

FOURTH DAY

Friday 26 October 2012

DRAFT HANSARD

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PARLIAMENTARY DEBATES CORRECTIONS TO DAILY DRAFT HANSARD

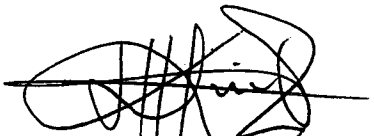
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LEE SIROTE

Acting Principal Parliamentary Reporter

FOURTH DAY

Friday 26 October 2012

The Clerk – Honourable Members, I have to inform the Parliament that due to the unavailability of the Speaker, the Deputy Speaker will take the Chair as Acting Speaker.

The Acting Speaker (**Mr Aide Ganasi**) took the Chair at 10.00 a.m..

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

Sitting Suspended.

The Acting Speaker again took the Chair at 10.30 a.m., and invited the Governor for Morobe, **Honorable Kelly Naru** to say Prayers.

‘Papa bilong mipela long Heven, Nem bilong yu stap holi na yu stap oltaim oltaim long throne bilong yu. Yu Papa bilong olgeta creation. Mipela lukim olgeta maunten na solwara na olgeta samting yu wokim, em soim pawa na stron bilong yu.

Papa, long dispela moning, mipela kam before your presence na mipela askim yu long lukluk long mipela ol 111 Membas of Palamen. Mipela tok tenkyu Lord.

Ol dispela ol membas God, prea bilong ol Kristens, throughout Papua Niugini, Papa, ol churches ol prea, ol manmeri ol prea na mipela i ansa bilong dispela ol prea na mipela laik tok tenkyu long yu.

Mipela tok tenkyu long tripela female Membas of Palamen, God, yu yet ibin makim, na mipela tok tenkyu long mipela ol 108 man Membas na mipela tok tenkyu.

Na mipela tok tenkyu long Praim Minista na ol Kabinet Ministas bilong em. Mi prea na mi tok tenkyu long Oposisen Lida na ol Sedo Ministas bilong em. Mi prea na putim olgeta ikam bek long han bilong yu.

Yu givim mipela wisdom, yu givim mipela save bilong heven long mipela iken wokim ol policies. Na mipela iken mekim olgeta ol gutpela samting we God, yu laikim insait long plen bilong yu long dispela kantri. Papa mi tok tenkyu long presens bilong yu long olgeta taim yu save lukluk long dispela kantri.

Long dispela moning, Papa mi prea na pasim olgeta wokhait, olgeta prinsipols bilong daknes mi pasim wantaim pawa na strong bilong blut bilong Jisas Kraus.

Papa, yu givim mipela dispela pawa na stron so that mipela iken luksave long destiny na future bilong dispela kantri. Em istap long han blong yu na mipela ol lidas mipela stap olsem sevent tasol long wokim aut wok God yu bin kolim mipela long em.

Long dispela moning, Papa mi prea na putim dispela Ninth Parliament long han bilong yu, long dispela sesen long han bilong yu. Halivim Spika bilong mipela, Deputi Spika long dispela moning, mi prea na putim em long han bilong yu, na mipela olgeta mi prea na putim long han bilong yu long dispela moning.

Na long dispela taim Papa God, mipela olgeta bai prea dispela prea Jisas yet ibin lainim mipela. Long tok English bai mipela prea na mi tok tenkyu olsem presens bilong yu istap long olgeta taim. Amen'.

**ELECTION PETITION AND DECLARATION OF
THE NATIONAL COURT – STATEMENT
BY THE ACTING SPEAKER**

Mr ACTING SPEAKER – Honourable Members, I present a copy of the National Court Order, EP No. 1 of 2012 dated 24 October 2012 which sat as a Court of Disputed Returns in the Matter between Mr Ezekiel Anisi and Mr Tony Waterupu Aimo and the Electoral Commission of Papua New Guinea declaring that Mr Ezekiel Anisi had not been duly elected and that Mr Tony Waterupu Aimo was being duly elected as the Member for Ambunit-Drekikir Open Electorate.

DECLARATION OF OFFICE AND OF LOYALTY

The Member whose name is above set forth made and subscribed to the Declaration of Office and of Loyalty before the Acting Speaker, Honourable Aide Ganasi.

02/04

QUESTIONS

Mr WERA MORI – Mr Acting Speaker, every province is identified by its own icons whether it is their provincial flag, airports or any other thing of significance.

Mr Acting Speaker, before I ask my question, I would like to make this statement that the people of Chimbu suffer a lot from the constant closure of the Kundiawa Airport.

My question is directed to the Minister for Civil Aviation:

Are there any plans to relocate the present airstrip in the heart of Kundiawa town to Kerowagi where there is better and bigger land for an airport?

Mr STEVEN DAVIS – Mr Acting Speaker, as this is my first time to address this Parliament as Member for Esa'ala and also as Minister for Civil Aviation, I take this opportunity to thank the people of Esa'ala for giving me the mandate to represent them and serve them on this Floor of Parliament.

Mr Acting Speaker, at this stage, all I can tell the Member and the Parliament is that we are engaging with the Provincial Government to discuss those options. But the most pressing issue is the maintenance of the existing aerodrome. There are serious issues of people encroaching upon the airport. My Ministry has sent a technical team to look into the perimeter fencing issue to ensure that there is nobody trespassing upon the airstrip.

Mr Acting Speaker, in the long run matters relating to whether or not the current location is suitable is one that we need to discuss at length particularly with the provincial authorities.

Mr POWES PARKOP – Mr Acting Speaker, the Minister that I want to direct my question to is not in the Chamber so I would like to direct my question to the Prime Minister.

Mr Acting Speaker, maybe we should have a Whip for Ministers so that they can all be rounded up for us to ask them our questions because I have been holding on to this question for some time now.

03/04

I asked these questions in the previous Parliament but this is a new Parliament so I want to raise it again and it is in relation to Eda Ranu which, provides water in NCD. I am sure many Members of Parliament reside in Port Moresby so it also concerns you.

Mr Acting Speaker, I have serious of questions regarding Eda Ranu, Air Niugini and MVIL.

In relation to Eda Ranu, in 1991 or 1992 we made an agreement called the 'Built Operate Transfer (BOT)'. The idea was that an investor company would come in to capitalise it by investing in it, build its capacity and provide a good quality and affordable service in Port Moresby. Up until now, as Governor of NCD I am sure the new Members within NCD will have the same headache as I have and the previous Members before me. Their service is not up to standard and I have not seen the capacity that they promised to build. My questions are as follows:

(1) I want to ask the Prime Minister, how much money did his Government invest into Eda Ranu?

(2) How much did they bring in as their capital from outside to capitalise that service to provide efficient service to city residence?

(3) How much profit did they recover already so we know that they are ready to progress to BOT?

(4) Is there going to be a transfer? Their 20 years contract has already expired.

When the service was with NCDC, you can irrigate your gardens and Port Moresby city used to be green but when this investor took over, this is not happening. Maybe the Eda Ranu do not own this water supply, maybe it is owned by the Malaysians. They are making plenty of money but their service is very poor.

Mr Acting Speaker, I am forced to buy a pump to supply water into my house for the last 17 years.

(5) When are we going to get a good service?

(6) When will our people of NCD get their basic need; water? Many residents have complained and are still complaining and as a result, I almost lost in the elections. So, will it be transferred back to NCDC because this entity used to be owned by the NCDC

before and the Government at that time privatised to improve its service but we have not seen any improvement to date.

Prime Minister, I believe many of our public enterprises are in the emergency division. We are trying to capitalise some of them but they are not functioning. For instance, Eda Ranu, that company was supposed to bring money in and I want to know how much money did they invest in the services in the city.

(7) How much money have they made and are they ready to transfer the facilities and resources back to the owner which, is the people NCD through the Management of NCDC?

My other question relates to Air Niugini. One of the things that Air Niugini is doing is that if you miss your flight, you get penalised. I think that if you are given 24-hour notice than you will have no penalty but now if you do not turn up, you will be penalised. Is this proper or not? What sort of practice is this? What if the plane does not depart on time and the flight is cancelled? Are we going to penalised Air Niugini too?

Secondly, if you fly from Jayapura or Solong to Surabaya or Jakarta to Manila, it will cost you only K200 or K300.

