

**SECOND DAY**

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**Tuesday 21 August 2012**

**DRAFT HANSARD**

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## PARLIAMENTARY DEBATES

### CORRECTIONS TO DAILY DRAFT HANSARD

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Corrections may be marked on a photocopy of the Daily Draft Hansard and lodged at the Office of the Principal Parliamentary Reporter, A1-23 (next to the Security Control Room).

Corrections should be authorised by signature and contain the name, office and telephone number of the person transmitting/making the corrections.

Amendments cannot be accepted over the phone.

Corrections should relate only to inaccuracies. New matter may not be introduced.



Sarufa M. Haro

Principal Parliamentary Reporter

## **FIRST DAY**

**Tuesday 21 August 2012**

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

### **ADMITTANCE OF THE MEMBERS OF THE JUDICIARY**

**Mr SPEAKER** - Honorable Members, I wish to inform you all that the Chief Justice Sir Salamo Injia and his brothers and sister judges are in the precinct of the Parliament.

With the concurrence of the Members I invite His Honor and his fellow judges to be seated on the Floor of the Parliament.

### **ENTERANCE OF THE GOVERNOR - GENERAL**

His Excellency the Governor-General, **Sir Michael Ogio**, entered the Chamber and was seated at the Speaker's Chair.

### **PRAYERS**

**Fr Danny Guka**, Chairman of the PNG Council of Churches was invited to say Prayers:

'God of our ancestors, the Fathers and Mothers of our faith, we the people of this nation give you all glory, honor, praise and thanksgiving for the successful ending of the National Parliamentary Elections. You have guided your people through the accepted process to elect their leaders to represent them in this Ninth National Parliament.

As they stand together in this House where decisions are being made; Lord, open their minds and hearts to always seek your wisdom to guide them in all that they undertake. By the power of your word, strengthen them to fulfill the duties they have been entrusted by their own people. We make this prayer through Jesus Christ Our Lord, Amen.”

*If you remain standing I will read you a short scripture. Paul’s letter to the Ephesians Chapter 4:1 –*

‘Live a life that measures up to the standard God set when he called you. Be always humble, gentle and patient. Show your love by being tolerant with one and another. Do your very best to preserve the unity which the spirit gives by means of peace that binds you together. There is one body and one spirit just as there is one hope to which God has called you. This is the word of the Lord, thanks be to God.’

02/02

‘God our loving eternal father, by the power of your presence with these your servants who have been entrusted with political leadership and responsibilities grant that your Holy Spirit will guide direct yield their hearts and their minds that they will serve your people well.

Guide and bless the Speaker, the Prime Minister and all those with Ministerial responsibilities other Members of Parliament and the Leader of the Opposition and Members of the Opposition, all the Governors of our provinces to seek your wisdom continually to serve your people. Most gracious God ruler of all nations we pray for the Ninth Parliament, each Member and officers of the Government direct their work and influence their decisions to the advancement of your glory and the safety and welfare of this nation so that peace and happiness truth and justice may be established amongst your people through Jesus Christ our Lord. AMEN.’

## **WELCOME ADDRESS BY THE SPEAKER**

**Mr SPEAKER** – Your Excellency, Lady Esmine, Your Honour Chief Justice, Honourable Members of Parliament and distinguished guests, I welcome Your Excellency on behalf of the Ninth National Parliament and the people of Papua New Guinea for their

representatives in Parliament.

I take this opportunity to pay tribute to the services of all those former Members of Parliament who were unsuccessful in the last elections.

Much was achieved by the last Parliament but many challenges lay ahead of all Members of this Parliament.

Our people have spoken through the ballot boxes in an open democratic election. I am sure the Honourable Members will agree with me that it is now our duty to try and maintain the tradition of loyalty and devoted service to our country through our term in office.

Your Excellency, you will be aware of the challenges that we are faced with. It is often said that Papua New Guinea is a country of many tribes and ethnic groups. We must now put aside our differences if we are to successfully overcome the challenges and meet the expectations of our people in Papua New Guinea who have placed us here to act on their behalf.

Sir, we are aware of your distinguished service to our country and it is appropriate that you are here in person to open the Ninth Parliament which is honoured to be addressed by you.

