mr KELLY NARU – Thank you, I think I should also extend the opportunity to the education Minister and Member for Yangoru-Saussia. He seems to be in the dark about how the DSIP development grants operate.

Mr Speaker, the problem with the allocation of Lae District in terms of the K15 million to-date, with what the good Member for Lae is whining about is basically based on her own ignorance and appreciation of how the system works.

Secondly, if the good Member had cared to attend our meetings and put forward her project proposals and basically discuss that, and most importantly attend Tutumang, which is the important provincial assembly meeting that passes the provincial budget before it comes for approval by the Finance Minister, then she will have an understanding and appreciation of what she is talking about.

She does not attend Tutumang and now she is short circuiting her grievance to Parliament. Mr Speaker, with due respect, that is totally unacceptable.

Mr James Marape – Point of Order! Mr Speaker, I know it is grievance debate but he is bordering on a personal attack on a Honourable Member of Parliament. He must make reference to the Office or the issue at hand and not make personal reference.

Mr SPEAKER – Your Point of Order is in order. Governor, you need to observe the on Standing Orders.

Mr KELLY NARU – Thank you, Mr Speaker. The problem with the Open Members of Parliament is that, they never attend the Provincial Assembly meetings. That is why they are not aware of what has transpired during the assembly meetings and the passing of the provincial budgets as well. That is why I am setting the records straight here.

Mrs Loujaya Toni – Point of Order! The Governor reported in the media about the major road blocks and he does not have an attitude of working like other Governors.

Mr SPEAKER – This Parliament will not entertain your personal view.

Mrs LOUJAYA TONI – Exactly, don't entertain personal views and whatever.

Mr SPEAKER – It can be a debate on the Floor of Morobe Tutumang Assembly.

Mr PETER IPATAS (Enga) – Thank you, Mr Speaker. I just want to make a few observations on the general feeling and the way we appreciate development in this country.

Mr Speaker, I was elected into Parliament in 1997 and I just want to put on the records here that the people of this country, and this government for a change is bring positive things into this country.

I just want to say that sometimes, we need to all appreciate and work together.

16/08

The country is bigger than all of us individuals in this country. Sometimes we need to humble ourselves and put our people first by delivering the right services that they deserve.

Today is the last day of Parliament meeting and we are looking forward in watching the South Pacific Games.

Mr Speaker, I want to take this opportunity to thank the Ministers concern and the Prime Minister for their countless support and effort in this game.

For those new comers in this Parliament, you may have a reason to doubt the seriousness and the conviction by this Government. We agreed to host this game some years back but we never put the resources behind this game and if it was for this Government under the leadership the of Prime Minister, we would not have gone this far. From past experiences, if you as a leader don't take ownership of leadership in any one provinces or country as a whole then things won't happen.

Mr Speaker, we are fortunate as a country to have this Prime Minister, others may say that I am close to him but I have been in this Parliament long enough and have seen a lot of Government being formed and a lot of Prime Ministers elected in this Parliament to run this country.

And for this game, the Prime Minister has personally made it his business to make it happen. So, we as leaders and people of this country as a whole give credit to him. Because we as individual leaders sometimes find it hard to manage our own provinces and districts. And to

manage a nation is very hard. So when somebody is providing this sort of leadership, sometimes we all have to support, why I am saying this is because it's for the good of the country, we all must be proud of the leadership of the Prime Minister, the Minister for Sports and the other concern Ministers who have tirelessly made it to happen. Not only on South Pacific Games but a lot of things are happening in this country and we as leaders must be proud of. Yet sometimes we take things for granted; the funds that we see delivered to the provinces and districts were never done before, but now Ministers such as National Planning, Finance, Treasury and the Prime Minister himself taking ownership of trying to deliver funds all throughout, and it's really a change in the culture of service delivery unlike before where public servants were taking charge and services not normally delivered on time.

I just want to say that this Government is on track and we should all rally behind; I don't critics opposition or anybody. They have their role to play as an opposition to keep government on check but at the same time some of us in this Parliament for a long time –

Mr Don Polye – Point of Order! Everybody keeps on blaming opposition on this subject. We understand that Governor for Enga got some K200 million for his hospital. He should not be blaming opposition but debate on the subject matter.

17/08

Mr Speaker, we should be debating publicly for everybody to hear and not pointing fingers at the Opposition.

Mr SPEAKER – The Leader of Opposition is just making a point. Governor, you may continue.

(Members of the Opposition interjecting)

Mr SPEAKER – Order! Order!

Mr PETER IPATAS – Thank you, Mr Speaker. I did not quite –

(Deputy Opposition Leader interjecting)

Mr PETER IPATAS – Thank you, my two Honourable Leaders of the Opposition, I did not quite condemn you. All I am saying is that as responsible leaders of this country and if something good is happening for the country then we have to rally behind this kind of leadership. This is because you have to see yourselves as individual leaders. It is hard enough to provide leaders in the district level, provincial level, and the national level, it is immense work.

Therefore, if we are moving in the right direction, and all I am saying is that, let us stay focused so that our people can get services. That is the bottom line here.

(Opposition Leader interjecting)

Mr PETER IPATAS – Mr Speaker! Mr Speaker!

Mr SPEAKER – Yes, go ahead.

(Laughter in the Chamber)

Mr PETER IPATAS – I would like to remind the good Opposition Leader that every other province has a hospital, and for how many years you have been in Cabinet –

Mr Don Polye – Point of Order! This is supposed to be a grievance debate and can the Honourable learned Governor of so many years of experience address the subject rather than playing objectiveness here because he is too small.

(Laughter in the Chamber)

Mr SPEAKER – Honourable Leader, when you are expressing your grievances you are expressing anything. It is just that you have got to be careful of the kind of language that you are using on the Floor of Parliament. That is all, and if you have something in your heart then you

have to express it. Therefore, he is expressing his heart and that is why we have a grievance debate.

Mr PETER IPATAS – Thank you, Mr Speaker.

As we all know, Enga has been contributing to this nation since 1989 and some of us who have been representing the province in the highest level of government and in Cabinet have failed to deliver for my people. And this Government is trying to deliver something that you guys when you had the opportunity have failed to do.

Therefore, is it wrong for me?

Mr Don Polye – Point of Order! Mr Speaker, if you can see what is happening, he is implying that I was in Cabinet and never delivered. I delivered the Mt Hagen/Porgera Highway, Mendi/Tambul/Kandep Highway and other programmes as well. I have delivered to Enga.

Mr Speaker, what he is saying is a lie.

Mr SPEAKER – Governor, you may go ahead.

Mr PETER IPATAS – Mr Speaker, I think the Opposition Leader has taken up most of my time to speak but let me just say this as a final analysis.

This country needs us all to unite. This country is bigger than all of us and all I am asking is for us to all unite so that we provide the support when there is a good leader in charge of this country.

Thank you, Mr Speaker.

Mr SPEAKER – I will call on the Minister for Trade and Industry.

Mr RICHARD MARU (Yanggoru-Saussia-Minister for Trade and Industry) – Thank you, Mr Speaker.

My grievance is in relation to the release of PSIP Funding.

I do not know of our case in East Sepik because I am from another Party. The projects which have been approved by the joint provincial committee, which I always attend, I have noted that my district has not received funds for two years.

As a new Member of Parliament I am saddened to see that when it comes to our people and development we continue to run politics to prevent leaders from delivering projects in their districts when budgets have been appropriated. It is therefore locked down in law.

After 40 years and if that is the level of maturity that we have in terms of delivering services and being held back because of political differences, then that is really low.

18/08

Once projects are have been appropriated in the Budget regardless of what Political Parties we come from in the provinces, those funds should be released on time so we can deliver the projects.

Mr John Simon – Point of Order! Mr Speaker, all of us have the same dressing. He shouldn't put Party politics here.

Mr SPEAKER – That is noted.

Mr RICHARD MARU – I am not sure of all the Members of East Sepik but for my district with respect to the Grand Chief the funds have been appropriated and are allocated but are never released to us. Yet these projects continue to hold on.

Mr Speaker, out of respect for the Grand Chief I have kept very quiet but this is now the third year that we have been in Parliament and this issue is going to go to Court and it will become pretty messy.

As a first time Member of Parliament we don't seem to give credit to where it is due. We need to acknowledge Governments and leaders. In my own electorate my people are thankful and crying and saying that for 30 years we have not seen a road come through this way. I am grateful and thankful to be part of this Government. Finally after 30-40 years we are constructing and delivering the roads.

Mr Speaker, let's forget the gutter politics and start thinking maturely as leaders and accept that God almighty as placed us here for the sake of his people. We are instruments of change. I appeal to the Parliament not to let any other constraints be in the way of doing the right things.

Mr Don Polye – Mr Speaker, I am sick and tired of hearing this crap of no Government doing anything in the last 30-40 years.

I was a Minister in those two previous Governments. The Prime Minister sitting over there was once a Treasurer and Minister for Public Service Minister when we both contributed.

The road that the Minister is talking about the Yangoru–Sausia and the Sepik Highway was funded under the Somare Government. Stop this crap of saying nobody did anything for the last 30-40 years. Only this Government is doing this and that. Let us forget all these crap.

Mr SPEAKER – Honourable Members let me caution all of you to be mindful of what language you use on the Floor of Parliament because some words are unparliamentary.

So Leader of Opposition please withdraw that word.

Mr Don Polye – I withdraw the word crap. But if the truth can be told, it cannot attract what I just said. Anyway I withdraw the word 'crap'.

Mr RICHARD MARU – Mr Speaker, I am not talking about the East Sepik National Highway. I am talking about roads to the Sepik plains, up the mountains and if the Opposition Leader wants me to take him there then I am more than happy to take him. In fact he was there just last week in a road that we just finished constructing and they should have told him than.

Mr Speaker, my point in this Grievance Debate after 40 years as a nation is that lets' show a bit more maturity and fairness in the way we conduct ourselves and also the decorum on the Floor of Parliament.

Let us start acknowledging Governments and say thank you because many of us who come from the rural areas are for the first time seeing development that this country has missed for a very long time and I am extremely grateful.

I thank the Prime Minister and this Government and even to the Opposition who are doing their job and I appreciate that.

In the case of my district we don't get budgeted PSIP Funds going back three solid years when those funds have been remitted to the province. Something is very wrong here.

It is not for us to go to the media and complain or come to the Floor of This Parliament but I have been forced to now come out and say that some of our projects in the PSIP which, have been funded for three years even though the funds have been appropriated.

Mr Speaker, I speak for the many silent Members of East Sepik who are sitting in this Parliament who don't want to raise their voices. The time has come and we have to deal with it because we cannot go on like this.

Mr Speaker, regardless of which side of which side of politics we sit on.

19/08

My appeal to all Members of Parliament is to be all mature and work together for the good of our people regardless of which side of Parliament we are on.

Motion – That the grievances be noted – 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 order (a) Lukautim Bill 2015, (b) Lae City Authority Bill and the Consequential District Development Authority Amendment Bill, 2015, (c) Notice Nos. 245, 246, 247, 248, 249, 250, 251, 252 and 253 of Government Business being called on forthwith.

LUKAUTIM PIKININI BILL 2015

First Reading

Bill presented by **Mrs Dellilah Gore** and read a first time.

Second Reading

Leave granted to move the second reading forthwith.

Mrs DELLILAH GORE (Sohe – Minister for Religion, Youth and Community Development) – I move –

That the Bill be now read as second time.

Mr Speaker, I present to this Honourable House the proposed *Lukautim Pikinini Act* which was endorsed by the Cabinet on the 27th May, 2015.

Mr Speaker, issues affecting our children is a growing concern in our country today and seeing the increasing number of children on the streets is a call for concern not only for relevant authorities but also for parents, schools, churches, our community, citizens and the country as a whole.

The main focus of the proposed Bill is to ensure our children are protected and have access to their rights, it emphasis parental responsibility and duty to maintain a child. The

proposal Bills hold parents accountable because many parents are failing to discharge parental duties and expecting others to take care of their responsibility.

Mr Speaker the Bill highlights the importance of all children having the right to be protected of all forms of abuse, neglect and maltreatment. All children have the right to equal opportunities and access to education.

Mr Speaker, the Bill emphasis that in all actions and decisions made under the Act concerning a particular child, the best interest of the child must be paramount consideration, where any conflict arise with the interest of the child and another person the interest of the child are paramount.

Mr Speaker, the Bill also describes the preferred environment for the care and upbringing of the child which is his own family and the responsibility for the care and protection of children rest primarily with their parents.

20/08

In deciding what action is necessary to protect a child from harm, the course to be followed must be the least intrusive intervention in the life of a child and his family that is consistent with the paramount concerns to protect the child from harm. Interventions should be aimed at remedying the harmful situations and providing a plan to return the child to his family unless to do so is contrary to the child's best interest.

Mr Speaker, if a child is temporarily or permanently deprived of his family environment or cannot be allowed to remain in the environment in his own best interest the child is entitled to special protection and assistance from the Office for Child and Family Services.

Where it is necessary to remove a child in need of protection from his family alternative care for the child within his own family or community and the child's name, identity, language, cultural and religious type should, as far as possible, be preserved.

And, Mr Speaker, if a child is placed in the care of the Office for Child and Family Services or other appointed out-of-home care organisations, the child is entitled to maintaining close relationships with people significant to the child, including parents, siblings, extended family, peers, family friends and community unless it is contrary to his best interest.

Mr Speaker, only in exceptional cases, after investigation and a child is found to be orphaned and homeless and can't be placed with a relative then the courts declare the child a ward of the State.