Mr ACTING SPEAKER – Honourable Governor, you are telling a story. Can you raise your questions?

Mr POWES PARKOP – In relation to Air Niugini, I have already asked one part. The practice of penalising passengers by denying their flights on their schedule flights, is that a fair practice? I thought the practice should be that if you give 24-hour notice that you will vacate your flight, you don't have to be penalised.

Secondly, if you can fly from Solong or Jayapura to Surabaya or Jakarta costing only K300 or K400, are we going to look at the airfares of Air Niugini or not because it costs K800 one way from here to Vanimo. This is just for comparison. Can we look at the pricing formula for Air Niugini?

(8) If we cannot then could we consider having flights regularly to Jayapura or to Solong?

Mr ACTING SPEAKER – Honourable Governor, let me remind you to ask your questions rather than making statements.

Mr POWES PARKOP – Mr Acting Speaker, I am asking the questions.

Can we consider Air Niugini flying to Solong so that Papua New Guineans who are flying to Singapore, Surabaya, Jakarta, Manila or Hong Kong can take advantage of a cheap price instead of having to pay very high price with Air Niugini?

I have a third question but Mr Acting Speaker, you are interrupting me so I will leave it at that but if Members have no more questions then can the Chair recognise me again?

04/04

Mr PETER O'NEILL – Thank you, Mr Acting Speaker, and I thank the Honourable Governor of NCD for his questions, particularly, in relation to Eda Ranu and the BOT arrangement it has with a Malaysian company that is now managing the affairs of Eda Ranu.

I think many of you know that this deal was done some 20 years ago of which I do not have details of. I will ask the Minister for Public Enterprises to answer the questions in detail when he comes into Parliament. I will also ensure that he provides all the details of the loans and the length of the contractual arrangements that are in place, particularly, the management contract.

Nevertheless, I agree with the Governor that it is about time these assets are transferred back to the State and its agencies. This is because I think 20 years is a bit too long. I also want to inform this Parliament that there are negotiations being finalised with Japan, particularly JICA, on the expansion of Eda Ranu's facilities in the city.

This will be done through a K205 million loan facility from JICA so that they can expand the capacity of Eda Ranu. That is being negotiated and I believe that tenders will be awarded to a contractor but it is an international bidding process. Therefore, I can assure the Governor that we are doing everything possible to try and make sure that Eda Ranu and the supply of water and sewerage services to city are done in a manner that our city residences can enjoy the services.

Once again, regarding both questions on Air Niugini and Eda Ranu, I will ask the Minister for Public Enterprises to respond to him in detail.

Thank you.

Mr SOLAN MIRISIM – Thank you, Mr Acting Speaker, I rise to ask my first question on this Floor of Parliament as a first timer and the newly elected Member for Telefomin.

Firstly, I congratulate you as Member for South Fly and as the Deputy Speaker for this 9th Parliament. I also would like to congratulate the Prime Minister, Honourable Peter O'Neill, and Member for Ialibu-Pangia, Deputy Prime Minister, Leo Dion, who was formerly the Governor of East New Britain.

I would like to also take this time to say thank you to Honourable Belden Namah, Leader of Opposition and Member for Vanimo Green and his Deputy, Member for Bulolo, Honourable Sam Basil. I also want to take this time to say thank you to my people of Telefomin.

My question is directed to the Minister for Treasury and the Minister for Finance can take note.

Many of us Members represent people from very remote places in the country. Some of our electorates like Telefomin are not accessible by the sea or by roads. The only means of transportation is by plane.

Now, there are talks about the rural focus for the Budget for next year. Unlike the other electorates which are easily accessible by sea or roads for service delivery electorates like Telefomin is only accessible by air transportation which is a very expensive exercise to bring services to the remote parts of the country.

Funding that is appropriated by the Government is then used for air transportation costs and service delivery to these remote areas do not happen. For example, if the government is allocating K10 million for DSIP funding next year, that amount can translate to 30 houses in Moresby South but in Telefomin with K1 million, I can only put up two houses because all these money will cover the cost for air transportation.

Nevertheless, I believe that there are extra costs like administration and other percentages that are added with the DSIP funds.

(1) Therefore, can the Minister also include costs of transportation and also include them in the DSIP funding?

(2) Can the Minister also identify the electorates which are only accessible by air transportation so these electorates could at least get an extra 10 or 15 per cent?

This is necessary because then the O'Neill-Dion Government can really focus on rural service delivery.

Thank you.

Mr DON POLYE – Thank Mr Acting Speaker, I would like to thank the Honourable Member for Teleformin for his important questions. Before I answer his questions, I would like to take this opportunity, whilst I sympathise with the People's Progress Party (PPP) and removing of the young and newly elected Member for Ambunti-Drekikir after the Court's decision. I would like to congratulate Honourable Tony Aimo as the new Member for Ambunti-Drekikir for retaining his seat for the third term.

Regarding the questions raised by the Member for Telefomin it is in regards to the costs of providing services. Now, not too long ago, I answered a similar question to the Member for Samarai-Murua. Therefore, we decided to address these issues in two ways.

One such way was through the Fiscal Economic Commission under the *Organic Law* used this criteria to send grants, especially recurrent grants to each provinces –

05/04

This criterion was used to allocate the recurrent grants to the provinces.

In doing so, they had to take into consideration the costs and the accessibility of providing a service. If K10 million was to be allocated to the respective districts as well as in Port Moresby will reduce the cost of providing a service compared to other remote areas like Telefomin. Therefore, the Fiscal Commission has been using that criteria for some time now, but we can design respective provinces' Service Improvement Programs.

District Service Improvement Program or any similar programs must go directly to the districts. So we have to decide whether to use the same criteria or compile another

one, because when we studied the same criteria we discovered other factors were not included as mentioned by the Members.

We will be putting in place a criterion for distributing funds, so the Fiscal Commission made this policy to look into the costs of providing services to the districts which is in process now.

In response to your question regarding the current redistribution of funds, we will be allocating the same amount of funding to each district but we did not consider the variations or disparity in the costs of providing those services. Your electorate is isolated and there are other electorates such as Oro, Gulf and Manus who face similar predicaments like yours. I take note of your concerns and the Government will consider how best we can subsidize the fuel costs and the transportation in the aviation industry in the country. The Member for Manus also discussed a similar issue with me early this morning regarding exorbitant price of zoom which affects the maritime provinces. There is a lot outstanding demands on issues that have to be addressed as mentioned by the Ministers for National Planning, Finance and even the Prime Minister. The Government will do its best to come with measures to deal with these issues as raised in your questions which I take note of.

Mr AMKAT MAI –Thank you, Mr Acting Speaker, for giving me the opportunity to speak. As a first time Member of Parliament, I would like to thank my people of Sandaun Province for voting me into Parliament.

I also congratulate the people of Finschhafen and the people of South Fly for voting the Speaker and the Deputy Speaker into Parliament. I want to also convey my congratulations to the people of Ialibu-Pangia for the Prime Minister's landslide victory in the last elections and the people of East New Britain for electing the Deputy Prime Minister, Leo Deon into Parliament. I want to also thank my Leader Mr Belden Namah, Member for Vanimo Green for giving me the opportunity to join the Opposition.

I also thank the Member for Kandep and Minister for Treasury Mr Don Polye for his understanding and tolerance with me. Papua New Guinea is the Land of the unexpected so who knows, I might cross over and join you.

I rise to represent my people from Sandaun, one of the least developed provinces in the country. All the indicators reveal that it is the last in Papua New Guinea. So, I humbly beg you to understand the situation because we are stuck here at the Border. I am searching for pathways to bring services to my people. My questions to the Minister for Works are as follows:

(1) Can the Minister consider the Sandaun Province under the K6 billion loan that he received from the Exim Bank of China because my province is the least and I really need that help.

My people suffer because the system is inefficient or non-existent. Therefore, I want you to consider the major roads: For instance: Wewak to Vanimo.

When I was doing my grade seven at Aitape High School, that road was opened by the Grand Chief, Sir Michael Somare. Since then the condition of the road has deteriorated over the years.

06/04

The people of East and West Sepik are going to Jayapura to do business and a lot of business is helping my community in Vanimo. If you could consider fixing that road and do the sealing, I will support you in any way I can.