I now invite you to formally address and to open the Ninth Parliament. It is a tradition in the Westminster System of Parliament that you may sit and address the Parliament.

### **OPENING ADDRESS BY THE GOVERNOR-GENERAL**

**Sir MICHAEL OGIO** – The Prime Minister Honourable Peter O'Neill, Deputy Prime Minister Honourable Leo Dion, the Speaker Honourable Theo Zurenuoc, Deputy Leader of the Opposition Honourable Sam Basil, Chief Justice Sir Salamo Injia and the Members of the Judiciary, people of Papua New Guinea, distinguished guests, ladies and gentlemen. On behalf of Her Majesty Queen Elizabeth II, it is a great honour for me to be here today to preside over the official Opening of the Ninth National Parliament of Papua New Guinea.

After the challenging events of the last 12 months, I feel a great sense of relief and joy to see the Parliament back in action; a Parliament where our leaders who are sitting here before us now have been chosen once again by our people through a democratic process. It is an achievement we ought to be proud of. Despite the many set backs and obstacles we faced along the way since independence, we are still able to conduct proper and fair elections to choose our

leaders.

At this point, let me extend a warm welcome to all of you and congratulate you on your election success. For those Members returning for another term, the challenge of building the nation continues. For those of you starting a political career at this level as newly elected Members, I welcome you to politics but I have this advice for you. This is a privileged job that only a few get the opportunity to do. You will have power and authority you never had before as well as the perks and privileges that go with it.

**03/02**

As a former Member of Parliament, let me also warn you that this is not an easy job. Many of have come with great expectations and left disappointed, some have even gone to jail and there are those that have lost everything after parliamentary careers are over. But still someone has to do this job, and you put your hands up to accept the challenge, and I wish you all the best in your careers.

Mr Speaker, I will also like to acknowledge the outstanding achievements of three newly elected Members of Parliament, Honourable Loujaya Toni, Honourable Dellilah Gore and Honourable Julie Soso. Not only do they bring to Parliament the gender balance that has been missing for so long, but that they have also proven beyond doubt that women can be just as effective as men in providing quality leadership at the national level.

Honourable Members, we are here today comfortably seated in this Chamber because of the patience, maturity and the understanding displayed by our people under challenging circumstances.

As the occupant of the vice regal office at Government House, I watched the events of the last 12 months take place from a vantage point, and I am happy to say that these challenges are now behind us for the better.

Mr Speaker, in many ways, I was also a central figure in these political challenges involving the three arms of Government; the Legislature, Judiciary and the Executive. I was confronted with legal issues as to who to recognize as Prime Minister, and where I should get advice from.

Just a short distance from my residence, at the entrance of Government House, I watched two different police factions fight over power. And we know all too well how many of us tried

extremely hard to find solutions to the problem. There was confusion and fear and it was a scary and uncertain time.

Thankfully, Mr Speaker, in all of this, the ordinary citizens of Papua New Guinea stood firm in resolute. They could have taken to the streets to express their anger as we often see in many countries. They could also have taken sides along tribal, provincial or regional lines and take on each other, but they did not. Instead, they displayed patience and understanding and left the political events to take their own course. For this, Mr Speaker, we need to thank Almighty God and our people because the outcome could have been very different. We need to thank the leaders in the Public Service, the disciplinary forces, and many other government agencies because they displayed real leadership and guided us through a testing period in our country's history.

We need to thank the non-government organizations, trade unions and the business community, donor agencies and foreign investors who stayed by us and who had faith in our system that we could resolve our differences peacefully and without bloodshed.

Mr Speaker, in some ways, the recent national elections may have come around at the right time because the outcome has provided the natural healing process to a dispute we could not resolve. For example, we now have in government, Cabinet and Parliamentary colleagues seated side by side who in the past few months were adversaries. This is a good, positive and unique development in the evolution of a fledgling democracy. And the maturity of our political leaders can only contribute to the reconciliation process started by this government under the capable leadership of Prime Minister, Honourable Peter O'Neil.

Honourable Members, we must now resolve to never repeat those difficult and challenging experiences. We must not put our people through that pain, fear and uncertainty ever again.

**04/01**

Instead, we must take action to instill confidence in our people and institutions and create opportunities for growth for all citizens of Papua New Guinea.

