

SECOND DAY

Wednesday 24 October 2012

DRAFT HANSARD

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

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

Amendments cannot be accepted over the phone.

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



Sarufa M. Haro
Principal Parliamentary Reporter

Second Day

Wednesday 24th October 2012

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

WANT OF QUORUM

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

Sitting suspended from 10.a.m..

Mr Speaker again took the Chair and invited the Member for Lae Honourable **Mrs Loujaya Toni** to say Prayers:

“Lord God, the Father of Abraham and Isaac, thank you for your divine appointment that we should be here as Members of Parliament to fulfill your plan and purpose. Empower us with your Holy Spirit as we agree and say the Lord’s Prayer together acknowledging you as Our Father. Amen.

QUESTIONS

Mr SAM BASIL – Mr Speaker, my questions are directed to the Minister for Foreign Affairs and Immigrations.

Papua New Guinea has rectified many Human Rights Conventions and it’s a Member of the United Nations. The United Nations has also established the United Nations Human Rights Commission (UNHRC) and the United Nations Convention on Refugees (UNCR).

For decades, our nation has been a refuge for a refugees fleeing from military clashes in Indonesia, or the Irian Jaya province (West Papua) between the Indonesian Army and the OPM Rebels (Operation Free Papua Movement). Some of those refugees are indigenous people who are related to Papua New Guineans from both Sandaun and the Western Provinces. It has been registered that 9000 refugees have crossed, settled and assimilated into Papua New Guinea without any formal processing of their status.

Mr Speaker, the O'Neill-Dion Government has already indicated that they would support the usage of the Lombrum, Naval Base in the Manus Province as an asylum seekers processing centre by our bilateral neighbour, Australia.

My questions are:

(1) Can the Minister tell this Parliament of what the current status of the 9000 refugees from West Papua or Irian Jaya is based on the United Nations Human Rights Commission (UNHRC) and United Nations Conventions on Refugees (UNCR) and our laws?

(2) Can they be granted citizenship because of the length of time lived or served in this country?

(3) If their status has not being determined, can the 9000 refugees which is Papua New Guinea's own responsibility be headed to those asylum seekers whom the Australia wants to bring and be processed at the Manus Processing Centre?

(4) If not, can the Minister agree that Papua New Guinea's accommodation of asylum seekers for processing is hypocritical? And that this agreement to host the processing centre in Manus is more about economics and financial gains than about Human Rights of asylum seekers and refugees?

(5) What is the action of the Government about dispelling those unwanted perception about Papua New Guinea in relation to the 9000 refugees from Indonesia who are resident in our country?

(6) Will the Government continue to accommodate Australian need for the Manus processing centre for asylum seekers entry into Indonesia?

(7) If any of these asylum seekers exit from this processing centre, will they be allowed by design or default to become like the 9000 refugees from Indonesia?

(8) What is the National Government's stand on the demand by the landowners which we learnt from the media that K100 million from the Australian

Government before the Manus processing centre is activated to processing asylum seekers?

Mr RIMBINK PATO – Mr Speaker, those questions are quite a mouthful and they cover a range of issues so I would suggest that the Member for Bulolo put those questions in writing and I will give a detailed response when I deliver a Ministerial Statement on all those issues.

However, in summary, as you all are aware, Papua New Guinea is a society which is based on the rule of law. We have a *Constitution* which provides for Papua New Guinea to work within the frame of the International Treaty and in that context, Papua New Guinea had not defaulted at any one time in respect of its obligations under the international laws which includes the United Nations Conventions on Refugees.

The issue of whether we will or won't accommodate West Papuans living in Papua New Guinea is a matter that we will look at in an overall context of what policy we will have. But, in relation to the Manus facilities, those are the facilities that we have dealt with as a regional issue.

The issue of human trafficking and human smuggling is a matter which is of international concern. Australia did not ask for it and Papua New Guinea did not ask for it but we are regional leaders. We are important and the biggest State in terms of the Pacific Islands Region.

Therefore, we wanted to exercise leadership on the issue of people trafficking and human smuggling and so this is an opportunity that we want to show compassion. In Papua New Guinea society, as you are aware, when someone is in need or suffering in one way or another, we always step in and assist. And Australia is a traditional ally and there are people who through corrupt means are trying to use these refugees for their own benefits.

As a consequence, these asylum seekers are the people who are in need of help and we want to take them board to exercise leadership over this issue. This is a matter of regional concern and is also an economic opportunity which presents a good base for delivery of some basic services

Thus, looking at all of these factors, we decided to sign this deal with Australia because there is no downside for the people of PNG and there is no downside of the people of Australia.

02/02

We are able to comply with all our international obligations as so far as compliance with the Conventions are concerned, and, that is in summary form that I am trying to answer all your questions.

Mr MEHRRA MINNIE KIPEFA – Mr Speaker, I thank you and take this opportunity to congratulate you on behalf of the people of my electorate on your elevation to the Office of the Speaker of the National Parliament.

Mr SPEAKER – Honourable Member, you have to direct a question to any Minister you want to ask your questions to.

Mr MEHRRA MINNIE KIPEFA - Of course, Mr Speaker, I am directing my question to the Minister for Environment and Conservation but since the Minister is unavailable, I will reserve my rights to speak until he is in the Chamber.

Mr SPEAKER – Honourable Member, the Chair will reserve your rights to ask your questions to when the Minister is in the Chamber.

Mr POWES PARKOP – Mr Speaker, I thank you for giving me this chance to ask my questions. But before that, on behalf of the residents of the National Capital District, I would like to congratulate you for your elevation to the Speaker's post. I also wish to extend this to all the Members of Parliament for winning their elections during the National Election to become the leaders of our people.

Mr Speaker, some of us got declared well beyond time so I am still trying to catch up but my question is directed to the Prime Minister.

Yesterday, the Leader of the Opposition gave us the version of the ideas that the Opposition has as an alternative government. But one of the things that he raised was in regard to the conduct of the 2012 National Elections. This is a serious matter because before the Elections, all of us had misgivings about the ability of the Electoral Commission to deliver a successful Election. We all know the experiences that we had during this election and some of us trying to recover from them.

But, Mr Speaker, yesterday, the Opposition Leader raised two critical issues that we all should or the Prime Minister should address because some of you may face it in the Court of Disputed Returns and these are the Election Petitions against your win.

Firstly, this is in relation to the appointment of the Chief Electoral Commissioner.

(1) If the Prime Minister could explain to the people of Papua New Guinea, whether the Chief Electoral Commissioner, Mr Andrew Trawen, is beyond the retirement age and if so, why is he still in his office?

(2) This question relates to allegation of the printing of generic ballot papers. Can I ask, Mr Speaker, through you to the Prime Minister, does this allegation have any merit?

(3) Is there a conspiracy that the Prime Minister knows between perhaps himself and some other Party Leaders and Mr Trawen to print generic or some other illegal ballot papers so as to assist some other parties to win their own specific elections?

This allegation was made yesterday and it is a serious allegation, which casts some doubts on all of us the Members of Parliament and all the Parties. Perhaps the Prime Minister in his eagerness to respond did not address himself to this particular allegation. But it is in the media and as long as it remains there, it gives us a negative impression in how we won the Election.

(4) Could the Prime Minister explain any idea on this matter?

03/02

Mr PETER O'NEILL – Mr Speaker, I thank the Governor for the National Capital District for these very important questions.

Firstly, let me acknowledge the fact the Elections were conducted and I cannot say that it did not go without any problems. Like every other National Elections in the past, there is always an amount of problems associated with the elections, either it is running late or counting not done on time or voting is not concluded in time. Those had been the case for many years.

Of course, the last Elections took awhile for the results to come out, almost three months and off course, that is not good for anybody. We all waited for those

results to come out but I want to say this, that the Elections were conducted under very difficult circumstances in the country. A classical example is the political issue or political impasse that occurred 12 months prior to the Elections. There were a lot of pressures within the Government during that period of time to make changes to the Electoral Commission, which I believed that it was not in the best interests of the country.

So, in terms of the appointment of the Electoral Commissioner, yes, he has passed the 60 years of retirement age but within the provisions of the law relating to the appointment of the Electoral Commissioner, there is a provision, which allows the NEC to extend that period as it sees fit in the light of the Elections that was coming. So I thought that in the light of the Elections, it is not in the best interests of the country that we appoint a new Commissioner to take charge over an election that was just around the corner. And you know that there were talks about deferral of the elections for some unknown reasons whatsoever! But I want to say this when you go back and analyse the amount of votes that have been casted in the country, out of the close to 7 million people that we have as a population in the country just over 4 million people voted. And that is more than half the population of our country voted.

We all know for a fact that the other half of the population who are Papua New Guineans who are below 20 years of age so when work it out in simple mathematics, that means three and a half million people are below 20 years of age. We already had four million people voting and when we are talking about the number of people who have missed out on voting, how many people are we talking about? Are we talking about 7 million people?

Mr Tobias Kulang – Point of Order! The Prime Minister should not mislead the Parliament because it has been reported by the Electoral Commissioner that over one million eligible voters did not vote.

Mr PETER O'NEILL – Thank you Mr Speaker, I am certain that the Member for Kundiawa has got some information that I don't have. I have not been informed of the outcomes of the Elections and the report of the election was not tabled to me or the Cabinet so that information between the Member and the newspaper, I wish them well.

(Laughter in the Chamber)

Mr PETER O'NEILL – But let me say this, we don't know exactly how many people have missed out on voting. It could be a million, 200 000 or a number of them which I don't know but let me finish and the Member can have his say when you want to.

When the final report of the outcomes of the Elections are tabled in this Floor of Parliament, we will know the exact figures but from record, I understand that over four million people voted. So you can say that there was a fair number of Papua New Guineans who have voted in this election. I don't think it is fair to say that many of the Members present in this Floor have come through some way that is not proper because these are Members of Parliament who have been mandated by the people and have trusted by people to take these leadership roles. And I think it is very unfair to say that there has been some conspiracy or some systematic corruption that lead to the Election.

I think the Opposition Leaders or the Opposition Members have some evidence, and in fact don't think I know what the generic ballot papers are. I don't even understand what the word 'generic' mean. So if they have the evidence, please put it through the Police Commissioner and I will also refer this matter to the Police Commissioner so he can investigate it and charge those people if there are any foul play.

Mr Speaker, we hear all sorts of rumours for instance, some parties have brought in large quantities of ballot papers, money and all sorts of things into the country. These are all allegations and we should not go out there and criticise people because we hear it in the papers or from some people on the streets spreading such rumours. We act on facts. The facts are that the Elections have been conducted and concluded and an eminent group of people from the United Nations have come and witnessed the Elections. In many cases, they say that it was a fair Election so I think that it is better to wait until the outcome of the Elections are tabled before we make any conclusions.

In the meantime, we will make these references to the Police so they can investigate it and arrest those people who have conspired to defraud the Election process. So let us wait until that investigation takes place.

In terms of the Chief Electoral Commissioner, I know he had another one or so more years to go before the Election but he has just concluded the Elections, so let him produce a report that this Parliament can have a look at it and review before make recommendations as to how we can prepare ourselves for the next Elections. This Government is going to introduce a biometric registration of all citizens; biometric meaning figure prints, eye scan, facial recognition and the entire system so that we can have a proper identification of all the citizens. Those who are about 18 years of age will be automatically moved over from the Common Roll so that they can establish a proper Common Roll before the next Elections.

I think we are heading in the right direction so we should not mislead Parliament and the country. I do not believe that there has been a systematic corruption of the election process but I think it is better that we respect people who have served our country for many years. The Electoral Commissioner of Papua New Guinea has served the Electoral Commission for well over 30 years. He has conducted more than five Elections so he deserves to be respected and he deserves to retire with dignity, and that is what this Government will allow him to do. Once his contract is expired, we will appoint a new Commissioner.

Supplementary Question

Mr JIM KAS – Thank you Mr Speaker, on behalf of the people of Madang, I wish to congratulate on your election as the Speaker. I also congratulate the Prime Minister, Deputy Prime Minister and the rest of the Members in this Parliament.