Another important road I want you to consider is the road that was brought about by the Border Development Authority. It is the road from Vanimo to Telefomin and into Kiunga. I think it is one of the roads that is in the Economic Corridor that the Government is thinking about it.

I would support it as Governor of Sandaun if you could consider getting a good company from Asia, maybe Malaysia or Indonesia to build that road because I don't believe in the companies that are now operating in Papua New Guinea. This is because when I toured Malaysia, Singapore and Indonesia I did not see any potholes. I was trying to count them and keep a tally to report here but I did not see any. So, my good Minister, those are the only requests I want to make.

The other thing I want to mention here is the issue of quarantine laws. The laws at the Border are too tough so we cannot import fruits and vegetable from the other side. Fruits and vegetables are important for the business houses in Vanimo such as supermarkets because the

ship gets into Vanimo after two weeks and by then all the fruits and vegetables are rotten or inedible.

Mr FRANCIS AWESA – Thank you, Mr Acting Speaker. I am happy with the question from the Governor of Sandaun Province.

First of all, I want to say that it will make life very easy for you and me if you join the camp on this side so we can talk about all those issues.

Going back to the question, I want to say that it is true that the need for good infrastructure in the country is a priority of this Government. We have said this already which was included in the Prime Minister's Statement. It is one of the Pillars of this Government.

Last year, we were in office for nine months and up until now the situation has not changed. And the priority for infrastructure development and maintenance is the Highlands Highway, Lae City Roads, Port Moresby City Roads, East and West New Britain, North and South Bougainville, the Buluminski Highway, and the Hiritano Highway. All these are very important infrastructure that this Government is looking at upgrading and maintaining.

On the question of the road to connect Sandaun with Wewak and Madang, up to Telefomin, and coming down to Hela and Kikori, that is already in the plans. So when we obtain the loan from Exim Bank and other financial institutions, subject, of course to favourable interest rates, we will execute the plans. So, all of them will go into phase 1, 2 and 3.

I want to say that the Sandaun, East Sepik and Madang provinces will all feature in our plans for infrastructure development in Papua New Guinea. For a start, as we have said already, in fact, last week, we had a meeting to launch the Transport Infrastructure Development Programme of the Member for Telefomin and we said there is a possibility of funding going in to connect Tabubil with Kiunga.

We will look into this from next year onwards. I have already provided K200 000 for a feasibility study this year. This week the Member for Telefomin will get a cheque for that amount.

I want to say that the Government is addressing all those infrastructure issues, not only for roads but airports, seaports and the total context of transport in Papua New Guinea.

So, if you are genuine, I would like you to come over here and help me to plan all these things and make it easier for yourself, your people and for all of us. So there will be no need for us asking questions as it will be made easier.

Mr GARRY JUFFA – Thank you, Mr Acting Speaker.

I have a number of questions to ask the honourable Member for Kandep and Minister for Treasury.

My question is in regard to taxation and the taxation regime in Papua New Guinea which is very oppressive towards ordinary Papua New Guineans. It is also very oppressive against Papua New Guinean companies.

Mr Acting Speaker, Papua New Guinea is enjoying an economic boom. We are reading and hearing about this quite frequently. The reality is that the economic boom is not being realised by the ordinary Papua New Guinean who continue to suffer the increasing cost of living and the increasing cost of living is further compounded by a taxation regime that does not suit or assist the ordinary citizen in Papua New Guinea.

Mr Acting Speaker, my question is this; will there be an effort to conduct a review of the taxation regime which seems to favour foreign investors. We are granting them all kinds of tax holidays and exemptions. We are assisting their investments here and they are benefiting from this economic boom.

If the taxation regime is to be reviewed then can I propose that a review be conducted on the tax paid by Papua New Guineans when they retire or when they are retrenched?

07/04

Because about a third of that amount is taken out and some of them have served with honour and distinction especially the public servants and they leave with almost nothing when they retire.

Mr Acting Speaker, I would also like to see some relief for Papua New Guinean businessmen and women.

Mr DON POLYE – Mr Acting Speaker, I thank the Governor of Oro for his questions in regards to taxation in the country.

Mr Acting Speaker, some very serious concerns regarding this matter has been raised by our citizens as well as Papua New Guinea owned business enterprises. I have instructed the Department and they have already started the process of reviewing the old taxation laws we currently have in the country. By mid next year, I will be able to bring the reviewed laws to the Floor of this Parliament for consideration by Members.

There has also been a submission from the Minister for Commerce, Trade and Industry with regards to the Governments policy on the reduction of tariff in line with the Conventions on Liberalising Trade with World Trade Organizations.

We have looked at some of those taxes that we have introduced in the past and we have also raised some concerns that we would like to address and review along with the Minister for Agriculture and Livestock who is also looking at those areas as well.

As soon as my colleague Ministers and I sit down with the final review of the areas that we have instructed the Department to look into, we will submit a brief to the Cabinet and these will be tabled for amendments on the Floor of this Parliament.

Mr SAM BASIL - Mr Acting Speaker, my question is directed to the State Enterprises Minister Honourable Ben Micah. My question is in regards to electricity in Papua New Guinea.

Mr Acting Speaker, recently we read from the papers this week that one of the station managers in Lae came out public, in defense of his co-workers against the accusations that have been labeled to the PNG Power workmen around the country.

He stood out and blamed successive Governments and this is a issue that all the Members of Parliament should be seriously thinking about.

Mr Acting Speaker, in my district in the Morobe Province, we have the Hidden Valley project and their power requirement was about 90 megawatts when the Mine was constructed. At the moment, they are not getting the full power supply and PNG Power has defaulted in an Agreement with the company which is costing them about K1 million every month.

Mr Deputy Speaker, the Wafi Mine is also beginning operations and the requirement of power usage will be around a 100 megawatts.

Currently, we understand that the Ramu Hydro capacity usage is around 75 watts and it is currently producing 45 watts minus 30 watts.

We understand that Port Moresby has its problems with continuous blackouts and I was surprised in the last session to learn that the LNG negotiations didn't leave any gas for us to fire up our power units here in Port Moresby. All the gas was sold.

Mr Acting Speaker, we are heading for disaster and in the next few years, we will see that all the industries in Papua New Guinea including all the towns will suffer because there is not enough electricity to be generated for all our needs.

Due to the experiences we are facing in Bulolo there is a construction of a 5 megawatts power plant by PNG Forests Products. When you look around Papua New Guinea, along the main grids up the Highlands Highway into the districts, you will see that there are good waterfalls which can be utilized to produce hydro electricity. The Government does not need to spend money at all.

Can the Minister draft legislation to the Parliament for companies to come and partner with the landowners to generate power and they can sell it back to the grid.

Because in the last five years, the Government have not tackled the problem of power, and we have not come up with any good solutions to making sure that PNG Power is capable of meeting those demands.

I appealing to the Government to bring a legislation to the Floor of Parliament and lets give concessions to all the companies and invite them in with all their money and partner with the landowners and they can sell the power back to PNG Power.

At the moment it costs about K300 per hour for 4 megawatts for 365 days can bring K10.6 million and those are the money that is wasted at the waterfalls and water that is running from the mountains.

Mr BEN MICAH – Mr Acting Speaker, I thank the Deputy Opposition Leader and Member for Bulolo for his very good question and I want to assure him and all the Members of Parliament that PNG Power is not heading for disaster. I want to say that this Government is going to provide the leadership through my Ministry to ensure that the energy requirements of the nation are fully met.

In the next few weeks, I will be bringing to Parliament a full and comprehensive policy framework on which issues like what you have raised will be addressed. I will also be working very closely with the Minister for Energy so that a broad Energy Policy that allows PNG Power which is the main operator of the grid to continue to enable efficiency in its provision of power requirements of the country but at the same time allowing private providers of power.

08/04

There are also negotiations that I am now undertaking with the Government of Zealand and the Government of Japan on specific provisions of support that they can provide to assist some stand alone systems for smaller towns and communities independently of the PNG power system. But those will be covered in the broad policy statement that I will be bringing to Parliament and once those policies are approved by the NEC and the report is approved by Parliament, whatever you are suggesting, which is in line with our policy framework will be put into operation.

Mr BELDEN NAMA – Thank you Mr Acting Speaker, before I ask my question to the Rt. Honourable Prime Minister, I would like to take this opportunity to congratulate the Member for Ambunti-Drekikir, Honourable Tony Aimo for his successful election petition.