Mr Speaker, the best way for us to avoid these problems and reward our citizens for their continued support is to provide a good Government and effective leadership, and I start here today at the opening of the Ninth National Parliament.

This brings me to the important part of my message today. What are we going to do? And how are we going to make a fresh start? Honourable Members, during the formation of this Government our coalition leaders met in Alotau and put together a development agenda with programmes designed to correct the mistakes of the past.

We have to heal the wounds of political fighting or infighting and guide our guide nation back on track in the next five years. To achieve this, our Government has put together a platform for action that will be implemented during the term of this Parliament. The strategies that I am about to announce are designed to bring our people closer by another five years to achieve their goals and objectives set out under the *Vision 2050*.

1. The Government will undertake a major legislative reform programme to review and to amend a number of laws and Acts of Parliament. A list of existing legislation has been identified for review and for repeal. We will review the provision of the *Constitution* to ensure stability. This will include those provisions relating to the election of the Prime Minister, the term of Parliament and so on.

We will amend the *Organic Law on National and Local level Government Elections* as well as the *Organic Law on the Integrity of Political Parties and Candidates* to make them more effective and relevant to our needs today. At the same time we will enact new legislation to remove political uncertainty and create a stable environment for the Government to implement its policies and programmes.

Mr Speaker, in line with our desire to promote reconciliation and unity and to build respect and independence among the three arms of Government, we will repeal the *Judicial Conduct Act*, the *Supreme Court Amendment Act*, the *Parliamentary Powers and Privileges Act* and the amendments to the *Prime Minister and NEC Act*. We will also pass an *Act of Indemnity* to identify all persons affected as similar steps have been taken in other parts of the world.

2. Promote increased investments and free travel between our close neighbours, Australia and New Zealand. It is our desire to pass a *Dual Citizenship Act*. We also plan to enact a law to set up an Independent Commission Against Corruption (ICAC). Other laws will come under review like the *NCD Act*, *Public Service Management Act*, *Public Finances Management Act*, *Oil and Gas Act*, *Mining Act*, *Police, Defense and CIS Act*, *Education Act* and the *Organic Law*

*on Electoral Boundaries Commission Act, the Organic Law on Provincial and Local Level Government and the Regulatory Services Authority, Appointment to Certain Officers Act 2004.*

In addition to all these, we will enact legislation to establish the Lae and Mt Hagen city commissions. I know that this is a sure sign of a Government of unity, actions, stability and prosperity.

3. Five year development programme - Mr Speaker, in conjunction with the legislative programme, my Government will immediately review the current Medium Term Development Plan (MTDP). The five-year programme will be fully coasted and aligned to the annual budget circle and this time it will include priority impact projects for the provinces and districts.

This will be the new road map for the O'Neill-Dion Government.

4. Priority impact projects or programmes - Mr Speaker, under the revised Medium Term Development Plan (MTDP) the Government will focus on the following areas:

Mr Speaker, on Education, the Government will extend the tuition fee free education and subsidy policy to grade 12. Also, it will provide infrastructure development and support to tertiary institutions including housing programmes for teachers in rural areas. Training for teachers will be given priority to achieve maintenance of standards and quality education.

**05/02**

A major review of conditions of teachers will be undertaken. The Government will also provide IT infrastructure to rural base schools. Our children in remote areas can access or develop skills in IT technology. TVET programs will receive special attention while community base skills development programs will be extended and the community college program revealed.

Mr Speaker, on health care, the Government will maintain its commitment to assessable and affordable health by providing free primary or basic health care and subsidise specialist health care. The Government will welcome and encourage private health care services. This will be achieved through the introduction of the national health insurance policy in partnership with private health care providers.

At the same time, the Government will also increase training of health care workers, re-

open all closed aid posts and improve the management of medical supplies and equipments throughout the country.

The Government will undertake a review of the national population policy with the aim to bringing the population issue as a major development agenda for the country. Special attention will be given to containing the epidemics of HIV Aids and TB, Non-commutable diseases and reduction of maternal childhood mortality and cancers particularly in women.

Mr Speaker, the Government is committed to continue the fight against corruption by proper funding and institutionalisation of the inter-agency committee against corruption in particular the taskforce sweep.

