

FIRST DAY

Tuesday 23 October 2012

The Parliament met at 2 p.m. according to the terms of Resolutions of 5 September 2012.

The Speaker, (**Mr Theo Zurenuoc**) took the Chair.

There being no quorum present, Mr Speaker suspended the Sitting until the ringing of the Bells.

Sitting suspended.

Mr Speaker, again took the Chair at 2.35 p.m. and invited the Member for Abau, **Honourable Sir Dr Puka Temu** to say Prayers:

‘God of our people and country and the entire universe. We, the leaders of our country and our people acknowledge your greatness, sovereignty and love for our country and our people. We acknowledge our leadership over the country and we thank you as leaders for granting us the opportunity to lead, to serve and to help our country in the direction that you wish. We thank you Lord for the opportunity to allow us to be elected Members of our people during the Ninth Term of Parliament.

This afternoon Lord, we thank you for the privilege of being on the Floor of this Parliament under the leadership of our Speaker. We request of your guidance as we commence this session of Parliament

We pray for the agenda before us, thank you, Lord that you will see us through. We now submit ourselves under your leadership once again as we recite the Prayer that your Son Jesus Christ taught us to pray. Amen.’

**BROADCASTING OF PARLIAMENTARY PROCEEDINGS –
STATEMENT BY THE SPEAKER**

Mr SPEAKER – Honourable Members, the *National Broadcasting Corporation* will be allowed to broadcast and televise live Question Time and *Em TV* will be allowed to film Question Time for news purposes only for the duration of this meeting.

**STATE OF THE NATIONAL PARLIAMENT –
STATEMENT BY THE SPEAKER**

Mr SPEAKER – Honourable Members, before we proceed with the usual businesses of the Parliament, I, as the Chair and head of the Parliament would like to make a statement.

(1) Deplorable State of National Parliament

Honourable Members, I wish to inform you and the people of Papua New Guinea that the National Parliament, in its entirety, is in a deplorable state. Amongst the many resultant factors; corruption seems to be the single biggest element responsible for the state of affairs as captured by the newspapers this morning.

I do not wish to go into details but I am compelled to mention at the outset that the Parliamentary Services is close to dysfunctional. It has lost direction and purpose for its existence; millions of kina have been spent outside of the purposes of the Parliamentary Services whilst its core functions are left to deteriorate. This is all reflected in the quality of the services provided to us, the Members to effectively perform our roles as parliamentarians.

To determine the extent and the degree of the breakdown in the administrative systems and functions; I have commissioned a general compliance audit into the current status of the Parliamentary Services.

Therefore, I will not only table the findings of the compliance assessment report but also ensure that the people's Parliament is cleansed of the filth and rot.

(2) Restoration, Reformation & Modernization Program

Given the deplorable state of the Parliamentary Services, my administration has embarked on a three-phase program that will characterize my tenure in office as the Speaker of the Ninth National Parliament.

Driving the theme: Restoration, Reformation and Modernization, we have initiated several programs that are on foot and running concurrently. One such initiative under the Restoration Phase is the Committee Chairs Workshop that was conducted yesterday and set to continue throughout the week. That will be followed by other programs and activities that will be conducted in-country and abroad.

Therefore, I am now appealing to all the Members of this Honourable Parliament to give me your support as we embark on these initiatives so that we can collectively work together to restore, reform and modernize our National Parliament.

(3) Vacancy in the Office of the Clerk

I wish to formally inform this Honourable Parliament and the people of Papua New Guinea that there is a vacancy in the Office of the Clerk of National Parliament. The former Clerk's term expired on the 13 September, 2012 after serving a six year term since the 13 September, 2006.

Currently, the Deputy Clerk of Parliament Mr. Simon Ila is the Acting Clerk by the operation of the *Standing Orders of National Parliament No.3* and I quote.

"Vacancy in the Office of the Clerk

3: During any vacancy in the Office of the Clerk all powers, functions and duties of the Clerk shall be exercised and performed by the Deputy Clerk....."

Meanwhile (as seen in the newspaper advertisements) we have engaged a very reputable firm, Vanguard International to advertise and do preliminary screening and selection of suitably qualified and appropriately experienced persons for the position.

Vanguard will provide me its report and I will then forward the names to the appropriate Permanent Appointment Committee thus initiating the appointment process as specified by the *Provisions of Part IV, Section 7 of the Organic Law on Certain Constitutional Office Holders.*

I am now awaiting Vanguard for its report before putting into motion the substantive appointment process working closely with the Permanent Appointments Committee.

To drive these initiatives and my other visions for the Parliamentary Services and the National Parliament as a whole, I need a good Clerk. Apart from possessing all the necessary qualifications and prerequisites, I need a person with a strong will to champion the fight against corruption within the Parliamentary Services.

The fight against corruption is not an easy one, we are facing a lot of challenges and opposition already and we expect it to be intensified in the coming days. But let me assure the people of Papua New Guinea that we will not be moved. We are determined and we will press on to rid this Parliament of the rot and filth accumulated over many years of neglected.

Therefore, Honourable Members, I would like to inform the Parliament that the Chair would not entertain any questions, discussions, debates et cetera in relation to this particular matter and to other matters in relation to the administration of the Parliamentary Services.

It may not seem to be the right thing to do right now but only time will tell and we shall all bear witness. All Honourable Members are asked to take note of this ruling by the Chair.

Thank you.

02/01

DEATH OF FORMER MEMBER – STATEMENT BY THE SPEAKER

Mr SPEAKER – Honourable Members, I have to inform the Parliament of the death on 16 September, 2012 of Mr David Basua. He was a former Member for the Kagua-Erave Open Electorate in the Sixth and Seventh National Parliament from 1997 to 2002, and from 2002 to 2007 respectively.

During his term as Member of Parliament, he was appointed as Member to the Emergency Committee, Privileges Committee, Standing Orders Committee, Educational Referral Committee, Minerals and Energy Referral Committee, Transport and Civil Aviation Referral Committee, Deputy Chairman to the Public Works Committee and the Provincial Governments Suspensions Committee from 1997 to 1998.

He was disqualified from Parliament by the National Court on the 27 May, 1998 and re-instated by the National Court on the 16 July, 1999 following a recount. He was then appointed an Assistant Speaker, Government Whip, Vice Minister for Agriculture and Livestock. He was also a member of the Appointments Committee, Emergency Committee and Broadcast of Parliamentary Proceedings Committees.

He was also a member of the Foreign Affairs and Donor Agencies Committee, Constitutional Laws and Acts and Subordinate Legislation Committee and Provincial Governments Suspension Committee from 1999 to 2002.

He was re-elected to the Seventh National Parliament in the Supplementary Elections in 2002 and was appointed Shadow Minister for Correctional Institution Services, Shadow Minister for Internal Security and Justice, Minister for Culture and Tourism, Minister for Higher Education/Science Research and Technology from 2002 to 2007.

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

All Members present stood in their places.

Mr SPEAKER - I thank the Parliament.

CERTIFICATION OF ACTS – STATEMENT BY THE SPEAKER

Mr SPEAKER – Honourable Members, I have to inform the Parliament that I have in accordance with *Section 110* of the *Constitution* certified the *Lutheran University of Papua New Guinea Act 2012* made by the Parliament.

QUESTIONS

Mr SAM BASIL – I ask leave of the Chair to direct a question to you, Mr Speaker.

Mr SPEAKER – Go ahead, Leave is granted.

Mr SAM BASIL – When we were about to rise five weeks ago, I was surprised that you ruled against my speech that it should not be incorporated into the *Hansard*.

Mr Speaker, I represent the people of Bulolo and I have every right as any other Members of Parliament sitting here to deliver my speech, and I particularly mentioned some issues relating to Members of Parliament sitting in here who can defend themselves and not from people on the outside.

Mr Speaker, therefore, I appeal to the Chair and your office to reconsider your decision and incorporate my speech back into the *Hansard*.

Thank you, Mr Speaker.

Mr SPEAKER – Thank you Honourable Member, the Chair has made a ruling and therefore the Chair will maintain that ruling.

Mr LUKAS DEKENA – Thank you, Mr Speaker, for giving me the opportunity to ask my question, but before I ask my question, I would like to congratulate you on your election to the post of the Speaker and I also congratulate the Prime Minister, all the Ministers and all the Members who have been elected to Parliament in the recent Elections.

03/01

My questions relate to the awarding of a Housing Project totaling K10 million to build 80 public houses at Gerehu Stage 3B, including K5 million to build a property management information system plus the restructure of the National Housing Corporation.

Mr Speaker, let me provide background information to my questions.

In 2009, the National Housing Corporation and the former NHC Board under the management of the former Minister, Andrew Kumbakor, awarded a total of K10 million to three contractors namely; the Wari Vele Contractor, Kwajo Contractor and Tawap Kamen Investments to build 80 houses at Gerehu State 3B.