The Opposition Leader yesterday talked about whether the Government will look at introducing the electronic counting system. If the Prime Minister has any plans on this idea, can he inform the Parliament?

Mr SPEAKER – Honourable Governor for Madang, the Prime Minister has already answered that question.

Mr LABI AMAIU – Mr Speaker, I congratulate you on your election as the Speaker of Ninth National Parliament. I also congratulate the Prime Minister, Deputy Prime Minister and all the Members who have won seats for their respective electorates.

Mr Speaker, before I direct my question to the Minister for Lands, I want to preface it. Let me mention here that we have a huge problem in NCD in relation to the acquisition of land.

Is the Minister aware that before his time in the past governments, the land that were allocated for special purposes were given out through the previous Lands Boards to business houses and developers who have come into our country under other business names and peoples and have now acquired most of the land.

04/02

Therefore, are you aware that most of these lands acquired have still not been developed?

There are certain clauses on the land which gives them a certain period of time where they must spend certain amounts of money to development the land to meet the specific requirement of the clauses according to the *Land Act*. Yet, most of these lands are still in those people's possession, even though your Department has gone out to the public through the media saying that these titleholders owe millions of kina to the country.

I want to know if you have a team set aside to investigate those people who are currently in positions in the current administration or department so as to investigate some of those illegal dealings. I have evidence regarding some of these illegal dealings that I will provide to your office.

I also want to know, what you will do to address these issues concerning illegal dealings of land purchases, and the re-selling of these lands under the pretense that the buyer was going to develop the land.

I for one see that for those of us who live in the cities and towns face difficulty, and as Members representing electorates that are cities and towns, we would like to create sustainable developments and other opportunities that will impact on the lives of the people in our electorates. Nevertheless, we see that there is no opportunity for us to obtain land to carry out our work.

Therefore, what will the Minister do to address these issues?

Thank you.

Mr BENNY ALLAN – I thank the Member for North-East for his important questions.

I could not really pick out what the Member was querying me about as his questions were too general, but I will try to respond to what the Member is alluding to.

Mr Speaker, as you know, the Land Department is one of the many departments that have received negative publicity over the years.

When I took office, I told my departmental officers that I was here to weed out corruption in the department, as the O’Neill-Namah Government is embarking on weeding out corruption in the country.

The Department over the years has encountered a lot of problems –

Mr Bob Dadae – Point of Order! Can the Honourable Member correct himself, as it is not the O’Neil-Namah Government but the O’Neill-Dion Government?

Mr BENNY ALLAN – Thank you, I correct myself by saying, the O’Neill-Dion Government.

Mr Speaker, what the Member is referring to is the special purpose lands which are called the Urban Development Lease (UDL). And, according to the *Act*, if someone is granted a title to a UDL that someone has to develop that land within five years. Failing that, that UDL will be forfeited back to the State and nothing has been done about that over the years.

I have therefore instructed my department to do a stock take of all the undeveloped land in the country and once we have the list of undeveloped State land in the country. We will then make a decision on how we will forfeit those lands back to the State and do an auction and public tender rather than putting it through the process of going through the Lands Board where the Board deliberates on the applications and grants the titles.

Some people simply apply for a proportion of land and then once the title is granted to them, they then re-sell the land to other buyers. And, as you know, land is a commodity that is sold at very high prices in the country. Therefore, I want to look into that area where we do not allow title holders to sit on the land for more than five years for they should develop the land within the five years.

At the moment, what I have done so far with the department is that we have this process where applications are put through the department and it comes to the Land Board. The Lands Board then looks at all the applications and then awards the titles to the landowners.

In this process you will find that a lot of corruption takes place during this process where a lot of people are involved.

05/02

We want to stop that so instead of the applications coming through the Department, we have set up a technical team that will screen all the applications. Once the applications are screened, those who meet the guidelines and requirements as per land advertisements will be short listed so that the Land Board can deliberate on it and grant titles respectively.

I have also instructed the Department to go out and take stock of all undeveloped lands within the country. Once that is furnished to me, I will address those undeveloped land issues.

In relation to the outstanding land rental arrears, we have an accumulation of over K94 million. We have sent show-cause notices to all the defaulters and we expect them to show up at the Department to settle all their land dues. If they fail to do this then we will be taking drastic actions by forfeiting the land title back to the State.

But if the Member has any evidences in relation to the matter he can also forward them to me also well.

Mr DOUGLAS TOMURIESA – I direct my question to the Minister for Justice and Attorney General and I ask the Minister for Police and the Prime Minister to take note.

A number of inquiry reports were tabled during the last Parliament meeting. One of these reports was the Shipping Disaster in Morobe Province, the Gaming Board report, and the Moti Saga report.

However, our ordinary people have been waiting for answers but it has become a norm to this Parliament that although we continue to table reports, the ordinary people are less informed on the findings of those reports. My question is:

(1) When can the Department or the Organisations concerned take heed of these reports and inform our people accordingly?

Mr KERENGA KUA – Mr Speaker, the Shipping Disaster Report was prepared at the request of the Prime Minister. I am sure the Prime Minister has already taken appropriate action to deal with the recommendations within the report. The Prime Minister is not present but the Minister for Transport can assist him. They can both clarify these issues. But I am aware that firm and decisive actions have already being taken to deal with the recommendations of the report.

In relation to the Moti Saga, I want to advise Parliament and the people of Papua New Guinea that, that is a dead issue. As far as the law is concerned that is a dead issue because that report was commissioned under the *Defence Force Act* as per request from the Minister for Defence request.

That law says that, once the report is completed, it will be forwarded to the Minister for Defence who will deal with it. Therefore, at the conclusion of the Inquiry, the report was tabled to the Minister and having read it, he concluded that the whole commission proceeded on an erratic basis.

The Inquiry was chaired by a person who did not have the requisite qualification as prescribed by the *Defence Force Act* and therefore, the whole inquiry proceeded without proper jurisdiction.

On that basis the Minister rejected the entire report and that was where it concluded. For your information, the Moti Inquiry is dead and buried, and that is where it should be.

Mr GARRY JUFFA – Yesterday, I asked questions that did not receive any satisfactory answers. But before I continue, I would like to remind my brother Minister Pala that according to the Interpol website, Djoko Tjandra is wanted for fraud by the Supreme Court of Indonesia. This is public information and we have an Interpol Office in Papua New Guinea.

Now, I direct my questions to the Minister for Justice and Attorney General. I urge the Minister to conduct a legal review into the granting of citizenship to Djoko Tjandra because due processes were not followed. From my understanding due process would be to request information from relevant government agencies, to determine whether the person is fit and proper to become a citizen. If he wants to

become a citizen in Papua New Guinea then what becomes of his citizenship in Indonesia. My questions are:

- (1) Are we allowing dual citizenship here?
- (2) What is the precedent we are setting, if we are going to grant citizenship to criminal fugitive who have been listed on the Interpol website?

Mr James Marape – Mr Speaker, the *Standing Orders* state that, if a question has been asked yesterday on an issue that same issue cannot be rephrased and asked again to another Minister.

06/02

Mr SPEAKER – I think you are correct in that, but the question is an important one so I will ask the Attorney-General to answer those questions.

Mr KERENGUA KUA – Well, in the first place the wrong Minister has been asked because the responsibility for the administration of the *Migration Act* lies with the Minister for Foreign Affairs and Immigration, not the Attorney-General.

But, if in a matter of law, I want to say this. If Members of Parliament are genuine about issues they raise on the Floor of Parliament, they should do two things in the first instance.

Firstly, go out and ascertain what your rights are and follow those procedures first before you bring it to the Floor of Parliament because you have taken the steps required to take before coming in here.

We need to understand that this Parliament is a legislator; it is not the executive team. We cannot usurp the power of the Executive Arm out there that are responsible for instance, for administering the any appeals procedures that may be available.

If you want to demonstrate that you are properly aggrieved then if you went through those procedures that I have talked about then you will be able to identify those procedures and go through it before you come here.

Now, my question back to the honourable Governor is; did he take any prior action prior to coming to Parliament and consuming premium time of this Parliament

on those issues? Because if he didn't, it begs the question as to whether he is genuine on the issues that he has raised on the Floor of this Parliament.

Mr GORDON WESLEY – Thank you, Mr Speaker, I direct my questions to the Minister for Treasury, Hon Don Polye.

Mr Garry Juffa – Point of Order! In response to the Attorney-General, -

Mr SPEAKER – Honourable Governor, if you continue to disrupt Parliament.

Mr Garry Juffa – Yes, I just want to ask this question but before that, I'll just state that, yes, I've –

Mr SPEAKER – I will not allow you, honourable Governor, take your seat.

Mr GORDON WESLEY – I also want the Ministers for Finance, Planning and other relevant ministers to take note.

Mr Speaker, the geographic landmass of the country with over 7 million people and a total of 89 districts means that an open Member of Parliament represents an average of 78 thousand people. This needs to be reviewed.

Taking into consideration the boundaries and the total population of each constituency or district, it is expensive and most difficult for some of us Members of Parliament who represent districts that covers vast areas of ocean with people scattered throughout the little islands.

As elected Members of Parliament we are given the mandate by the people and are expected to perform our duties in the delivery of basic services and goods to the doorsteps of our people.

Experience of the past years have demonstrated the fact that much time and resources have been exhausted in the attempt to reach the bulk of our people in remote and isolated areas of the country due to limited resources.

The majority of our people our people continue to be neglected and denied their rights to basic government services for years. This is where the Departments of Treasury, Finance and National Planning must critically review the current formula of budget allocations to individual districts, taking into account the landmass, population

and the sea area of each of those 89 districts and work within the current budget framework to design a fair and equal distribution of the nation's wealth and resources according to the 7 million people.

Mr Speaker, that prefaces my questions. They are:

(1) Will the Minister take the necessary steps to review the formula for distribution of funds in relation to District Support Improvement Program or known as DSIP to give prominence particularly to those constituencies and districts that experience difficult working environment to effectively deliver basic goods and services to our people?

(2) Will the Minister inform this honourable Parliament and the people of Papua New Guinea of what criteria or formula is used by the National Government to determine the DSIP allocations and other relevant funding to the districts?

(3) Mr Minister, how do you justify a district with a population of 50 000 people to a district that has a population of over 80 000 people with a vast area of land and sea, both share equal and same amount of resources distributed through the DSIP funding?

(4) Mr Speaker, the landmass, electorate boundaries and average size of population for the 89 districts needs close attention and calls for immediate review. Will the Minister before the next Budget consider making necessary adjustments for a fair and balanced formula that will help improve the quality of service delivery to those constituencies or districts. I am referring to Samarai-Murua especially and I mean to say, increase or double the DSIP funding for Samarai-Murua.

Thankyou, Mr Speaker.

Mr DON POLYE – Mr Speaker, I thank the Member for Samarai-Murua for those very important questions. He is always very passionate about his electorate because I have been to Samarai-Murua and the other electorates in Milne Bay Province are very beautiful but like he said, the remoteness of those small islands there are similar to islands in Manus and Bougainville and other maritime provinces are so isolated that it is very difficult to distribute goods and services and the point that he raises I can agree with him no more and I believe that is the essence of our existence geographically. Our distribution of resources should be factored into the formula very strongly to take into consideration the costing that is involved in the provisions of the services that people need.

I agree with the sentiments that he raised and in relation to doubling the DSIP and that is something I myself cannot answer because the Budget in the process of being drawn up and we can gauge the views of the Prime Minister, the Deputy Prime Minister and the Ministerial Budget Committee.

07/02

And of course, I know the Opposition will also have the opportunity to look into that and it is going to be collective decision making and I can't preempt anything although its going to be the Treasury Budget. I will answer that question at the right time when we hand down the Budget.

Mr Speaker, the first question regarding the necessary steps we are taking to review the current formula, the answer to that is yes. The Prime Minister has given instructions and the National Planning and Monitoring Minister is going to present the paper which he is currently working on that.