One of our biggest challenges is placement of children. It is easy to pick a child who needs immediate protection but if we can't place them with relatives then it's a cause for concern.

Mr Speaker, this is where out-of-home care centres have been identified as a major service provider under this Proposed Bill where we can place not only our homeless children, but children who have been abused and need immediate protection.

Mr Speaker, there are a number of out-of-home care centres such as City Mission, House Ruth, Moale House, Life Care, Street Ministry, just to name a few, who have been taking in some of our homeless children or abused children with or without government support.

The reviewed law has taken note of the out-of-home care centres and calls for a service agreement to be signed with government so we are able to place our homeless children in these homes where they are loved and cared for and are able to go to school. We must give grants to these out-of-home care centres.

Mr Speaker, we are also mindful of mushroom organisations growing overnight just to qualify for the grants. The reviewed law also calls for licencing and inspection of out of home care centres.

The propose bill calls for a National Child and Family Services Council made up of a number of important partners including Department of Community Development, Department of Health, Department of Justice and Attorney-General, peace magistrates, Public Solicitor, Police, Education, Treasury, Council of Churches, National Council of Women, Licenced out of home care rep and licenced early childhood care and development centres rep.

The bill also calls outlines the powers of the council, one of which is to monitor and enforce this Act. The bill is also calling for provinces to have their provincial child and family services council and districts to have a child and family services committee. These powers and functions are clearly outlines in the proposed bill.

Mr Speaker, children must be everybody's business, protection of our children must be everybody's responsibility. This proposed bill is a big step forward in protecting our children.

Mr Speaker, I now commend the bill to the Parliament.

21/08

Dr ALLAN MARAT (Rabaul) – Thank you Mr Speaker, I believe all of us on the Floor of this Parliament ought to especially, thank the Minister for bringing forward this very important piece of legislation.

Many of our law and order issues in this country are committed by young people who have come from broken families. It goes back to the parents, many of us have children and that includes us Members of Parliament and whether we have disciplined our children well is something that we turn to hide and conceal. We do not see it, we parents, have the primary responsibility as to how the child is to grow and the type of person the child will become in the future rests on us parents.

Mr Speaker, I have always believed that as the child grows, he picks up from the environment around him the changes that bring about that impact on his life and unless proper guidance is given especially, by fathers or mothers the child is going to grow up to be a hard case to handle.

Mr Speaker, if we have problems with law and order issues being committed by young people and if we are to train the behaviour of our young people, of our children I believe we parents must think first. If a child has grown up to be a drunkard and the father is also a drunkard, the father cannot tell the child to stop drinking, the child will never accept that. If my father is drinking and he tells me to stop drinking, that is not fair. It is difficult for us to control what the mind of the child is thinking.

Our children change as they grow up and they become too physical to handle therefore we parents must change first before the children. We must not expect the child to change before us. We parents sometimes lie and I think we ought to be prepared to receive much of the blame for the way our young people are behaving now.

We must not blame the Government for not performing its duty. The Government can only do so much because these children at the end of the day return home to their parent and stay with them. Unless we parents change our attitudes towards our children; we must change first. Many of us Members of Parliament are liars, we are trouble makers in our homes, we need to set good examples in the homes before we can expect our young people to change otherwise, we will be talk too much in this Parliament yet we are the most guilty to be blamed for all the situations facing our young people.

I want to express my support for the Ministers tabling of this Bill and we the Opposition are glad about it and I believe that it will improve the livelihood of our young people from today henceforth.

Thank you, Mr Speaker.

22/08

Mr GARRY JUFFA (Northern) – I support the bill and believe it is timely. I just have a few comments in regards to the bill so that it can be added on to, so that it could be more relevant or more powerful piece of legislation as we are all concerned about our children.

Today's child is a child that is exposed to too much because of globalisation, the environment around them imposes a lot of danger; danger in the form of the products that are entering the country, exposure through media, intranet and mobile phones. Parents are also very much distracted today and they are unable to focus their attention as much as they used to on the development of their children.

As a result we see the problems as described by the Member for Rabaul. One such matter of concern that I have experienced when I was working for Customs in the investigations and intelligence section was the development of the Child Sex Tourism Industry that is sweeping developing nations.

Children of developing nations are exposed to people who are involved in this industry. Just recently, there was news about child sex tourism ring operating in Manila. Where expatriates operate such an industry and exploit children, some as young as one year old. Capturing these children through the media and selling them via the internet.

It is sad to inform you all and the people of Papua New Guinea that this industry is also thriving in our country. Just because we do not hear of it or see it does not mean that it does not exist. Our children, especially in the settlements and in villages are exposed to this. Many of them are being procured for this industry. Where other nations are developing stronger laws, members of this industry will target those nations where laws do not exist.

In my brief review of this piece of legislation, I did not see anything in there that addressed that. We have to stand firm and put in place laws and precautionary reactions that can deter these. An organisation such as the relevant Ministry has to have the means and the

capacity. The officers must be trained and must have the resources to be able to monitor what is happening so that they can effectively protect our children.

I would propose that we look at reviewing this Act; that we consult law enforcement agencies here and abroad, and put in place legislations to protect our children from this industry. I assure you it is already entrenched in our society; where you may not realise this but they are procuring children here in our settlements here in Port Moresby and Lae for these activities.

They are having their parties and abusing these children. Just ask the relevant authorities who are investigating these matters and they will give you those information. I would just like to say they we have a duty to protect our children from harmful food and other products that they are exposed to. If you go throughout the country, you will find that our children are accessing betel nuts, cigarettes and a whole heap of unhealthy foods outside their school boundary.

There has to be effort made through an education program to prevent these from happening so that our children are not exposed to this type of situations. We need to start thinking about establishing institutions for children who are abandoned, orphaned and who have no parents and those that do not have the care of society, and their immediate family, clan or tribes. This used to exist but as we move forward and the country develops these situations become relevant.

We need to fund those organisations and we need to ensure that they are able to adequately take care of children who are abandon and who will grow up to become useful members of society or if we don't look after them we will create problems for our societies. These are some of the contributions I wish to make.

Thank you, Mr Speaker.

23/08

Mr SPEAKER – Honourable Members, I will have to interrupt debate and call on the Leader of Government Business to move a motion to extend our time past 1: 00 p.m

MOTION BY LEAVE

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

Leave granted.

SUSPENSION OF STANDING ORDERS – ALTERATION OF HOURS OF SITTING

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

That so much of the *Standing Orders* be suspended as would prevent Parliament from sitting beyond 1.00 p.m. today and Parliament adjourning on a motion to be moved by the Leader of the Government Business at any time.

Mr JOSEPH LELANG (Kandrian-Gloucester) – Thank you, Mr Speaker, I want to make a contribution to the important legislation draft bill that is now before us.

Mr Speaker, I am happy to say that constitutional, law reform and legislative form commission has assisted the Department in this very important Bill. The Bill now before corrects a number of defects that is currently in the *Lukautim Pikinini Act* also improves the administration for the welfare of our children throughout Papua New Guinea and the Bill also complies with International best practises as well.

Mr Speaker, the new *Act* will also provide better mechanisms to protect our children and streamline the legal processes for issues dealing with the right respect, protection and the dignity of our children in the way we behave as parents towards them and also in the way we treat them.

So, Mr Speaker, I support this Bill and I look forward to all of us lending our support also to having this very important Bill approved in this Parliament.

Thank you.

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

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

Bill read a second time.

Third Reading

Leave granted to move a third reading forthwith.

Motion (by **Mrs Dellilah Gore**) 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.

24/08

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

The Parliament voted (the Speaker, **Mr Theodore Zurenuoc** in the Chair) –

AYES – 73

NOES – 0

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

Bill read a third time.

LAE CITY AUTHORITY BILL 2015

First Reading

Bill presented by **Mr Peter O'Neill** and read a first time.

25/08

Second Reading

Mr PETER O'NEILL (Ialibu-Pangia – Prime Minister) – I move –

That the Bill be now read a second time.

Mr Speaker, I am pleased to present the Lae City Authority Bill 2015, to this Parliament.

It is a very important Bill and we all agreed that Lae Urban City has been growing and the Local Municipal Management Authority has been unable to perform its responsibility in delivering basic services to our citizens living and working in the city.

Lae city is growing and serves as a manufacturing centre for our country and we all have been to Lae. And it has been dismayed by the state of roads, garbage piling up on the streets with overgrown parklands for many years and that is changing.

Lae used to be a very beautiful city with clean streets, good lighting and very beautiful parks and recreational area for everyone to enjoy before.

Mr Speaker, our National Government has already made very significant investments in Lae; the city roads are now going under major rehabilitation and the construction phase has been finished and we can see the city changing before our eyes.

Mr Speaker, many of the roads have now been completed except the road that is now being built is the widening of Lae to Nadzab road to accommodate four lanes; the first phase has been completed. The Lae Port has been extended and has been completed, which also extends the business capacity of our city as well.

Mr Speaker, I am concerned that these investments will be lost if we continue to neglect and poorly maintain those assets if the situation is allowed to continue under the level of management that we are providing today.

That is why it is important that we create an Authority that will take ownership of delivering and management of the municipal services in a greater Lae areas. This Authority is not replacing the Local-level Government Councils, the Lae Urban Local-level Government Councils and Ahi Local-level Government Councils. They are the third level of Government and they will continue to operate and receive the Government funding. They will continue to be the overall coordination, planning and budgeting of the city and its councils and they will impose taxes and collect taxes and pass laws that will manage the city.

We are creating a service entity that will administer the municipal services which will include of course; cleaning the street, collection of garbage, maintaining the building standards, the services such as water, power in the city into future.

These are very important functions and therefore we want them to be managed properly by an independent Chief Executive who will be appointed according to *Regulatory Statutory Appointments Act*; who will be responsible for managing the entire staff of the Lae City Authority.

26/08

Mr Speaker, in accordance with our desire to look after the cities that are growing, particularly Port Moresby, Lae, Kokopo and Mt Hagen, which have been targeted for industries like agriculture, tourism and industrial centres, Mr Speaker, it is important that we have an authority and organisation that is going to manage those services.

Mr Speaker, the Government will continue to provide grants to this authority in its annual Budget and we will require that the grants that we allocated are managed properly for the good of our citizens and our cities.

Mr Speaker, once again, Lae City has seen changes with its roads and power supply being upgraded, repaired and improved.

Mr Speaker, roads to the airport are currently under construction.

Mr Speaker, Nadzab Airport is undergoing redesign for an extension for a new terminal. With that, I would like to thank our development partners from Japan you have made an allocation of close to K400 million for this work to commence, and we are working closely with them to make sure that this eventuates.

Mr Speaker, Wafi-Gopu is now entering its development stage and we are working closely with a developer to make sure that this project comes to life. And we are working very closely with investors for the Ramu Basin for agricultural developments into the future.

Mr Speaker, these are national, significant and important projects that will underpin the economic growth of our country that is why we need to manage that growth and that growth will attract many of our citizens who will also go and live in Lae.

Mr Speaker, I estimate that in five to 10 years' time, Lae City will have more population than Port Moresby City. If we do not take any action now then we will never be able to manage the challenges that are before us.

Mr Speaker, I commend this Bill to Parliament.

Mr SAM BASIL (Wau-Bulolo) – My people from Bulolo and I will be affected in terms of getting services out of Lae City. I would like to make it clear that from now on and into the future any government that comes into play has the responsibility to give service to Lae City in building it up to make sure that it remains an industrial hub, and also provide services to other districts and provinces in Papua New Guinea.

Mr Speaker, firstly, I would like to thank the Government for introducing the Bill for the administration and management of Lae City as an industrial and metropolitan community for the country. With that, I would like to remind us that we must talk about unity and development of the country and be also concerned about the cultural diversity that binds this country together.

Mr Speaker, the underlining factor is the land and ethnic groups. Clans and tribes are united in order to be protected because it is their lives that we are affecting. A piece of land sustains a cultural group with food, housing, safety and freedom to conduct their business within their boundaries.

Mr Speaker, the Lae City boundaries are shared between three different Open Electorates. The first is the Lae City Open Electorate that comprises of the Seaport, provincial headquarters, industrial areas, the Ahi and Butibam people. Then we have the Nawae Electorate that comprises of the Lae University of Technology, Igam Barracks, Telikom College and the Ex-Servicemen resettlement blocks of Situm and surrounding areas. It also has the Ahi people of Kamkumu.

Mr Speaker, the Lae City area also contains part of Huon Gulf, which comprises of people living in Buimo, Taraka, the Miles area as well as the local people of Yalu and Wampar community that straddles both the urban and rural boundaries.

Mr Speaker, when the Government proposed the Lae City Commission concept last year the people that comprised of Lae, Nawae and Huon Gulf Electorates were concerned. Also, the rural people of Huon Gulf and Nawae, and the other electorates of Morobe Province were also concerned with what was going to happen to their administrative headquarters. They also access many facilities like the Angau Memorial Hospital, Huon Gulf and Nawae District Offices, secondary school, bus stops, commerce and DPI Offices.

Mr Speaker, the people do not want to be restricted to the Tutuman area like the people of Central who operate in a 3-hectare area and call it their provincial headquarters in Konedobu.

Mr Speaker, the people of Morobe do not want the people of Ahi, Wampar and Nawae to operate from a sports stadium like the Motu-Koitabu Council while the rest of PNG operates at the NCD City Hall.

27/08

The indigenous people of Morobe do not want a Commission that will cover their customary land and use its Physical Planning and Building Board Laws to deprive their traditional livelihood.