The initial contract phase was intended for two years. However, in 2011 the new Board appointed another contractor, Niugini Builders, to complete the project. Towards the end of

2011, National Housing Corporation requested for additional funding from the Department of Finance and Treasury. Up until today, it is not clear whether the project was completed. My questions are:

- (1) Can the Minister responsible confirm the completion of the project?
- (2) Why were the companies paid in full before the commencement of the work?
- (3) Can the Minister explain why the project was awarded to another contractor in 2011 when it was already given to the three contractors?
- (4) The people of Papua New Guinea need to know how many houses were built during the life of the project?
- (5) Was there any contract variation clause mentioned in the Contract Agreement?
- (6) Did any of the contractors provide the NHC an expenditure report?

By law, the Minister responsible should immediately table a full report on this particular project. The report should highlight how the three contractors were selected in 2009 and why another contractor was selected in 2011.

A proper investigation needs to be carried out at the staff, board and political level to determine who stood to benefit from this project.

(7) In relation to the financial matter, can the Minister also provide a report on how the K5 million was spent to develop the property management information system including the restructure of National Housing Corporation. The project was out-sourced to a company namely ADCAP.

(8) Can the Minister confirm if building of the property management system commenced and whether the money was paid in full before the work began?

Mr PAUL ISIKIEL - Thank you, Mr Speaker. I think you all know the situation with the Housing Corporation. Everything as mentioned here was done before my time and I am in the process of collecting facts and referring those involved to appropriate agencies. I am in the process of putting papers together to present to Parliament the status of NHC. I will be doing that next week.

Mr GARRY JUFFA – I congratulate every one of you who have been elected. I would also like to remind everyone who made an effort to recite prayers because we have been elected to represent the interest of the 7 million people of Papua New Guinea.

My question is directed to the Minister for Foreign Affairs. Firstly, I would like to thank him because he has responded and confirmed to meet with me. But this is a question of importance and it should be asked for the benefit of the public and the Members of Parliament.

My question relates to a criminal international fugitive Djoko Chandra who was wanted for embezzling US\$65 million dollars in Indonesia. But we have seen it fit to grant him citizenship. Now he is promoting a heinous and evil rice project. He is seeking to create a monopoly with a project that has been tabled with NEC three times and has been rejected. Yet, the project is about to be tabled again.

Can we review the granting of citizenship to Djoko Chandra who is wanted by the Indonesian authorities?

He has been accused of misappropriating US\$65 million dollars in Indonesia. Why are we accommodating this person? It is an embarrassment to our neighbors in the region and the rest of the world.

He should be deported and handed over to the Indonesian authorities. We should not be entertaining international criminals in this country.

04/01

Mr Ano Pala – Point of Order! Mr Speaker, Djoko Chandra is a citizen of this country. And as a citizen of this country, like all of you, he has the protection of the law. He has the protection of this Parliament and he has the protection of the privileges of this Parliament.

The question is that as a citizen he should not be defamed further on the Floor of Parliament but the question should be directed to the Minister to enquire into the relevant matters that he has raised.

But, as to raising questions of defamation and serious allegations, that is below the dignity and decorum of this Parliament.

Mr Speaker, the person is a citizen and enjoys the same privileges that you enjoy and which every person in Papua New Guinea should enjoy.

So, Mr Speaker, I am asking you to rule on that premise to protect the interest of all our citizens, the protection of the law and the protection of the decorum of this Parliament.

Mr SPEAKER – I will allow the question to be answered.

Sir Michael Somare – Point of Order! My point of order is that what the Member has spoken about come under specific legislation in this country. This person is under enquiry in this country. Why grant him citizenship? That was his question.

Why did we grant citizenship to the person named? He has some legal issues in his country of origin.

Mr SPEAKER – Honourable Governor, your point of order is clear. I will ask the Minister to answer the question.

Mr RIMBINK PATO – I thank the honourable Governor for Oro for his questions.

I think my answer has been partly given by the Grand Chief and partly by the former Minister.

Here we are dealing with a legal issue concerning an individual. Where the law is concerned, there are processes and procedures. I don't want to take over the job of the Attorney-General in this Parliament and give you legal advice.

I have already said in the public that there is an existing process under the law that is being followed. If there is a question that is outstanding and needs to be looked at, then it must come to me through the proper process.

So, it is not my job to advise what that process or procedure is. Whoever is seeking legal advice, whoever has an interest in the matter, they should follow the process and I will deal with it in the appropriate manner.

Mr GORDON WESLEY – Thank you, Mr Speaker, for recognizing the people of Samarai-Murua.

Mr Speaker, I rise to raise my questions directed to the Minister for Fisheries and Marine Resources, Honourable Mao Zeming.

Before I ask my questions, on behalf of my people of Samarai-Murua, I extend my congratulations to you on your elevation to the Office of the Speaker. On the same token, I take this opportunity to thank my people of Samarai-Murua for their trust and confidence in me by returning me to Parliament serving a third term.

Mr Speaker, I now direct my questions to the Minister for Fisheries and Marine and I want other relevant Ministers to take note.

(1) Are you and your Department aware of these illegal fishing activities?

(2) If yes, what actions will you take on those responsible?

Many of our local fishermen struggling in poor conditions are individuals and families from very remote and isolated islands and villages in Papua New Guinea.

Mr Speaker, many of our Members of this Parliament who share maritime provinces will no doubt be familiar with the exact position of the very people we represent.

This is not only a means of income for them but virtually their daily means of support. In fact, marine resource is the only garden to heavily populated islands and atolls and their entire life depends on this. Hundreds and thousands of my people of Samarai-Murua District live on small atolls and depend heavily on marine resources. There is no available land to turn to. You have to be in their shoes to know how difficult it is to survive in those remote and isolated places.

Beche-De-Mer industry is virtually important and essential as it is the only means of income and daily support for them.

Given the circumstances of the poor living conditions and the uncertainty of the future of the fishermen and their families, particularly in the Milne Bay Province, will you critically review the moratorium orders and consider lifting the closure of beche-de-mer industry?

Minister, the people of Samarai-Murua are seriously affected by this Moratorium.

(3) Will you give Milne Bay Province a special consideration to remove the moratorium order and be the first province to open either this year or next year?

Issuing of licenses to foreign companies and organizations is one of the critical areas where the Minister must consider decentralization of powers to the maritime province. Past experiences have shown that provincial governments in the maritime provinces were bypassed in making such important decisions. This is one of the major contributing factors for over fishing in

many parts of this country, as well as lack of proper planning, control and the management of this resource.

5/01

(4) For the purpose of prudent management of our marine resources, scrutiny, control and compliances to the Papua New Guinea Fisheries Act and Regulations, will the Minister consider reviewing the processes to issuing of licenses to harvest and export of marine resources to have the powers transfer from the National Government to the Provincial Government?

Mr MAO ZEMING - Mr Speaker, I wish to thank the honourable Member, for his questions. The first question is in regards to the illegal activities occurring around the Maritime Provinces. Let me clarify that our maritime laws are there and whatever illegal activities taking place outside of our maritime laws by those people will be dealt with by the relevant agencies of the government.

Secondly, on the issue of the moratorium, the sea cucumber is not like the fish that reproduces in millions. That is why when harvesting the sea cucumber we must take into account its lifespan. Reports have shown that the sustainability of this resource is quite not expected, if we continue to harvest. Our technical experts have advised that we will not be lifting the moratorium for the next three years.

There are reports of some people who are illegally harvesting sea cucumber, and I will not hesitate to allow the relevant agencies to prosecute and penalize these people. We must consider the future generation and safeguard our maritime resources.

Certain communities have indicated that the sea cucumber is multiplying in their provinces and we have sent out our technical team to investigate and determine whether or not to lift the moratorium.

Mr Speaker, I understand that in some parts of our country the people depend entirely on this resource where it is in abundance. In that case, we can see and review the moratorium and make adjustments for our people.

Mr Speaker, I have answered most of the questions 'off the cuff' and if the Member is willing I can provide a detailed response at a later date.

Supplementary Question

Mr TITUS PHILEMON – I direct my questions to the Minister for Fisheries and they are as follows;

(1) What are the alternative arrangements can his department provide for the livelihood of the coastal people?

(2) Is the moratorium in the interest of the seabed mining?

Mr MAO ZEMING – Mr Speaker, I thank the Governor for his question. The National Fisheries Authority is ready and since he is asking the question on behalf of his province, I will be sending a team to specifically establish a alternate solution for our people there.

Let me assure the Member and the Governor that I will be directing the National Fisheries Authority along with the Coastal Fishing Agency to carryout this tasking.

Mr MORI WERA – On behalf of the 50 000 people of Chuave and my family, I take this opportunity to congratulate you on your elevation to the Speakers Chair and I am sure you will do your job with honesty and integrity.

Mr Speaker, my question is directed to the Minister for Environment and Climate Change.

Mr SPEAKER – Honourable Member, the Minister is not present in the Chamber so I ask you to redirect your question or you may reserve the right to ask him when the Minister is present in the Chamber.

Mr MORI WERA – Mr Speaker, I reserve the right to be acknowledged when the Minister is present in the Chamber.

Mr JOSEPH LELANG – Mr Speaker, my question is directed to the Treasurer. There has been so much talk and publicity of the K6 billion loan from the Chinese Exim Bank.

Mr Speaker, it is now timely that the Government must inform Parliament and the people of this country on the exact nature of this loan.