For instance, when we allocate K10 million or K5 million for DSIP's throughout our country we are not basing the amount on any formula. We are only using the *Constitution* requirements that talks about equitable distribution to our people so if it is K5 million than it is equitable regardless of the geographical location, population and so forth. That is what we have been doing over the years.

The Prime Minister's instructions to Treasury, Planning, Finance and the systems of Government is to come up with the formula that takes into consideration all these factors and accord them on their merits. So all of these factors have been taken into consideration and they will be applied in the next Budget.

Mr Speaker, secondly, the question regarding the formula used for DSIP, the answer to that is the Constitution. Thus K10 million is allocated equitably for all the 89 districts. Practically speaking, if we go by the National Economic Fiscal Commission's formula that provides a grant to provinces based on all these similar variations that the honourable Member has alluded to, then some Members and Electorates will be disappointed. For example, if we were to use the National Economic Fiscal Commissions formula in making available grants, Lagaip/Porgera will end up with K21 million and Kandep will be K9 million and Manus will end up with a very little a mount and there will be a big disparity there.

So rather than using the similar formula for DSIP, we are allocating the same amount to all the districts whilst we devise a reflective formula for the distribution of resources on top of the grants that the Government provides for provinces and districts.

We are actually doing a review and the next Budget will be based on that review but at the moment, our statistics are in dire need of upgrading along with the integrated government system, the biometric government system and all the other information systems we would like to put together to assist the Government collecting the right data to come up with a formula that is equitable for every district and province.

Mr Speaker, I would like to mention that there is a Boundary Commission Report which this Parliament rejected and I think the Commission has been working on it again and in 2013 that Report will be tabled on the Floor of this Parliament.

The Boundary Commission Report and the statistics made available to us will assist us with factual background information that will determine a good formula we can use as a government to distribute Government Development programs in the country.

**EMPOWERMENT OF PROVINCES AND DISTRICTS –
MINISTERIAL STATEMENT –
PAPER NOTED**

Mr CHARLES ABEL (Alotau – Minister National Planning and Monitoring)
– I rise to make my first Ministerial Statement in this Ninth Parliament as the Member for Alotau and Minister for National Planning and Monitoring.

Firstly, I congratulate you on your re-election as Member for Finschhafen and on your election as the Speaker of the Parliament.

I also congratulate the Prime Minister, Honourable Peter O'Neill on his re-election as Member for Pangia-Ialibu by an overwhelming majority and also the mandate you have received through the Peoples' National Congress Party, with the support of our coalition partners to be the Prime Minister of Papua New Guinea.

We recognize the tremendous struggles and pressures you have gone through in the 12 months before the Elections and on the difficult campaign trail as with other Party Leaders and returning Members of Parliament.

I congratulate the Deputy Prime Minister, Honourable Leo Dion for his appointment and let me say here that we will be benefiting from your wisdom and experience.

Mr Speaker, I recognize and congratulate the Leader of the Opposition Honourable Belden Namah and also congratulate all Members who have been re-elected, and all new Members of Parliament, in particular, the three ladies who have all received the mandate of your people respectively to represent them on this Floor. I thank God Almighty for granting us all the privilege and opportunity to serve our people.

I want to thank my people of Alotau District in the Milne Bay Province for returning me with a record number to represent them and their aspirations in this Parliament. My District is large and diverse like many other electorates in Papua New Guinea. I have 7 Local Level Governments spread over a large area with 25 language groups.

My Constituents are urban dwellers, settlement dwellers, oil palm workers and growers, remote mountain people growing coffee and coastal dwellers relying on copra and fish like many other districts in the country.

I have worked hard in the last five years to deliver at least one project to every one of my 157 Council Wards and delivered many LLG District wide projects. If I had not so been hands-on it would not have happened and this is telling us about the system and its troubles. It is a system we need to try and fix rather than bypass.

My people of Alotau have voted me in for more developments and that is what I intend to do, and that is what we all intend to do.

Mr Speaker, I want to thank the Prime Minister for giving me the very important portfolio of National Planning with the understanding of our coalition partners.

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I intend to use every ounce of my short experience of delivering at the district level, and as a Minister in the last five years to do justice to the confidence placed in

me. I acknowledge and thank my predecessor, the Deputy Opposition Leader, Honorable Sam Basil, Member for Wau Bulolo.

Mr Speaker, this is a new Government even though we have some old faces and we want our people to know that we are determined to learn from past mistakes and are determined to do things better with the wisdom of the experienced and enthusiasm and energy of the young and new.

We want our people to know that we acknowledge and admit that successive Governments have not been doing well enough despite all the natural wealth that God has given us. We admit that we have a disease called corruption that has infected almost every Government process. We admit that the public service is not as responsive and efficient as it should be and needs to be right sized and better balanced between Waigani and the provinces.

We admit that we spend too much time playing politics and not enough time making legislation and delivering good policies and goods and services. We have to first admit our errors and faults then we have to respond by changing our behavior learning from both failures and successes.

Our Government is determined to be a government of humility, fairness and service to our people. We are a unity Government of forgiveness, restoration and rebuilding.

Mr Speaker, this begins by all Ministers being humble and accessible to all Members of the Parliament. It means clear and transparent allocation of funding to the Parliament including clear allocations to the Committees and the Opposition. It means fair allocations of development funding to all regions, provinces and district based on need and cost of delivery.

Mr Speaker, it means that the Government resources must be moved closer to our people in the districts through the Development Budget allocations and the public service capacity. Provincial Governments, Districts and Local Level Governments must be resourced. Presidents, councilors, village court magistrates and peace officers must be better paid. Remotely located teachers and health workers must be compensated.

Let us win hearts and minds by being honest. Let us lead by example not words alone. Let us be remembered for our deeds and not our misdeeds. As Planning Minister, I will rely on underlying themes and guidelines that will inform our planning processes, drawing from the priorities and platforms that the Prime Minister

took to the people in the election, which were Education, Health, Law and Justice, including anti corruption, infrastructure and growing the economy. The *Alotau Accord* is the basis of a partnership between our coalition partners to build a new start of reconciliation, unity and learning from the past mistakes.

The Governor General, Sir Michael Ogio's statement to the Opening of this Parliament on Tuesday 21 August 2012 emphasized further these themes of the *Alotau Accord* with specific initiatives under the headings of Legislative Reforms, Education, Health, Corruption, Infrastructure, Law and Order, Public Sector Reforms, Business, Sports, and Culture, Public Private partnership and Foreign Policy.

Our founding fathers through the *Constitution* have provided us with the five *National Goals and Directive Principles* of Integral Human Development, Equality and Participation, National Sovereignty and Self Reliance, Natural Resources, Resource Creation and Environment and Papua New Guinean ways.

The Vision 2050 Forty Year Plan was Development Strategic Plan 2010-2030 attempt to construct a higher level vision and cascading, subsequent and more detailed plans from the Guiding Principles.

The Vision 2050 was developed through the Prime Minister's Department and NEC and championed by the then Deputy Prime Minister and current Public Service Minister, Sir Puka Temu. It aims for PNG to be ranked in the top 50 in the United Nations Human Development Index by 2050. We are currently ranked 153 out of 187.

The DSP 2010-2030 was developed under the Department of National Planning and Monitoring and aims that Papua New Guinea will be a prosperous middle income earning country by 2030.

Mr Speaker, we have had short term plans called Medium Term Development Plans and Medium Term Development Strategies since 1996. Our current Medium Term Plan 2011-2015 continues to emphasise on the critical enablers of Land Mobilization, Education, Health, Transport and Infrastructure, Law and Justice, and access to basic utilities.

It is very important that government activities are guided by longer term strategic thinking rather than shorter term processes such as the Annual Budget only.

Mr Speaker, a quick look at our country's scorecard makes unimpressive reading whether you look at the Corruption Ranking, Human Development Index, and ease of doing business, crime rate, and state of infrastructure, access to housing and clean water.

We have a population that is growing much faster than we can build schools and provide jobs and health care for. We are digging resources out of the ground, cutting forests and fishing marine resources at a faster rate every year. We are now even talking of digging up minerals way below the sea. We have a large, expensive bureaucracy that is growing every year. In the face of this reality, we have had a huge windfall budget for over ten years.

Mr Speaker, the problem is obviously not money, we all know it is a management problem. This begins with bad long term strategic planning or bad implementation of those plans. Our broad long term goals and short term priorities of Education, Health, Infrastructure, Law and Order, Water and Sanitation, Communication and income generation are excellent. It is the back to front way we are going about achieving them that has to be revisited.

We, in fact, have to revisit many of the Development Principles that we take for granted. For example, we need to reconcile the fact our development aspirations and plans are based on a growth based, demand driven economy model that is not sustainable. Climate change is driving this reality home.

We have to question why all our plans are based so heavily on endless growth, growth of the population, growth of profits, and growth of demand. This does not reconcile with our talk at the same time of sustainability and environmental responsibility. There is a long term incongruence here but there is also a shorter term lack of logic where we are constantly in a state of catch up because the population growth and demand is not matched by our ability to provide them. This creates immediate problems like lack of access to education, housing, services and increased crime.

Our policies than start to get driven by these immediate issues and we address the symptoms of the problem rather than the cause of the problem. For example, in the pursuit of our short term priorities, we are heavily reliant on unsustainable exploitation of our resources both renewable and non renewable which is destroying the environment in an attempt to cater for a population which is effectively doubling every 20 years.

Because we have an abundance of natural resources we tend to defer the harder tasks of developing value adding industries or sustainable industries such as tourism or we give them lesser priority. It is so much easier to invite foreign companies to come and dig things out of the ground.

Having much easy wealth also means we do not learn important lessons such as efficiency and value for money. We end up wasting so much money. The bottom line is we are living beyond our means and creating a problem for the future.

We have to make some tough decisions to bring back to a sustainable and responsible pathway the medium and long term outlook. Our long term planning theme has to be sustainability. This means providing for our needs of food, clothing, shelter, water, security and leisure in a manner which does not mortgage the future by leaving big debts or a destroyed environment to our children.

Our competitive advantages compared to other countries and with respect to the sustainable economy are; a still relatively small population, a large intact environment with incredible terrestrial and marine biodiversity, large sustainable energy sources from hydro and geothermal energy, control over 15 per cent of world tuna resources and a diverse and unique traditional cultural heritage.

These advantages give us the key to a sustainable economy on low population with food security and an export industry based on food, energy and green technology, environment and tourism. If we communicate this properly to the world they will want to help us get there because they realize now their mistakes and want to encourage a new paradigm.

Mr Speaker, I am simplifying things somewhat to demonstrate a point. We must not only learn from own mistakes but the mistakes of other developing countries as well. We must understand that we should not model ourselves on the crowded, polluted model of old but look ahead to a cleaner, greener example.

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Given our competitive advantages including the huge mineral wealth, there is no reason why we can't be healthy, wealthy and wise.

So this longer term strategy can lead us to prioritise our planning a Population Policy, Environment Protection Policy, Green Technology and Industry Policy, Sustainable Energy Policy, Food Security Policy, Extractive Industry Policy and Aid Alignment Policy.

This strategy will inform shorter term policies such as Mineral and Gas Resource Exploitation. They perhaps should be slowed down and staggered or deferred slightly because they are undermining the longer term policies. We should

also concentrate on managing the sizeable projects in hand properly in particular, the large benefit streams from them, and better stage the projects over time. The value of these resources will only increase as they become scarcer in the world as time goes by.

The gains from the existing projects such as the Exxon Mobil Project, Ramu Nickel and Wafi can be used to fast track our shorter term objectives in continuing the required investments to catch up on the service and infrastructure deficit required to serve the population at the current level, and invest in savings for the future Sovereign Wealth Fund and in the policy and work of creating the new economy.

Mr Speaker, we must remind ourselves of the lessons learnt from Ok Tedi, Bougainville, Porgera, Kutubu and Misima here.

Mr Speaker, the shorter term funding process through annual budgets need to begin to respond to this longer term vision with the appropriate investment into the critical area mentioned.