Mr Acting Speaker, much has been said about the controversial Djoku Tjandra and the process in which, he was awarded Papua New Guinea citizenship. My question is basically of diplomatic and the bilateral relations and the healthy friendship that we have with Indonesia.

Before I ask my question to the Prime Minister, I would like to remind the House and also the Prime Minister of an incident that had happened last year when I was your Deputy Prime Minister. I was on a Government jet flying from Malaysia back to Papua New Guinea when the two Indonesian military aircraft intercepted which almost caused a very serious air accident. The reason of the interception was because of their intelligence advice claiming that a particular person was on that aircraft and that I was said to be carrying US\$200 million.

Mr Acting Speaker, this was a very serious issue, it is something that no Minister or Member of Parliament should be used in legal rhetoric to tell a lie to the people of this country.

Prime Minister, I want to know why certain Members and Ministers of Parliament are being defensive? They have to declare their interest on why they are defensive of this particular person who is a fugitive to our nearest neighbour whom we have a very good diplomatic and bilateral relations?

The questions that have been raised in recent times have not been answered properly and one of the reasons being that the Foreign Affairs Minister has a conflict of interest. His law firm represents the Tjandra family.

Mr Prime Minister, these are the sort of aliens who are infiltrating the public policy in our country. We must come out very clearly to our people.

Mr Acting Speaker, my question is, what has happened Joko Tjandra's Indonesian passport when we gave him the citizenship of this country?

What criteria was used in awarding Mr Joko Tjandra citizenship of Papua New Guinea?

Can those Ministers and Members of Parliament who continue to defend Mr Tjandra declare their interest? Do we stand to sever our diplomatic and bilateral relations that we have with Indonesia?

Mr PETER O'NEILL – Thank you Mr Acting Speaker, I thank the Leader of the Opposition for these very important questions. Of course this issue about Joko Tjandra's citizenship and the relationship between Indonesia is a very important issue but I want to state very clearly that on the issue of bilateral relationships with Indonesia, Papua New Guinea and Indonesia continue to enjoy a very cordial and very fruitful relationship and it continues to do so. When this matter came up, I have stated publicly before that to date as far as I know, no official from the Indonesian Government has made representation to PNG Government about whether we could repatriate Joko back to Indonesia or not. Not one formal document has been lodged to me at the official level and I think the Foreign Affairs Minister is the same.

I know that there is a lot of speculation in the press that this guy is a fugitive and that he needs to be repatriated back to Indonesia but I have not received one single request from the Indonesian Government. I will be meeting the Indonesian President between 6 November, 2012 and 8 November, 2012 in Bali for the big regional conference which he invited me to attend. I will bring this matter up with him but I can only act on requests and today, we have not received any request from the Indonesian Government.

As to the issue of citizenship, I also want to state here clearly that the issuance of citizenships to foreigners who want to become Papua New Guinea citizens are done by the Citizenship Committee which consists of public servants and a Member of Parliament. So the last Committee met and decided that they will issue a citizenship to this particular gentleman.

09/04

I have now directed the office of the secretary of the Department of Attorney-General to investigate the manner in which this citizenship was awarded. So, that particular investigation is continuing and I have been advised by secretary for Attorney-General that there are some irregularities with respect to the issuing of the citizenship.

Therefore, once we have a detailed report from that investigation then we will be in a better position to make some decisions. Again, I want to assure the Leader of the Opposition and the Members of Parliament that this Government has taken every action possible to be fair, but also making sure that we implement the rules of law that we have in our country.

Mr Acting Speaker, I hope that clarifies the issue regarding this citizenship issue.

Thank you.

Mr RONNY KNIGHT – Thank you, Mr Acting Speaker, for allowing me to speak for the first time in this Honourable House.

Firstly, I would like to thank the people of Manus for giving me the humble privilege to represent them here for the next five years in the office of Open Member. I do not take this task lightly, and I also thank my wife, children and family for their continued support.

On behalf of my people and those whom I have just mentioned, I extend my congratulations to yourself in your subsequent election and elevation to the office of Deputy Speaker. I also would like to extend these same sentiments to our Prime Minister and every Member in this 9th Parliament.

My question is directed to the Minister for Lands in relation to some current and outstanding issues in my province.

Mr Acting Speaker, in Manus and I am certain that this is the same in many other provinces that landowner issues are the single most major impediment to our development.

Mr Acting Speaker, our business communities and holders of State leases are being hampered and restricted to developing any of their leased areas basically because of landowner demands claiming additional payments, and in some cases assaults and damaging property becomes the norm.

Also in many cases duplicate titles add confusion are frequent occurrences. Local land offices are unavailable or unwilling to solve these issues, and it clouds the issues as well.

My questions are:

(1) Can Honourable Minister advice this House for the benefit of our people and the stakeholders of the current legal status of Lorengau town land from wards 1 to 7, Lombrum Naval Base and all the other State agricultural leases?

We assume that they are State lands and whether the State does legally own that land.

(2) Can the Minister also advice whether have there ever been any plans to pay additional compensatory packages to the descendents of original landowners for the acquisition of these lands from the colonial administration?

Currently my province has been experiencing problems with people building on other people's land with duplicate titles. While in some cases lawful residents have never received their titles, which mean they cannot get loans to finance development form the bank which demand titles as proof of ownership and collateral for loans.

(3) Can the Minister at a convenient time send a representative from his office to our province to have a look at our lands office, which, is currently in chaos?

Thank you, Mr Acting Speaker.

Mr BENNY ALLAN – Thank you, Mr Acting Speaker, I would like to thank the Honourable Member for Manus for raising those important series of questions with regards to land.

Mr Acting Speaker, as I have said earlier, the Lands Department is one of those departments that have a lot of problems to address. Such problems like corruption like any other department we do face those issues. And as a department we will try our best to address all those issues.

Going back to the questions raised by the Member regarding the Lorengau township land as to whether it is State land or customary land; Like any other town or city in Papua New Guinea, I would like to say that it is on State land.

I will thus check with the department and come back to him and confirm as to whether it is on State land or customary land, but if he know of any particular portion of land that would be under customary land then he can let me know. But as far as I know, all land that we have in Papua New Guinea where we have towns and cities should be State land. However, I will also check regarding compensation.

Mr Acting Speaker, I would want to discourage people coming up with the idea of trying to claim compensation for land which have been given for public purposes, like schools, health centers or towns and cities by our fore fathers.

Decisions were made by their leaders in the interests of development in this country. We should be happy that because of some of those decisions that they have made Papua New Guinea is where it is today. You and I would also know that, if our fore fathers have made decisions to give a certain portion of land in our area to have schools, then because of those decisions some of us are here. If it was not for them there would not be any schools and some of us would not have been educated.

We should therefore respect the decisions that our fore fathers have made with regard to giving land to the government at that time in the interest of development.

10/04

But we have some funny cases where people are now claiming compensation for land that is used for airports, towns, schools and health centres. I will be checking whether some payments for the Manus Township have been paid to the landowners and advise you accordingly.

Duplication of titles is another problem we are currently faced with. Certain portions of land and allotments have two titles. Someone is issued with a title and then another person comes up, goes to the Department and gets acquainted with an officer in there. He is then issued another title for the same portion of land. There are many cases like that which are now before the Court.

For the benefit of the public and this Parliament, let me explain. If you have a house in Lorengau and you have a title to that land, someone in Manus who is interested in that portion of land goes over to the Lands Department and offers 'sweets' to an officer there to obtain another title. When a title is issued to you, your title is stamped with the words 'Owner's Copy'. We have blank copies of titles in the Department.

So here you have the same allotment with two titles. That is the situation that we are trying to address and eradicate. If you know of any similar situations, let me know so that we can deal with them.

There are many similar cases currently before the Court, therefore, I will be engaging an independent firm to investigate all the transactions between the Department and all the interested parties. We want to get down to the root of the matter and identify the officers involved and they will be dealt with accordingly.

Like any other departments, we need to work together to address these corrupt dealings. Honourable Member, I will give a detailed response to your questions in writing.

GRIEVANCE DEBATE

Question proposed –

That the Grievances be noted.