Mr Speaker, how can we have a municipal authority making rules and laws for people of Yalu, Kamkumung, Labu or other ethnic groups along the Adgera Range in Markham who have subsistent farms, gardens and rely on wood for traditional houses?

Mr Speaker, are we trying to build a zoo around the indigenous people of Morobe and attract tourist to see their traditional way of life? What is the guarantee that traditional land and other State land are given away to non-citizens?

Mr Speaker, I am asking the Prime Minister and his Government on how sure they are to protect our land? The State lease has been stolen by politicians and their public servants and sold to many dubious Papua New Guineans and foreigners and I can recall during this week long Parliament Meeting, there were some heated arguments about land.

Mr Speaker, as I mentioned land is the source and strength of our people. When the Minister cannot guarantee, the Land Board and his Department crooks so we cannot allow municipal authority to have control over our customary land.

Mr SPEAKER – Honourable Deputy Leader of the Opposition be mindful of the language and terms that you are using.

Mr SAM BASIL – Mr Speaker, I apologise and withdraw the word ‘*crooks*’.

The Tutumang is concerned about services such as Angau Hospital, Revenue Generation and distribution and relations between the Open Electorates of Nawae, Lae and Huon Gulf and the greater areas of Morobe Province.

Mr Speaker, as Member for Bulolo I would also support a proper municipal Authority for Lae city but with reservations.

There are issues that conflict with Morobe Provincial Government, land ownership, election to the Local Level Government in the electorate of Huon Gulf and Nawae.

What happens to the Lae City Council when it can use the *Organic Law* or other laws to improve revenue generation, municipal activities et cetera and general issues that require incorporation into a bigger plan and policy development?

Mr Speaker, the boundaries relating to the bigger planning area is accepted as a growth and the expansion of the City must be foreseeable.

The current boundaries should be expanded and that proposed from Situm, to Bumayong, Igam, Uni-Tech, West Taraka to Adjera Range to Erap and down Erap River to Markaham and the sea is agreed upon. This boundary captures the Nadzab Airport as well as vast land to fit the growing population.

Mr Speaker, the biggest issue would be to control the land development so that the indigenous villages are forced to become landless urban settlers.

There must be specific provisions in the proposed legislation to ensure the establishment of a Lae Land Board with its development control that will ensure that no land should be urbanized beyond the needs of the indigenous and that any land allocations should be through leases and not outright purchase and ownership.

Mr Speaker, an Act providing for the Lae City Commission should make reference to the Constitution Organic Law on Provincial Government and the Local Level Government and the City Act.

It should provide for Lae City Commission and also cater for the abolishing of the Lae City Council and also include a system of Local Level Government.

The Municipal Authority must comprise;

- (1) Existing Lae City Council Ward areas,
- (2) Parts of Huon Gulf and Nawaia District Wards in the new boundaries.

As we have democratic principles and apart from appointed Members of Commissioners all Councillors must be elected.

Mr Speaker, when we have an Authority that covers three electorates, do we create elected LLG within the boundaries so that all wards of current Lae Open Electorates form its own LLG followed by those part of Huon Gulf and Nawaia also having their own LLG that reports to their own districts but also have functions to deal with municipal authority?

28/08

Mr Speaker, with government focus on service delivery, it is proposed that the system of government should comprise: (1) Municipal authority is part of Morobe Provincial Government but with specific functions to deal with municipal services within the proposed LLC boundaries; (2) Lae City Authority should comprise the elected MP for Lae, Huon Gulf and Nawaia; (3) Lae City Authority should have the proposed LLG presidents from the affected open electorates being the LLG for Nawaia, Huon Gulf and Lae City including the Ahi LLG; and (4) Ex-officio members representing sectoral interest.

Mr Speaker, based on the system of government the membership of Lae City Authority should comprise: (1) The Open MP for Lae, Nawaia and Huon Gulf; (2) The Governor of Morobe or his nominee; (3) Head of LLG affected by and created through the redistribution of part of Nawaia, Huon Gulf, Lae Open which would be the head of the Lae Urban LLG, Ahi LLG, Wampar LLG and the LLG from Nawaia; (4) Churches representatives who must be residents within the boundaries and; (5) Chambers of Commerce and Industry nominee; (6) Women's representatives; (7) Youth representatives; (8) Employers representatives; (9) two representatives

of Ahi and Wampar villages; (10) Farmer's representative who produce for the urban population; and (11) Settlement representative because Lae is full of settlements.

Mr Speaker, the above proposal is by virtue of appointment, however, based on the democratic principles elections should be conducted for nominee or representatives where people of the proposed city boundaries will directly elect church, women, youth, farmers, employees, indigenous villages, settlements and so on. They will nominate for the seats and they will be elected in the sector by the total population.

Mr Speaker, also based on democratic principles, the chairman shall be one of the three Open MP elected by the commission. The deputy chairman shall be from the other to be elected by the commission.

The chairman and the deputy chairman shall oversight functions and no direct powers to control the staff. They should also be named or known as lord mayor or deputy lord mayor of the city.

Mr Speaker, apart from the three MPs, all others must have resided continuously for five years and intermittently for 10 years. The president of Wampar, Ahi, Lae Urban LLG and Nawae LLG, farmer's nominee, Ahi and Wampar village's representatives should be elected by persons whose parent are indigenous to the LLG areas.

The Electoral Commission should conduct elections and shall apply a similar regulation such as the *NCDC Act* Elections to the LLG regulations that specify who is eligible to contest for elections and to vote in the Motu-Koitabu Assembly Elections. In any vacancy, due processes of elections or appointment of chairman and deputy as stipulated is maintained where the chairman will be another Open MP.

Mr Speaker, this should be from the Organic Law on Provincial and Local-level Government and for municipal services should be extracted from the *Physical Planning Act*, *Building Act*, *Cemeteries Act*, *Animal Act*, *Lands Act*, *Land Registration Act*, *Liquor Licensing Act*, *Trading Act*, *Informal Sector Control Act*, *Land Transport Act* etcetera.

Mr Speaker, there must be special provisions in the *Lae City Commission Act* that ensures that any rural land that remains so should not be sold, transferred or purchased without the approval of the Lae Land Development and Control Board. Land, for example, at Nadzab, Erap, at the back of UniTech and Igam are needed to remain rural and be farming land to feed the

population. We must also ensure that the Ahi or the Wampar LLG are not crowded and become landless urban settlements.

Mr Speaker, any land that is acquired or owned by the State remains so and any customary land must not be sold outright. Any purchase must be outlawed and should be leased to a Morobe only or any persons or business can sub-lease it or jointly develop it with the customary owner lease or sub-lease.

29/08

Mr Speaker, the Authority must establish boards or committees, to address the problems and issues that confront Lae City. These are the Physical Planning Board, Building Board, Liquor Licencing Board, Trading Board, Lands Board and Lands Development and Control Board.

Mr Speaker, the Chief Executive Officer of Lae City Administration who shall be responsible for the day to day operations and appointments and terminations under the *RSA Act* and his entitlements governed by the *Public Services (Management) Act* and the *Salaries and Conditions Monitoring Committee Act*. All other staff should be employed under the *Public Services (Management) Act* and the *Salaries and Conditions Monitoring Committee Act* and their employment, disciplinary processes and other provisions should be covered by the General Orders.

Mr Speaker, the authority is governed by the *Public Finance (Management) Act* and its receipts should be through taxation, charges/rates, fees and fines as per the *Organic Law on Provincial and Local Level Government* and the *Lae City Council Act*, the enabling legislation. Proceeds from investments and other monies as per other legislation.

The *PSMA* and *PFMA Audit Act* applies the normal time requirement to submit financial and annual statement to the minister to present in Parliament applies.

Mr Speaker, the proposed Lae City and its boundaries creation will have implications and these must be resolved amicably through consultations between the Morobe Tutumang under the leadership of our honourable Governor Kasiga Kelly Naru, the affected MPs and the districts of Huon Gulf, Lae and Nawae.

This also affects the greater PNG because Lae is the gateway to the highlands, who also claim Lae to be their business headquarters. They are interested in what happens just like the

people as much as when the people of Central Provincial lost NCD and this divided the Motu-Koita people who are in Port Moresby and Central Province.

Mr Speaker, Lae City's, proposed boundaries will overlap into Huon Gulf and Nawae affecting the people in rural the LLG and their roles and functions.

These includes providing urban services and town rents. They may be required to perform special functions such as Wampar with the development of Nadzab Airport and business developments in their areas. What will be the role of the district administrator of Lae, Huon Gulf, Nawae and their JDP&BPC and public service?

The establishment of the district administration also conflicts with the operation of Lae City Commission on the roles and responsibilities as it has its own health, education, lands, commerce divisions that must work with or outside of the LCC.

Also, the Lae City Commission must provide revenue sharing with the other LLGs within the greater Lae authority therefore the legislation must be encompassing.

Mr Speaker, the *NCDC Act* covers a boundary that has been provided under the Constitution and the organic law on boundaries. The Morobe Tutumang may have overriding powers as it is a creature of the Organic Law on Provincial and Local Level Governments. They can even enact parallel laws if they are not happy with the operations of the Lae City Authority.

Finally, Mr Speaker, with the establishment of Lae City Commission, what would happen to the Seat of Morobe Provincial Electorate?

The rural people from other districts must have full access to the services in the new Lae area. They should not be seen as outsiders and must be involved from the start.

Mr Speaker, if the concerns raised in this debate are not incorporated or the Tutumang's position is not incorporated, as Member for Bulolo, and as I understand it, the last Tutumang has its position on the matter, and I believe that the Prime Minister in his wisdom decided to push it through to use the numbers to pass it, I would like to ask my Opposition colleagues to support the Governor of Morobe and not vote for this bill until all proper avenues are exhausted in terms of consulting the people of Morobe, the Tutumang and the Office of the Governor.

Mr KELLY NARU (Morobe) – Thank you Mr Speaker for giving me the opportunity and I wish to join the debate on this important legislation introduced by the honourable Prime Minister.

30/08

In his own words, the Prime Minister has said that this is an important Bill and I agree that it is an important Bill.

I commend the Prime Minister for the development initiatives that are taking place in Lae and I also commend him for his foresight in trying to appreciate the need for improvement in municipal services delivery in Lae city for the benefit of the residents and taxpayers of Lae city Morobe Province and of course our visitors to Lae city.

The honourable Member for Bulolo has canvassed on a somewhat broader and general level, his views about the proposed authority that is now tabled before this honourable house.

Mr Speaker, I want to basically zoom in on the Bill as it is presented and essentially debated on a number of important issues pertinent to the passing of this law which I want honourable Members of Parliament to be educated on so that we are better educated on how this Bill and its establishment of the Authority will be integrated into the overall scheme of things and the establishment of the different levels of governments that we operate in this country.

Mr Speaker, firstly the Bill seeks to establish the Lae City Authority. Section 3 establishes the bill and section 4 of the Bill spells out the functions of the Authority and under Section (4) 2, of the bill, Section 1 says the Authority is primarily responsible providing municipal services in the Lae area.

The provision of that municipal services has to be in accordance with a memorandum of understanding that will be entered into by the Authority and the Lae Urban Local Level Government and the rural level governments in the province.

The description of the municipal services follow in Subsection 2, collection of rubbish, management of the municipal dump, cleaning of and lighting of roads and so on.

Mr Speaker, there is a fundamental constitutional, political and practical difficulty pertaining to this Bill in its current form.

I have written to the Prime Minister and I had an audience with him and I have tried to point out the fact the manner in which the Bill was presented. The Bill cannot be presented in its current form to this honourable House because firstly, constitutionally, the Bill is trying to establish a municipal authority and with the function of providing municipal services.

Mr Speaker, we have a third level of Government which, is tasked with that exact function of providing municipal services and in this case the relevant authority charged with the

function of provision of municipal services is the Lae Urban Local Level Government and then to some extent the Aihi local level government and the Wampar local level government in so far as it affects their respective areas of operation. What this Bill seeks to do is that, it is trying to create this authority to bring Lae Urban Local Level Government under its care and certain areas of Wampar and Ahi to come together and comprise the area which under jurisdiction will be called the Lae area for the purposes of provision of municipal services.

31/08

Mr Speaker, the Lae area is defined in *section 2* of the bill, to mean that the area which is referred to in *section 29* of the Act. The problem I am trying to refer to starts here. If you look at *section 29* of the bill as it is, there is nothing mentioned about the area. I am speaking from the copies that you have in front of you.

Section 29 talks about the budget; it does not talk about the area. The area is then defined in *section 30* and yet the definition refers to a *section 29*. In any event, under *section 30*, it provides that the boundaries and jurisdiction of the authority comprise of the area of the Lae Urban LLG and includes some parts of Wampar LLG and wards 11-17 of the Ahi rural LLG. That is the boundary upon which this new Lae City Authority is supposed to operate in.

Mr Speaker, Local and Urban Level Government are specifically established by the Organic Law on provincial and local level government under *section 27* and tasked with the duties of operating a third –tier level of government in the declared area of responsibility. In this case the Lae urban, Ahi and Wampar LLG.

For a start, we can see that this bill in so far as it is trying to come in to provide municipal services in the these LLGs, it is definitely encroaching in the jurisdictional area of responsibility given by the organic law to these respective LLGs. This borders on unconstitutional behaviour, which this Act seeks to embrace but that cannot happen.

Mr Speaker, the LLGs are given specific responsibilities by the organic law. If you appreciate this line of argument. If this Act needs to come in and amalgamate or take over and embrace the functions of this LLGs, then it has to go back to its source document, which is the Organic Law. Here you have an act of Parliament, which is trying to take over the functions of a legitimately established LLG, through an ordinary Act of Parliament and run it but this is unconstitutional.