One of the directives from the *Alotau Accord* is a review of the long term plans and funding has been appropriated for this. In the meantime, I have directed the Department of National Planning and Monitoring to include an Eight Critical enabling Expenditure Priority Area which is 'Sustainable Economy and Future'. This is not new but already recognised in our Development Strategic Plan 2010 – 2030 but we have not given particular emphasis to it in our medium and short term plans.

The other identified areas of priority for investments are Land Development, Law and Justice, Health, Primary and Secondary Education, Higher Education, Transport and Public Utilities.

As we begin to invest into a sustainable future, we need to continue to deal with the pressing issues before us as well, and that is why this Government will continue to direct an increasing proportion of our budgets towards the seven critical enablers identified in our plans.

The responsibility for addressing these priorities at provincial and district levels are the lower level governments and districts, and they will be receiving a record percentage of the Development Budget as explained by the Prime Minister.

The O'Neill-Dion Government is determined to begin to properly resource for the first time the provincial and local-level governments who the National Government has given responsibility for critical functions but never backed this up with the resources. The assets and functions that are of a provincial nature will be

managed and maintained by those level of governments according to their provincial, district and ward plans with guidance, support and monitoring by national departments such as National Planning and Monitoring, Works, Provincial Affairs, Rural Development, Auditor-General and others.

The method of pooling development funds at National Department level with very broad expenditure guidelines must stop. It has led to discretionary allocations that are often without clear justifications and have encouraged corruptions. Funds that are allocated at lower levels must have clear guidelines and must be accounted for. Funds that are parked at the national level must have appropriation detail and expenditure guidelines.

We must accompany the additional funding to the provinces and districts with supporting reforms to the agencies and laws at that level to facilitate efficient delivery. In particular, the financial ceiling for the Provincial Supply and Tenders Board should be raised with technical personnel and equipment should be established where they don't exist and capacitated where they do. National Works Provincial branches should be given over to the provinces and only some technical support presence be maintained.

Reform to the Public Service including devolving powers to the PEC over the appointments of Provincial Administrators and the consultation with Open Members in the recruitment of District Administrators are being brought by the Public Service Minister to support this process as well in terms of responsiveness and accountability.

Funds through the Recurrent Budget are currently being allocated under a mechanism developed by the NEFC particularly, through the functional grants that to provinces on a cost of service rationale. There remains a large gap between the current level of service and the required level of minimum service. This gap needs additional funding but should also be partially bridged by the reduction of Recurrent Budget consumed in Waigani and the reallocations to the provinces where most of our people live.

Mr Speaker, we are working on a similar mechanism for the Development Budget which should link funding to the specific infrastructure gaps as identified in our plans under the critical expenditure areas. Whether it is the number of elementary schools or aid posts or kilometers of all weather roads, we need plans that identify these gaps right down to the ward level according to population and then we should

guide funds towards filling these gaps through expenditure guidelines and financial instructions. The issue is then one of appropriate procurement with value for money.

A particular population group within a geographical area will need access to an elementary school which feeds into a community or primary school within vicinity then a high school or vocational school.

Development funding should be appropriated to areas based on the missing gaps, population and cost of delivery. These should not be allocation on a flat rate basis because no one district is the same.

The Recurrent Budget still has some catching up to do to bridge the fiscal gap in services such as police, nursing and teacher numbers but will generally follow the Development Budget investment trail to provide the goods and services, staffing and maintenance.

At this point, I want to remind us again of why these gaps exist in the first place. It is because of a human population that is growing at a rate that is hard to keep up with, and that is why we need a Population Policy as part of longer term strategy initiatives.

Mr Speaker, whilst provincial assets and programs should be handled at that level, we have national assets and service delivery agencies such as our SOEs that are in a critical need of rehabilitation and upgrading and these needs to be handled at the National Government level. The state of these assets and the rate at which we have been repairing and developing them is unsatisfactory and severely hindering national development.

We need to undertake a massive investment program to get our main highways, airports and seaports, main high schools and hospitals, energy and communication systems to where they should be able to handle the current and future capacity requirements. This will require an amount of funding now that is beyond the capacity of our internal revenue. The justification for investment is there with the huge efficiencies to be gained over the current costly business environment. These inefficiencies are not only infrastructure related of course.

Mr Speaker, with the prospects of the LNG projects and other large resource projects on the horizon, we have assuredness of future revenue streams through a properly established Sovereign Wealth Fund which, we can borrow to fund the required investment.

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Investment is there with the huge efficiencies to be gained over the current costly business environment. These efficiencies are not only infrastructure related of course.

Mr Speaker, with prospects of the PNG LNG Projects and other large resource projects on the horizon, we have assuredness of future revenue streams through a properly established Sovereign Wealth Fund against which we can borrow to fund the required investment.

This will require some short term deficit budgeting and obviously an increase in our debt to GDP ratio. These will be by guided revised Medium Term Fiscal Strategy (MTFS) and Medium Term Debt Strategy (MTDS) that recognises this Government's aspirations.

This funding should as much as possible come from a range of sources, as the Treasurer has explained, including domestic to reduce sovereign and exchange rate risk and if we do for foreign it should be on concessional terms.

This boosted investment process needs to continue over a five to ten year period to achieve the required level of capitalisation required to service our population and economic growth. We need to have the major capital projects at a macro and micro level identified through our National, Provincial and District Plans, then a finance package to ensure a consistent growth in investment in infrastructure and human capital. This will free deficiencies and support sparring growth which, will then feed back into the budget revenue.

Mr Speaker, the point here is that, we need an investment outlook that is based beyond just a one year budgetary process, and that is what this Government is trying to do with the resource envelope we are seeking over next five to ten years.

Mr Speaker, our long term budgets need to be guided by long term investment outlook for the development budget giving surety to the process. We need a planned resource envelope that gives predictability to the Government and businesses over the medium term.

We do not want annual cyclical fluctuations to disrupt the investment process because we are following the short term focus based on balanced budgets. This can mean our investment or development budget back into the growing economy is uncertain and erratic.

Mr Speaker, therefore we need a combination of deficit budgeting in the short term and borrowing domestic and perhaps international to raise the capital to ensure we make the large investments required to the Highlands Highway and other national roads, the Lae and Port Moresby ports, the 22 major airports, energy generation and reticulation grid and a fiber optic communication background. The current piecemeal approach is severely impeding economic development.

As long as the investment is properly targeted and generally hits the targets we will generate the growth which will expand GDP, generate employment and feed revenue back into the national budgets to well and truly justify the additional debt.

Mr Speaker, very importantly, we need also to invest in a much improved developed delivery mechanism which translates these budgets and plans into assets on the ground. This process is centered around a procurement system and backed by a reporting and accountability framework.

Mr Speaker, accountability means, there are consequences at the end of the day when public funds are abused. A national reporting system is also required as part of this accountability framework to tell us in a timely manner how we are performing in the development indicators, such as the Millennium Development Goals and the Human Development Index.

On a ward, district and provincial level, are we filling the recurrent and investment gaps that we have identified? Or are we continuing to spend billions of kina with little tangible evidence?

Mr Speaker, as a basis of this report system we need to establish an electronic and bio-metric ID system to register our population and create an accurate database from which, we can generate the Electoral Roll and all the other required statistics, including the National Census and that submission is ready to go before Cabinet.

Mr Speaker, I am determined to restore the Department of National Planning and Monitoring back into the strategic medium term planning and monitoring unit it is meant to be, and supported by important agencies of the Department of Implementation and Rural Development and the National Statistics Office.

This planning process will be consultative through Consultative Implementation and Monitoring Committee (CIMC) process, with its four annual regional forums and a national development forum leading to the meeting of the CIMC council, chaired by the Planning Minister and a report to Cabinet in time to

help inform the budgetary process. I recently chaired this meeting, which had not taken place for the last four years.

Mr Speaker, another crucial area, is to establish a policy that better informs and guides our development partners to generate better returns from overseas aid by making it more focused and visible. Aid funds generally continue to be thinly spread and technical assistance focused and uncoordinated amongst different donors.

We will allocate specific areas for different donors to concentrate and based on their demonstrated strengths and increased proportion on tangible, such as hospitals, schools and roads. We will ask for aid to be delivered in completed projects against agreed specifications and budgets. The targets in these programmes should be the very same that we have already specified in our macro and micro level plans.

In the quest for funding our accelerated infrastructure investment programme, we should look into and concentrate and apply aid funds in that same investment programme as well, and again, I have got another NEC submission prepared for that.

Mr Speaker, I spoke generally on principles but we have an important annual budget process underway in this session of Parliament and the job is now to translate some of these words and principles into action through the budgetary process, but not on a short term measure but on a long term outlook so we can all go back to the districts knowing full well and in some degree of comfort the kind of financial resource envelope that we will have, so we can concentrate on delivering at that level and at the same time at the national level. That same financial envelope informs us on the longer term and larger scale investment project programme that we need to undertake.

Mr Speaker, we will do our best as the executive Government, where the Treasurer has already spoke on it, through a consultative process to present a budget that incorporates the principles of the *Alotau Accord* and our long term strategic plans in the spirit of empowering provinces and districts for inclusive and sustainable growth for debate and deliberation by Parliament.

Thank you, Mr Speaker.

Mr JAMES MARABE (Tari – Minister for Treasury) – I move –

That the Parliament take note of the Paper

I wish to make a statement in connection to the Paper.

Yesterday, the Leader for Opposition made his maiden statement on the Floor of Parliament with respect to what he perceived was his alternative to how he and his team will put forward their development agenda to this country.

Mr Speaker, let me, in my comments to the Planning Minister's statement try to outline in clear terms what this Government will do, following on from what my colleague the Planning Minister has said.

Our principle objectives are clear and simple. We have five key government agendas. They are; free and accessible health, free and accessible education, improved infrastructure, better law and order; and of course when we get these first four correct, it would enable an improved and growing economy.

Mr Speaker, the Planning Minister has followed on from the Prime Minister's directions and the Prime Minister's statement in regards to how this country will go in the next five years.

From now and henceforth, Ministers will outlay their key policy statements in as far as their departments and ministries are concerned. The onus is now on every one of us to listen carefully to these key statements and to expand from them and make our departments work, make our provinces work, make our districts work and make our wards work.

The Prime Minister and Government have laid a framework for development and the Planning Minister has made it clear. Everything that has been discussed is laid forward by the Planning Minister's statement and we should all read through it, it contains everything.

In summary, the focus is the people and where they are. When the budget is handed done in the next two or three weeks time, the nation will realise that the focus of the Budget is directly aimed at the people. In this nation, we have had many plans that are collecting dust and making piles in our respective Ministries and the many archives in Government.

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The Prime Minister's statement is very clear so as the Minister for Planning. The honors is now on everyone of us to take abstract from their statements and ensure

that our own respective sectoral programmes are working including the wards, districts and provincial programmes are working.

Mr Speaker, if I am seeking development funds and support for my people, I will be seeking support for the development in consistent with the Government's key program that has been outlined. The Government programs are now geared towards meeting the needs of the people and the nation will see that the major part of the budget will be with the rural areas.

I would like to refute the statement made by the Opposition Leader that the budget is for the people in the urban areas. Let the good Opposition Leader wait until the Budget is delivered. But, the Opposition Leader will realise the Budget is really targeted to where the majority of the people are and that is in the rural areas.

Today, districts and provinces will receive more support than ever given to any Members before. This is because we have time and we can afford to make these decisions. The needs for the rural areas have accumulated over time at the expense of projects being directed to only one or two areas.

I stand here today, Mr Speaker, as a Member representing a rural district, I am happy to serve a government that is now focused on where the bulk of our people are. Ninety percent of our people are living in the rural areas and the focus of our government today is really on where the majority of our people are. Therefore, the budget will be delivered to serve the needs of these people.

Mr Speaker, I have already mentioned earlier that in consistent with the government's key policies, we are focused on giving financial support to provinces and districts. We have had similar opportunities in the past but they have been abused. There has been wastage of public funds.