Mr JOHN PUNDARI (Kompam-Abum - Minister for Environment and Conservation) – Mr Acting Speaker, corruption defeats developments and the past Government has seen it as a very serious issue. They are taking it as a priority policy that needs addressing. Weeding out corruption in the country has been a serious consideration for the past governments. It is also a serious consideration of the present Government and the Leader of the Opposition.

Let me place on record that we have done very little. We have been loud mouthing about corruption, fighting and weeding out corruption and saying that it is systematic. By doing that, we are damaging our society. But, what have we done? We have done very little to address the matter.

Mr Acting Speaker, I am proud to be part of the only Government that is so serious about stamping out corruption.

11/04

Mr Acting Speaker, we see our Prime Minister in this new Ninth Parliament giving very, very serious consideration and leadership toward fighting corruption starting from the Office of the Prime Minister. I congratulate and salute the Prime Minister. For the first time ever in this country, a Prime Minister has taken an aggressive stand to ensuring that we weed out corruption.

Mr Acting Speaker, it encourages me so much to see the Leader of the Opposition also taking an aggressive stand against corruption in this country. Now when we have the leader of the Government and the Leader of the Opposition, both taking an aggressive leadership to fighting and weeding out corruption, this is very good. If we don't achieve this in this term of Parliament, we would have truly failed our people.

Mr Acting Speaker, we need to, as leaders of this honourable Parliament, the Ninth Parliament, new Members as well as continuing leaders need to condition ourselves to

ensure that we ourselves are not corrupt. And that we are sincerely committed towards making sure that we provide the leadership to weed out corruption in this country.

Mr Acting Speaker, the honourable Prime Minister and this Government created the Taskforce Sweep team. We have the Ombudsman Commission, the Police Fraud Squad, and the Office of the Auditor-General.

Mr Acting Speaker, whilst we have talked about aggressively weeding out and fighting corruption in this country, have we aggressively acknowledged the existence of institutions that fight corruption in this country. Have we resourced them well? Have we empowered them? Are we sincerely and aggressively assisting institutions like the Ombudsman Commission, the Police Fraud Squad, the Taskforce Sweep team and the Auditor-General's Office? That really is our challenge.

Mr Acting Speaker, the Taskforce Sweep team chairman delivered a bold statement in Australia and it hit our press. And we all read his statement in the front pages of our media. Some of us felt offended because not all of us are corrupt. May be not all of us own properties in Australia. May be not all of us have got corrupt savings on the shores of one of our colonial friends; Australia. May be not all of us transact changes of corrupt commission payments on the shores of Australia and have them plug in some accounts that result in some properties been purchased. May be it's not all of us.

Mr Acting Speaker, it does not mean that we runaway from such statements. As responsible leaders, as sincerely leaders concerned about corruption, how do we ensure that we bring to light, if there is any corrupt dealings that resulted in purchase of properties, savings and what would have been funds spent for the benefit and enrichment of our own people?

Mr Acting Speaker, I need to be corrected on this. But someone told me that the Government of England spent its own resources, investigated what funds would be corruptly invested or saved in England by leaders of African countries and they restored those funds back to those African countries.

With the sincerest of all respects to our good friend, Australia, they could also do the same thing for us. It is not about just telling us that we are a corrupt country when they cannot cooperate well in meaningfully assisting us fight and weed out corruption when it is happening on their shores.

Mr Acting Speaker, it is my humble plea with the sincerest of respect to the Australian Government, instead of hiding behind the laws to say that they have laws protecting individuals, while this is a serious issue in our country confronting us, surely we can find a way out to ensuring that our people's resources and treasures plundered can be rightly returned.

12/04

Mr Acting Speaker, it is about time that we seriously consider and give attention to the Police Fraud Squad. Maybe we make it an independent operation within the Police Department and adequately fund it as well as the Ombudsman Commission. The Taskforce Sweep team deserves all the support that we, as leaders can give them

Mr Acting Speaker, if I am going to work against the Ombudsman Commission and the Taskforce Sweep team, undermining their responsibilities, I would be a pretentious thieving wolf under sheep's clothing, providing hypocritical leadership on the Floor of this Parliament.

I commend the Opposition for aggressively coming strong against these actions and the Office of the Prime Minister has come strong on this issue and we have to condition our hearts and minds to collaborating and ensuring that in our term of Parliament, we can really do without corruption.

Mr ANDERSON AGIRU (Hela) – Mr Acting Speaker, I thank you for finally recognising me. Many accolades have been echoed concerning your elevation the Speakers position and the election of the Prime Minister and the Ministers of State. I too want to take the cue in congratulating you as the Deputy Speaker and now the Acting Speaker of this distinguished forum.

Mr Acting Speaker, yesterday and today, we listened to various Members and Ministers concerning policy initiatives been designed to help develop our country.

I was particularly impressed with the statement by the National Planning Minister. It was a fresh breath of air.

The Prime Minister's address to the country on the State of the Nation was simply precise and therein lies the hope of our future. I also heard the Opposition Leader's

statement and he outlined some very important expenditure items and the action plans that our country needs to embrace to move forward.

I will differentiate the Prime Minister's Statement and the Opposition Leader's Statement but before I do, I want to say this Parliament today is poorer without the eloquence of leaders like Sir Mekere Morauta, Sir Arnold Amet, Dame Carol Kidu, Bart Philemon, the flamboyance of Arthur Somare but Parliament has been rewarded with three of our sister Members of Parliament in Minister Toni, Governor Soso and Member Gore and I see many well educated scholars in Parliament both in the Opposition and in the Government so our political future seems to be secure. But planning our Way Forward and putting those talents together is the key.

It is sad to say that Papua New Guinea has been planning in the past 37 years but we're planning to fail. Today, we have a Prime Minister who has finally found the formula to develop our country.

Mr Acting Speaker, the Member for Kundiawa/Gembogl has mentioned many reports by the World Bank, IMF, Asian Development Bank and they have all reported indicating the failures of this country. But none of them have pointed to the areas that we should improve on. They have not told us how, because they come from countries that are well developed in cosmopolitan cities and towns. They do not have the same experience as you and I attaining education where there is no electricity, no communication and of course, no road infrastructure.

The Prime Minister represents an electorate which is in a rural outback and therefore, the National Planning Minister's statement indicating that we need to shift our focus back to the rural areas and give money to the provinces and develop our districts where our people are a winning formula for our country.

Mr Acting Speaker, the Minister for Finance is right. He hit the nail on the head when he said the opportunity calls for not building a road today will quadruple or double in some cases when in 10 years from today. That is why we need to borrow when the economy is facing 9.5 percent growth.

13/04

No one will go out to borrow when the economy is depressed. Papua New Guinea enjoys growth now and today is the time to borrow because K6 billion is a penny in a rich man's pocket. We are going to make US\$150 billion in the life of the LNG project.

Therefore, I support the Government's initiatives and specifically coming back to the statement by the Prime Minister and the Leader of the Opposition, both were very good statements but the principal difference was that the Prime Minister outlined how he would finance his expenditure plan. He stated that he does not want additional taxes, he said he would go and get concessional loan to build the critical infrastructure and join the missing links today. He said that he wants growth in the various sectors including construction which accounts for 36 per cent of employment in this country.

The Leader of the Opposition's statement was also very clear. However, he did not tell us how he will finance such an expenditure plan, so those were the differences I noted.

So moving forward with how we can bridged the gulf between the many developing challenges this country is faced with, we go back to what the Member for Nuku said. We need to do a base line data, a study to determine where our country is right now and in 2017 when we go and face our people, we can tell them what we have achieved in the five years that we have been in office. So the base line data he talked about appears to be important to my ears and that is what I will do in Hela Province.

Mr Acting Speaker, after 37 years as I was saying, we were planning to fail. Waigani has grown bigger because 70 per cent of our development budget is spent here in Waigani, 20 per cent in the provinces and districts get a lousy 10 per cent. Therefore shifting State resources sector programs to the districts and provinces is a welcome news to our people.

After the base line data is collected, I believe that four years from today, the socio-economic indicators will change if money is spent according to the plan. As what the Prime Minister and the Ministers have stated, we all need to focus on the rural development and that is where I think growth will begin. Once our people have money in their pockets, the argument about people living in cities and fending for themselves and

resorting to prostitution, illegal activities and related problems will be addressed when we address the core issue of putting money back into our people.