It is not viable and cannot operate and under *section 28* of the Organic Law on Provincial and Local Level Government, no LLG council can be abolished or no area of a LLG council can be amalgamated or altered or interfered with, without the content of both the NEC and the Provincial Assembly concerned.

32/08

I have pointed this out to the Honourable Prime Minister in so far as this new Lae City Authority Bill is concerned its area of operation which will definitely go to amalgamating the three Local Level Governments that I have talked about and they are Lae Urban, Wampa and Ahi. It will create these new boundaries which *Section 28 of the Organic Law on Provincial and Local Level Government* says you cannot without the concern of the Provincial Government.

The Provincial Government is the owner of the Local Level Government boundary and you cannot change or remove it from the owner that was the position of the Morobe, Provincial Government.

We said that this *Act* is trying to come in and alter the boundaries in fact it is already altering the boundaries because it is saying that it is going to bring in parts of Nawae –

Mr James Marape – Point of Order! Mr Speaker, my Point of Order is made in line with the argument put forth by the Governor.

This law does not propose in any way to alter the legislative boundaries and the operational boundaries of the three LLG's concerned, this is just an Act of Parliament introduced to bring representatives into the Municipal Authority to sit in so far as the Municipal Authority is concerned.

For instance, with bringing the *Hela Transitional Authority Act* a few years ago bringing in representatives from different LLG's to sit in the Authority to ensure the functions of the Authority is run.

Mr KELLY NARU – Mr Speaker, if you appreciate how the *Act* is structured and how it is intended to work then we have to understand the facts.

Firstly, even if we pass this Law, you will still have the practical problem that Lae Urban LLG has to give its consent under a memorandum of understanding for the new Authority to

come in and to provide the municipal service and that is an additional problem which I have not touched on.

Mr Speaker, we set up authorities, governments and local-level governments to operate in a particular area, it has to be specified.

The problem with this Law is that the boundaries of the Lae City Authority is not certified. It is saying that it will get part of Ahi LLG, part of Lae LLG and Part of Wampa LLG lump it all together and that is the boundary area of the new Lae City Authority that this authority is supposed to have jurisdiction and control over. You cannot because to do that you have to have the Provincial Assembly consent and that is exactly what I am trying to get at and you cannot operate this authority in vacuum –

Sir Puka Temu – Point of Order! Mr Speaker, the Governor’s intention can be met with the provision of this Bill we are debating and if you look at *Section 13 Subsection 2*, the regulations will prescribe the boundary area that is where those negotiations and agreements can come in. So it is already provided for and the Governor is misleading –

Mr SPEAKER – Honourable Minister, I will allow you to debate on that later.

Mr KELLY NARU – Thank you, Mr Speaker let me continue and also educate our Honourable Minister for Public Service.

For a start I have already pointed out that *Section 2* refers to the Lae area which, is supposed to provide for in *Section 29* and when you go to *Section 29* it says nothing about the area.

So, this is clearly demonstrating the rush and manner in which, this Bill is coming before the Parliament.

33/08

We should discuss it first before making a decision. There is no need to rush. We appreciate that we want to have improved municipal service delivery to be put in place in Lae city but let us talk about it properly before we can take it.

Mr Speaker, if the new Authority is in place, it will set a dangerous precedent which will be an unconstitutional move in my respectful view. We are setting up an authority that will come in to encroach on the area of municipal service delivery of the established third tier local government that we have set up. I appreciate that we are trying to improve the services. There is no problem about that. But let us look at how it is coming in. As I have mentioned earlier, we should just go back and alter the Organic Law in order to take this one on board.

Mr Speaker, if we pass this law, the great danger I see is that it will still be practicably unworkable because the Lae City Authority will have to go back to the drawing board and it will have to get the consent of the Provincial Assembly which it has not been given yet for the purpose of Section 28, Organic Law on Provincial and Local Level Government and for the purposes of precisely defining the boundary of the new creature called the Lae City Authority.

The next problem is that, there already exists an urban LLG in Lae and if the Government was serious about improvement in service delivery why can't you simply give the money to the Lae urban LLG and they will improve the service delivery function.

Mr Paul Isikiel – Point of Order! The Governor of Morobe has a very good point there but it is all legal at this point of time. Let us look at Lae as it was before. We are talking about providing service not only to Lae City but also to Papua New Guineans who are living in Lae City.

I think the Morobe Provincial Government has failed the people of Morobe. So this law presented before Parliament is basically to provide that service –

Mr SPEAKER – I will have to interrupt you and let the Governor continue.

Mr KELLY NARU - Thank you, Mr Speaker. I think I have to also educate my Honourable Member for Markham in terms of the short-sightedness of this Bill. Anyway, that is the problem with the boundary. We have not set the boundary, so within which boundary or where and how will the Authority operate?

Mr Speaker, I respectfully request the Prime Minister to withdraw this Bill so that we can talk about it properly and sort it out because I am also passionately concerned about

improvement in municipal service delivery in Lae, just as you are, and just as the good Member for Lae is too.

Mr Speaker, the composition of the Members of the Board of this new Authority. We are trying to create an Authority here but at the same we lumping it with politicians to sit on those 33 board. That is unheard of. Since when did we create 33 boards and put Members of Parliament. The 33 boards are supposed to be run by professional people and community-oriented leaders from the community.

If this board is set up for purely municipal service delivery, let us take all the politicians out. I do not want to be on that too. I am not in it anyway.

Let us give membership to all the prominent community leaders of Lae who can go in and professionally run that organisation if their concern is about improving service delivery. If this Authority is set up, where will they practically operate because they do have an office space? They might hire Ignatius Kilage Stadium to operation from.

34/08

Mr WILLIAM DUMA (Hagen – Minister for Transport) – Thank you Mr Speaker, I want to take this opportunity to thank our Prime Minister for providing the leadership that we needed at this point in time with the issue of our country.

Mr Speaker, when the O'Neill/Dion Government was formed in Alotau, we all agreed that we should look at developing all our regional centres in this country by providing the base for economic development. One of the agenda that we agreed on in the Alotau accord was that; we would develop the other major centres in this country especially, the city of Lae, Mount Hagen and Kokopo. And I would like to thank the Prime Minister for coming good on the agreement that we reached, as we know an agreement has been made and our Prime Minister has fulfil his commitment and I thank him once again.

Mr Speaker, since our Provincial Government system was introduced in 1994, we have experienced in most cases inability of our local-level governments to deliver services. On the other hand we as Members of Parliament have without little District Support Grants and DSIP have been struggling to develop our electorates and on many occasions we have always had difficulties trying to coordinate and liaise the third system of government to deliver the services; one example is Mount Hagen City where we have Hagen Urban Local-level Government which

comprises of Hagen City Authority who are supposed to provide the very services that we are talking about but to date it failed so far. Every year, I used the DSIP funds in their projects and even bought the machineries for construction of the projects and with that I think they are not capable of taking care of themselves.

Therefore, with this sort of difficulties faced by Mount Hagen City then Lae City is no different to that. The Government has allocated a lot of funds to that city but, where has the money gone to? It's about time we change the way our main cities are being managed.

As for the legislation, which is before Parliament for Lae and Mount Hagen City is that the District Development Authority will no longer have a role to play in the city authorities; they will not be in the authority and the open Member will take charge of the authority.

In the case of Mount Hagen, the entire boundaries of the current Hagen open Local-level Government will come under the Authority. That doesn't mean that customary land owned by our people will automatically be taken away by people from other parts of the country or foreigners. The customary landowners will still be the landowners.

Part of the Bill separates the functions of ministerial as well as the rural areas and from my understanding of the Lae City Authority Bill as well as the Mount Hagen City which is before the Parliament none of our peoples rights are affected but what the Bills seeks to do is to ensure that there is better delivery of services to our people, something that has been lacking at that level of government. Where we have left the delivery of services to the Local-level Governments and they have failed miserably. We cannot be that blind, Mr Speaker, it is there for us to see and funds have been allocated to both Lae, Kokopo and Mount Hagen City and comes for delivery of services nothing has been done and that's what this Bill seeks to do. We need to work together and develop this so that we all can be proud of. Lae City has the potential to be the premier city in the Asia Pacific Region and it's done properly and this is a step in the right direction.

Mr Speaker, we all must consider ourselves as both national and international leaders to develop those cities. What has been lacking so far has been amended by this Bill.

Mr Speaker, there is provision in the Bill that is before the Parliament and the Bill does not seek to contravene or to hinder the application of the *Organic Law* but what it will do is to complement each other and the Bill recognises the existence of the *Organic Law* on Local-level

Government. All it says is for the Authority and the concerned Local-level Governments to work together.

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Why wouldn't an LLG work together with an authority when an authority tries to put funding to develop the place? Why wouldn't that be? And they are all elected to provide those very functions. Why wouldn't they work together?

Mr Speaker, it is only in our interest to work together and cooperate, and to make sure that the Authority works inline and contravene the *Organic Law*.

Mr Speaker, I think that this is something that is long overdue and we must work together and positively and support this Bill.

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

This is an important Bill and I would like to make three or four points.

I think that there are two important issues that we need to address and I would like to discuss the two issues together such as economic development in terms of infrastructure. Infrastructure development taking place in Lae City is a good thing. Nevertheless, the other issue that the Government probably does not take note of is the social aspects of development. Many years have passed and we have tried to grasp these issues together but in our quest for economic development and progress I think we have all but overlooked the social aspect of development.

Mr Speaker, in my view, I think that Papua New Guinea will not become great just on infrastructure or economic developments alone. We have to combine the social interests of the indigenous people who will sustain, grow and participate in the economy.

Mr Speaker, when we adopt ideas from other countries on how to apply innovative and creative ideas to enhance ourselves to go forward we always go and learn from countries that are not relevant to our country's situation. For instance, Australia is not an indigenously driven country and likewise for Singapore.

When we adopt policies from countries made up by people who integrated into the country as immigrants their type of system is established from their cultures that they came from.

Nevertheless, I would like to emphasise the point that I am sure we all know and that is, Papua New Guinea has a strong and entrenched traditional and indigenous society. Our greatness

as a nation will be upheld if we allow our economic and infrastructure development in terms of capital market development of this country based on the interests of our indigenous Papua New Guinean.

Regarding socio-economic development, we cannot impose ideas on other groups of people by the National Government.

Mr Speaker, I know that we need development. I know that we must compete with the rest of the world but in doing so we must incorporate the thoughts of our people. We need to have them in our discussions as well. We need to listen to them and the voice must not waver. We must not overlook the voice and the voice must be heard by our government at the top level by this government. We need to build the systems accompanied by laws that integrate with the cultures of our people. Indigenous thinking must drive the laws or the policies.

We have learned enough lessons from the Motu-Koitabu people of Central. They are crying out and saying that their interests have been overlooked. That is a mistake made by the colonists when they were here and built upon that mistake. But that is a lesson to learn and the Honourable Governor for Morobe is not making any political statements.

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That is a lesson that we must learn. The Governor for Morobe is not making any political statement but he is suggesting and articulating from the legislation itself those very ingredients and mind you he is a lawyer by profession.

Mr Speaker we support the Government in developing progress but we do not need to create an act of overlooking the indigenous views in the name of economic participation. Once the systems are in place and they have been there, you can still deliver.

For instance, the Prime Minister outlining the infrastructure development there we and they are visible for all to see. But did this Government need to amend the act in order to do that. Did they do it under the legislation that they are now introducing? No you did not.

I will tell you why you did that. It is because under the Somare Government which the Prime Minister and all those other Ministers over there were part of laid the foundation to achieving the foundation that they are enjoying.

Mr Speaker, I am telling you the Prime Minister got K3 million from the LNG Project and he miss used it. If he wants to debate with me I will tell him that.

Mr Speaker that is where the monies come in and this Government is enjoying that. It is not their doing. They haven't created any magic here.

There is a difference, not the Act of the law or the systems but it is the influx of capital into this country that has given them the boost to raise the level of expenditure compared to the past Governments that did not have this opportunity. They are two different things here.

The indigenous people of this country and their interest must be the foundation for which infrastructure and economic development must be founded upon.

If they don't do what was well articulated by the Deputy Opposition Leader and the Governor who come from there then whose interest are they going to listen to.

I know the Ministers of Cabinet who are also from there have their views but we have yet to hear some sound wisdom coming out from them. The Housing Minister tried that but it makes no sense. The Minister for Finance tried raising a point of order but makes no sense at all.

Mr Speaker, what we must do now is not impose upon the business people of PNG in the name of economic development without listening to what they are saying. Simply what these people are saying is that this is their province, they were born there and they have lived over a thousand years listen to them. This Government is there Government. What they are saying is let us come together in consultation and we all give effect to this legislation. That is what they are asking.

Mr Speaker, PNC and the Government does have the numbers but don't be bullies. Understand what I am saying.

Mr Speaker, let me give you another analogy. –

Mr James Marape – Point of Order! Mr Speaker, no one is being a bully here. I ask the Opposition Leader to withdraw his statement. We never bullied Members of Parliament to either join PNC or remain being part of PNC.

Mr SPEAKER – You point of order is in order.

Mr DON POLYE - No you are not bullies. You are good boys in brackets. A better word would be cannibalization.

Mr Speaker, I hear Sir Puka always talk about small boys but never talk about girls. When you look at a small boy, change will come along his way but the important thing here is to let the child see the change as he or she grows. Don't impose it on the child. Because at his or her own time the child will appreciate what you as parents are doing. Over time they will realise how to do things in a more mature manner. Don't impose change on the child.