At this point in time, I have only four questions and I will be reserving some for later.

(1) Can the Treasurer confirm the current denomination of the proposed K6 billion loan? Is it in Kina, US Dollar or the Yuan or is the loan going to be in some other form of a denominated currency?

(2) Can the Treasurer inform this Parliament on the broad parameters that they have directed their officials to go to China to use as their basis for negotiations with China Exim Bank prior to the Banks Board approval at the end of this year?

(3) Is the proposed K6 billion loan going to be treated off Budget or as part of the Budget that will come under the management and oversight of the Treasury Department?

06/01

(4) If the loan is going to be treated off budget, can the Minister for Treasury inform the Parliament what the Government is proposing and exactly how is this proposed mechanism going to operate?

Mr DON POLYE – There is so much publicity on the bank loan and a lot of public critics have come from him. It is something that has been publicized by the Opposition but these are important questions. The Government's strategy as to sourcing capital to address the Government's development agenda for Papua New Guinea as a very strategic one is very important and I would like to state from the outset that this Government's strategy in looking for capital within the domestic market and abroad is a very diversified one.

So I would like to draw this very clearly to the Honorable Member for Kandrian-Gloucester that the Government will not put its egg into one basket to draw down any amount of loan from one particular source for instance; the Asian Bank. This government is responsible and the Asian Bank is one of those alternative sources of financing of drawing down of concessional loans within concessional standards to implement projects.

Mr Speaker, why is there so much fuss about the Asian Bank loan, what is the problem with getting the loan from the Asian Bank when you have got your macro-economic stability

there? The condition is right so you must look for resources within the development and this is a development issue that the government has taken to do.

And I would like to advise Parliament and the people of this country that those people who speak negatively about the Government's strategy in mobilizing resources from within and abroad are misleading. To confirm the exact currency in which the loan will be drawn down from, and the Honorable Member being a former Secretary for National Planning is aware of the answer.

It depends on the discussion between Treasury under the instruction of the Government with the lending agent, we will come with the terms and conditions and the most concessional terms in the currency which we decided to be the best currency to work by; for example, we have ADB, World Bank, JICA, AUSAID that will determine currencies that might be considered.

I remember the Yumi-Yet Bridge from sometime back was dominated by the Euros but then converted to the Japanese Yen.

Mr Sam Basil – Point of Order! The amount K6 billion was given, we want to know in which currency you are negotiating the loan.

Mr DON POLYE – I understand the background from which my colleagues from the Opposition are coming from but I just mentioned that we would like to address the next five years government's investment programs at the total of K6 billion not for 2013 but K6 billion to be drawn for the next five years period. So you will be seeing a budget for five years and it will be handed down soon.

It is not going to be just to this budget it is going to be for the next five years and will be handed down this year, to start next year's work. So by 2017, we would have drawn down K6 billion worth of work on top of the existing capital.

Mr Francis Awesa –Point of Order! Last year, when the Government was changed he was part of the decision when this concept was first developed. And we are going into the next stage and it is well advanced and that is what I am saying.

Mr SPEAKER – Your point of Order is out of order, please Minister, continue with your reply.

Mr DON POLYE – To answer the question as which currency we'll use to draw down the loan from I say we may even go beyond that but the terms and conditions of the loan are being negotiated treasury as it is an old process.

Secondly is what the bond parameters are for which the loan will be drawn down from that is a very normal process in which any loan is being devised from. You do not come up with new devices.

07/01

We will be drawing down loan on concessional rates as a priority approach; concession meaning 2.5 per cent to 1.5 per cent interest rates.

Mr Sam Basil – Point of Order! Any concessional loan we get from any international financial institutions have certain terms and conditions. The Chinese loan or any loan that we obtain from China has very specific fixed terms and conditions to it including the issue of contracting. They will bring their own contractors to build the roads.

So the Chinese loan is very specific. In a typical Chinese loan, everything is very specific so the question asked was what parameters has the Government approved for the officials to go and negotiate with Chinese bank officials. The question was very specific.

Mr SPEAKER – Thank you Honourable Member, please allow the Minister to answer the questions.

Mr DON POLYE – Mr Speaker, it is quite funny because the Member for Kandrian Gloucester was the Secretary for National Planning when he spearheaded the loan to do the PMIZ in Madang so all parameters referring is there. So drawing down from the Exim Bank is not a new idea or concept.

If you are worried about the constructing industry, the Chinese Government facilitated a credit facility and attached their contractor to it. That's what happened in the last three contracts.

Our loan has to be processed and the procurement process stipulates that there's going to be a competitive bidding process to arrive at the best lowest conforming contract for that particular project. What the Government will do is uphold our own law and the procurement process to make sure that the Chinese construction industry bid through the normal international bidding process to bid and implement the projects within our laws. That is very clear and we have done our part.

So there is nothing sinister about it and it is International Competitive Bidding (ICB) which will be in compliance to our procurement process and Chinese companies will be bidding through our process. This is good because you take advantage of the situation and capitalise on it, access the loan and do your project but you make sure that your laws are not broken.

In relation to the third question, it is to do with how we are treating it and whether it is off the budget or within the budget. We are taking both approaches as possible. If it fails, we phase it over the next five years on what projects we want it to be delivered and budget it in the next five years starting 2013 which, you will see the O'Neill/Dion Government presenting in the next few weeks.

Second is you do it onshore to other State-owned entities like our State Enterprises like PNG Power, Telikom, National Airport Corporation, Ports PNG and other State-owned entities that have the balance sheet, business plan and investment portfolio can draw down the loans. The State gives them guarantee and through those State-owned entities pay the loan through business activities over time.

In that way, I do not place too much stress on the fiscal strategy of the Government.

And I believe I have answered the final question where it is going to be done off the budget. How am I going to treat it, I have just told you that it will be done through State-owned entities.

Mr Speaker, this Government is innovated. We understand the issues and we know where we are going, we are in the right track so support us.

Mr JOE SUNGI – Thank you Mr Speaker, firstly, on behalf of my people, I would like to congratulate all of you for making it into this Ninth Parliament. I would also like to congratulate you, Mr Speaker to your post and also the Prime Minister.

I would also like to thank my people for giving me this confidence to be here in this highest office of the Independent State of Papua New Guinea.

I direct my question to the Minister for Police. Recently in Port Moresby, I have seen that there are huge number of Policemen in markets and public places. I have a problem with this initiative because what is being done here in Port Moresby is at the expense of the rural population still awaiting police manpower and law and order assistance in the districts and their LLGs.

Mr Speaker, so I would like to ask the Minister if he has any plans that he can inform Parliament on how it is going to properly manage the police shortage in districts and LLGs rather than only concentrating them in the main centres like Port Moresby and Lae while some of them are being engaged as private bodyguards for the politicians. I think this is not what our people want.

Mr Speaker, in many of the remote districts, especially my Nuku District, we only have one regular policeman and I believe it is a common story for all of us sitting here. The program under this Government is district or rural focused and action oriented as delivered by the Prime Minister in his inaugural statement and therefore, I would like to see not only police but other government services that are concentrated in the cities to be equally distributed and give priority to the districts down to the LLG level. As you know, police start the process of law and order.

Mr SPEAKER – Honourable Member, you need to ask your question to the Minister rather than making a statement.

Mr JOE SUNGI – Mr Speaker, if the Minister can plan and at least deploy 20 policemen to each district would be good rather than funding police to provide security to the main cities putting money into the cities only.

Mr NIXON DUBAN – Thank you Mr Speaker, I thank the Member for Nuku for asking a good question regarding the police operations. Before I answer his question, I would like to congratulate you Mr Speaker for your elevation to this post and also other members including the Prime Minister, Deputy Prime Minister and the Leader of the Opposition.

The Honourable Member will notice that in the last couple of weeks, we have sat down and looked at the public outcry of the law and order problems in the main towns and cities.

08/01

As a Minister, I am taking this as my responsibility to make sure that we critically look at changing the focus of the Police Force of this country. We have seen a lot of Policemen/women driving around in the car and do not concentrate on public safety and there is lack of visibility control. Many times when the public is moving around, we do not see the presence of the Police.

Mr Speaker, I have made the decision to talk to the Commissioner and the two Deputy Commissioners to rollout foot patrols as the first start to changing the focus of the Police. We are planning to rollout starting with the National Capital District and we are going out in a big way throughout the rest of the country.

We have never seen or rarely seen foot patrols by Police in this country. All policemen/and women are concentrating on multimillion kina projects and they lost integrity of protecting the public. Therefore, we will continue the foot patrols to ensure safety for the public rather than only concentrating on other areas.

Mr Speaker, concerning rural police with regard to more policemen/women deployed to the districts, it is a question that we will address as a Government. Currently, we have 5,000 policemen/women in the country and that is not enough number to combat law and order within 7.1 million people of Papua New Guinea.

Mr Speaker, we need more police manpower but it was the failure of the past governments, which did not seriously address the issue. The cost to change the Police Force today is about K2 million and this Government is trying its best to find money to increase recruitments. In addition, we are trying to create and established as many training facilities throughout each region to boost the manpower. If, we do this, we will have enough policemen/women in the districts.