I would also like to announce that we will be reviewing the *Public Finance (Management) Act*. These reforms will come in place to ensure that we have access to Government support. We will free up and remove impediments of accessing government funds and at the same time we will put in place laws to punish people who abuse government funds.

As far as the financial instructions and the *Public Finance Management Act* are concerned, Mr Speaker, we are putting in place mitigate laws to ensure that public funds are not abused.

Major resource envelop will be directly given to District Members, Provincial Governors and the Line Agencies. The Vulupindi Haus will no longer house money as

far as *Public Finance (Management) Act* is concerned. The Vulupindi Haus will be a clearing house to maintain standards, compliance and directions at the macro-level. The key implementing agencies will be the line departments, provinces and the districts.

I have sent clear instructions and Finance Department will not collect submissions. I know the departments of Planning and Treasury and have disseminated similar instructions. The Vulupindi Haus is about dispensing Government resources to support Sectors to run their programs.

As we embark government funds managed in this manner, it is intervene upon every agencies of State starting from the Wards, districts, provinces and line agencies must come up with their sectoral plan and all other plans needed to access the government funds.

The plans must be in line with the National Government Plans so that government support can be easily accessed. We will free up the untidy mess at the Vulupindi Haus. The Member must stay in their districts, the Governors must stay in their provinces and work with us to make those districts and provincial plans work. The National Government will embark on major national projects.

Mr Speaker, yesterday the Opposition Leader made a statement on the Singapore and Malaysian Model, and the Asian Tiger Models. We agreed that these nations are there for us to observe and learn how they have succeeded in the same spin of time as we have gained independence.

But, Mr Speaker, he deliberately missed one important observation in as far as those economies are concerned. Those economies have grown simply because of their political stability. They have consistent political stability over a long period of time. Over 20–30 year period and these stability has directly translated to continuous stability in macro-government policies and those economic policies that have translated to the development of the nation.

When we talk about development for our people and, if you are serious about the development of this country, you must give support to political stability. Without political stability all our plans will be wasted and when one comes into power will re-invent the wheel every time as far the government plans are concerned and this country will not progress.

I urge the Opposition Leader; let us not make statement on the floor of Parliament on the expense of politics. But, rather, let us make statement on the floor

of Parliament to ensure that your statement give credible criticism to the Government so that we work to bring resource to every districts, provinces and together we can change Papua New Guinea.

The Government clearly focused on the five key enablers of this country. Let us work together in the various levels of governments, at the national, provincial and the districts. I stand here whole hearted happy to be part of a government who focuses for the first, in a big way towards the districts.

Mr Speaker, if the Government is consistently progressing in this manner in the next five years, the districts will receive substantial amount of money for their districts for the first time.

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And we expect no Member here to lose their elections in 2017 because as we conclude this Parliament's term, you would have had substantial direct capital injections into your districts.

So, let me summarise my statement by supporting the Planning Minister. We've got many plans. The Planning Minister will not come up with new plans.

Our commitment to this nation is simple. We ask all our Members of Parliament to come up with clear, succinct district plans that will dovetail into our major National Government priority areas as put forward in the District Plans and Provincial Plans.

We at the Vulupindi Haus will support that you access those resources to ensure that your districts are working. Reforms in the financial management systems which will be put in place to beef up your capacities in the districts and the provinces as alluded to by the Minister on the Provincial Supplies and Tenders Board. But as you beef up your capacities and we well allow through legislation for you to access government resources, we will also pose warnings to everyone having access to government resources. We will have punitive measure put in place to apprehend and punish those who squander government resources that will come directly to the provinces and districts.

These are important reforms that we are putting in place to help districts and provinces work. And we hoped that without politics, together we can make this

country a better place because budgets from now and henceforth will be really centered towards where you are; at the district and provincial levels.

Mr JOE SUNGI (Nuku) – I thank the Minister for a very comprehensive statement. I think planning is the heart of any organization and for this country, as mandated leaders we have a responsibility to make sure that everything that we do is accounted for.

I think planning has a very important role but what I want to say, having come from the province, where I have worked for almost 23 years with nine of those as Provincial Administrator. I'd like to stress the importance of reporting, basically on our H.E.I

I think we've committed this country and our people to be ranked 50th by 2050. That's a big call for all of us sitting here because to jump from 153 position to 50th rank in 2050.

Of all the statements that the Minister has made this one is the most profound for all of us as well as our people because they will be holding us accountable.

Mr Speaker, the whole problem over the years is that we have not been checking our own house. We have not been checking whether we have salt in the kitchen or not. We have been continuously going to the store too buy salt,

Mr Speaker, I'd like to, from my experience, go back to the law and the provision. The Organic Law is very clear that the only monitoring authority is the National Monitoring Authority which is now called PLASMA. But unfortunately, in my attendance at those meetings I noticed that many of the CACC members and very important secretaries of departments do not attend those meetings.

So, if you want to check of these indexes you cannot but by now the clock has already started ticking for the *2050 Vision*. By now we should already measure ourselves and know how many mothers are dying in each district. That is Planning's role. Unfortunately we cannot measure this so basically we must now establish a baseline information for each district for all the Members sitting here, including the Prime Minister who is also an open Member to know exactly what the status and indicator are for our districts in terms of health and education.

If we do not know these facts and if we do not establish this, what is the point of planning? Because in business what it means is that if you cannot make profit you must close down.

So, Mr Speaker, this is a serious business for us. As a country, we are now in the Ninth Parliament and we must now measure ourselves as a country to see if we have performed.

I'd like to go back in five years time and tell my people that I have achieved this for you. I don't want to waste my five years here. And we should now establish this baseline information system.

I think we have so many government agencies duplicating roles and responsibilities. We must now cut down and have one authority and I think the rightful authority that should monitor and put the budget into all our plans is the National Monitoring authority which is now called PLASMA. And I am really sad to say that the attendance at the meetings of that authority has been very poor.

So, how can you come to Parliament and tell me if we have not been advised properly by our departmental heads and our secretaries who do not know exactly what is happening in the most remote districts in this country.

So, it is good that we will come up with many good papers but the time for talking is over. We will have too many plans because if we have 6000 wards we will have 6000 ward plans, 300 LLG plans, 89 districts plans and 22 provincial plans. By the time we make all those plans we will not have achieved anything. And we will not be ranked 50th come 2050.

So, these are very important. We can make jokes about it but as I said, if we are a business we would have closed down a long time ago because we cannot report on ourselves. We cannot be accountable to this country.

I am here to represent my people and to report back to them that I have changed the indicators. Basically, fewer mothers must die in my district when they deliver and fewer babies must die in my district upon delivery. That's all I am concerned about.

At the end of the day, the bottom line is; whether no one dies and people should live. Many of my people should live to be over 60 years or even 100 years old. That's our ultimate aim.

So, everything that we do, no matter how many billion of kina we use in this Parliament or throughout the system, if we cannot report back on the lives of our people, we will be wasting our people's time and ourselves sitting here in Parliament.

Dr PUKA TEMU (Abau – Public Services) – Thank you, Mr Speaker, I also congratulate the honourable Planning Minister for this very impressive statement and I want to support his statement though this debate and wish to say that the Planning Minister has got it right.

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I think it has been basically looked into at the top and there has been a lot of experience over the years and the statement that he has delivered is in the right direction under which this nation must go.

Mr Speaker, in 2002, I accompanied the then Treasurer Honourable Bart Philemon, to Washington for the World Bank Directors Meeting.

We walked into the Director General of the World Bank's office and he asked us where the two of us were from and we replied Papua New Guinea a country in the Pacific. He replied, oh, that is the country where the leaders are corrupt, nobody lives by the rule of law and my colleague was actually agreeing with the Secretary General and I quickly stood on his right toe and asked him if I could speak.

I said, with due respect sir, we come from a country where we need assistance from the World Bank. At that time, the World Bank had a moratorium to Papua New Guinea stating no more programs.

We came with a Five-Year Development Plan and you have to stop rubbishing us. We are leaders and we are not corrupt. Our country is beautiful and our people live according to the laws and they respect each other. We have traditions that are built over hundreds of years and we still exist.

This man you are rubbishing is not just an ordinary man he is the Treasurer of our country and you are just a public servant. You have to listen to us and you do what we tell you as a nation.

Mr Speaker, I came back satisfied and the message is I think it is about time we believe in ourselves as a people and a nation as a whole.

What the Prime Minister delivered in his inaugural statement and now supported by the Planning and Monitoring Minister is the direction that we need to go. I look forward for the Treasurer handing down the Budget that will prescribe the right pathway for the next financial year in 2013.

Mr Speaker, gone are the days when our leaders begged bureaucrats at the Vulupindi Haus, on the Floor of this Parliament trying to follow up their project documents. Gone are those days!

Governors will no longer going around begging the National Planning and Monitoring and Finance and Treasury Secretary those days are gone!

This Prime Minister has listened and he has seen what wrong has been done and how leaders have been brought down to the same level as bureaucrats, gone are those days.

The National Budget will now empower Governors and Members of Parliament to provide the leadership at the District level and the provincial level. We must thank the Prime Minister.

Mr Speaker for the first time the funds that this nation raises through its God blessed resources are going to be targeted in the right place.

We always preach about planning but did you know that there is a time honoured and tested phrase that says, "If you fail to plan, you plan to fail".

We have got some very good plans and because of not only political stability but I think more important policy stability. We have some very good policy instruments now in place, which the Planning and Monitoring Minister has pronounced like the Vision 2050, the Nation's 2010-2030 Plan and translating those plans into five-year plans. What this nation needs during the term of this Parliament is for each district to align their five-year plans so that our districts can go five years closer to the Vision 2050. That is a challenge that we all are faced with.

Mr Speaker, I believe that the National Planning Legislation is so very important and there is a draft somewhere and we really need to tie it down to the direction under which this Parliament passes legislation so that we can move forward.

The resource boom is coming and we need to focus under the right leadership through the Prime Minister and his team the Treasurer, the Planning Minister and the Finance Minister and some of us at the background we will be heading to a prosperous future.

We need have the opportunity to transform our LLG's and Provinces and this Budget will bring the resources in the hands of the Honourable Governors who are mandated by the people.

It was saddening to see Governors knocking on Simon Tosali's door or the current Member for Kandrian/Gloucester who was the then Planning Secretary. How many times he would avoid them and the countless times he was not in the office.

(Laughter in the Chamber)

Dr PUKA TEMU – They became too powerful.

Mr Speaker, the Planning Minister has echoed the direction under which we are going in regards to the public service and I will be bringing the amended legislation to the Floor of Parliament but Cabinet has already approved the process and we will shortcut everything.

I am glad to say that some of you Governors have already written to me with regard to your Acting Provincial Administrators and they are moving very fast and today I have signed about four of them to be Acting Provincial Administrators so that you make them to run. The bureaucrats are supposed to follow you, you don't follow your bureaucrats. That is the problem. Many leaders follow bureaucrats. Many leaders lead from the front we are now leading from the side or back.

The way to follow you now is Governors you will be given a list of five people and you will choose three and send them to the Cabinet quickly with your recommendations and we undertake your recommendations as your choice that amendment will be coming.

Open Members of Parliament as the Minister has alluded to, you will also be in the loop and your District Administrator must dance to you music. So you will also be participating in the appointment of your District Administrator.

For the District Treasurer it is for Treasury but he will be in consultation with my department to come up with good ideas.

Mr Speaker, in regards to the District Treasury in my own personal opinion there needs to be some overseer from the Waigani level. Because it is like cutting the umbilical cord and we let go of the control and it will be controlled down there. That is up to you leaders to consider.

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My concern is in terms of treasury, there has to be a link between Waigani and the district level otherwise a lot of things may go wrong.

If we are to involve the district and provincial treasuries away from Waigani than we need to have strong accountability structures the honorable member for Nuku has just mention. I want to add on by saying that the basic data we need to put a lot of emphasis on is the need for LLG and Provincial data bases, because without that we cannot sit down and postulate on which direction we need to go therefore, this is to the National Statistical office to provide the lead when the former Planning Minister, now sitting as Deputy Opposition Leader he brought to Cabinet and we approved the Ward Recorder at that level.