We are an indigenous nation and we are in a transition changing from an entrenched traditional society to one that is more modern and it will take time -

37/08

We are an indigenous nation. We are an innocent society changing from an entrenched traditional society to one that is more modern. It will take time for Papua New Guinea to realise and accept the level of modernisation that we will develop this country into. Therefore, the cultures and the indigenous views and interest must be the ones that drive the economic development. Social economic development is the focus that this Parliament must push for.

If you do not listen to the people of Morobe, are we going to create another NCD? Another NCD where Papuan leaders are now complaining about their land. Do we want Morobe leaders complaining about their land too?

Mr Speaker, we have come to the cross-road of correcting our mistakes that we could have lived with. Here we are hearing from the mandated and elected leaders in the likes of the Deputy Opposition Leader and the Governor for Morobe who are doing their job and are giving the views of the indigenous people of Morobe.

I respect the views of the other leaders of Morobe on the other side of Parliament but sometimes when you are in the government ranks you will lose your views and therefore compromise yourself. In the end you will end up losing the long-term views and end up embarking on the short-term views. We in the Opposition are looking at the long-term views whereas you in the Government rank are looking at the short-term views.

Mr Speaker, I would like to appeal to the Ministers, Members in government and the Prime Minister that we should change and say we have always been embarking on economic development and infrastructure development but the time has come for us to focus on social economic development where the interest of the people come first. The interest of the indigenous

people of Abau which is most important must come first than the personal business interest of Sir Puka Temu and others. Thank you.

Mr FABIAN POK (North Waghi – Minister for Defence) – I stand to support this Bill because I think it is a very important one.

This Bill for our people and for our towns and cities that will be developed in the near future such as Kokopo city bill, Mt Hagen city bill and others. I have never liked driving around Lae but now I do because of this Government. This Government has built concrete roads for our people in Lae which is very good but alongside this roads you will find a lot of rubbish. There is grass growing everywhere and this is a bad impression for our city.

Visitors to a city are always critical about the first impression they get there. Port Moresby is looking and getting cleaner every day. That is a good impression for our visitors to this city and our country in general. We have social problems when we do not fix our roads. This Government has only been here for the last 2 and half years so if it is going to be around for much longer then I think we will see a lot of difference and Lae city will grow with it.

I would like to appeal to the Morobe leaders in the Opposition ranks that we should work together because Lae city is for all of us. We from the Highlands region have a lot of interest in Lae because all our supplies comes through Lae and then those are transported up to the Highlands.

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Let's work together, Lae City belongs to all of us, we highlanders have a big interest in Lae City because this is where all our goods come to and go up to the highway. We want to come to Lae, in the past we did not want to visit Lae.

I have travelled the Highlands Highway on many occasions and people are saying that they are happy to travel on the highway because this government has repaired our highway. And now the people are saying that they are happy to visit Lae because we have covered all the potholes with cement.

But they have to maintain it in order for it to last long. As I have said, rubbish is piling up on the gutters, I was in Lae last week and saw it myself. I saw the rubbish piles wondered who

will repair the damage when the rubbish creates crack in the gutter wall. Who is going to repair those damages?

If the municipal authorities cannot do it than there is some other authority that can do it and I think the city authority is the way to go because the government will give them direct funding to maintain our city.

Mr Don Polye – Point of Order! My point of order is that he is raising some good points, but and when you are saying that we highlanders are entrusted to put this authority in place, this is what I am concerned about. I am a highlander, I am an indigenous Papua New Guinean but I am not an indigenous Morobe and that's why even if you are a highlands Prime Minister or Minister, you listen to the interest of the indigenous Morobe so that you don't displace their views.

Mr SPEAKER – Let the Minister continue!

Dr FABIAN POK – He has interjected to my comments because he has got me wrong. I said our tinned fish and rice which are trucked into the highlands is imported through Lae, we have a big interest in Lae.

As highlanders we have a big interest in Lae, or else, do you have an alternative? No you don't. We can't go to Kandep and get our rice and tinned fish, we have to come to Lae.

We have a big interest in the City of Lae; we have a big interest in the roads of Lae.

But, as the Minister for Transport said, the boundaries of Lae City will be the boundaries of Lae Open Electorate. Does it make sense? That is how it is supposed to be. That's why the Member for Lae will be chairing this commission because it is her electorate.

In the long run, now that we have district authorities, the Member of Hagen Open, Member of Lae Open whose their districts covers the whole city. Will sit on those authorities as you and I sit on our district authorities. It makes a lot of sense. It is not about taking over anything or encroaching boundaries.

The other thing is that the government is trying to get it better funded so that it can maintain the city so that all of us can be proud. The citizens of Papua New Guinea and those of us who go to Lae frequently we be glad to return to Lae and see that it is a city, just like Port

Moresby, Hagen or Kokopo. And then eventually, over the years, all the towns will have their own authorities. So, this is the crux of the matter, we are just starting.

The other thing I want to say to the honourable Governor, is please work with the open Member and sort this out. We must not read too much into the law. Because laws are made by man, laws can be amended any time when the laws are not suitable for the needs of individual towns or cities. If there is something in the law that is not right then we will have to convene and amend the law because this is the only authority mandated to change that law and the honourable Governor is fully aware of this.

So let us not dwell too much on the law, let's look at what this Bill will do –

Mr Kelly Naru – Opposition cannot change the law.

Dr FABIAN POK – You can amend the law, you bring in a private Member's bill and we'll amend it for you. You may not have the numbers but when you bring in an amendment that the government feels is right, we will amend it for you. There is nothing wrong with that.

So let's not read into the law and say, because of the law we can't do it. If we feel that we have to do it for the good of our country; for the good of our city, we'll just have to go with this law.

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Mr Sam Basil – Point of Order!

Mr Speaker, the Parliament is respected as a House of Legislature. We must make sure that when we debate on laws, we must make sure that we maintain it at the highest respect in terms of the existing laws and if the laws are not proper we should talk about putting or breaking laws before amending them.

Mr Speaker, I am saying that whatever is put before the Parliament, we are now asking through the Governor for Morobe that the laws must be followed and respected at all cost.

Mr SPEAKER – Your Point of Order relates to his statement, is that right?

Honourable Minister, you may conclude your statement.

Mr FABIAN POK – The Government is not breaking any laws. Legal clearance has been sought through the State Solicitor. That means that we are operating within the law. We are complementing the law and there is nothing wrong with that unless the Deputy Leader for the Opposition does not know the law himself.

When laws are brought forward and as we all know that when is something that has to be done or an issue to address, and as Sir Dr Puka Temu had said, the regulations have not yet been established. Within regulations you can then put every other thing that can affect the operations of the system.

Therefore, I would like to say that, with all the things that the Prime Minister is doing now he is on the right track. And when you talk about social issues you have to create the economy, build the roads and do such things in order to address the social factors.

Currently a huge amount of funding is going towards school fees and such policies are established to address some of our social problems. An educated society will have a better understanding of such issues than an uneducated society and that is what this Government is trying to do. We are also trying to do the same with the Lae City Authority because this is our city.

If the marshals and city councils are not functioning then we have a system that does not work.

For example, rubbish thrown into the city roads and drainage and if the rubbish is not cleaned up the rubbish will keep piling up until the cement will crack.

Mr Don Polye – Point of Order! Is the Minister saying that you need an authority to clean up rubbish? My children do cleaning at my house and they do not need authority to do that.

Mr SPEAKER – Minister, you may continue.

Mr FABIAN POK – I think that the Honourable Leader for the Opposition who has travelled all around the country has not been to Lae because rubbish is piling up on the sides of the recently built cement roads.

We want Lae to have a city clean-up programme like the one in Port Moresby because the first impression of any city is very important. That is why I will support this Bill and the Bills

for Mt Hagen and Kokopo City Authorities. This is because I believe that the Government is on the right track to ensure –

(Mr Sam Basil interjecting)

Mr FABIAN POK – These bills are going to help the cities of this country. And once these authorities starting working properly then we can go to all the towns to set-up authorities that will enable us to grow this country.

Thank you, Mr Speaker.

Mr SPEAKER – We will allow the Prime Minister to make a statement.

Mr PETER O’NEILL (Ialibu-Pangia – Prime Minister) – Thank you, Mr Speaker, it is important that I explain this Bill a bit further given that the Governor for Morobe had made some representation, and made references to some of our discussions regarding this particular Bill.

Mr Speaker, this Bill was put forward as a proposal last year and consultations were made in Morobe. We also had many meetings with many presidents in Lae and many other stakeholders and at some stages we agreed for a pathway forward and then counter proposals were also put forward. We heard and listened to every view that was put forward. Nevertheless, when we resolved one issue another one would pop up and I think we are playing too much politics with this Bill.

Mr Speaker, when I made a commitment in Cabinet to try and increase funding for putting infrastructures and investments in Lae City, I had to argue with my Cabinet because the same priorities were also present throughout the country as well. Nevertheless, I did that because it was the industrial center of the country and the base of our economy. That is why I did that because I did that for the sake of national interest.

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I don’t go down there and invest that kind of fund there because I am playing politics.

Mr Speaker, in the last three years through this Government we have given almost close to K150 million to the Provincial Governments and not once have I asked the Provincial

Government to put one toea to support me in building infrastructure in Lae and this is nonsense that this Government is not going to put up with and we owe it to our people.

This is not a new structural Government, we are not setting up a LLG or Commission that the Member for Bulolo is talking about, this is not a similar structure like National Capital District, it has no comparison or what so ever with what is going on with the Motu-Koitabu people.

Mr Speaker, Motu-Koitabu Assembly was set but the then Government failed to address it and tis Government will bring a proposal to this house to address it, we will address this issue because people think that the easiest solution is to just create legislation and structures and leave them alone.

Mr Speaker, our actions speaks for itself, I create District Development Authorities and I fund it, I do not talk on it, I do not go and beat my chest and say I have done this and that. We are doing this because the city authority needs to be able to perform its duties.

Mr Speaker, this city is not going to be managed by anyone else when you look at the two issues that the Governor brought up *Section 28* says if you need to abolish a LLG. Where are we abolishing an LLG under this Law? Nobody is abolishing Ahi Local Level Counsel, nobody is abolishing Lae Local Level Counsel just stop playing policy and let's worry about what we can do for our Lae City.

We should be grateful that for the first time the National Government is showing some interest in Lae City and the welfare of Lae City and its people.

Mr Speaker, we are saying that we want to work with the LLG, create a structure which is going to deliver Government Grants to the Lae City Authority that will manage the services in Lae City. When you do simple things like cleaning and picking up rubbish, I know that it is not important to the Leader of the Opposition but when you do those things you address health issues and other issues that is going to make your society much healthier and happier.

Mr Speaker, this is again not going to be run by anybody and I know the Opposition Leader is trying to grandstand on indigenous issues but you have to think and look before you talk.

Let me address the Opposition Leaders issues, who is going to really run this authorities? Is it Highlanders or is it Morobeans? Don't you have any confidence in your own people, the Member for Lae is an indigenous person so why she is not entitled to run the authority.

When you look at the president of the Urban Local Level Governments of Lae, he is elected and mandated by the indigenous people of Morobe, he is on the Board of this authority. When you look at the Ahi Rural Local Level Government President, he is also on the Board of this authority and when you look at the Wampa Local Level Government Counsel that the Member for Bulolo is talking about he is also on the Board, he represents the people there because their LLG's fall within the Lae City area.

Mr Speaker, nobody is creating a new boundary which will create a new sitting member of Parliament in this House, nobody is creating a new sit. It is just we redefining where Lae City Boundary is –

Mr Kelly Naru – Point of Order! Mr Speaker, the honourable Prime Minister is talking about boundaries and he says there is not going to be creation of new boundaries but that is exactly what *Section 30* of the *Act* is talking about. *Section 30* is creating new boundaries, it is bringing Wampa LLG, and it is bringing Ahi LLG and Lae Urban LLG into this new authority to be controlled by this body –

Mr SPEAKER – Your Point of Order is noted.

Mr PETER O'NEILL – That particular section if you look at it, we put in because the Governor says the Lae City Authority when he had a meeting with me he said he did not have a defined boundary of area of responsibility, so that is why I brought that particular section in there, Mr Speaker, at his insistence and now in this Parliament he is telling us we are trying to create new boundaries.

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Mr Speaker, *Section 30* clearly defines where Lae City Boundaries and Lae City Residence is today, down at UNITECH, Igam Barracks, the High School and the Telikom Compound there which is going to cover where the Authority will go and deliver the services like picking up rubbish, cleaning streets and making sure that potholes are fixed.

Those are the responsibilities that this Authority will take because today if it was managed by one of the LLG's, it will never function well.

We all know what Lae used to be two or three years ago, potholes everywhere, who is responsibility was it?

It was then the responsibility of the Works Department, what Ministry and Works Ministers at that time.

Mr Speaker, the Leader of the Opposition should ask himself what he was during that time, we are doing what he neglected to do.

Mr Speaker, let us be partners, we want to support the Honourable Governor and –

Mr Don Polye – Point of Order! We have to note what the Prime Minister is saying, he did say that there was no boundaries in this legislation and now he is saying there is a boundary in this legislation.

He is now having watched to do that so you have got assistance there it is so confusing and misleading the Parliament. Is he still trying to enhance his business to this Authority in Lae?

(Members applauding)

Mr SPEAKER – Leader of the Opposition you must be very mindful of how you speak in this Parliament.