Mr Speaker, I thank the honourable for asking the question and currently we are working on a plan. I will outline the plan in a Ministerial Statement.

Mr PETER IPATAS – Mr Speaker, we have lot of attitude problems accompanied by law and order problems out in the country. We are now trying to address this issue and we've

got to do it for the future of our generations. Whilst waiting for big solutions, I suggest that we start with some simple solutions to some of these problems on how to fix them.

Mr Speaker, law and order problem is a serious problem and attitude problem too in this country is a serious problem. These problems are eating away at the very core of our society.

My questions are:

- (1) What is the big problem with this Parliament in regard to outlawing guns in this country?
- (2) Who needs guns in this country? Do we need guns to protect the businessmen in this country? The guns are the big problems in this country in the society now.

I think, if we outlaw guns, we will see very big impact on how we settle problems and bring peace and good order back into the society.

Mr PETER O'NEILL – Mr Speaker, I thank the Governor for Enga for raising a very important question on law and order issue. I also like to thank the Honourable Member for Goroka, Mr Bire Kimisopa for initiating the Gun Control Report when he was the Minister for Internal-Security during that particular Government.

I can remember correctly that it was only last year that we tabled this Report when we got into Government. This report was left outstanding for some time and as a result, many of the good recommendations that were given to us in that report were never implemented. But, I want to assure the Governor that the Gun Control Report is now with the relevant agencies, particularly, the Attorney-General's office.

Mr Speaker, those recommendations are about legislative changes that are required to be introduced by the Government. I can assure you that, as and when the Attorney General's office prepares all those necessary legislative amendments, we will take it back to Parliament to consider. We are equally concern about the illegal firearms building up in the country.

We will do our best, and once we build the capacity in the Police Force, I want to assure you that, even the Police run around with high-powered firearms. They do not necessarily have to do that and I believe the side-arms is just sufficient to deter our illegal activities in the country. But, moving around with AK47 rifle or M15 rifle on the main street of Port Moresby and to run the country is not good enough. It is only indicating to us that we are the country at

war. I do not have war with our own people. I believe, some our people are still having our tribal way of thinking in resolving some of the issues in the communities.

Mr Speaker, I am certain that some of the policies that this Government is embarking on like educating our children and our young Papua New Guineans, the attitude will slowly change. It won't change overnight but we are investing in the right development agendas in the country. Mr Governor, we have not left it sitting on the self but in fact we have tabled it last year and we will embark on trying to introduce those recommendations that have be recommended by the Committee.

09/01

**AUDITOR-GENERAL OF PAPUA NEW GUINEA – REPORT
OF THE AUDITOR-GENERAL – PART IV, 2011 –
PAPER – MOTION TO TAKE NOTE OF PAPER –
REFERENCE TO THE PUBLIC ACCOUNTS COMMITTEE**

Mr SPEAKER – Honourable Members, I present the following Paper pursuant to statute:

*'Auditor-General of Papua New Guinea –
Report of the Auditor-General – Part IV, 2011'*

Motion (by Mr Benjamin PoPONAWA) agreed to –

That the Parliament take note of the paper.

Ordered - That the Report be referred to the Permanent Parliamentary Committee on Public Accounts.

**AUDITOR-GENERAL OF PAPUA NEW GUINEA – REPORT
OF THE AUDITOR-GENERAL – PART I, 2008 – PAPER –
MOTION TO TAKE NOTE OF PAPER – REFERENCE
TO PUBLIC ACCOUNTS COMMITTEE**

Mr SPEAKER – Honourable Members, I present the following Paper pursuant to statute:

‘Auditor-General of Papua New Guinea – Report of the Auditor-General – Part I, 2008’

Motion (by **Mr Benjamin Poponawa**) agreed to –

That the Parliament take note of the paper.

Ordered - That the Report be referred to the Permanent Parliamentary Committee on Public Accounts.

**AUDITOR-GENERAL OF PAPUA NEW GUINEA – REPORT
OF THE AUDITOR-GENERAL – PART II, 2009 – PAPER –
MOTION TO TAKE NOTE OF PAPER – REFERENCE
TO PUBLIC ACCOUNTS COMMITTEE**

Mr SPEAKER – Honourable Members, I present the following Paper pursuant to statute:

‘Auditor-General of Papua New Guinea – Report of the Auditor-General – Part II, 2009’

Motion (by **Mr Benjamin Poponawa**) agreed to –

That the Parliament take note of the paper.

Ordered -That the Report be referred to the Permanent Parliamentary Committee on Public Accounts.

**DEPARTMENT OF JUSTICE AND ATTORNEY-GENERAL –
NATIONAL JUVENILE JUSTICE COMMITTEE –
REPORT, 2010 – PAPER AND STATEMENT –
MOTION TO TAKE NOTE OF PAPER**

Mr KERENGA KUA (Sinasina-Yongomugl – Minister for Justice and Attorney-General) – Mr Speaker, this is the first opportunity to officially speak on the Floor of this Parliament. Therefore, I would like to take this opportunity to extend to you the heartfelt congratulations from my electorate to yourself and to the Prime Minister on your appointments to your respective positions.

Also, as this is the first opportunity that I have, I would like to extend my gratitude to my people of Sinasina-Yongomugl for having given me this opportunity to serve them for the next five years on this Floor of Parliament.

The business on hand is in connection with the presentation of the Juvenile Justice Report for the operating year 2010.

Mr SPEAKER – Honourable Member, make your presentation on the Juvenile Justice Report 2010.

Mr KERENGA KUA – Mr Speaker, procedural issues are some things that we will have to master as new Members of Parliament so please accept my apologies.

Honourable Members, pursuant to statute, I present the following report:

Juvenile Justice Committee Report for the operating year 2010.

Motion - That the Parliament take note of the Paper and the debate be adjourned - agreed to.

10/01

**STATEMENT BY THE LEADER OF OPPOSITION –
STATEMENT – MOTION TO TAKE NOTE OF PAPER**

Mr BELDEN NAMAHAH – Mr Speaker, I would like to take this opportunity to make my Maiden Statement in response to the policy outlined by His Excellency Governor General of Papua New Guinea and the Right Honourable, Prime Minister, Peter O’Neill on the 8 September 2012.

Mr Speaker, I would like to get away from the tradition of Prime Ministers elected coming out with fancy outline policies and the Opposition Leader responding also in a similar fancy manner. I want to speak differently from those norms.

Firstly, I rise to present my maiden speech to the Ninth National Parliament. In doing so, let me once again congratulate you Mr Speaker, and all the Honourable Members for your successful elections to Parliament.

I wish to particularly salute the three honourable female parliamentarians for showing other women folks in Papua New Guinea that when you demonstrate genuine passion for people and exceptional leadership abilities you will be elected into Parliament. I look forward to working together with these three fine women and all honourable gentlemen to bring about positive and meaningful change to the lives of our people through this Parliament.

Mr Speaker, I would also like to take this rare opportunity to thank more sincerely my people of Vanimo-Green to serve them another term in Parliament.

It is indeed a great privilege to stand before you and all honourable Members as Leader of the Opposition and the alternative government. I want to present my maiden speech as we commence our business of the Ninth Parliament.

I rise in union with my 17 leaders in the Opposition with a sense of duty and purpose to undertake the essential steps necessary to make sure that our Parliamentary democracy works for the benefit of our people and the interest of our country.

Mr Speaker, it has been suggested that young leaders need to take a page out of seasoned politician’s book. I will mostly focus on leadership.

With due respect, this Parliament is privileged and honored by the presence of three great leaders of our country who have contributed immensely by laying down the foundation of our nation. They have at one time or another served as Opposition leaders or as Prime Ministers of our country. With that, the Right Honourable Grand Chief is criticizing me now and the Right Honourable Sir Julius Chan. We are looking at their entire political life status. They have collectively served up 78 years of Parliamentary experience.

Mr Speaker, including other leaders such as the charismatic Governor of Western Highlands, Honourable Paias Wingti for the great leadership provided. That is why Mr Speaker the current Government offers the best opportunity for younger generation of leaders to rub shoulders with their valuable experiences and serve the state with iconic leadership.

The Opposition is mindful of this unique status and shall endeavor to make sure that we prepare ourselves to learn and absorb the praise of ousting leadership, from these great men who have refined by some in a game of humble politics and to build on from where they have left. If I was there, I am going to lead this Parliament.

Mr Speaker, let me say a little bit about myself. I am just a young leader who is obsessed with a passion and desire to eradicate what I see as unwarranted misery, poverty and suffering among our people in a country so abundantly wealthy of resources. I move around the fast evolving tiger economies of our Asian neighbors and I am worried about Papua New Guinea's stipulation.

I stand together with my brothers in the Opposition to fix, change and bring much needed reform to Papua New Guinea for the betterment of our nation. I am not afraid nor should any Papua New Guineans for that matter. Do not be afraid.

My party and the Member on this side of the Parliament want to fix, change and reform Papua New Guinea for now and for the future generation. I would really like to see the country leads a path of transformation that opens up the door to the full development potential of our nation. I believe in changes that are evolutionary or revolutionary in nature, which sets us as spring boards for unprecedented and unlimited opportunities for our people so that they can realise the full potentials and balance as partners in the development of our country.