One point the Leader of the Opposition made which I thought was important for the Government to note was focusing on agriculture development. It is the most important and the biggest employer in our country. Some will think that the Government is the employer but it does not create jobs. It creates intervention programs so that private sector grows and creates jobs. That is the difference. I don't know which school of economics taught them that government provides employment. Private sector is the driver of that policy and the O'Neill-Dion Government is borrowing US\$6 billion to ensure that we develop the important infrastructures so that our country can grow. So this is my contribution to the Grievance Debate.

Mr WILLIAM POWI (Southern Highlands) – Thank you Mr Acting Speaker for giving me this opportunity to speak for the first time.

I want to take this opportunity to congratulate the Speaker, Deputy Speaker, Prime Minister and his Ministers and the Leader of the Opposition for the very important positions that you have taken in the course of this term.

Mr Acting Speaker, on this note, thank you for according me the opportunity to speak. As a young leader, learning the roles of leading my people, I am mindful that I am walking the footsteps and shadows of some of our great leaders who have gone before me and stood on this Floor of Parliament to orate on behalf of the people and the country, and to make laws for the welfare and common good. Also at this juncture, I want to thank my former boss and Governor of Hela for the time he has given me to impart some leadership skills and how in the last five years in my capacity as the Provincial Administrator, had the opportunity to learn from some of these pioneers leaders of Papua New Guinea.

I must admit that their footsteps and shadows loom larger than mine, and rightfully so.

14/04

However, it is my dream that one day my small feet and structure will grow enough to fill the footsteps and match the shadows.

Mr Acting Speaker, some of them are sitting amongst us today and I would like to recognize them and thank them on behalf of my people of Southern Highlands. The Grand Chief, Sir Michael Thomas Somare, our founding father, Sir Julius Chan, one of our founding leaders, former Prime Minister Honourable Paias Wingti and of course our current Prime Minister, the Rt. Hon. Peter O'Neill. Thank you, honourable leaders for your contributions to this great country.

Mr Acting Speaker, not long ago in the first session of the 9th National Parliament Members of Parliament made a resounding decision to elect the Speaker of the House and the head of the legislative arm of government.

On behalf of my people of Southern Highlands, let me offer you, Mr Speaker and Mr Deputy Speaker, our sincere congratulations and best wishes as you chair and lead this noble Parliament. May your chairmanship and leadership of this Parliament be blessed by the Almighty God our creator. And may you serve your people and your country with humility, dedication and godly wisdom.

Mr Acting Speaker, the election of the Speaker of the 9th Parliament and assumption of office brings great responsibility to this Parliament as an institution to your fellow Members of Parliament and to every Papua New Guinea. I say this because of the experience of the last Parliament which we all are too familiar with. In that regard, let me offer some advice.

Mr Acting Speaker, as an institution, you must restore its pride and dignity. This Parliament must not be a rubber stamp controlled by the executive arm nor by some factional group of elected representatives. It must be a Parliament reflecting the collective will of the people and, therefore, subject to no control but to the people themselves who have given birth to it through their elected representatives and the *Constitution*.

It must be a Parliament where Bills are channeled through proper parliamentary process and debated on for the good of all Papua New Guineans. Every Papua New Guinean great and small sits in this Parliament through their elected representatives. And

so, the executive arm of government must always be held accountable to the people through Parliament.

Parliament must impartially hold the executive arm of government to account at all times. In this connection Parliament must be resuscitated and its committee systems must be brought back to effectively perform their respective roles.

Mr Acting Speaker, you must accord to each and every Member the parliamentary respect that they deserve and accord them opportunity to speak. You must exercise fairness on both sides of the Parliament and allow sound debates on the merits of their case, not mainly for political correctness, party politics or where they are seated in the Chamber.

For it is when we allow fierce debate, then and only then can we sharpen our perspective on policies and Bills and make decisions for the common good of our people. It is not only that, it is through debates and questions that wrongs and public policy shortcomings are exposed and the executive government held to account.

Mr Acting Speaker, every Papua New Guinean must provide the leadership befitting of Parliament and let Parliament function as a true Parliament so that the people of Papua New Guinea will again renew their confidence in their Parliament and elected representatives.

It is also my humble opinion that we have let our people down badly and, therefore, we must all work collectively as Members of Parliament under your leadership to win the confidence back. If we don't, this Parliament will be a House of mockery, and instead of blessings, we will only receive the disgust and condemnation of our people.

Mr Acting Speaker, at this juncture, it would be fitting for me to extend my heartfelt congratulations on behalf of my people of Southern Highlands to the Prime Minister, Rt. Hon. Peter O'Neill on his election as the 9th Prime Minister of our nation.

The fact that the PNC under his leadership has won 27 seats in the 9th Parliament is also testament to the will and preference of our people for him to lead this country. Congratulations, Mr Prime Minister, may you lead this country with humility and provide service to our people with God's guiding hand.

As a provincial elected representative and Governor of the province where the Prime Minister comes from, allow me also on behalf of the people of Southern Highlands

to thank the honourable Members of Parliament for having confidence in Honourable Peter O'Neill to elect him as the Prime Minister.

Mr Acting Speaker, let me now turn to the subject that concerns me most. I have been in the Public Service for almost twenty years, the last six years as the Provincial Administrator for Southern Highlands. In the course of my extensive work, I have witnessed, observed and documented some major impediments to good governance and service delivery, which I believe must be seriously addressed by the Government. I will just comment on them briefly.

Mr Acting Speaker, on the national level, the O'Neill-Dion Government must set the record forthright and put a stop to practices where important NEC submissions are formulated out on the streets, houses or everywhere not bona fide and have it taken straight to NEC and the Cabinet.

We must stop this 'kitchen-cabinet' practices and allow authentic policy scrutiny and rigorous assessment process, particularly where financial and legal implications that may hold the entire nation to ransom knowingly or otherwise.

15/04

Mr Acting Speaker, the recent NEC decision has cost the nation mammoth and uneconomically huge financial commitments that have resulted in huge debts owed by the State.

If you look at these commitments under a microscope, it would invariably show that, the State has made extra economical financial commitments that were neither prudent nor favorable. This must not be overlooked.

In relation to the provincial and district levels, I urge the National Government to address several key impediments immediately. We need to improve the works of local level governments throughout PNG as a vital third level government.

Currently, I think some of the Governors here may confirm and support that ward councilors are not performing their mandated functions. These functions have been unceremoniously taken over by the Joint District Planning and Budget Priority Committees.

Mr ACTING SPEAKER – Governor, your time has expired.

Mr WILLIAM POWI – I am trying to make points on some important and structural issues affecting this country.

Mr ACTING SPEAKER – You may ask for leave to have it incorporated in the *Hansard*.

Mr JOSEPH LELANG (Kandrian – Gloucester) – Thank you Mr Acting Speaker, this week, we had the Ministers for Health and Education presenting their statements.

The Ministers provided a State of Affairs in Health and Higher Education respectively, the policy prescription and also explanations on the K6 billion loan from the Chinese Exim Bank.

Some of the statistics that were floated are very alarming because the current health indicators of this country, especially of mothers and children have worsened compared to the last 10 to 15 years. The numbers of children who cannot secure places in the country's higher learning institutions are equally alarming.

Mr Acting Speaker, as we have heard 62 per cent of mothers in the rural areas gave birth unsupervised. According to the 1998 PNG Human Development Report produced by our Government, the United Nations Development Program (UNDP), the figure was 66 per cent.

The Child Immunisation Rate some 16 years ago was around 75 per cent coverage but now falls to 60 per cent. We are making progress but we need to do more because the current results stand to show that we are now dropping than some 10 – 15 years ago.

Many structural issues like the lack of drugs and medical equipment ensures that high infant mortality rate continue to persist over time. I am sure this is the situation in many of our rural electorates. In my electorate, there is no single medical doctor to serve the 200 000 plus population. This has been the case for the last three decades.

Despite being supervised, mothers in the rural areas still give birth under the torchlight on the beach or stand alone kunai houses because there is no proper or nearby aid posts and electricity. Babies die because there are no doctors and nurses, incubators,

nurseries and powdered milk for new born infants, and simple life saving equipments like the oxygen tanks.

Mr Acting Speaker, the situations confronting our people is harsh. Yesterday, the Minister for Higher Education presented a very clear policy statement on the State of Affairs confronting the Higher Education institutions. We hear that 800 thousand students graduate each year but only 28 000 or 3.3 per cent of students enter tertiary colleges and universities.