Furthermore, the Government will introduce a Bill to establish the Independent Commission Agent against Corruption (ICAC). The Government will also review the powers, roles and responsibilities of the Ombudsman Commission with a view of determining its core functions so it can be resourced better.

Mr Speaker, the Government will undertake a major review of the way infrastructure development programs are organized in our country. A new look authority will be set up under the Act of Parliament to mobilize and negotiate financial resources and technical expertise in the country and off shore.

The authority will oversee the administration and management of nominated major roads to link provinces with the aim of opening up the country and major economic and social infrastructure projects during this term of Parliament.

Furthermore, the economic corridor concept pronounced in 2010 to 2030 National Strategic Plan will be implemented. The Government will also provide financial support to the maintenance of the major highways, provincial roads and all feeder roads and bridges throughout the country. Similar attention will be given to Maritime provinces with the maintenance of jetties, wharves and with the provision of shipping services in partnership with the private sector and other service providers.

The Government will establish a national shipping services program which will include nationals, provincials and district service programs. A national policy prescribing standards will provide the framework of administration and management of these programs.

Air Services to rural areas will be negotiated with private providers with a range of incentives under negotiated service agreements. In terms of public utilities such as power, water

and communication, a partnership with a private sector will allow state-owned like PNG Power, PNG Ports, Telikom and Water Board to source private sector capital and technical expertise through negotiated sales and purchase agreement.

The aim of the Public Private Partnership (PPP) is to ensure that the Electricity, Water and Communication services has reached majority of our communities throughout the country at affordable costs. A policy on including the costs of transportation, freight and subsidies will be developed and implemented.

**06/02**

Mr Speaker, the Government will ensure that the PNG LNG Project will be delivered on time so that revenue flows will begin in 2014.

The InterOil LNG Project will also be given priority support to ensure the delivery of this project during the term of this Government.

These two projects will underpin our economy for the next 40 years.

Mr Speaker, on Law and Order, priority will be given to the restructuring of the Royal Papua New Guinea Constabulary by creating the Office of the Secretary for Police while reviewing the process of appointment of the Police Commissioner and his Deputies.

This restructuring will allow the Police Commissioner to focus on the effective operation of the Police Force whilst the Secretary of the Police Department will focus on the administration and management of the Police Force.

Vigorous training programs to increase the size of the Police Force will be undertaken and we will fully fund the police to undertake their duties, including improving their employment and living conditions.

The Government will undertake similar approaches to both the Defence Force and the Correctional Services.

Mr Speaker, frontline or village level dispute resolutions, Community Policing, Land Mediation, and Village Magisterial Services will be given the support they deserve. Many past governments have neglected this important arm of government.

Mr Speaker, the Government will completely overhaul the Public Service for improved efficiency and accountability. A performance based and outcome oriented policy will be undertaken for all levels of public service, from Waigani right down to the local level governments.

The Government will review the current arrangement of the Department of Personnel Management and the Public Services Commission.

A holistic review of this arrangement will result in the abolishment of the Department of Personnel Management and a restructuring of the Public Services Commission.

In this regard the Public Services Commission will be given the constitutional powers and responsibilities to oversee the efficiency of the Public Service.

The Commission will be accountable to the National Executive Council and Parliament.

This will result in the establishment of a small office representing personnel management to focus entirely on deployment of public servants and their ongoing in-service training.

The Institute of Public Administration and its regional centres will be given special attention.

The Government will also introduce incentives for public servants such as improved salaries, affordable housing in urban and in rural areas and rewards for performance including penalties for poor performance.

Part of these reforms include the transfer of powers of appointment of provincial administrators to the provincial executive councils or PEC.

The Government will also immediately amend the *Constitution* and the *Public Services Management Act* to allow the National Executive Council to hire and fire departmental heads.

The role of the Central Agencies Coordinating Committee will be confined to monitoring of the implementation of key government policies and priority programmes and mobilise the agencies of government from Waigani to local level governments to ensure that public goods and services are effectively and strictly delivered to our people.

The Department of Prime Minister and NEC will assume overall responsibility of the monitoring and implementation of the Government's development programmes.

In this regard, the Department of National Planning and District Development will be restructured and its functions completely changed to micro level planning, development of standards and collecting of national statistics at all levels for planning purposes.