We need to now promote ward recording, birth registration and death registration so that we link that to the ward data base which links to the LLG and there are packages in Information Technology that can establish a data base for Districts. The National Research Institute has got a district profile programme which we can all link into, regarding health, education, resource areas, roads, river systems and others.

We have an opportunity to build this information system so that we can then use the big revenue flows that are now coming to our door steps during this term of parliament to properly do the things that we know we can do.

The other thing that I wish to mention is that the importance of how we can harness the support from our bilateral or multilateral partners. A lot of times our development partners come with their plans and proposals, for example right now in the road infrastructure programme we have multilaterals like Asian Development Bank and World Bank and Bilaterals, like the Australian Government.

They are all supporting road infrastructure programmes and we have divided them into different regions and through different international bidding processes which are required by those banks and we comply with their requirements. I strongly urge the Treasurer and the Planning Minister to seriously look at a programme called Sector Wide Approach.

The World Bank calls it the Sector Investment Program, this is a programme where funds are pulled into one basket, for example in the Works Program all the partners pull the funding for road infrastructure in one pool. Our Transport and Works Development Plan provided the policy direction under which those funds are

managed so we do not have AusAid and other partners using individual bidding processes.

We all agree with one procurement process and reporting and monitoring process. To me, that is the direction that we need to go because the resources that the bilateral and the multilaterals coming are also enormous and we really need to see how we can have a common management and reporting system so that they don't develop parallel management and reporting system which is the mark of many of this bilateral and multilaterals.

Mr Speaker, in the Health Sector when I was the Secretary for Health we had a similar system and it worked so we need to translate that into a sector programme so that we are on top and the Works, Treasurer or the Planning Minister can really move this donor funding efficiently but more importantly, building our systems of procurement, management and monitoring rather than building parallel systems, so in terms of the enormous assistance that is coming, I believe we need to move in a big way so far as stream lining the management of donor funding that is coming.

The last issue that the Planning Minister alluded to as in regards to Land Mobilization. Many times land mobilization is forgotten but we know that land is very important for all the development dreams that we have in our country both for our people who own customary land and where the state needs to bring in development.

I am of a strong opinion and this is where we brought the amendments to the *Incorporated Land Act* during the last term of Parliament was to remove the alienation principle away in law that land must never be alienated and that we need to now empower our landowners to hold the title and therefore the principle of voluntary registration came in and I am aware that the Honorable Minister for Lands and his Department are now moving around the country to create an awareness on that.

I think we have to move very vigorously on the issue of land access for development in our country and we need to be smarter and provide the leadership at the provincial level. We need to look at how we can reward land mediators in the front line who handle all the land issues.

Our problem is that over the years we have not listened to them or are resourcing them, so they struggle and I think it is very simple as in terms of land dispute issues under the current reforms in the Magisterial Services, there is a division created specifically to address land disputes under a Deputy Chief Magistrate.

15/02

So that dispute resolution system must now go right down to the land mediators and we resource them well because the bulk of these issues are causing lack of development and fights on land I believe is because of the low capacity that is bestowed upon the frontline people even magistrates, land mediators etc.

That is why this Budget under the Prime Minister's direction will be going to focus on rural areas. I am very excited about it as a Minister for Public Service. We are now going to define the powers, roles and responsibilities of different levels of administration; Waigani, provinces, districts and local-levels because there's a lot of confusion going on as to who will be responsible for aid posts, who will look after the high schools in the districts. Would it be the governor or Open Member? There are lot of confusions going on and now that the governors are going to have some development grants, I think there is going to be some opportunity for us to work together at the provincial assembly level.

Mr Speaker, I am one Member who attends my provincial assembly meetings all the time. We now really need to at the provincial level work together instead of open members fighting with the governors. The Governors must also lead the Open Members because you are our bosses at the provincial level. We cannot grow the economy from Waigani; economy can only be grown from the provinces if we work together.

Mr Speaker, I think this is the greatest opportunity and I think the budget instrument which we look forward to the Treasurer handing down in the couple of week's time will be the instrument under which we begin to transform this beautiful country.

Mr BIRE KIMISOPA (Henganofi) – I also congratulate the Minister for Planning for his Ministerial Statement.

Mr Speaker, from my personal view, I believe this statement is just an appetiser but the real thing will come later. In this country, Papua New Guineans are very industrious people; hard working, community orientated and they have a saying and it comes with an acronym 'KISS' – Keep It Simple Stupid. So they are watching us.

This is a going to be a big budget of budget of K13 billion and next might probably be K14 billion or K15 billion.

I think in terms of the broad key themes which the Prime Minister has read out is very simple and our people understand that: free health, free education, improve infrastructure, improve law and order and improve the economy. Five simple themes and our people understand it.

Now the 64 million dollar question from our people is this, how are we going to achieve that in the real world? My personal view is nothing is free, everything costs money so the biggest question is how do we mitigate all of these programs? I think in the next couple of months as the Ministers for Finance, Treasury and Planning come up, I believe we will be blessed with more elaborate plans.

Mr Speaker, just to give you an example, I come from a coffee producing province. Since independence, the highest coffee we ever exported is 1200 bags. Vietnam, Cambodia and some of these South-East Asian countries have surpassed us. They planted coffee in the last 15 to 20 years and now they are producing almost 20 million bags annually while we are still producing only 900 000 bags annually. We have not even reached the one million mark and so to keep it simple, in the next five years how do we increase from 1.2 million bags to 10 million bags. That should be the key driver for a sector that is critical to this country.

We all know ADB estimates that there's roughly 200 000 people on the payee tax out of the seven million population. So how do we improve that number so our tax base in terms of revenues which can sustain the budget. How do we take it up from 200 000 people paying taxes to roughly say about 1.5 million in the next five years? How do we do that and how do we mitigate that? How do we get outside of the budget and start looking at our people who are industrious for enterprising? They are looking for softer loans, four per cent at the most for long term through the NDB. They are looking for accessibility to credit and learn.

So these issues are real. If you look at our country, our people are looking for simple solutions and I applaud the Prime Minister with his effort because he has been on this think for a long time since we got elected together in 2002. He introduce the District Authority Bill, he is the champion of putting money into the district. He proposed this bill in 2002 and in 2003 but it didn't get any recognition in those days.

Now we have changed it and gave it a appropriate name called the DSIP and I think he lived up to his own words and now he is parking substantial amount of money through the district.

I am happy with the reporting, you know, we got to do biometric reporting and so forth but we the driving the next five years on massive spending. The biggest question for all of us is how do we mitigate that? What kind of incentives we need to accord our people and bringing in taxation?

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Do we need to consider giving relief to our people by giving them tax holidays, like they do in New Zealand, for the Maoris? They give them a five year holiday for starting businesses. Should we also start considering that, so that we can increase our tax base?

These are some of the issues that I think that the Ministers should consider in the next couple of weeks when introducing their statements. The Prime Minister has made it easier for all of us in terms of the broad five key themes.

One of the biggest problems that we have in this country is that, if we start talking about the big plans like the Vision 2050, do you know what the Public Service will do? They will re-invent the political wheel. If you plan too long and too far ahead they will start inventing their own plans. They will just drag their feet on and on and this is why we are here after 37 years of independence.

Let us be more realistic. How do we bring the price of bully beef from K10.00 to K3.00? That should be foremost on our minds because not all of us are eating roasted chicken every day. Our people are eating tinned fish and rice and these are the issues at hand that we need to address. Therefore, how do we mitigate all of that so that there is something tangible and measurable and our people in the communities can feel so that they know that their government is serving their interests? That is basically, what it is all about.

Mr Speaker, I thank the Minister for National Planning who is a very astute young Minister with a wealth of experience in the private sector, and I believe that he is the right man for the job. Therefore, let us all give him all the support, and I think that the district plans that you put in place are consistent with what the Prime Minister has laid out in terms of the five plans.

I for one am all for the district planning by parking substantial resources into the districts, but my biggest problem is capacity. Do we really have the capacity to deliver on all those outcomes that we all are talking about?

Thank you, Mr Speaker.

Mr TOBIAS KULANG (Kundiawa-Gembogl) – Thank you, Mr Speaker, I too would like to join in the debate regarding the statement made by the Minister for Planning.

Before I begin, I would like to congratulate you on behalf of the people of Kuniawa-Gembogl on your appointment to this important office. I believe that you will carry out your responsibilities with passion and vigor and that, you are a man of your word and will carry out what you have stated that you will do.

Also, on behalf of my people I would like to congratulate every Member who has been elected to Parliament. This is because we all know that the elections in this country resembles going to war in Iraq or Afghanistan.

I would like to also take this opportunity to thank the people of Kundiawa-Gembogl to give me the mandate for a second time to represent them in Parliament.

Mr Speaker, I too would like to join in the debate regarding the statement made by the Minister for Planning. I am happy with the vision that the Minister has and on the outset, we can move this country forward.

With respect to some of the founding fathers of this nation, 36 years has passed since this country's independence but we have not made any meaningful progress. All the indicators in the last 36 years have failed.

I came into Parliament through a bi-election almost ten months ago and this is my second term. When I say second term I did not mean I served the full five years, just to clarify things here. I am also a new leader in this Parliament.

Mr Speaker, from the outset, my criticism regarding the statement presented by the Minister for Planning is similar along the lines with what the Members for Nuku and Goroka have expressed. And that is the lack of key achievable targets.

For the last 36 years all we have been doing is just sweet talk and not one leader among us has ever stood up and said, this is where we are and this is where I am going to take you. To quote what the Deputy Prime Minister said earlier, we have been pussyfooting.

There have been so much of sweet talk and promises, Budget after budget we tell the people that the budget is for them, but as for my electorate and its people, it is as though they have no representative on this Floor of Parliament.

Let us not fool ourselves here, this government, Mr Prime Minister; I am surprised that you are not informed that almost one million of your people have not voted in the recent General Elections and that you are not even aware of these statistics.

The issue with planning in this nation, like other neighbouring countries, we do not have the belief to cost the planning. Our major criticism regarded the six billion kina loan and how it will impact the economy and you never told the nation regarding this matter.

If we were to get this six billion kina loan what would be the effects on the GDP, the unemployment rate or income per capita, but you never said anything.

Mr Prime Minister, you have had your turn to speak and the Minister for National Planning has also spoken. Therefore, by how much will you decrease the unemployment rate? What about the income per capita? The Member for Nuku said, how many of this country's mothers are going to stop dying?

A plan that cannot be measured and quantified is not a plan. We live in the 21st Century, there is enough technology in this world that we are suppose to employ to cost the planning.

We thought that this loan was going to be use to build our highways but the Treasurer has said that it will be given to the State-Owned Enterprises (SOEs). What is going on here, we need to make up our minds.

Mr Speaker, I would like to say this to the Minister for National Planning, and if you have been keeping up with the Presidential Debate of America, Mitt Romney told the whole of America that he will create 12 million jobs.

Schools are filled up with students because of the free education policy, but when they come out from the schools, how many job opportunities are we going to create for them? We are all educated people, therefore, let us be real and let us go by the statistics. How can the Government be accountable if you do not give us statistics?

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If you are not giving us statistics then how do we know that you have achieved your goals? You mention 153 out of 180, so how are you going to cast down and elevate from 153 to wherever we are supposed to be. You have not mentioned that. Our people had enough of promises. But as leaders on the Floor of Parliament, we are

supposed to 'bite the bullet.' We are supposed to be articulate. I have this time and I have these levels of resources and at this margin I am going to impact. But we have not seen these on this paper and that is my major criticism.

There should be less talking the indicators should speak for themselves. My good brother Minister here talks about political stability but I had thought that he was with a government for nine years with unprecedented stability.

Economic growth is well documented by respected bodies like UN and ADB. The economic indicators are externally different. It is because of the good price and demand on the commodities and not because of a particular leader in Parliament. A good economic plan is the one that is sustained and can be maintained at that level. That is a fact!