Many students in my electorate make up the 772 000 students or 96.7 per cent who do not make it to tertiary colleges and universities. My Electorate has no secondary schools but only one vocational centre that is run down. Boarding students always run out of food and depend on outside assistance like going to their local Member to buy rations. Is there on audit of such rural schools, to know what they do with the funds under the free tuition policy or the schools subsidy program?

Fields Headmaster and the Board are totally corrupt. Because of the lack of audit and monitoring of school subsidies, we are allowing such persons to live off the system.

Mr Acting Speaker, many parents in my electorate tried to secure spaces in the two secondary schools in Kimbe and Hoskins in Talasea Electorate but these usually are already full. Attempts for parents to take their children to Lae or Rabaul end up with little success.

What is the future of these young people? This is the dilemma I am faced with and I believe many of us are faced with similar situation. What is the Government's policy to address the plight of 772 000 disadvantaged children? These are the children who do not make it to higher tertiary institutions.

This is the time to have an innovative approach.

16/04

Do we have a plan to provide educational and training opportunities for the school leavers already out there on the streets and in the rural villages. What is the government's policy to give hope and a future to many of our youths out there who have little hope for themselves? This should also be a priority for the Government.

My Acting Speaker, my electorate of Kandrian-Gloucesterc faces this bleak Health and Education situation but I have formulated a District Development Plan 2013-2017 to address the health and education issues in my electorate, including other structural issues that are connected to these two important matters and in enhancing skills and opportunities for those over the age of 16 to 25 that are staying in their respective villages.

Mr Acting Speaker, the question is whether this proposed K2 billion overseas loan planned for the Higher Education sector and all the reforms planned for health will address the situation in rural districts like mine.

Social indicators will not change unless we listen to and understand the unique conditions of each rural area and devise appropriate interventions programmed specifically for those areas. Otherwise, we can have so many growth rates in this country but it's not going to translate into improvements in the social indicators. That's one of the failures that we have.

Mr Acting Speaker, this brings me to the issue of the K6 billion loan from the Chinese Exim Bank.

On Tuesday this week, the Prime Minister and the Minister for Treasury advised Parliament that the loan will be fully drawn down by 2017. Furthermore, the honourable Treasurer said that PNG can afford this loan. Their explanations however are not satisfactory.

Mr Acting Speaker, it is hard to believe the Government when they are so secretive about the loan and the details of the loan when they do not answer direct questions on the proposed loan. The details of the loan are not fully disclosed to Parliament and yet, they are telling us to trust them and that they have sweet surprises for us in the Budget.

How can we go ahead and approve when that is something that we are not clear on or have no information about.

Mr Acting Speaker, yes, many of our districts need funds and yes, it would be good to have additional funds. The K6 billion loan brings about many promises and excitement but we also should accept the fact that we must be responsible and not make wrong decisions for short-term gain. This loan brings risks and I am not hearing the

Government come out and admit this and explain what kind of contingency plans they have in place.

Mr Acting Speaker, we need to do more. We must demonstrate that the country has the capacity to service that K6 billion loan, especially when the country is at present servicing K2.6 billion external loan.

This brings the total loan to K8.6 billion and if an additional K2 billion loan is entertained for the Higher Education sector then we are looking at K10.6 billion extra loan which is equivalent to US\$4.8 billion.

Mr Acting Speaker, why am I quoting the US dollar equivalent? The reason is that PNG will service this loan in United States dollars, not kinas. Do we have enough foreign reserves in the Central Bank to service our debt obligations externally?

I know the Minister for Finance made fun and said, how can PNG become bankrupt? Let me remind ourselves that major international financial institutions whose wealth exceeds PNGs total gross domestic product go bankrupt.

The debt crisis of Europe has seen the European Parliament bailing out Greece. And now it appears Spain may be the next country to be bailed out. Many heavily indebted countries in Africa and South America have had their debts forgiven because they can no longer function as a country.

PNG was staring at the face of bankruptcy in 1994 when our vaults only contained K190 million or UD\$85.5 million in foreign reserves when we used today's exchange rate. We were saved when the International Monetary Fund intervened.

Mr Acting Speaker, now we have K8.5 billion in foreign reserves which, is equivalent to US\$3.8 billion. This is less than the country's US\$4.8 billion in loans. Business houses will be drawing on our country's foreign reserves when they import goods from overseas over the next 10 years and beyond.

The K6 billion or K8 billion loans is going to be spent in this country. Many infrastructure projects will be funded and implemented. We all know that contractors will import most of their equipment, materials and other spare parts using this loan money. That is going to exert much pressure on our foreign reserves level and in so doing, our kina. That is why the size of the loan that the country can borrow matters. Too much loan can become self-destructive.

Mr Acting Speaker, do we have adequate foreign reserves adequate foreign reserves to repay this and all our foreign loans while at the same time meet the needs of the wider community and the business houses?

The Government relied on the debt to GDP ratio justify that the time is right to borrow. Indeed, we are all aware that the debt to GDP ratio is 25 per cent at present and that the international benchmark for sustainable debt level is 33 per cent. But this is only a rule of the thumb.

Mr Acting Speaker, we need to know if our country has the capacity to pay our loan and all international obligations and transactions, both private and official. We must be advised on the cost-benefit analysis of the proposed loan before the budget is tabled. The cost-benefit analysis must include;

(1) The net present value or NPV of foreign debt servicing in relation to project future exports of the country. This will establish whether the country can service its foreign debt in a sustainable manner and that the benefit will outweigh the cost of servicing the loan to the country.

(2) What is the impact of the loan on the recurrent budget of the country, including university budgets in terms of increased costs of utilities, wages, new departments and maintenance of additional infrastructure and laboratories.

(3) What is the revenue/tax implication?

(4) What is the recurrent budget implication in terms of future wages and maintenance costs?

(5) What is the implication of future export earnings and the reserves level to our country?

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The Government must provide this information to be able to demonstrate to Parliament that indeed the country has the ability and capacity to repay the loan. Without this information we cannot take any action.

Mr JAMES MARAPE (Tari-Pori - Minister for Finance) – Mr Acting Speaker, let me join in this debate by making few comments.

In respect to the comments made by the Member for Kandrian/Gloucester, whilst I do not have the luxury of a economics degree, the social perspectives and circumstances prevalent in this country calls me to stand up and make huge financial commitments in this country that can alleviate the problems that he so spoke of.

On one hand he is asking about the health, education and road infrastructure needs of Kandrian/Gloucester and on the other hand he is prohibiting development of his electorate.

Mr Joseph Lelang – Point of Order! Mr Acting Speaker, I think the honourable Minister is misleading Parliament. The reason why I talked about my electorate is to point out that the policy statements made by the relevant Ministers are not addressing the very issues that affect the districts. That is the reason I highlighted so that the Government can look into it and make sure their policy statements are made to addressing those very core issues.

Mr JAMES MARAPE – Mr Acting Speaker that is the point that I was heading to.

Mr Acting Speaker, let me take us back to, 2002, when the honourable Member for Kandrian/Gloucester was the Secretary for National Planning Department, you all will recall that our growth rate was negative and we had only K700 million in foreign reserves in the Central Bank and our inflation rate was very high and our debt to GDP ratio was 70 percent and that was the same from 1997 up to 2001, and I asked this question, has PNG gone bankrupt?

When the World Bank, IMF, ADB and every donor agencies were shutting their doors on Papua New Guinea, this country still was able to survive and pull through those years.

Today I look into life after 2002, and thank the law on political stability that Sir Mekere introduced and yet he was among the men who broke the law he passed.

After 2002, we were able to pose a positive economic growth rate and I must acknowledge and he will attribute that growth to increase and improve in the commodity

prices we have had together with the exportable commodity prices we had that contributed to the improving GDP and the economic life we have had in this country.

The challenge we face today after that improvement from 2002 to 2012 is the K8 billion in foreign reserves in the Central Bank. We are among only a few countries in the world that has posed successive economic growths from negative to now harbouring around 8 percent to 9 percent and we actually went past 10 percent few years ago.

Mr Acting Speaker, whilst those economic growths were taking place the challenges that confronted us in the last 9 years was translation of those macro economic gains into the rural society.