The National Statistical Office will be restructured to ensure that the capacity to collect data and translate data into information for planning purposes will cover all sectors and extend right down to the district and the ward level.

The village record programme will be fully funded and implemented as part of this commitment.

**07/02**

In enhancing our citizen in business, sports and culture consistent with the wealth creation pillar of Vision 2050, we will develop a comprehensive plan which will be fully resourced to allow our land to be unlocked for development, particularly in agriculture business.

The Government will provide credit facilities for the expansion of small to medium enterprises with the aim of developing a critical mass of businessmen and women in PNG. The Government will also commit itself for making Papua New Guinea a truly sought after nation in the Pacific.

This action will allow our citizens to participate with the pace of economic growth we will be experiencing over the next five years and beyond. Public Private Partnership Policy under the Government, the private sector will be invited to partner the Government with the aim of ensuring efficiency in the state-owned enterprises.

Creation of employment to our citizens and increasing income earning opportunities for our people, a negotiated partnership arrangement will be undertaken for citizens with the assistance of the provincial Governments and all other stakeholders will be invited to buy shares under this arrangement.

Entities such as PNG Power, PNG Ports, Telikom and Water Board will be exposed to this policy and the Government in recognition of the role churches play in the development of our country will provide targeted funding under a church Government partnership arrangement.

We will undertake a review of our foreign policies to ensure those polices enacted are relevant to Papua New Guinea and global requirements of this time and that PNG is an important player in the world and in this region.

And we are open for businesses for the mutual benefit for ourselves and those that invest in our country.

Mr Speaker and Members, what I have outlined above are the Government's priorities for action and a receipt for action. They are designed to promote reconciliation and to set the scene for growth in the future and at the same time the government will continue to maintain focus on other sectors such as, petroleum and energy, land and urban planning, forestry, tourism, international relations and foreign policies, environment and climate change, mining, agriculture, commerce and business, fisheries and gender equality, youth, community and sports, inter-

government relations and the National Parliament.

The Government has already identified targeted actions it will take with each of these areas during the term of this Parliament. This will be the subject of a separate statement to be delivered by the Prime Minister at the appropriate time.

I have spoken at length about the Government's development agenda but this is not an easy task; talk is often cheap and actions speak louder than words. To achieve each of these objectives the Government will require the support of everyone from both sides of the House to the public servants, the business sector, the churches and the village communities.

We all must have a role to play because, all of us have one common objective and that is to build a better and prosperous future for all our citizens.

We cannot do this by tearing each other apart, like we have done in the last 12 months. If we have learnt anything from that experience, it is that we can put our differences aside and forge a new way forward through the process of the National Elections our people have given us another chance to make a fresh start.

I believe we have the blend of experience and young leaders to make this work. On this note, on behalf of Her Majesty, Her Royal Highness Queen Elizabeth II, it is my great privilege to declare open the Ninth Parliament Open, and may God bless our people and our country.

**8/02**

Parliament suspended at 11.30 a.m.

**09/01**

**Mr PETER O'NEILL** (Ialibu-Pangia – Prime Minister) – Mr Speaker, the Members of the National Parliament of the Independent State of Papua New Guinea in Parliament assembled today to express our loyalty to the most gracious sovereign and thank His Excellency for his speech today, which we are pleased to be addressed in this Parliament.

In the next Parliament Sitting, I will provide a detailed statement in respect of that Address.

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

That the Parliament take note of the Address by His Excellency, the Governor-General.

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

That the debate on the Address by His Excellency, the Governor-General be deferred to a later date.

### **SPECIAL ADJOURNMENT**

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

That the Parliament at its rising, adjourn to Tuesday 4 September 2012 at 2 p.m. to cater for the induction for the new Members of Parliament.

### **INDUCTION FOR NEW MEMBERS – STATEMENT BY THE SPEAKER**

**Mr SPEAKER** – I wish to emphasise on what the Leader of the Government Business has said and to inform Parliament that the three-day Induction Program for the new and returning Members of Parliament will commence tomorrow at the State Function Room. It is scheduled to start at 8 a.m., and all the honourable Members are kindly asked to attend.

### **ADJOURNMENT**

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

That the Parliament do now adjourn.

The Parliament adjourned at 2.40 p.m..