Well about LNG, it was just discovered on our land and when it was identified, it is now contributing to our economy so what is your plan? What about OTML and the upcoming mines, how are you going to translate that?

If you are excited now what have you being doing in the last ten years. I am talking about the national public statistics. Is our employment rate over 35 percent? We can enjoy ourselves here but what about our people back in the rural areas?

Prime Minister is living in Touaguba Hill and he is okay but I am talking about our people up in the Highlands, 85 per cent are trapped in the rural areas. Eighty five per cent are unemployed. But you have not stated in your plan, by how much you are going to cut down on unemployment.

Mrs Loujaya Toni – Point of Order! We have a young man who is passionate about being a doctor to everybody but, he really should be looking at what he should be doing for his district. If he concentrates and gets fired up about making sure of decreasing the mortality rate of women and children, the indicators will surely declines.

We are all fired up about our districts as well, so as Members of Parliament we will take responsibility and bring down all the indicators that he is talking about.

(Members Interjecting)

Mr SPEAKER – What is your Point of Order?

Mrs Loujaya Toni – Well, he is not using facts, and definitely I am asking him -

Mr TOBIAS KULANG – I will invite you to Kundiawa-Gembogl and you will see for yourself.

My major criticism about the paper and the policies as announced are not costed. It is nothing to do with the Budget. Wherever you go, everything is costed. When a government comes up with their policies, those policies are supposed to be costed.

Dr Fabian Pok – Point of Order! The Member for Kundiawa Gembogl should also provide the Opposition's costing to show-case what he is talking about. They must provide alternative policies but they do not have one. The Leader of the Opposition yesterday spoke on nothing and now he is doing the same too. They do not have alternative plans.

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Mr TOBIAS KULANG - Mr Speaker, my major criticism for this paper, like the policy announced by the Minister for Planning and like what the Prime Minister has presented, please give us key KPS figures that we can hold you accountable for, without which, it is just like all the other promises that we have heard over the last 36 years.

Motion – That the question be put – agreed to.

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

HEALTH OF THE NATION - MINISTERIAL STATEMENT – MOTION TO TAKE NOTE OF PAPER

Mr MICHAEL MALABAG (Moresby Northwest – Minister for Health and HIV AIDS) Mr Speaker, I rise to make my first ministerial statement on this Ninth Parliament. But, first of all, I'd like to take this opportunity, to acknowledge, with deep gratitude, the

faithful will of the people of Moresby Northwest for choosing me to be their representative to this Parliament.

And on their behalf, I'd like to thank the Prime Minister for having the confidence in appointing me to lead the Ministry of Health and HIVAIDS in this government.

Mr Speaker, like all first time Members, in this honourable Parliament, I feel really strange too. Though committed to represent my people and the government of the day, I give praise and honour to Almighty God for placing trust in the people during the National Elections to make the choices they made and trust through the choices they wanted and the same trust that the Almighty gave to the elected leaders to form the government that we now have.

Upon the same trust, I believe that for the next five years, as the people's Parliament we have a paramount duty to perform, to make good laws, to design sound policies and to ensure government services are efficiently and effectively delivered to our people.

Like all of you my fellow Parliamentarians, I pledged on the campaign trail to help people make changes for the better. I am sure a lot of you did not lie to your people. We, we did not lie to the people and I am sure that we will all try our best to do sure, in other words, let us put our money where our mouth is instead of just blah blah in here.

Mr Speaker, it gives me great pleasure to stand on the Floor of this great Parliament to report on the Health of the Nation.

The health sector is the largest of the health sector agencies in the country apart from the Ministry of Education. Health, as we all know, has had its fair share of challenges and achievements that I wish to report on today.

But before I come to that, Mr Speaker, my electorate comprises a significant part of Motu-Koitabu villages and large settlements of people from all provinces and all the 89 districts in Papua New Guinea who make these communities their homes in this part of the National Capital District.

I believe in working with individuals, groups and organizations to improve the quality of life in these communities. I therefore call on all my people in the Moresby Northwest Electorate to band together in their respective communities, in villages and in settlement to support our development plans and programme and projects.

I am committed to upholding good values in the communities. Good health, justice, peace and an orderly community, careful stewardship of our resources and environment, hard work and prosperity.

Mr Speaker, my electorate is a prime area. It is the seat of the regional representative of the Head of State, the National Parliament, the Chief Justice, the Prime Minister, the Government of the State and, including the University of Papua New Guinea.

That is why I say, it is the prime electorate in this nation of ours.

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So I am sure that you will agree with me that development services and challenges in life occurring in the surrounding communities deserve greater attention of our government.

Mr Speaker, in addition, my electorate also has some of the major developments and service projects like the Napa Napa Oil Refinery, Motukea Dockyard, and ExxonMobil LNG, anticipate innermost wealth creation, large scale human resource development, high technology and massive industrialization of our humble society.

The long-term socio-economic impact and its attendant political effect amongst the communities will be heavy and critical disrupting traditional and current forms of community and family livelihood, social political organizations and ecological systems.

Not only the growth of vital political and judicial awareness in the electorate will be enhanced but also the expanding physical structures and infrastructures and human resources development, fast transformation of social and community living and speedy economic growth will become the most challenging we have never know in this nation in the future.

Honourable Members, I am a keen advocate for the protection of the rights of the local people and workers as immediate beneficiaries of industries and government services. Development must not only be fast but people must grow with it.

There is a saying in Africa which is appropriate for us here, if you want to go fast go alone but if you want to go further go with others.

Mr Speaker, Papua New Guinea are people with long histories and cultural heritage that are noble and as the pre-amble of the Constitution enshrines it we pay homage to our ancestors, we respect noble traditions and the Christian faith. We must be constantly reminded of our constitutional duties and responsibilities and uphold moral values of society, good governance transparency and accountability.

By design our past national leaders have laid firm foundations for an independent sovereign and friendly nation for which we can all feel proud to serve.

Mr Speaker, on this note I wish to reaffirm my oath and allegiance to the Independent State of Papua New Guinea by accepting the Ministry of Health and HIV and AIDS, Prime Minister with much gratitude to you for your trust and confidence in me and my entire colleagues Minister and Vice Ministers.

Mr Speaker, we have a challenging session of this Parliament for the next five years and together as national leaders we can fulfill the aspirations of our people throughout this young and developing nation. We can now support each other by starting a fresh. Respect the rules and the order of the Parliament and conduct debates and proceedings with integrity and honour.

Mr Speaker, PNG Health Statistics are well documented and I wish not to dwell too much on them rather I must highlight a number of major challenges which shall remind us to assist in addressing this issues in our various capacities.

Mr Speaker, I take this opportunity to acknowledge past Health Minister's in the likes of Jamie Maxton Graham, Sasa Zibe and Peter Barter, including all health workers throughout the country for maintaining our health system over the years.

Mr Speaker, the information on maternal mortality shows that Papua New Guinea has one of the highest maternal mortality rate in the world and the western pacific region. This means that a women in rural places of the country has a higher chance of dying early as a result of child birth than any other causes.

Information available shows that 193 000 births occur every year in Papua New Guinea and of that figure only 38 percent of those births are supervised by trained health workers. This means that 62 percent of births occure in villages without the support of trained health personnel leaving them at a greater risk of dying from infections.

Mr Speaker, to address this problem a ministry of task-force on maternal health was established to address the issues contributing to the high maternal deaths and come up with recommendations.

(Members interjecting)

Mr MICHAEL MALABAG – Please can you be attentive. This Task Force was set up before my time.

(Laughter in the Chamber)

Mr MICHAEL MALABAG – Clear recommendations from the task force report are now been implemented by the Health Department with the support of our development partners.

One of the strategies in addressing this problem is to increase the capacity of nursing schools, increase the output of trained mid-wives.

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We have now secured midwife facilitators in five of the midwifery schools in the country through the support of Asia to train more nurses to deal with the health of our child bearing women.

Mr Speaker, on the health of our children and immunization to protect them and we must all be mindful that immunization is the most cost effective public health intervention for the protection of our children and it is estimated that the immunization programme saves more than 3 million lives annually worldwide.

In Papua New Guinea immunization programme is one of the priority programmes under the current National Health Plan and special attention is now being focused on improving routine immunization coverage in the country for the protection of our children.

As part of this the Department of Health in close collaboration with provinces have made progress in procurement and installation of cold chain equipment to about 80 per cent of the health facilities throughout the country.

Training of staff as part of capacity building at provincial and district levels to manage has enabled timely ordering and distribution of vaccines and equipment. Our government increased allocation of Health functional Grant to provinces to fund outreach services, medical supply distribution and keeping health facilities functioning is a positive move by the government.

Mr Speaker, as part of PNG's commitment to the World Health Organization's regional goal for elimination of measles by 2012, my department has been implementing supplementary immunization activity in the country in 2008, 2010 and 2012. During this period additional doses of measles vaccines have been given to

young children with the aim of disrupting measles transmission among our young children.

Our routine immunization coverage has been around 60 per cent over the last ten years. In early 2012 a nationwide immunization was carried out by the Health Department and provinces, just before the National Elections and has been a mammoth task.

Mr Speaker, I am pleased to inform the nation that despite the many challenges faced by our health workers as a result of election related problems, a total of 169 000 young children were vaccinated with polio vaccines representing 84 per cent of our target population.

About 552,872 young children were vaccinated against measles representing 88 per cent of our target population. A total of 1.2 million young girls and women between the ages of 14-45 were given tetanus toxoid vaccines as preventive measures against tetanus during the same campaign.

I am also pleased to inform Parliament that in addition to vaccines given during the campaign a total 589, 507 of our young children were given vitamin A and 405, 983 children were de-worming medicine.

Mr Speaker, on this note, I acknowledge funding support from our development partners through AusAid, with a total of K7.3 million for the 2012 supplementary immunization. I also acknowledge the support of World Health Organization and UNICEF for technical support and funding.

Mr Speaker, Malaria is one of the major causes of illness and deaths in this country for nay years, it is prevalent in the lowland and island areas of Papua New Guinea, however, malaria has already moved up to the highlands region, which is facilitated by developments, road links to coastal areas and warmer temperatures due to the impact of climate change.

My department recognizes that malaria control programme needs more visibility and direction to effectively control the huge burden of malaria illness and deaths in the country. This led to the development of the National Malaria Control Strategic Plan 2009-2013 which aims at reducing malaria related morbidity and mortality in the country.

The Government with the support of the Global Fund and other development partners have over the last three years continues to implement the National Strategic Plan for Malaria.

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The Department of Health in collaboration with provincial administration and NGOs have implemented a number of important activities which included training of rural and medical laboratory assistants with the support of the Divine Word University and distribution of mosquito-treated bed nets by Rotary against malaria throughout the country.

Mr Speaker, I am pleased to report that studies carried out by our very own Papua New Guinea Institute Medical Research shows that distribution of mosquito-treated bed nets throughout the country has helped in reducing cases of malaria in the country between 2008 and 2011.

Mr Speaker, with this success and with continuous funding from our own resources, it is important to sustain malaria control programme after 2014 when fund from the Global Fund ends. On this note, I must say that the Government is committed to adequately fund malaria control programme going forward to sustain gains made in controlling malaria in the country.

Mr Speaker on TB, Tuberculosis is one of the increasing concerns for the Health sector and also for the country. With the exception of obstetric cases, tuberculosis patients take up 13 per cent of hospital bed days, more than any other illness. These concerns are further filled by increasing evidence of multi-drug resistant TB and existence of core infections with HIV. There is also worrying level of people defaulting from TB treatment programmes. TB is the highest cause of morbidity and mortality in Papua New Guinea in 1997.

Directly observed treatment strategy was introduced starting in National Capital District and Morobe Province, and this is now being rolled out to other provinces in the country with funding support from the Global Fund. As a result of this funding and partnerships, we are now seeing improvement in data collection, drug supply and improvement in diagnosis.