Mr PETER O'NEILL – Mr Speaker, I know that I am a public figure and I am answerable for my actions but those kind of cheap shots are unnecessary and unbecoming because we are trying to manage the city for the good of the residence.

When you look at Boards like within Lae City which is now run by Morobeans representatives of the LLG's and of course of the Lae Urban Council, Physical Planning, the Building Board and the Liquor Licensing Board but those are not functioning today, are we still going to continue to say that we are going to allow these to go on.

Mr Speaker, the National Government has got a responsibility of making sure that we work together so that we can improve these services and I hope that as the Governor has rightly said that we will require the Memorandum of Understanding of the LLG's and the Provincial Governments.

I honestly hope he will partner us in this and we will reach an understanding on how we operate this city because if we do not do that we will leave the Lae City Management up to him to run it but this is a unique opportunity to correct the mistakes that we have done in the past.

Mr Speaker, the Honourable Member for Lae is leading the Authority is because if we are combining the District Development Authority and after this Bill I am going to introduce the second Bill which will come into this Parliament that will remove the District Development Authorities for Lae, Mount Hagen and Kokopo, meaning that all their functions will be combined together with one city Authority which will manage the affairs of that electorate and that city rather than having two organisation trying to perform the same job in one city or electorate, we will combine them.

So, Mr Speaker, we have taken good legal advice, we are following the Organic Law, we have got proper clearances from the State Solicitor, from the Frist Legislative Counsel and I know that they are very competent people and have advised not only this Government but other Governments in the past and so far they have done a good job.

Mr Speaker, we are doing all these with good advice that is why I commend this Bill to Parliament.

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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 March 2015, recommended the expenditure of public moneys of Papua New Guinea in accordance with *Section 210* of the *Constitution* insofar as the Bill relates to and provides for such expenditure.

Third Reading

Leave granted to move the third reading forthwith.

Motion (by **Mr Peter O'Neill**) agreed to –

That the Bill be now read a third time.

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

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The Parliament voted (the Speaker, **Mr Theo Zurenuoc** in the Chair) –

AYES – 59

NOES – 6

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

Bill read a third time.

DISTRICT DEVELOPMENT AUTHORITY (AMENDMENT) BILL 2015

First Reading

Bill presented by **Mr Peter O'Neill** and read a first time.

Second Reading

Leave granted to move the second reading forthwith.

Mr PETER O'NEILL (Ialibu-Pangia – Prime Minister) – I move –

That the bill be now read a second time.

Mr Speaker, as I explained earlier we are combining the District Development Authority of Lae with the new City Authority that we have just passed. It is only fair that we combine this two otherwise there will be two different organisations in one city doing the same thing.

Mr Speaker, this Amendment will not only remove Lae but Mount Hagen and *Kokopo District Development Authority Act*.

44/08

Mr Speaker, this Amendment will not only remove Lae, Mt Hagen and *Kokopo District Development Authority Act* and the district development authorities in those other Open Seats. And they will be replaced by the City Authority which absorb all the functions of all the district development authorities so there will be no need for unnecessary duplications. Therefore, this is why we are making this amendment.

Mr Speaker, I commend this amendment to Parliament.

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

That the question be now put.

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

Bill read a second time.

Third Reading

Bill, by leave, read a third time.

KUMUL MINERALS HOLDINGS LIMITED AUTHORISATION BILL 2015

First Reading

Bill presented by **Mr Ben Micah** and read a first time.

Second Reading

Leave granted to move the second reading forthwith.

Mr BEN MICAH (Kavieng – Minister for Public Enterprises) – I move –

That the Bill be now read a second time.

Mr Speaker, I have three Bills to present to Parliament but I will make only the one statement which will cover all three Bills.

Mr Speaker, before I present the Bills I need to make a clarification with regards to Notices 136 and 137, which are Bills to amend the *Constitution* and enact the *Organic Law* to establish the Kumul Consolidation Structure. These Bills were introduced by the Prime Minister yesterday.

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I would like to thank the Honourable Members for resoundingly passing the first vote to amend the Constitution and enact the Organic Law on Papua New Guinea's Law on ownership of Hydro-carbons and Minerals and Consolidation and Commercialisation of PNG Law.

Mr Speaker, the purpose of bringing the three Kumul Bills before the enactment of the Organic Law is in order.

I am merely proposing to repeal and replace existing legislation to give effects to changes to improve the current operations of IPBC and Petromin and to establish the operation of the National Petroleum Company PNG or NPCP by legislation under the *Kumul Petroleum Act*.

Therefore, these Bills are not being introduced as subsequence legislation to an *Organic Law* that does not exist, rather the Bills are meant to strengthen and redefine the operations of

three existing Corporations. The constitutional amendments to establish the *Organic Law* to give sections of the Kumul Consolidate agenda and its effects of the Kumul legislation will be dealt with later, at an appropriate time.

Mr Speaker, let me now introduce the following Kumul Bills which are:

- (1) The *Kumul Petroleum Holdings Authorisation Act* of 2015 or The *Kumul Petroleum Act*,
- (2) The *Kumul Minerals Authorisation Act* of 2015 or The *Kumul Minerals Act*, and
- (3) The Independent Public Business Corporation of Papua New Guinea Act or The *Kumul Consolidated Holding of Papua New Guinea Act of 2015*.

I also introduce in addition the following consequential amendments to complement the changes proposed in the Kumul legislation.

These are;

- (a) The Oil and Gas Amendment Bill of 2015,
- (b) The Regulatory Statutory Authorities Appointment to Certain Officers Amendment Bill of 2015,
- (c) The Public Services Amendment Bill of 2015,
- (d) The Public Finances Amendment Bill of 2015,
- (e) The Claims by and Against the State Amendment bill of 2015, and
- (f) The Audit Amendment Bill of 2015.

Mr Speaker, the Kumul legislation represent the initial steps in implementing The Kumul Consolidating Agenda which has been a Policy of this Government since 2013.

The Kumul legislations will create a framework which will consolidate all of the States Oil and Gas Assets and interest under Kumul Petroleum Holdings Limited, all of the States Minerals Assets and interest under Kumul Minerals Holdings Limited and all the rest of the States enterprises currently held through IPBC under the Kumul Consolidated Holdings, for clarity the State Owned Corporate Entities in existence will become the Kumul Company.

NCPC Limited will by name now change and become the Kumul Petroleum Holdings Limited. NPCP Holdings is currently a subsidiary of IPBC and a Holding Company of much of the States Oil and Gas Assets including shares in National Petroleum Company of PNG Croton Limited which holds the State 16. 57 per cent participating interest in the PNG LNG project, it also holds the interest in Oil Search.

Petromin PNG Holdings Limited will by name now change and become Kumul Minerals Holding Limited, at the right time it will transfer the Oil and Gas interest to Kumul Petroleum Holdings and also receive the State Mineral Assets and interests including shares in Ok Tedi Mining Limited.

The IPBC will by name change and become known as the Kumul Consolidated Holdings, shares that are owned in the NPCP Holdings will be transferred to the Kumul Petroleum Trustee to create the Kumul Petroleum Group.

Mr Speaker, the Kumul legislation will secure the Boards of each of the Kumul Companies from external political influence and enable them to manage and operate the Kumul Company on a commercial basis and become self-funding.

These Legislations will also ensure that the respective Boards properly managed and grow the States interests in their respective areas, while the state remains the ultimate owner through a trust structure outlined in the Bills, The Bills are structured to ensure that the State operate and exercises its power in a normal corporate manner.

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The overview afforded to the State by the legislation is for the NEC to approve each year the annual operating plan for each Kumul Company, and also the right for NEC to appoint directors from a qualified list which the respective boards proposed in accordance with the board's qualification criteria specified in the Bill.

Mr Speaker, the Kumul legislations are designed to allow Papua New Guinea to establish and build State entities that will not allow grow the value of our natural resources and investment in State-Owned enterprises but also build the capacity and expertise of our people. The Kumul companies will also be the flag carriers of PNG in the international business community when it comes to resource development.

Mr Speaker, in addition to the Kumul legislation, six consequential amendment bills will attain two broad but key objectives.

Firstly, the Amendments to the relevant operations and governing acts that grant certain rights and entailments to the State in respect of petroleum and mining assets. These amendments are necessary to ensure that all petroleum and mining entitlements of the State vest in the appropriate Kumul companies. This will assure that those assets are dealt with in a commercial

and professional manner and their vesting and pitman is removed as far as appropriate from external and political influence.

The policy underlying this amending legislation is to create certainty in both the Kumul entities and the industry partners that Kumul Petroleum and Kumul Minerals especially will be the State nominee in respect of the State entitlements in petroleum and mineral assets. Removing this uncertainty will allow the Kumul companies to play a growing role in maximising the benefits of PNG of our natural resource projects.

Secondly, these amendments to relevant specific Acts that characterise and regulate State agencies will be made to remove the Kumul companies from application of these acts so that they become subject to normal commercial regulatory environment which applies to all privately owned and operated commercial entity. This will ensure that the Kumul companies operate with professional independence and competitiveness required in the tough commercial environment.

Mr Speaker, finally these legislations are just the beginning of the process to establish the commercial entities. I would like to inform the Parliament that further work will still be yet to be done to amend the *IPBC Act* or repeal and replace it with separate Act that will look like the Kumul Petroleum and the Kumul Minerals Bill. This will further streamline the operations of all our State owned enterprises and give them more freedom and flexibility to operate commercially. There will also be a need for us to further strengthen the Kumul companies so that they are set up with our future in mind therefore an organic law on Kumul as we have passed the first vote yesterday is necessary and I would like to inform Parliament that further work will be needed to be done to effect it immediately.

Further work will also be needed to be done to align the revenue flow from the Kumul companies to the Sovereign Wealth Fund and Treasury for budgetary support to the government.

Mr Speaker, I commend this Bill to Parliament. Thank you.

Mr DON POLYE (Kandep – Leader of the Opposition) – I would like to ask a few questions with regard to this Bill. The Opposition did raise pertinent issues with this that there were consequential amendments that are coming such as this one. The enabling constitutional amendment was in the first reading which was passed yesterday.

Are we going to wait for the next two months for the next Parliament session to do the final passage of the enabling of the constitutional amendment for this to come into operation?

The Government does have the number to pass it, but I am thinking we are putting the cart before the horse. I would like to seek some clarification with regard to this bill because I think both the Government and the Opposition including the public should understand these amendments that the minister is introducing before we pass it.

47/08

The second question I asked, Mr Speaker, is that if the Minister can give us the equity structure or the operational or the administrative structure of these three entities he is setting up in terms of the trustees, the appointing authority of the management or the board and also who will be doing the shareholding on behalf of these companies or for the State and also how does the State come in through the people who own these resources, how do they come in through this Parliament or Cabinet and government in attempting to address the issues that are of common interest to the people of Papua New Guinea on these very important business entities. So, I'd like to seek some clarification through you, Mr Speaker, from the Minister on these issues because these were the issues that the Opposition raised yesterday.

Mr BEN MICAH – As I have already explained, these bills do not emanate from the Organic Law, we are not creating an organic law and subsequently creating these bills as consequential bills originating from the organic law.

Rather, they are existing laws like the Petromin Act, the IPBC Act that already exist. We are only repealing them and replacing them and also giving them the name Kumul because that is now going to be the brand name for all our business of the State. So that is the name change and also the board structure and some administrative changes made to better manage these companies in a commercial environment. This is what we are doing. NPCP already exists as a company owned by IPBC, we are just creating legislation to give it more protection as I have stated in my speech.

So Mr Speaker, I do not see any way in which we are putting the cart before the horse. In fact this is a separate horse and another horse and his cart will be the constitutional amendment and the organic law which we can deal with as we have already started yesterday.

I also would like to say here that in terms of the shareholding, the shares now will be held by trustees. There will be one clear trustee which, according to the Bills is the Prime Minister

and the Prime Minister today is the Honourable Peter O'Neill, the Prime Minister tomorrow may be honourable Leader of the Opposition or somebody else.

But the bill clearly states here that the trustee is the Prime Minister of the day because in the past we have seen so much in-fighting by ministers responsible for each of these companies. We have seen the creation of many companies dealing with petroleum issues, many ministers, and many boards, too many people putting their hands into the soup and making the soup very, very bad.

At the moment, there is no issue now about the trustee, there is only one trustee, and that trustee is the Prime Minister of the day and the trustee is the shareholder. The Kumul Trust is the shareholder of all these companies. There is a Trust Deed, if you have read the bills, since my brother Opposition Leader, you have not read the bills –

Mr SPEAKER – Honourable Minister I must advise you to address the Chair.

Mr BEN MICAH – Mr Speaker, the bills, if you care to study them, have already laid out the structure of the trust, the responsibilities of the trustee and the relationship of the trustee to the board and the appointment of the board. The appointment of the board will be done upon recommendation by the board.

So, it will basically like a rotation. At the end of the term of each board member the board will recommend to the trustee who will then consult with them about the appropriateness of the recommendations and then the trustee will take it to Cabinet. So Cabinet is the final appointing authority of the board members of these companies.

So, Mr Speaker, I felt that all processes of selecting the best; top Papua New Guineans as well as foreign expertise that are required to run these businesses and run them commercially are being contained and adequately catered for in the bill.

48/08

Mr WILLIAM DUMA (Mount Hagen – Minister for Transport) – Thank you Mr Speaker.

Mr Speaker, I commend the Minister for State Enterprises for bringing this long overdue transformation of our national companies.