11/01

Mr Speaker, let's look around ourselves, and look amongst ourselves once again. There is a paradox. On the one hand, there are abundant opportunities in a land of plentiful and on the other hand, there is poverty at an alarming level.

How do we reconcile these two extremes? I believe we need bold and smart leadership to address our national interest and destiny. I see that we have chained ourselves through laws and systems that wholly or partially deny and starve us of our resources, opportunities and our potential for speedy progress.

This poses a question as to why we should be afraid of change. Is it because we lack the boldness and foresight or is it because we have run out of ideas? Let me remind ourselves that we have not been elected to benefit unfairly from our people.

Mr Speaker, we are elected because from all corners of our country, from the highest tip of Mt Wilhelm, and mountain ranges of Obura-Wonenara, Tari and Bewani to the open plains of the Arona and Markham Valleys, from the river deltas of Kikori and the mighty Sepik River to remote plateaus of Oksapmin, Lassul-Baining, from the sandy beaches of Wuvulu and Trobriand Islands to the last post of Buin, Daru and Wutung, the simple voters believed in us to effect positive and transformational change.

I challenge the Parliament and this Government that the time is now for a head start to big and smart decisions that will enable us as a nation to realize our full growth potential.

The events of August 2 2011, perhaps it is needless for me to say that it has been a treacherous and perilous journey for our young democracy over the last 12 months. This period manifested two landmark events in our history. The political impasse that most would like to believe started when we, and that includes my brother, the Prime Minister of this country, Mr Peter O'Neill, orchestrated the change of government on 2 August 2011, and secondly, the subsequent standoff between the Legislature, the Executive and the Judiciary.

Added to that was a difficult election process that was founded on poor logistical preparations and faulty electoral roles right across the country. I would like to briefly touch on these issues.

The political impasse, the political history of Papua New Guinea did not start on 2 August 2011. The events which followed that day were predicated on issues and concerns that go back two decades or so when the Somare Government spent K76 billion without the realisation of that money in the rural settings of our community.

An undeniable fact is that any society goes through an inevitable(*Inaudible due to technical problems*)system, or the voting system from first-past-the-post to Limited Preferential Voting System the enactment of the *Organic Law on Integrity of Political Parties and Candidates*, the privatization of certain State owned enterprises, the restructure of super funds, the separation of fiscal p[olicy from monetary policy and the list goes on.

The reforms epitomizes the need for change, not necessarily because my party's founder was an economist in the classical tradition(*inaudible*)....derived through high mineral and commodity prices and revenue flows triggered by the Morauta Reforms.

Mr Speaker, on hindsight, longevity in office and usage of Parliamentary stability do not automatically translate to quality governance and effective management unless there is a constant crusade for review and reform. What I am saying in essence is that the nine years of wasted opportunity and neglect came to the fore on 2nd August 2011.

We, the young leaders, believed that there needed to be a change, that a young leader must take the baton and lead this country when Members of Parliament emphatically made their statement through their actions on this Floor. That was enough and forces the change of government on that day.

Mr Speaker, much has been said also about the standoff between the Legislature, Executive and the Judiciary. I am mindful of the fact that I have been constantly blamed as one of the leaders in the last Government that was at the forefront of this standoff.

I cannot deny that and I say humbly that I acted without malice and in the spirit of obligation and duty to my Prime Minister and the people of this country.

Mr Speaker, you will recall that I apologized to His Honour the Chief Justice....

(Inaudible segments come from the loss of recording made during blackouts).

12/01

On this occasion, I also extend my apologies to other judges in the National and Supreme Court and to the National and Supreme Court Registrar Mr Ian Augerea. I apologise likewise to the staff and all others who have suffered one way or another. It is not easy to stand up in public to apologise in public but you have to humble yourself as a leader in your duty.

I am now extending my hand in regret and humility to his honour the Chief Justice, if he may please do a handshake in our Melanesian way at any time any place that he chooses.

In the same vein, I also extend my apologies to the Grand Chief Sir Michael Thomas Somare who I would call as my father for my part in the events that followed.

We must leave the rights and wrongs of those events to be judged by political and legal historians in the years to come. We need to move on. I fully endorse the gesture of reconciliation extended to the Judiciary by withdrawing sedition charges against members of the Judiciary by the Right Honourable Prime Minister Peter O'Neill. It is the right thing to do. I hope the Judiciary reciprocates the reconciliation gesture by withdrawing contempt charges against some of us.

Mr Speaker, it is clear that the events of 12 months was attributed to the forces of change that have come to effect or affect the three arms of government and in turn has affected their own performances.

The winds of change have created a vacuum and inadequacies in our constitutional systems rendering many of our laws incompatible with the socio-political realities of today.

Well the *Constitution* was drafted by our forefathers whom many were not lawyers and as time changes we need to bring reforms to our constitution.

The Parliamentary Committee system with over 40 Committees has failed to provide any meaningful support to the Parliament to effectively perform its legislative function. The Parliament's fundamental role of supervision and control of the Executive arm has seriously eroded and compromised. The Parliament has been reduced to being just a rubber stamp to formalize government business without Parliament accorded its fundamental role of independently scrutinizing government policy and actions.

Honourable Members, I encourage you today to be wary of policy legislations presented in this Parliament that may be designed to further personal or political interest. We must hold the National Executive Council accountable to the people of this country through the elected leaders of this Parliament. We must debate and vote without fear or favour for the sake of our people in this country. This Parliament is our peoples' last line of defence.

Mr Speaker, the Parliament has not only succumbed to institutional decay but rather raises the question of whether the single Chamber of Parliament has resulted in the compromise of principle of Separation of Powers between the Legislator, the Executive and the Judiciary.

The relationships among the three arms of government must be reviewed over the next five years. Better still, the *Constitution* and its norms must be reviewed to ensure that it not only remains relevant but it is serving its purpose in this time and age.

Mr Speaker, this brings me to what is a burning issue for me and that is the issue of leadership or the lack of it in this country.

Mr Speaker, leadership in my view is to take a bold stand on any issue. They are firm and decisive, whereas cowards avoid situations that challenge them. They seek approval more than respect. A person's life is not measured by who he is but what he is. Leaders who do not want to make a bold stand and choose to play safe are the greatest risk to any nation.

Mr Speaker, in this Parliament we need to urgently look at our roles in the context of our country's stagnation from development and transformation with a land of plentiful resources.

We, as leaders need to look beyond the box and search for creative ideas on how to make our systems work better or to replace or reform with alternative systems. We must now get out of our stagnation. We must go out to the fast developing economies of the world and learn the lessons from them. Sometimes we take a trip and we don't even come back and translate it to our people.

Mr Speaker, Singapore gained Independence in 1965, only 10 years more than us. Look at where we are and where Singapore is? Singapore has no natural resource compared to our abundant natural resource wealth yet it is highly developed and foreign investment is ever booming. It is the oasis of Asia.

Mr Speaker, something is seriously wrong here. Honourable Members, are we prepared to change the stat scope? Are we ready for the hard yards? What are we the so called young vibrant leadership going to offer to this country and our people?

Are we going to continue with what our predecessors have been doing over and over again which has gotten us far enough? Or are we going to make a difference? My friends, the time is now and I am ready for it.

Mr Speaker, no one in this Parliament should deny that the 2012 Elections was a complete disaster. I warned the Prime Minister and the country that the Electoral Commission was ill prepared. I was hated for it, but I was right. Thousands of people were denied their constitutional right to cast their vote because the Electoral Commission failed in its duty to register all eligible voters in time for the elections.

The election officials were ill prepared resulting in numerous omissions. Poor security preparations resulted in many illegal activities, including hijacking and illegal polling, particularly in the Highlands region by electoral officials. The record number of election petitions is a clear demonstration of a failed election.

We will no doubt provide real insights into all the discrepancies and things that happened during the election period.

13/01

Mr Speaker, some very serious issues with respect to the manner in which the National General Elections were conducted are surfacing and one of these is the illegal printing of the generic ballot papers.

Mr Speaker, when there was a call and need for printing of generic ballot papers, about one third or the majority of the population missed out on voting. I have factual evidence to prove my claim and these are in copies of letters that I have from the Electoral Commissioner directing the Government printer to print generic papers and I have with me letters from the Electoral Commission confirming that there were 280, 000 generic ballot papers printed.

In my view and according to the *Organic Law* under *Section 65*, ballot papers come in as Form 33 and not generic ballot papers that do not include the name of the electorate and I demand to know which political party, leader or leaders benefitted from these generic ballot papers?

This is corruption at the highest level. I have the copies of the generic ballot papers and I want to start by saying we should a commission of inquiry and open all ballot papers starting in Vanimu-Green to see if I have used these generic ballot papers an go through all the leaders to and find out if they had used these as well.

Mr Speaker, I am crying foul over these and I say we should introduce the biometric system so that we eradicate these cheating and hijacking of the ballot boxes and voting process. That is because 280 000 generic ballot papers were printed for the benefit of some of us sitting here.