The success rate of treatment of TB has increased from 41 per cent in 2006 to 76 per cent in 2010. In those provinces, they have been supported by the Global Fund and Direct Observe Treatment Strategy has been implemented. TB treatment success rates have been around 80 per cent.

Mr Speaker, multi-drug resistant TB is now a time bomb for PNG, and unless we pay greater attention on addressing these problem, many of our hospitals, health centres and aid posts will be filled with TB patients and that the management and the treatment cost will be so high that our human resources and financial capacity will be stressed to the limited. To address this problem, a treatment guideline has been developed and approved for implementation for TB treatment centre to be established.

Mr Speaker, on top of this we have now confirmed two cases of extreme Drug Resistant TB or (XDR-TB) in the Western Province. Both of these cases are resistant to almost all the drugs used for treatment of TB. My Department has sought advice from WHO regional office and they have advised us how to treat these two cases.

Mr Speaker, Papua New Guinea has a serious HIV epidemic in the Pacific region. In the recent most estimation and protection national HIV prevalence was estimated to be 0.9 per cent. It was estimated that 34 100 people are currently living with HIV and about 1300 people have died because of HIV related illness.

It is now becoming evident that the trends of epidemic across the country are not the same. In the Highlands and Southern regions for example, HIV prevalence remains at a generalised epidemic level with estimates at 1.2 per cent and 1.17 per cent respectively. There is preliminary evidence of some leveling of in prevalence in some provinces and rapid increases in others. Although the surveillance systems are improving and more people are being tested, it is still unknown about the scale and impact of the epidemic. My Department therefore is strengthening its surveillance systems to monitor.

Mr Speaker, in the last 20 years, the scale of HIV response in PNG has increased in magnitude and complicity. In particular, the last five years has seen significant improvement in health sector response to the epidemic.

Whilst Papua New Guinea has had significant gains to curve the growing HIV epidemic, it continues to fall short in fully addressing the prevention treatment and care needs throughout the country.

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Mr Speaker, on antiretroviral treatment (ART) for people living with HIV/AIDS is now available in the public health system. Available data shows that a total of 11, 793 people are currently being registered as HIV positive.

Treatment coverage has increased since 2004 from 9 per cent to 74 per cent by the end of 2010. There are currently 82 ART sites in Papua New Guinea. In terms of testing, total number of testing sites is now over 260 and the total number of people being tested stands at 138, 581.

Mr Speaker, based on these challenges, many positive achievements have been seen and more initiatives are being progressed by the Department and the National AIDS Council Secretariat to address these challenges.

Mr Speaker, allow me to remind the people of this nation that many of the challenges we faced today are the direct result of poor management of both human and financial resources for health programmes and neglect by successive governments inadequate allocation of resources to the health sector over the years.

Mr Speaker, one thing that we all know for sure is that, health related issues cannot be addressed and fixed over-night. Therefore, it will take collaborative and concerted effort from the national, provincial and local level governments, departments, agencies and our development partners to address these challenges.

Mr Speaker, I must remind Members of this Parliament that my department at the national level is responsible for policy setting and monitoring of the country's health system. The Department of Health by law does not deliver health services in the provinces or manage funds and health workers for the provinces, and does not manage public hospitals. These responsibilities are clearly defined under the *Organic Law* and associated legislations as provincial governments' responsibilities. As such, I want to encourage all front line health managers to take pro-active measures to improve our poor health indicators in your respective provinces by utilising meaningfully the resources allocated by government for health programmes in your provinces.

Mr Speaker, since taking office as the Minister for Health and HIV/AIDS, I have been briefed on these challenges and the initiatives that the Department of Health is pursuing to address these challenges to improve our health indicators. On this note, I would like to outline some the measures to addressing these challenges.

The sector is currently facing a critical shortage of health workforce. With the boom in the mining industry, the training, retaining and development of the health workforce remains a major challenge in implementing the health Plan.

To resolve this, the National Department of Health is developing a Health Sector Workforce Development Plan that will cover resourcing, strategies and

planning for the health workforce in PNG. This Plan will see an incremental increase in the number of trained health worker over the years. The health Sector Workforce Plan will go through two stages.

Firstly, is the immediate Arrest Plan, to address some of the urgent workforce issues while at the same time implement the long term Workforce Development Plan.

This month the Cabinet has approved a submission for this workforce plan process to commence, so my department is now implementing the directions to develop a workforce plan for PNG.

Mr Speaker, medical supplies is another challenge. In fact, the on-going problem of inconsistent procurement and distribution of medical supplies in the country is one of the main challenges in providing quality health care services, particularly to the rural population. There are both administrative, management and systematic issues surrounding the timely procurement and distribution of medical drugs and associated equipment that the department is addressing at present.

Mr Speaker, the National Department of Health is in the process of implementing the recommendations of the Ministerial Taskforce on Medical Supplies to reduce the number of area Medical Stores and construct more Provincial Transit Stores for each province to house and store their own medicines. In the meantime, major reform initiatives are being addressed to improve our procurement and distribution arrangements. Over the last 12 months, the Health Department has agreed for AusAID to procure 100 per cent health care kits for PNG, which are currently being distributed nationwide.

Mr Speaker, going forward, our medical supplies management requires a major boost to improve its capacity to procure and distribute medicine more effectively. AusAid has offered to assist and so major improvements reform initiatives will be expected over the next three years.

Mr Speaker, additionally, the health infrastructure and equipments of our health facilities have deteriorated over the years. Some of these facilities have been closed down due to the lack of care and maintenance. Like medical drug supplies, issues in leadership to manage and maintain facilities and equipments continue to hinder health service delivery. There is a need to review the whole of government procurement system as this is also a contributing factor in timely procurement and distribution of life saving medical equipments and drugs.

Mr Speaker, my Department has developed the country's first sector Medium Term Development Plan, the Health Sector Medium Term Development Plan and Strategic Implementation Plan to detail the capital works, rehabilitation and maintenance of the health infrastructures and equipments. A Project Co-ordination Unit has been established in the department to deliver much needed support to rehabilitate and develop health infrastructures and medical equipment.

Mr Speaker, in relation to the legislative, governance and policy, issues, the Department of Health and the sector as a whole has operated in dysfunctional governance systems over many years, resulting in widespread corruption and eventual decline in health indicators. My department is currently reviewing existing structures, policies and legislations to bring up to date, and to bring back authority to essential bodies such as the National Health Board, Provincial Health Authorities and hospital boards.

Mr Speaker, on our partnerships with the churches and NGO's, health services in the rural areas are mostly provided by the church health services. The government through my department has subsidized all health services in Papua New Guinea.

However, there is a huge disparity in salaries between the terms and conditions of employment of our church health workers in church health services and public servants. This is a major challenge and the Government is addressing it in the 2013 National Budget.

Mr Speaker, this disparity has been recognised by the Health Department and is finalizing a Cabinet Submission for consideration and approval. Funding has been proposed in the 2013 National budget appropriations to meet this disparity.

Mr Speaker, my department welcomes the announcement by the Government for free health care policy. Unlike free education policy, user fees are currently being implemented in Public Hospitals under the Public Hospitals Charges Regulations. At the provincial level, health services are provided by Provincial Government as per the Organic law, where some levels of fees are currently being charged by health centres and Aid posts at present.

My department is developing legislative amendments to the existing *Public Hospitals (Charges) Act* and *Regulations* to put in place policies and legislation to address the Free Primary Health Care and subsidise specialist care to be to be

effected. In the meantime, the Government is committed to replace these fees by appropriating in the 2013 budgets funding up front to assist hospitals and health centres provide free care to the community.

Mr Speaker, regardless of the many challenges the health sector is facing, the National Department of Health, as I have mentioned earlier, has embarked on various initiatives to improve the poor health indicators and status of the health infrastructures in the country. As the Minister responsible to lead the health sector, I would like to announce the following:

The National Health Plan 2011–2020 was launched in August 2010. The National Health Plan sets out the Governments health sector priorities for the next ten years. We cannot look outside this plan for any health related interventions. The implementation of the Plan will take the back-to-basics approach with an emphasis on primary health service delivery for all Papua New Guineans.

Mr Speaker, the Government, through the National Health Department has developed its sectoral Medium-Term Development Plan 2011–2015. This plan informs stakeholders of health priority activities, major developments and funding requirements for the health sector.

Mr Speaker, my department has developed and launched the National Health Service Standards in 2011. These standards details how the health sector delivers safe and quality care to our people as reflected in the National Health Plan.

Mr Speaker, timely procurement and distribution of quality medical drug supply to all health facilities is of crucial importance for the sector to improve on. The current Medical Kit arrangement is to allow the PNG procurement system to be fully established. That is to make sure that there are improvements in supply data collection and progress in improving management of supplies. The core of these reforms is to streamline delivery, improve governance arrangements for better management and ensure the right drugs are provided on time and are of optimum quality. A Cabinet Policy Submission is prepared for Cabinet’s consideration and approval to implement the medical supplied reforms.

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Mr Speaker, in 2007, Parliament passed the Provincial Health Authority Act. A Legislation to reform the way health services are delivered throughout the country. The

new reformed system allowed for a streamlined and single health system to be established in the provinces.

This law will see public hospitals and provincial health services come under a single authority.

This reform will improve planning and coordination of health service delivery by having a single authority controlling and managing human resources and finances in the provinces.

This reform is currently being implemented in Milne Bay, Western Highlands and Eastern Highlands provinces.

It is good to note that the governments of the respective provinces are taking keen interest in the way this new authorities are operating for the betterment of health services in their provinces. After these trials the legislation will be rolled out to the rest of the country.

Mr Speaker, as a responsible government, we will support the reform initiatives as we strongly believe that this reform will improve planning and coordination at the provincial level and is the answer to improved implementation of public health programmes and hospitals services to our people.

Mr Speaker, just taking office over two months ago, I have appointed three hospitals boards whose term of office have since expired. I have charged these boards to oversee the smooth running of our public hospitals.

We all know that public hospitals are expensive and highly technical state institutions and must be managed effectively to deliver vital curative and specialist health services to our people.

As Minister, I have directed these hospital boards to make sure that the Chief Executive Officers of public hospitals are not politicized. The CEO must be good managers to manage the administrative functions of the hospitals while at the same time I want all our clinical doctors to do their clinical duties as they were trained to do.

Today I must make it very clear that this government is committed to making a change in the lives of Papua New Guineans. Health and education services must be accessible to all people. Our people have been waiting far too long and I want all my health workers to work with me to make a change in our people's health.

It is our desire as politicians to make changes to our people's lives. I encourage all health workers and leaders to give your best shot to deliver that much needed health services to our people.

It is no longer acceptable to see mothers and children die from preventable diseases causes, it is no longer acceptable for medicines to run out when there is funding to pay for these medicines. It is no longer acceptable for patients to wait in hospital queues when health workers are paid by the government to attend to patients' needs.

It is no longer acceptable for government paid medical officers to be doing private practice when our people require their services in public hospitals instead of them doing private services.

Therefore in order to address these issues, my post urgent priorities are;

(1) Addressing the critical human resources shortages in the health sector by recruiting doctors and nurses from abroad if I have to, to cater for our people's needs while we plan and train more of our nationals.

I will make sure that the limited number of doctors that we have do not do moonlighting at the expense of our people.

(2) Reforming and improving the medical supplies procurement and distribution,

(3) I will bring to Cabinet and Parliament policies and legislation to outline how the free primary health care policy will work.

(4) Addressing health infrastructure and equipment rehabilitation right throughout Papua New Guinea, starting with the Port Moresby General Hospital.

(5) Addressing the disparity in salaries for church health workers, and

(6) Roll out of the provincial health authorities to the rest of the country.

Mr Speaker, Prime Minister and Members of this honourable House, it is my commitment to fully implement the National Health Plans and Policies of the Government for the benefit of everyone.

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I therefore urge all health workers Members of Parliament and all stakeholder partners to support my department implement Government policies to deliver health services to our people. They deserve nothing short of the best.

ADJOURNMENT

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

That the Parliament do now adjourn

The Parliament adjourned at 2:35 p.m..