Mr Speaker, I am pleased that we are about to embark on what is going to be a fruitful and a very good economic journey for our country by starting to restructure and drive up the surrounding little issues that have been niggling and to set the platform for our companies to operate as commercially successful companies and to compete with other companies on the international scene.

Mr Speaker, partly due to our colonial history, we were led to think that as soon as mineral resources, which were owned by our ancestors for the last thousands of years, were brought up to the surface by exploration companies, we had to buy them and that is unfortunate.

Mr Speaker, currently in the case of mining, we only have the right to buy up to 30 per cent of whatever is discovered by mining companies for oil companies, we are made to buy on a sunk cost basis up to 22.5 per cent of what we already own. But that is the legacy of our colonial history and that history is about to change. I think what our good Minister has done is to set the platform.

Mr Speaker, I would also like to thank the Prime Minister at this juncture for providing the leadership that is necessary. I have looked at the structures of those companies and I think they are the way to go forward.

In the case of the trustee shareholding structure, this is not a new concept as it has existed with Petromin Company and the Prime Minister of the day is a trustee share holder. The Minister has consolidated all those arrangements and I see that once those companies are up and running they will be able to compete with the large multi-national companies of this world.

In the Kumul Minerals Holdings Limited, when the assets of Tolukuma are transferred to this company, we will have a mining giant in our hands. Combined with the way that the structure is set up and with competent experienced nationals on the board together with appropriately suitable qualified foreign experts the only way for Kumul Minerals Holdings Limited Company is up.

In the case of the oil and gas sector, I would bet and I would want to suggest that provided we are able to give good political and stable leadership for this company, Kumul Minerals Holdings Limited will one day become the equivalent of PETRONAS of Malaysia.

Mr Speaker, we have seen what nationally owned companies have been able to do for their economies, such as Pertamina in Indonesia, Petrobras in Brazil and Petronas of Malaysia. These are companies who are now able to compete at the national level simply because they have

been ably supported by their government. And what we are trying to embark on is a very long journey that I think, Mr Speaker, will prove to be very successful for this company.

Mr Speaker, provided we are able to provide that stable political leadership and we are able to provide a constant oversight on these companies, they will definitely turn out to grow into large companies who will compete at the major level with other multinational companies of this world and will become the economic backbone of this country.

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

That the question be now put.

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

Bill read a second time.

Third Reading

Leave granted to move the third reading forthwith.

Motion (by **Mr Ben Micah**) proposed –

That the Bill be now read a third time.

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

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

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

50/08

The Parliament voted (the Speaker, **Mr Theodore Zurenouc** in the Chair) –

AYES – 59

NOES – 4

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

Bill read a third time.

KUMUL PETROLEUM HOLDINGS LIMITED AUTHORISATION BILL 2015

First Reading

Bill presented by **Mr Ben Micah** and read a first time.

Second Reading

Leave granted to move the second reading forthwith.

Mr BEN MICAH (Kavieng – Minister for State Enterprises) – I move –

That the Bill now be read a second time.

Mr Speaker, in the early 90's, when we commercialised oil in our country, Papua New Guinea was put into the Exclusive Club of Oil Exporting Nations.

51/08

Then, gas were searched since the 1930s and 1940s but it has now surfaced in the Hela, Southern Highland, Gulf and Western provinces. Now, we have realised its values and over the last ten years, we moved into the commercialization of gas. All our hydro-carbon assets have been discovered to be some of the largest in the world.

I thank the Prime Minister and his Cabinet for the approval to set up NPCP. We have now transferred all our assets to NPCP.

Under the leadership of Prime Minister we are now confident by setting up this legislation to ensure that our assets and gas and oil business is secured and protected. So we will commercially participate in it in a bigger way in the years to come.

Therefore, Mr Speaker, this Bill is to consolidate all the assets, our interests and investment in the oil and gas sector into one company. I believe and predict today that since our gas reserves have been proven to be some of the largest in the world, this company will take its place amongst the major players in the oil and gas business in many years to come.

I commend the Bill to Parliament.

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

That the question be now put.

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

Bill read a second time.

Third Reading

Leave granted to move the third reading forthwith.

Motion (by **Mr Ben Micah**) proposed –

That the Bill be now read a third time.

Mr Don Polye – Before I raise this question, let me express very strong support to all our young Papua New Guineans who are managing these organisation especially the NPCP and the other organisations that the government has established.

I have been part of this establishment too. My issues are on some changes that have taken place and the Bills are before Parliament.

Secondly, it is the timing to pass this Bill. While we have the enabling still there on the foot.

52/08

My question is that you have also given notice about the Sovereign Wealth Fund. From the original structure and the intention of the Sovereign Wealth Fund, the proceeds from the gas or petroleum or other extractive industries were to be channelled through that mechanism, and then it comes through to this Parliament which goes through budgetary process for implementation.

But now you the Kumul Mineral Holdings and Petroleum Holdings. So the question is, how do you treat the Kumul Petroleum Holdings apart from Sovereign Wealth Fund? When the funds come in, what happens then? The Parliament needs to know because you cannot set up with this uncertainty.

Mr Speaker, that is why I raised this issue, we need to understand all these separate consequential Amendments or Acts that are in place after you have this enabling Amendments.

How do you manage the Sovereign Wealth Fund apart from the Petroleum Holdings? Because Sovereign Wealth Fund is supposed to get all the proceeds from the extractive industry to manage it through the Budget.

Mr BEN MICAH (Kavieng – Minister for State Enterprises) – Thank you, Mr Speaker. As I have stated towards the end of my statement on the Bill, the issues relating to the relationship between the Kumul Companies, Sovereign Wealth Fund and Treasury will be looked at. So we are not ignoring them but it has been discussed and we will address it in due course.

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

That the question be now put.

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

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

53/08

The Parliament voted (the Speaker, **Mr Theo Zurenouc** in the Chair) –

AYES – 62

NOES – 4

Motion so agreed to.

Bill read a third time.

54/08

**INDEPENDENT PUBLIC BUSINESS CORPORATION OF PAPUA NEW GUINEA
(KUMUL CONSOLIDATED HOLDINGS) (AMENDMENT) BILL OF 2015**

First Reading

Bill presented by **Mr Ben Micah** and read a first time.

Second Reading

Leave of granted of the second reading to be moved forthwith.

Mr BEN MICAH (Kavieng-Minister for State Enterprise) – I move –

That the bill be now read a second time.

Mr Speaker, this Corporation was established by the Government of Sir Mekere Morauta and I was responsible for bringing this Corporation into being as the then chairman of the Privatisation Commission.

Over the years this Corporation has been able to successfully hold the Corporatize business of the Government like Ports PNG, PNG Power, Air Niugini and etcetera.

However, this Corporation has not really performed to what it was setup to be because of the structure of the legislation, the composition of the Board and its relationship under certain sections with the operations of the State-Owned Companies who are its subsidiaries.

However, I want to say that it was the Assets of this Corporation, especially the Shares that it had in Oil Search, BSP and also the combined Assets of the State-Owned Enterprise that was used as a collateral to borrow the funds that were required from the IPIC Company of Abudabi to fund our 16 per cent stake in the LNG so, this Corporation plays a big role in our entry into the LNG Project.

Mr Speaker, as we are moving towards a much more coordinated, much more streamlined and much more consolidated approach to doing our business, I now propose this amendment so that firstly we can change the name, we can change the structure of the Board and remove some of the impediments that have created obstacles between IPBC and its subsidiary companies who are the State-Owned Enterprises and also the investments so that we can have a much more robust commercial relationship between Kumul Consolidated Holdings and its subsidiaries.

Mr Speaker, this is the reason why we are moving this Bill and the Amendment and much more work will need to be done as I have stated in due course.

Mr Speaker, as all the Members can all see this is our business in commercial activities is now clearly established. I have also brought to Cabinet a policy on State-Owned Enterprises and the State's involvement in commercial activities and in the Private Sector which Cabinet has approved until next Parliament I will be presenting a statement which clearly lays out the policy position of this Government in terms of the States Participation in commercial activities and its participation especially in the development of our natural resource sector.

55/08

Finally, as the Minister responsible, I will now be able to manage the Kumul Consolidated Holdings companies that we inherited as statutory authorities of the State and public utilities. From the revenue that we are going to receive from the mineral and petroleum sector, we will now diversify the activities of Kumul Consolidated Holdings into fisheries, agriculture, tourism, and other activities that will help to grow the economy. It will help to build our communities where most of our citizens are living in and help to partner with the government and the private sector in growing our economy of our country and helping to fast track the delivery of services to the majority of people of this country. Thank you, Mr Speaker.

Mr TOBIAS KULANG (Kundiawa) – Mr Speaker, I too, would like to contribute to the debate on these bills that are a milestone in our 40 years of independence. It shows our maturity in the leadership of our country and to align us to take advantage of the opportunities that we have. I would like to congratulate the Minister and the Prime Minister in their leadership in this area. It is very exciting and it brings a lot of hope and anticipation to this country.

I would like to share some thoughts and my experience as a business consultant. Now that when we have consolidated our interest in this sort of things then it sets a very powerful foundation for us to move forward. However, it is worth mentioning that we must be very cautious. We must not be too excited and be carried away. It is like a bomb so if we are not careful then we are likely to shoot our foot before we can even get off the ground.

This company as I understand it will consolidate all our interest. Currently, our shareholding interest in our ventures such as mining, petroleum, and gas is good and a safe investment. We are managing our shares inside the operations where for instance, the PNG LNG is operated by ExxonMobil where we will be getting dividends. Our exposure to the management perspective is limited. We collect dividends and channel it to where we will use it accordingly. But a lot of times we make mistakes. For example, when we have money we run to start our own companies like Petromin. This is the kind of things I want to caution us not to do. Just because we have money, we must not be too quick into making decisions that will not be in the best interest for our people. We must grow our structures stage by stage and it must reach its maturity before we can even decide otherwise. We must understand these businesses before we expose ourselves to them. But to start off, I am happy that we are now consolidating our interest for our

good and it is a very huge power base. There must be clear policies in accounting terms. What is the net exposure on the net asset when we want to start up a new business? We must make sure that our investment in one of our major projects has exposure. When we want to invest in a major mining company then we must be cautious if the company is profitable. This policy must guide the existence of our company.

Under the current company law, for example, if directors want to make a decision to invest in an exporting company then the law requires that 50 per cent of net worth of the current balance must be given to the shareholder so there is some check and balance.

56/08

That is why, I want to point out that yes, it is good that we are creating the structure and power base and as we go forward, we are not Singapore or Malaysia, yet so we must not rush to export our assets, otherwise, we will make a mistake and then blame these companies. I think the structure is good, but, attitude must be contained so that our intentions must be to grow and manage those companies, I think the future is looking really bright when we consolidate all these.

The second point I want to make is regarding the Minister's statement on how we are going to develop a dividend policy when the revenue is generated or how it will flow on from there.

For instance we have the Sovereign Wealth Fund and our understanding of it is that it is for the future and then we have some thoughts on how the company will support our Budget and Consolidated Revenue, etcetera. There must be a clear understanding because our future is very important and some of these extractive industries will not last long.

It is admirable being an economist, the honourable Mr Joseph Lelang can explain it very well but, like in Singapore it has a big Sovereign Wealth Fund to support its country's economy in terms of exchange rates and things like that. All these things have to run smoothly. I think the Opposition is not supporting this Bill because they just fear the worst.

I think that these are dynamic Bills which will transform the way we do business in terms of the minerals and resources which God has blessed this country with but because of a few things which I am not clear on that is why they are hesitating not supporting the Bill.

I am excited that I am living in a time that we are thinking like that and the way we are structuring this country, we are soon going to export. We are a third world country but I believe in a record period of time, this Nation is going to match up with rest of the world.

Thank you, Mr Speaker.

Sir PUKA TEMU (Abau – Minister for Public Service) – Mr Speaker, thank you, I wish to make a short intervention in supporting the Prime Minister and the Minister.

Its 3.45p.m now and in my time as a third term Member of Parliament I have never sat on a Friday afternoon and until 4.00p.m.

Mr Speaker, it is a very honourable thing to do today, it is a big day. Like the member who has just spoken said this is a game changing legislation that we have made for our country.

For those of you in the upper chamber, I wish this was broadcasted so that our people know the seriousness of our Government under the leadership of the Prime Minister. For the first time, I have seen that a Government take the business of the nation seriously under the leadership of the Prime Minister.

Once up on a time things were all over the place, State Owned Entities were all over the place. Department of Transport used to look after Harbour then through the then Prime Minister and the Minister now presenting the Bill on privatisation, there was the World Bank emotional debate on privatisation, as the way forward for National Companies.

But one of the most powerful nation in the world China, stressed on national interest being maintained by the nation, within the nation and by the Government of the day. The people and the Government must continue to participate in the business of the country because that is the real reason why we exist as a Government.

57/08

Mr Speaker, when the Prime Minister and the then Attorney-General and now the Minister and the Government now are moving into this Consolidated Business for the Nation, I want to repeat what I said on the Floor of Parliament.

I believe that this foundational legislation will be managed well because we are all educated people; accountants, lawyers, engineers and doctors, so this Parliament is composed of some of the well-educated leaders in our era and what we are doing is not a mistake and I

wonder why the Opposition is not supporting this important legislation, I wonder where their interest is.

In the long term, I see the excitement for example when we are talking about consolidation, I see the young children now looking at how they can chart out their education. How can they become accountants so that they go into management, do their masters in business education in international financing or law firm in managing this merging of companies? All this excitement going on the universities must align now in Human resource development. Chemists must be trained now in the country because we are moving into petro-chemical industries because of this Consolidation. And we are going to bring all our mining engineers who are all over the world in South Africa, Western Australia, and etcetera. Now that they hear about this legislation, they will want to come back and serve for the mines that we will own as a nation.