I am saying that this is a serious election fraud and we just can't ignore that this is a serious blunder in the history of our country. A Commission of Inquiry must be established to

enquire into the conduct of the 2012 National General Elections, which was by all measures a failed election.

Even today with reasons only known to the Prime Minister who is still keeping a person who has reached his retirement age but continues to serve as the Chief Electoral Commissioner. As I speak one more innocent life is lost in addition to hundreds that have already perished through election related offences.

Tribal fights raged through some parts of our country, even during the issuing or conduct of election petitions. The petitioners supporters are belting up the supporters of the winning candidate and vice versa, what are we going to do, are going to let this continue?

Mr Speaker, as a leader of this country I am sad because some of us leader here have lost lives in our electorate through election violence. On this note I wish to pledge the Opposition's support on the early introduction of the biometric system or the electronic registration and voting system as well as sweeping reforms to the *Organic Law on National and Local Level Government Elections* with particular emphasis on creating offences and punishment for public servants and election officials who engage in election scams and who deliberately commit errors and omissions to influence the outcome of elections.

As the Opposition Leader I do sense high expectations from the public for the opposition to make a difference. People are looking to me and the opposition to strengthen the democratic system of our country and offer the best alternative government.

While such expectations come naturally, I must say that I am disappointed with the level of resourcing of the Opposition Leader's office. In that regard I wish to remind the Prime Minister that there is a genuine need to adequately staff and fund the office of the Opposition so that it may effectively perform its functions.

However, I must pledge to the people of this country that my team will deliver an Opposition that is active and diligent. I have in place a vibrant set of cabinet that it is determined to keep the Government in check always. The Opposition under my watch shall leave no stone unturned to make sure that the Executive Government is kept accountable to its actions and the public is kept well informed and a braced of all government business within and outside of Parliament.

Mr Speaker, despite our numerical deficit we will do our uttermost best to ensure that the government policies and activities are given the best possible scrutiny. We will oppose where we

must and expose what must be exposed and we will say that we will dispose with the help of likeminded leaders who are sitting on the other side if the Government fails to perform.

By the same token our door is always open for anyone on the Government side to join us at any time if you disagree at the way the Government is run. This brings me now to offer some of the Government's policy outlines presented by his Excellency the Governor General and the policy outline presented by the Prime Minister on September 8, 2012.

The policy platform and the policy outline is a mismatch, a piecemeal approach and does not offer a holistic approach or direction with precise policy program for the next five years and the whole policy package is too costly. It is urban based and not rural or people focused and it does not address agriculture and rural development where the majority of our people live.

The policy completely turns its back on 90 per cent of the rural population who in recent times have seen and enjoyed services through the DSIP and now the rural interventional programs. All honorable Members fought to enter Parliament to make a difference for their people through programs such as the DSIP which was omitted from the policy guidelines.

14/01

The O'Neill-Dion Government's solution to the country's problem is to spend, spend and spend. Of course, sometimes you must spend to get results but you must spend in areas where you obtain not only significant returns on the investment but where you achieve a variety of positive results.

Mr Speaker, activities and industries that create the most jobs should be where our focus should be. Job creation alone addresses and resolves many other social and economic problems of our country. We should create more jobs and improve inflows of foreign direct investments and address the lousy wages our people are currently earning, improve people's skills so that they are employable and design specific programs that will assist our young people who are unemployed and those dropping out of schools.

Mr Speaker, in the O'Neill-Dion Government's economic policy, the Prime Minister has failed to announce his economic policy framework and he intends to manage the economic affairs of our country over the five years. What the Prime Minister presented was simply a State of the Economy Address which traditionally is expected from the Minister for Treasury. The Minister for Treasury again is used as a rubber stamp.

(Laughter in the Chamber)

Mr BELDEN NAMAH – Where is the O’Neill-Dion Government’s economic and fiscal policy framework that intends to pursue in the five years to come? Why was this not spelled out? Are we intending to spend, spend and spend under an unsustainable expensive fiscal policy framework to fund an unaffordable development agenda that is supported not by growing revenue but by more and more borrowing? Where is the fiscal rescue package to fix the big messy hole in the 2012 Budget of negative K513.1 million deficit? The Government thinks that the budget deficit of negative K513.1 million is the result of the usual budget cycle. This is not entirely correct.

The appreciation of kina sustained over the last three years is the result of injection of liquidity by Government fiscal operations and capital inflows from the construction of the LNG Project. From the completion of the construction phase to first flow of revenue which is around 2022, the economy will slow down. The kina will remain appreciated over the life of the PNG LNG Project which is 40 to 60 years.

Therefore, Mr Prime Minister, we do not buy the story of the usual budget cycle angle. We see a permanent shift in the structure of the Papua New Guinea economy. We see inflation souring and it is confirmed by the Central Bank, and the decline in the agriculture and industry sectors over the medium to long term, and the unsustainable fiscal policy of the O’Neill-Dion Government will put a final nail in the coffin to ruin Papua New Guinea economy for ever.

On this note, I must warn that the K6 billion loan from China, I believe will further expose the country to potential economic financial ruin if the Government is not prudent and diligent in the management of the expenditure of these funds. Where is the Government’s infrastructure development plan? The Opposition welcomes the opportunity to transform our public infrastructure. Transformation is what we on this side preach but as we have been saying constantly over the last few weeks, the massive loan is being negotiated without the proper infrastructure development plan of the specific infrastructure programs to be funded and cost associated with such projects. The Treasurer failed to explain because he is not spearheading the loan negotiation.

We are concerned that the funds pulled in without a decisive and costed plan can easily be misused or wasted resulting in the Government failing to achieve much, yet exposing the country to serious financial and economical problem. We will watch every move of the Government on the management and the expenditure of this massive unprecedented loan which the Treasurer himself does not even understand.

Mr Speaker, the Government's legislative program whether it be alterations to existing laws or enactment of new laws must have one objective only and that is the protection and promotion of public interest and no other. And I mean other laws must never be made to suit personal or political interests. I ask, why extend the grace period from 18 months to 24 months when you are boasting about 94 Members of Parliament on your side and how dual citizenship will exist in boosting investment in Papua New Guinea.

We, in the Opposition welcome the establishment of the Anti-Corruption Strategic Task Force. Mr Prime Minister, let me remind you, you can amend *Section 145* but don't forget that you were reinstated by *Section 142* of the *Constitution*.

As you know, I have always warned that corruption is the greatest development and progress of our country. I must say that all anti-corruption instruments that are established must be given wide powers and freedom to fully perform their functions. I must also warn that these instruments must not be used to perpetuate political motivated witch hunts and malicious prosecutions.

Let me further speak on corruption as this is the greatest evil we will have to deal with as a nation.

Mr Speaker, my Party went to the elections with a promise to declare war against corruption. Over the years, fight against corruption has been compromised by lack of commitment by governments. Corruption is like a leaking bucket where the Government loses millions of much needed kina that is needed by our rural population. Papua New Guinea's growing poverty level and stagnation from development is a self-inflicted wound by greed, deceit and poor policy reforms.

15/01

I urge the Prime Minister with all sincerity that this Parliament takes a bipartisan stand on the fight against corruption. We must be honest with ourselves as stewards of our nation and our

people that we are truly committed to stamp out these activities that are eating into the core and the fabric of our society. This has resulted in greedy and unfair distribution of resources and poverty and stagnation from development.

The Government must establish an Independence Commission Against Corruption (ICAC) immediately. In the meantime, the Government must adequately resource the Ombudsman to effectively carry out its duties and functions.

The Police Fraud Squad and the Anti-Corruption Squad need to be fully equipped and resourced and ICAC training needs to be effectively taken so that they can do their job professionally. Investigative and prosecutorial weaknesses need to be addressed as a matter of urgency.

Mr Speaker, the Department of Attorney-General needs to be well staffed with qualified lawyers who do not go to the Court Room and lose all the time. They must at least win some cases against the State. In regard to the social policies, the Government's promise of education infrastructure must not end up at the political rhetoric.

I want to thank the Prime Minister for the Free-Education policy that was adopted by our Government last year. The adequate education infrastructures not only enable many children to receive basic education but enables better quality education. In addition, for the Fee free Education to have its desired outcome, there must be sufficient infrastructure in the classrooms, libraries and the science laboratories, et cetera.

Furthermore, we must improve the living conditions of our teachers in the country. The promise to improve the teachers training and conditions of employment must not be just verbal language, but put into action or implemented. The Opposition promises a policy, which will restructure and reform the delivery of education services within this country. For instance, the current system produces 90 per cent failure rate of students completing secondary schools. It means that the Government is spending K1 billion in Fee free education at the bottom end of education that has resulted in only 10 per cent successful students who continued to tertiary training. This is a very serious imbalance issue, which must be address immediately.

Moreover, our health care system is amongst the worst by any measure in the world, however, we well come the Government's commitment to invest in the health sector, especially in health infrastructure, equipment and to improve workers living conditions, it is too

generalized. We are warning the Government against the ad hoc and peace meal approach, if we are to see meaningful change to the health of our people.