I know that one day there will be public offering of shares for example under the consolidated programme that the Minister has read, I want some of these shares to go to the little people, the families, the financial institutions so that we all own these entities, not belonging to the Board but we as owners so public offering will come, I assure you.

Mr Speaker, I would want to buy shares for my families or Abau District Development Authority so that we are part of the business. We want to own Telekom, we want to own Harbours, and we want to own some of the shares in the Mine in Abau, when the gold is discovered there, that is the exact matter I see.

Mr Speaker, I wonder why they do not see these things on the other side. Politics has shut their eyes.

So, Mr Speaker, I expect the Opposition to stand up in this vote and if they do not, I will believe in Einstein's theory on insanity: 'Doing the same thing over and over again and expecting the same results. You must be crazy to do the same thing and want different results. Being a Doctor, I will end up in Laloki if I was in that category.

Mr Speaker, I want to excite you all. Opposition, I want you to stand up, and Governor I want you to stand up and please do not play politics because you can see it is moving around but I am very happy with the lessons that we have learnt. I see that when you see the directors and the composition of directors –

Mrs Julie Soso – Point of Order! He is asking me to stand but I will not stand because I have my own reasons so when he is done with his debate, I will have my say.

(Laughter in the Chamber)

Sir PUKA TEMU – Mr Speaker, that's okay, this is politics where we play the game.

Mr Speaker, one of the most important change that has taken place which is prescribed in this legislation is the composition of the directors of this company. If you look at them carefully we have raised the bar in terms of the composition of the directorship of this important holding company.

What is challenging right now is I would recommend that in the future when we identify fund managers through this companies whether globally or domestically, we must also seriously look at investing in proceedings domestically so that we also grow our businesses at the same time.

58/08

So, Mr Speaker, I wanted to say these things because I believe that there was a lot of challenge, but today is the most historical Parliamentary Session ever that I have sat in to pass these legislations. But we are not perfect. There were many Bills that were passed but we have the ability to manage and change those Bills when we roll them on the ground, and that is the vibrancy of our democracy.

But for those important foundational Bills to manage the business of our Nation as a true business program for our country in pure commercial senses, I believe, we are on the right path.

Thank you, Mr Speaker.

Mrs JULIE SOSO (Eastern Highlands) – Thank you, honourable Speaker, I, too, want to contribute to this debate.

I am grateful that the country has come to a time where we will prosper through the businesses of the people of Papua New Guinea from the bill that is now before us and I agree, but I am not standing to vote for it because I have my own reasons.

I represent the people of Eastern Highlands Province. We have been introducing many new laws since I came into Parliament in 2012. I am very happy that we are creating these laws for the betterment of this country to focus well on the people. But 70 per cent of our population is still in the rural communities and only 30 per cent in urban areas. These 30 per cent are educated and I think they understand what type of laws are being passed here in Parliament and how it will affect them.

As a democratic nation and a democratic government we should be going out there, doing awareness and educating our people on these laws that we are passing. We pass legislations in Parliament but are ignorant of the fact that the majority in rural areas do not understand or are unaware of these laws.

So, we need to take it down to the local level government counsels through the establishment that National Planning has introduced such as STAR, Strategic Planning or Medium Term Development Strategies. However, 70 per cent of the population do not understand these plans. We then come here and talk about our oil and gas which is the people's resources. Why aren't the people aware of these laws that we are passing? They must understand and know how the laws will affect them and the benefit.

So that is the reason why I do not want to stand up for this Bill because I think that it is very important that the whole country should know about these policy, laws and bills before we enact them in this honourable House.

Thank you, Mr Speaker.

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

That the question be now put.

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

Bill read a second time.

Third Reading

Leave granted for the third reading to move forthwith.

Motion (by **Mr Ben Micah**) proposed –

That the Bill be now read a third time.

Mr DON POLYE (Kandep – Leader of the Opposition) – Mr Speaker, I see that some of our colleague Members are blackmailing Members of the Opposition. And if we continue on, on this road then we are heading towards insanity.

With that, I would like to raise a stronger point here for the government to take note of. There are issues that the Government does not see and I will point it out clearly. The first one is in regards to the profits that come out of these entities, especially, these in the petroleum and mining industry.

We have agreed that there must be some changes through reforms. And when I was the Treasurer in the previous Government, I started such a reform through a taxation regime change. Therefore, I do not fall under the end time's definition sanity but I am looking for a change that incorporates the interests of Papua New Guineans more than business and other interests.

Let me tell you all this, the Sovereign Wealth Fund is the most important institutional fund that this Parliament would have established first ahead of other entities like the consolidation. Therefore, I will tell you why this should be so, and that is that it will better than this set up and then what the legislation has in its original form of the Sovereign Wealth Fund in which it ensures that the full proceeds that come out of the respective or non-renewable industries is put through this fund and managed there.

What this fund does is it directly develop renewable resource sectors like agriculture, tourism and et cetera. What the Kumul Consolidation is doing is depriving the proceeds that would have been put into the Sovereign Wealth Fund (inaudible) into a separate entity that is devoid of this Parliament's control.

I am not a lawyer but I am literate and I have seen the related laws.

Mr SPEAKER – Address the Chair.

Mr DON POLYE – So, I asked this question to my colleague Member of Parliament and Minister for State Enterprises. I want to know how the petroleum holdings to the Sovereign Wealth Fund or the other holding, and his reply was, he did not know and that we met at the Department of Treasury later to discuss that matter. That was the response he gave and all of us here heard him say that.

Mr Peter O’Neill – Point of Order! Mr Speaker, the Sovereign Wealth Fund that he is referring to is already on the Notice Paper. Therefore, it is before the Parliament and what the Minister is saying is that there are some amendments that are required to out through that fund.

Mr Speaker, it is not something that we are not addressing and therefore, the Leader for the Opposition should stop misleading the Parliament because the matter has already gone through the first reading already.

Mr Speaker, the flow of revenue that will be going through that Fund will be established through that particular legislation. There are therefore amendments to existing laws. The IPBC Law is already in place so the stop misleading the Parliament and our people and stick to the facts.

Mr Speaker, for two weeks we have sat here and listened to the Leader for Opposition’s rubbish, so, come and talk facts.

Mr SPEAKER – Your Point of Order is in order. Honourable Leader for the Opposition, be careful as to not mislead Parliament.

(Laughter in the Chamber)

Mr DON POLYE – Mr Speaker, I am just quoting what the Minister had said regarding a matter which, is vague and unclear so I am raising this issue. But if the Prime Minister wants to clarify the matter then he needs to clarify this matter because he has not clarified this matter enough. And his Minister needs to also take note because the Minister and Prime Minister are working together while knowing the issues.

Mr Speaker, these are the king of things that we want to see when we have funding coming from the extractive industry which is non-renewable then through the setup of the Sovereign Wealth Fund we direct it to those renewable sectors to grow their economies other users may want to diversity the growth, we agree on that. But that is how the mechanism should be put in place.

60/08

At the moment, what is happening is, I wonder if all the Members of Parliament have read and understood this legislation because he is taking it all and putting it into a completely separate private entity. The government of the day will have very little control over it should something go wrong.

It is good to consolidate the revenue and put them into one basket but it depends on the management. I agree with what Sir Puka said in terms of the management. He said the management will go well. That is fine. But I say, the management will not go fine as he thinks it will.

What happens if your eggs in one basket shatters? You need to see the other side of the coin too. So that is the Opposition's point of view, we need to assess those sides of the coin first.

Mr Speaker, the last point is the State's control. This is wealth and the interest of the people of this country being put into one basket kind of a structure, under a completely private sector orient setup, there must be some kind of control mechanism. I do realize that NEC will be appointing authorities and making determinations on the board.

But other than that you will find that the assets of those entities established through this act will be managed and controlled independently from any overseer to see how it is running. It does not even tell the dividends until or how the dividends will be effected in the budget. That is the main thing. When they do business, they grow.

So what the corporate entity does is that it grows the money elsewhere as against giving dividends to the State. So there must be some properly articulated provisions stipulated provision there. That directs the dividends to go through the State through the Budget process which is absent and not provided here.

Mr SPEAKER – Minister, you will speak later on. So you will have a chance to clarify the issues that you may have raised.

Mr DON POLYE – Thank you, Mr Speaker. These are the issues that we see. It is not like we are not supporting it. We want change but the changes should be motivated by a fair and developing a sustainable economy, are that supports businesses to grow but does not directly get the business forced into dividends paid to the State through the budget process that is our argument.

We strongly suggest that even when the Sovereign World Fund comes in, we would be interested to see how the Sovereign Wealth Fund, Kumul Holding, Kumul Trust and other entities co-exist in the best interest of the people through this Parliament.

Mr BEN MICAH (Kavieng – Minister for Public Enterprises) – Mr Speaker, the Leader of the Opposition did not read the Bill or if he did, he is refusing to accept what the Bill is stating. He did not hear my explanation that the issue of the revenue that will come from the Kumul companies and the distribution to the Sovereign Wealth Fund and Treasury are being development. It will be finalized and brought back to Parliament when we complete the process.

Secondly, I do not want Parliament to be misled, that we are setting up completely private entities that do not have the oversight of government. It is very clear in the Bill. The boards will be appointed on the recommendation of the boards themselves and the trustee to have the Cabinet approval.

All the annual plans of this company; the expenditure and the revenue plans will also be approved by the Cabinet. But the day to day operations of the companies will be quarantined so that they operate commercially under commercial environment but States is the overall overseer through the Bills. Thank you.

Motion (by **John Pundari**) agreed to –

That the question be now put.

61/08

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

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

62/08

The Parliament voted (the Speaker, **Mr Theo Zurenouc** in the Chair) –

AYES – 60

NOES – 4

Motion so agreed to.

Bill read a third time.

AUDIT (AMENDMENT) BILL 2015

First Reading

Bill presented by **Mr Ben Micah** and read a first time.

Second Reading

Leave granted to move the second reading forthwith.

Motion (by **Mr Ben Micah**) proposed –

That the Bill be now read a second time.

Motion (by **Mr John Pundari**) agreed to.

That the question be now put.

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

Bill read a second time.

Third Reading

Leave granted to move the third reading forthwith.

Motion (by **Mr Ben Micah**) 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 – agreed to.

Bill read a third time.

CLAIMS BY AND AGAINST THE STATE (AMENDMENT) BILL 2015

First Reading

Bill presented by **Mr Ben Micah** and read a first time.

Second Reading

Leave granted for the second reading to be moved forthwith.

Motion (by **Mr Ben Micah**) proposed –

That the Bill be now read a second time.

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

That the question be now put.

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

Bill read a second time.

Third Reading

Leave granted to move the third reading forthwith.

Motion (by **Mr Ben Micah**) proposed –

That the Bill be now read a third time.

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

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

Bill read a third time.

OIL AND GAS (AMENDMENT) BILL 2015

First Reading

Bill presented by **Mr Ben Micah** and read a first time.

Second Reading

Leave granted to move the second reading forthwith.

Motion (by **Mr Ben Micah**) proposed –

That the Bill be now read a second time.

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.

63/08

Third Reading

Leave granted to move the third reading forthwith.

Motion (by **Mr Ben Micah**) 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 – agreed to.

Bill read a third time.

PUBLIC FINANCES MANAGEMENT (AMENDMENT) BILL 2015

First Reading

Bill presented by **Mr Ben Micah** and read a first time.

Second Reading

Leave granted to move the second reading forthwith.

Motion (by **Mr Ben Micah**) proposed –

That the bill be now read a second time.

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

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

Bill read a second time.

Third Reading

Leave granted to move the third reading forthwith.

Motion (by **Mr Ben Micah**) proposed –

That the Bill be now read a third time.

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

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

Bill read a third time.

PUBLIC SERVICES MANAGEMENT (AMENDMENT) BILL 2015

First Reading

Bill presented by **Mr Ben Micah** and read a first time.

Second Reading

Leave granted to move the second reading forthwith.

Motion (by **Mr Ben Micah**) proposed –

That the Bill be now read a second time.

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

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

Bill be now read a second time.

Third Reading

Leave granted to move the third reading forthwith.

Motion (by **Mr Ben Micah**) proposed –

That the Bill be now read a third time.

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

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

Bill read a third time.

**REGULATORY STATUTORY AUTHORITIES (APPOINTMENT TO CERTAIN
OFFICES) (AMENDMENT) BILL 2015**

First Reading

Bill presented by **Mr Ben Micah** and read a first time.

Second Reading

Leave granted to move the second reading forthwith.

Motion (by **Mr Ben Micah**) proposed –

That the Bill be now read a second time

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

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

Bill be now read a second time.

64/08

Third Reading

Leave granted to move the third reading forthwith.

Motion (by **Mr Ben Micah**) 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 – agreed to.

Bill read a third time.

SPECIAL ADJOURNMENT

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

That the Parliament at its raising, adjourn until Tuesday 21 July at 2.p.m..

Mr JAMES MARAPE (Tari-Pori – Minister for Finance) – Mr Speaker, before I adjourn, I would like to thank all the Members and the Chair for putting up with our businesses for today and sitting right through to 4 p.m.. We have set history and I thank every Member of this Honourable House for working very hard.

On this note, Mr Speaker, let me now adjourn Parliament to Tuesday 12st July 2015.

ADJOURNMENT

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

That the Parliament do now adjourn.

The Parliament adjourned at 4.25 p.m..