Mr Speaker, if we are in Government, we would add four regional hospitals and also convert the first four national high schools into schools of excellence. Of course, it means that top 5 per cent of every Gr.10 must go to this school of excellence. In addition, it is a must that all students completing Gr.12 and young Papua New Guinean must attend cadetship training where they can learn self-discipline and self-respect. We have a big attitude problem and we need disciplinary institutions to mold our people to change their mentality.

Mr Speaker, as a former member of the State Services, I must express on behalf of all members of State Services or the National Security Services, the men and women of the disciplinary forces are responsible for our national security. Yet, they are working and living far below the expectable human standards in their accommodation throughout the country. Our security in both international and domestic is compromised where we need to immediately arrest the plight of our men and women of the disciplinary forces.

Mr Speaker, as the alternate government, we will make it our duty to ensure that the priority is given to immediately improve the employment conditions, as well as improving aging infrastructures and capacity building without delay. Government must deliver with these commitments to improve employment conditions for our service personnel.

We believe that when you feed, clothe and shelter your men and women, they will perform to the best to save this country and its people.

The Opposition is skeptical about the private and public-private partnership and not only in terms of viability of concept but process of implementation. A classical example is the B-mobile company, if it is any indication of how effective the concept is, we might do away with it.

Mr Speaker, private investor who wishes to invest in our Public Enterprises must be selected through a strict and transparent process. We believe that the privatisation program that the Morauta Government took some years back is good and we must continue. It is not the job of the Government in business.

What the Government is required to do is to retain sufficient shares in these private entities and float to private buyers to run. A classical example is the privatisation of the 'Papua New Guinea Banking Co-operation', during the reign of Sir Mekere Morauta.

The Community obligations concerns must be addressed through policy and regularity measures.

Mr Speaker, the perspective of the alternative government, like all the political parties that contested the recent National Election, PNG Party and its collision partners offered policies that were designed for swift and adequate services delivery and for the creation of an environment that is conducive for ordinary Papua New Guinean to release opportunities to do business and related activities for self-empowerment.

16/01

The Opposition plans to blend PNG party policies with those of our coalition partners to offer the people of Papua New Guinea alternate policy choices. We believe in a transformation in the way education is delivered for our children and transformation in the way health services are delivered to our people.

We believe in major shifts and reforms in the entire social services sector. We believe in reclaiming our national wealth and opportunities and spreading it to our people, making it fairly across the country. We believe in serious prognosis of ourselves as a country to correctly place ourselves and understand our position in the international political and economic power play.

We believe in the conservation of our flora and fauna and environmentally responsible harvest or exploitation of our natural resources. We believe in our right to our fair share of the proceeds of all harvests of our natural resources. We believe in re-investing in the agriculture sector, which is the backbone of this country and which the O'Neill-Dion Government failed to emphasise or to have emphasis on. We believe ourselves as Papua New Guineans, that God has given us a country full of plentiful.

Mr Speaker, that is our promise and, as the alternative government, we on this side of the Parliament make the following commitment to our people of Papua New Guinea.

We will take the fight against our foremost priority. This disease has eroded the fabrics of our society and widened the gap between the rich and the poor. We will rebuild our State institutions like the Police, Defense and the Correctional Services so that they can become the envy of our young Papua New Guineans to serve their country without fear and favour.

We will increase the number of police personnel from 12000 to 24000 strong policemen and women to combat the ever increasing law and order problems in our communities. The

Defense Force personnel will also be increased to 7000 in proportion to our population. We must train them to be lean but mean and highly trained to be ready and available for domestic and international call for duties.

Correctional Services institutions will be build into a major rehabilitation institution rather than it being known as a place to keep prisoners. We believe in offering a golden hand shake to our ex-servicemen and women who have served their people and our country with loyalty and distinction from the days of our colonial masters up to date. That has been neglected for many years and they need to be given a royal farewell so they can go and resettle into their communities and villages. This we believe is the honourable thing to do for our ex-servicemen and women for the Police, Defence and CIS.

We will invest heavily in transport infrastructure programmes but with clear infrastructure development plans which the O'Neil-Dion Government has failed to outline to the people of Papua New Guinea. We will link up mainland Papua New Guinea with super highways.

When you borrow six billion, that money could be used to build a super highway from Port Moresby to Lae and all the way up to the Highlands. Nevertheless, I do not see any concrete infrastructure plan.

Mr Speaker, we want to build a public transportation system that include railways which we believe is the cheapest mode of transportation. Health and Education will also go under reforms. We will build a healthy educated society so that everyone can meaningfully participate in the development of our country with healthy educated mindsets.

We will build four regional state of the art hospitals and improve health centers and sub health centers throughout the provinces and rural districts to achieve our dream of a healthy Papua New Guinea.

We will also train more doctors, nurses and health workers to meet the growing needs of our fast growing population. We believe in a well educated society, so firstly, the current outcome based education must go, for this system is a total failure.

The Australians themselves have tried it among the Aboriginal communities in Western Australia and other parts of Australia, and it has failed drastically.

Mr Speaker, why are we being used continuously as guinea pigs, and I have said that in the Solwara 1 mining that we are continuously being used as guinea pigs.

Mr Speaker, what was wrong with the education system that most of us went through? We will convert our first four national high schools into schools of excellence. These schools will enroll five per cent of the top grade ten students throughout the country.

Mr Speaker, to achieve our desired outcome of a healthy educate society, we will undertake of the employment conditions of doctors, nurses, health workers and our teachers with the aim of improving them.

We will make public housing one of our main priorities. We need to provide affordable housing for our citizens. A man is not a human being without a roof over his or her head, and this, we believe, will help remove the problem that government and private companies are facing with their employees living in settlements. We will also remove the settlement problems that we face in our society today.

We will provide increased funding to small and medium enterprises in line with our local content initiatives. This, we believe, will create more job opportunities and employment for our people and give them opportunities to excel to the next level.

We will introduce a biometric identification and registration system. This system we believe will alleviate many problems we face today like in the National Elections. We will transform the public utility sector, which include our electricity, communications and water supply services. We will introduce sweeping reforms to the state services and public service.

Mr Speaker, we encourage customary land mobilisation and registration to enable more private enterprises and the growth of our economy.

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We will remove all impediments to private investment. The reforms will upgrade training for skilled and non skilled Papua New Guineans in order to give them opportunity to excel to the next level.

Through these initiatives and reforms we will transform this country to a land of promise and opportunity. Mr Speaker, I hope I have shared some light on the path that the alternate government will take as well as highlight areas where I feel need urgent action from the government.

Critical changes have been undertaken in our short political history, so we believe that this is the time we must stand united as nationalists to undertake much needed revolutionary and evolutionary changes and reforms for the betterment of our people.

Mr Speaker, this has prompted me to make this sovereign call that regardless of where we come from, the ethnic groupings, race and religion, we must stand united as one people, one nation and one country for the future and betterment of our people and the future generations. God bless Papua New Guinea.

Mr PETER O'NEILL – (Ialibu-Pangia – Prime Minister) – I want to move that the Parliament take note of that statement. But before I defer that statement to a later date, I wish to make a few comments.

Mr Speaker, it is good to see that the Opposition is standing for change as stated by the Leader of the Opposition. He went out with the PNG Party to the elections as a Party of Change but really when I analyze his statement I do not see any changes mooted in his statement at all.

What he is presenting is merely a wish and I want to join in the dream too. It was a moral explanation of what has happened in the past and what he has done that he needed forgiveness from various people including the judiciary and the fore-fathers. But let me say that, the policy is lacking in substance. The policy was not well articulated as we expected the Opposition would do.

They have a very high calibre of people with vast experience. Some were managers of departments in the country. I hope that will be done when we articulate our policies. I think I have stated in page six of my statement a five-year detailed work plan. I presented this during the last Parliament. I also presented a detailed policy on all the other sectors that he has mentioned to so I will refer him back to the statement that I presented. I also want to state here very clearly that, in the next few weeks we will present a very detailed budget based on the work programs outlined in my statement earlier.

I am certain that the rest of the country will not be disappointed as you are. I am also certain that many of the electorates will not be disappointed too.

The infrastructure work has already started so we are not just talking but rather we are doing it as we speak. The desire of the Leader of the Opposition to involve the policemen from 12000 to 24000 over the next two years, I think is really unrealistic because we do not have

12000 policemen in the country. We only have five thousand policemen. So the figures that he gave are also wrong in the beginning. It appears that the statement is very clear and that the only policy they have is to dispose government at any cost.

Let me give you some facts before I sit down. Member for Kandrian continues to talk about the K6 billion that we are trying to borrow with the Asian Bank of China. The Treasurer is leading those discussions so I do not know why you think that the Treasurer has no responsibility over this.

If you recall, the Deputy Opposition Leader at that time stated that we were on a junk trip to China. Well, it was not like a trip recently to Singapore and Malaysia. So I want to say here that the trip was led by the Treasurer to China and that was not a junk trip. We achieved well. We are working for the country. We are borrowing money to develop the infrastructure of the country.

In terms of economy, between K6 – K7 billion in surplus was managed by people like Lelang.

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So, Mr Speaker, close to K6 or K7 billion was managed, but tell me which road, hospital or school did they build? And the list goes on. So this is the type of management that we are trying to depart from. We are trying to manage an economy; an economy which is very stable and has the highest foreign reserves in the history of our country, close to K8 billion.

We also have a very stable interest rate environment, between six to seven per cent interest rate within the banking fraternity while inflation is currently at seven per cent, one of the lowest ever enjoyed by any government in the history of our country.

Our debt to GDP ratio is 22-23 per cent when the IMF recommended rate is 35 per cent. Let me explain that to you. It means we've got room to borrow money to develop our country. That is within the guidelines established by experts, experts who are much better than you and I. That's the guideline that they have set and we are working within so that we can manage our economy in a very prudent manner.

In terms of education and health, off course, our story is out there to be seen. We are now introducing free education up to year 12. We are building capacity at schools and we are putting

more money into the districts. And for the first time in 37 years, we are putting more money into the province to allow provinces and districts to get development budgets.

And when Lelang and the Minister for Planning were there, they never thought about that. So you know that this Government is thinking outside the box. The total revenue throughout the country for that was K13 million.

So, in order for governments to raise K13 million, they denied our people the right to medicine. That is criminal in nature. That is why we removed it. So, if they want to get basic health care, that is happening as we speak.

When you talk about building infrastructure, the hospitals that have good management and boards like Mt Hagen and Goroka, the infrastructure work has already started. Over K200 million is parked in the Health Department where the infrastructure work has already started. So, we are not just talking about it, we are doing it as we speak.

The desire by the Opposition Leader to increase police personnel from 12000 to 24000 police personnel, I think that's unrealistic because we don't have 12000 police personnel in the country right now. We only have 5000. So, the figures that you gave are already wrong from the beginning.

We are going to introduce 400 to 600 police personnel every year over the next six years. Only 400 to 600 personnel can be trained because Bomana Police College can only train that many unless you build another training institution. So, Mr Speaker, let us be realistic about all these things.

Now on infrastructure, Mr Speaker, what we are doing is very simple, which should have been done many years ago. We are giving more money to the districts to worry about district roads and other infrastructure, maintenance of schools, roads and classrooms, these are things which are a district's responsibility.

What we have been trying to do is manage it here in Waigani, and that's why we misled all our people, never delivered and that's why we always have a high turn over of Members in this Parliament.

So, what we are doing now, Mr Speaker, is very simple. We are giving more money to the districts to take account of the maintenance of roads, schools and hospitals by themselves. Likewise, we are doing the same to the provinces.

Mr Speaker, for the first time, they will have their own development budget where they will be responsible for the maintenance of their roads, schools and hospitals at the provincial level.

A substantial shift in billions of kina is going directly to the districts and the provinces and that will change the structure of how we maintain government and public infrastructure.

Mr Speaker that leaves the National Government to attend to infrastructure of national significance and interests that will serve to strengthen the economy of this country.

Let me tell the Opposition that it is very simple. You don't have to go too far. I know you've gone to Singapore and seen the superhighways and to Malaysia and other places. But you don't have to go too far, within the region also.

National budgets are going into deficit in order to build infrastructure so that the economy can be stable and the economy can continue to grow. Nobody in his right mind builds infrastructure when the economy is on a downturn because you will not have enough money to build the infrastructure in the first place.

At the same time, when the economy is on a downturn employment will also fall. Right now we are peaking at very high employment rates because the economy will slowdown when the LNG construction phase comes to an end.

It is our responsibility as government to make sure that the economic growth continues to grow. Right now it is growing at 10 per cent. For the information of the Leader and Members of the Opposition, it is growing at 10 per cent per annum.

We want to maintain that growth. Only one project in this country, the LNG Project, contributes three per cent of that growth. That means immediately after the LNG shuts down, we will drop down to seven per cent or less in terms of the growth of the economy.

Now that is something that this Government will not allow to happen. We will make sure that we invest in infrastructure so that many of the construction workers who are now working at the LNG can find employment in the construction sector.

We are now trying to rebuild the national Highlands Highway to a four-lane highway. We are starting from Lae to Nadzab first and in some parts of Goroka and Mt Hagen. We will try and expand the roads that are leading in and out of town so that businesses and commuters can go out of the cities that they are now confined to.

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So that businesses and communities can go out of the cities that they are confined to.

We have our educated people doing nothing. It is the Government's role to making sure that the economy is stable. We manage it in a manner that is acceptable to all international experts on the economy like the IMF, World Bank, ADB and more.

Mr Speaker, we will discuss many of these issues when the Treasurer hands down the Budget in a few weeks. But let me not bore you with it.

The issue of political stability is very important. We must allow stability of politics. That is why we are now trying to increase from 18 months to 30 months grace period for the Government.

I welcome votes of no-confidence because they are good for the government's accountability. But at the same time we must be fair. When the people have mandated a party or leader to lead the nation he or she must be given the opportunity to put those promises that he has promised the nation.

So it is irresponsible for any leader to come here and make their way into being the Government at all costs. We did it because the Prime Minister was not present in Parliament and not in the country. I am certain that the majority of Papua New Guineans understood.

I was not prepared to defer the elections only because of the fact that I wanted the impasse to come to an end through an election process. The people have made their decision and accept the results and let's move on.

Mr DON POLYE (Treasurer) – Mr Speaker, I have no intention of speaking but my colleague the Leader of the Opposition personally attacks me and that really draws me to this debate.

(Laughter in the Chamber)

Mr DON POLYE (Treasurer) – Mr Speaker, I would like to remind my colleague the Leader of the Opposition and the Members of Parliament in the Opposition that when you have Ministers that are commissioned with their functions and roles by the Prime Minister of our

country, the Ministers are expected to their jobs. The Ministers are never used as rubber stamps by anybody including the Prime Minister.

To say that, would be disrespect to the very systems that are in place for the democracy that you are promoting.

Mr Speaker, through you, I am a Treasurer and I am doing my job on behalf of the 7 million people through the power of this Parliament a duty that has been given to me by the Constitution of this land to deliver the best Budget and an economy policy for Papua New Guinea.

I am a leader on my own right and I have come through the hard way and I know what leadership is and I respect other leaders too.

If they appointed me to various responsible positions as Treasurer and Finance Minister and other responsibilities that means that I have earned it on merit and I know that I am doing a job for my people of this nation.

Mr Speaker, I would like to say here that when we debate we must keep personal issues out and address the issues, speaking with a sense of dignity and respect for other colleague leaders because we have come to this Floor and it requires a high standard of respect for one another.

Mr Speaker, my colleague the Leader of the Opposition has got a good assessment of current situation like the Prime Minister said earlier. But I am disappointed because it has taken over a month to respond to the Prime Ministers policy statement. But I find that this assessment gives no *(inaudible)*

I think the Opposition would be a good salesman and a good marketing manager to market our country overseas.

(Laughter in the Chamber)

Mr DON POLYE (Treasurer) – Mr Speaker, I would like to support the Prime Minister because the list of wishful thinking goes on and on and it is good because at least somebody is thinking of those thoughtful things.

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At least some body is thinking about all those hopeful things, that is very easy because even little children if you give them a pen and paper and ask them to write down what they want, they will go ahead and write many things but what really matters is the financing plan. The plan to implementing what your priority areas are and planning to finance them over a time frame, you talked about policies but your policies have no roots to stand on.

You are talking about a tree with fruits, leaves and all but there is no root and the picture is not right, because you are not telling us what your roots are and where they are standing. So you are winning some sweet hearts around here in PNG but as soon as they come they will run away because they'll find out you have no foundation to stand on, you have no financing strategy.

This government has policies and financial strategies and plans to support it. But two points that I would like to take note of one is the biometric system and I support the Opposition Leader , he gave us a clear detail of defects in the system of the electoral process. It is not only the Electoral Commissioner, it is the system in the way we are doing things and he strongly recommended for a biometric system in PNG, I think is a good suggestion and we will take a bi-partisan approach to supporting this.

Then you will find and identify people and there are no problems that might come about in terms of election petitions and so forth. On the issue of privatization, the first thing we have to do is recapitalize your existing entities and the Government has a plan, the Opposition Leader was also part of the previous Government so he knows about this plan and that is from the proceeds that we get from the renewable resources including the LNG, you process them through your sovereign wealth fund arrangement structure and it then comes through your infrastructure fund to recapitalize all those state –owned entities to bring them up to the standard.

Then you can decide whether to privatize these or not or keep it for the state to run it because they are community service obligations that the state must own certain services that it must provide because if you give all those things to the private sector, the private sector will be more profit based and therefore the people will live in terms of the community service obligation components.

Mr Speaker, we take note of the comments that the Leader of the Opposition has made and we've got some criticisms like the Prime Minister and I have done but we have some constructive ideas that we are getting like the biometric system and on the policy on Privatization we know exactly what we are doing.

What the Leader of Opposition has done is given his policy but we have already implemented along those lines things that need to be done and we are on track.

Debate (on motion by **Mr James Marape**) adjourned.

ADJOURNMENT

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

That the Parliament do now adjourn.

The Parliament adjourned at 4.55 p.m..