To simply put it, some of the reasons why we were still struggling is political reasons as well as some of our bureaucrats were small in the mind and they were not thinking about being innovative and how to translate those micro gains to the rural societies.

We can sit here and cry why K6 billion loan until the cows come home and you keep crying, Mr Member for Kandrian/Gloucestera, your roads and your hospitals will not connect either Kimbe town or Kokopo town because you are crying for the Government's borrowing of that K6 billion.

Mr Deputy Speaker, I tell you that this Government will not be irresponsible. Today, when our debt is reduced to GDP ratio of 22 percent after dropping from 70 percent. You ask your World Bank and ADB advisors, which is the best percentage and which is the medium place to get that loan?

I tell you at 35 – 30 percent, we have enough window of expansion in our debt in this country today.

Our Government will not be irresponsible to hide 50 or 60 or 70 percent as we were in the days of Sir Mekere Morauta and everyone else.

We are responsibly structuring our development budget and if we were to contain every other health needs to day along with education, infrastructure and package in the 2012 Budget without external support and without deficit budget you will never see your development dollars in Kandrain/Gloucestera. That is the reason why within the context of revenue that is coming in the next 10 – 15 years down the line as a responsible Government we have to structure financing within that context so that you can live your

dream for today and not wait for tomorrow. Maybe your children will never see that tomorrow.

Mr Speaker, the statistics you gave in education is very correct. Our spaces in Universities are very small and hasn't grown yet and yet we wait for the development kina and we don't have them.

As a responsible Government we will unlock that money that is coming today because we are mindful of the fact of inflation and our debts are going beyond control.

When the Treasurer announces the Budget the nation will see the strategy that we will put in place to address these issues.

18/04

I am not an economist but I see a mother dying in Tari, I see my road to Pori not connected, I see my hospitals not being served and I ask, where are my revenues from Kutubu, Hides and Porgera. I don't stand here to blame politicians or bureaucrats and chief financial advisors of the past who sit in key government offices like Finance, Planning, Central Bank and other key institutions that continue to advise the government to think small, no budget deficits or don't go into borrowing otherwise we might go bankrupt. My goodness, Greek can be bankrupt but they cannot be removed from the face of the planet earth. There will always be a nation called Greek until God comes then that nation will be removed.

This is the reason why I said that this country will never go bankrupt and no international financiers will take over this country. We will still survive but for today, we must structure financing to meet the challenges that are beyond the capacity of the 2013 Budget.

As a responsible Government, we are looking into expanding our tax base; our capacity to get more tax within and at the same time, we are looking into harnessing the gains we have. I must thank my leaders and the people of Hela, Southern Highlands, Gulf and Central provinces who gave out their time and resource to secure the PNG LNG project and for the first time, we have predictable revenue coming in from the project. I am discounting Wafi, Fredda Valley and other natural resource base we have in the

country but for one project alone, which will give the Planning Minister and his department the guaranteed revenue that is coming.

I cannot wait 10 years. The child that does not go to school in Kandrian Gloucester in 10 years time will be an adult and become a criminal because I have not put him in school today. The question I have as a planner and financier is, do I allow that child to sit back and miss school or do I advance money today and put him into school. Which is responsible? The only responsible thing for me to do is build the roads and classrooms today instead of waiting for 10 years and I create a criminal because this Government failed to build these important infrastructures today.

We will be responsible enough to not lift the debt ceiling if we cannot sustain it 10 years down the line. We will put it at a level where the debt ceiling is affordable and manageable so that we can draw down the funds to build the important infrastructures to cater for the huge development needs which the 2013 Budget is unable to cater for. We will not deviate from the principal of mismanagement but we will structure budget, not only 2013 Budget but the full five-year budget that will be restructured to meet the needs of districts, provinces and the country as a whole.

Honourable Members, the budget will be geared towards your districts. I don't expect the Minister for Finance to run up to my officers next year to ask funding for the elementary schools and the little aid posts in the rural areas. You will have money directly dispensed to your district accounts so that our mothers do not give birth under the roof of a little shed; you will have your health centre up and running.

The Ministers have presented their statements detailing what we will do and I look forward to working together to ensure that we achieve these objectives. Let me clarify to the country that as a Government responsible for delivering budgets, we will structure financing correctly. The US\$6 billion loan much talked about by Honourable Lelang is a loan that must not raise panic among our country. It is structured within affordable range so we can fix our major infrastructures and free up development funds where the districts can get the development money they need.

Mr BELDEN NAMAHA (Vanimo-Green – Leader of the Opposition) – Thank you, Mr Acting Speaker. I also want to join this Grievance Debate but before I do that, I want to respond to the good statement made by the Minister for Finance.

Mr Acting Speaker, we can come to Parliament and preach all day until the cows come home. The point here is, how many Governments and Ministers have come to the Floor of this Parliament and preached policies and never ever implemented them.

For the last eight to nine years in the Somare Government, K76 billion was passed. You tell me, has it been realised in the rural districts of our country? What we are asking as a Government and as Opposition is, where is your infrastructure development plan? That is what we are asking. We are asking you to come out and let the people of Papua New Guinea know how you are going to disperse the US\$6 billion and not for you to come and preach to us; go and preach in the church and not on the Floor of Parliament.

Mr Acting Speaker, I have raised issues about the serious election fraud in 2012. I have made it very clear in my speech that I have factual evidence to prove that the generic ballot papers were printed.

Two nights ago, the Electoral Commissioner came on *EM TV* and *Kundu 2* and said that he legally authorised under the law to print ballot papers and I have no question about that. But the point is this, was there a need to print extra generic ballot papers when more than 1.1 million eligible voters missed out in the General Election. That is one-third of the voting population.

19/04

Did the ballot papers that he printed meet the requirements of the law? Section 124 of the *Organic Law on the National and Local Government Elections* is very clear that ballot papers that are to be issued in an election shall be in the prescribed form. It does not say ‘maybe’ or ‘should be’, it says ‘shall be’. ‘Shall be’, means that it is mandatory and is to be in a certain form and that certain form is Form 33.

Form 33 specifically stipulates that the name of the electorate must be on the ballot paper. For instance, if it is a regional seat, then it should say, Sandaun provincial Seat. If it is an Open Seat it must say Kandep Open Seat. If it does not come out in that

from, then it is a generic ballot paper which also does not have the name of the electorate on it.

Generic means, you can use it anywhere in the country. Therefore, this here is a fake ballot paper. That is why I am raising this issue. The letters that I saw when I was making my statement come from the Electoral Commissioner and in the letter there is one electorate requesting 10,000 generic ballot papers, the Ambum-Kompam Electorate. I have the letter from the Electoral Commissioner. And the thing that bothers me is, why were the generic ballot papers printed? There has to be an investigation and, therefore, the 2012 Election in my view is a corrupt election.

Some of us here benefitted from the generic ballot papers. I am challenging the Electoral Commissioner to tell the people of Papua New Guinea who benefitted from the generic ballot papers. You have situations in some parts of the country where one or two people marked the ballot papers. Where did they get the ballot papers from and mark them and put them inside the ballot boxes and made some of us win by a landslide victory while some of us struggled to win the elections.

(Laughter in the Chamber)

Mr BELDEN NAMAHA – Mr Acting Speaker, this is a serious cause for concern for our country. That is why I have called for a bio-metric system to be introduced quickly before the 2017 Elections, and I hope that some of us who won by landslide victories will win on that day.

(Laughter in the Chamber)

Mr BELDEN NAMAHA – We are talking about serious corruption issues in this country. When are we going to stand up as leaders and when are we going to stand up as a country? We continue to preach about bringing in so much money and borrowing so much money, but if we do not have transparent plans, plans that bring benefits and trickle down to rural districts of our country, we will continue to preach in this Parliament.

Mr Acting Speaker, that is why when I made my statement I said I did not want to go through these norms or traditions of government where the Prime Minister comes in, presents a very fancy policy for the country only to have the Opposition responding with another fancy policy. That is not what I believe in.

Mr Acting Speaker, what is lacking, is leadership in this country. If we do not have bold leadership this country will continue to sink no matter how many billions we borrow and how many budgets we pass. What is lacking in this country is leadership and because of that we have election corruption. When are we going to make the decision to remove this person who has reached his retirement age? Or did we strike some deal with him so he can continue in office?

Mr Acting Speaker, let us not hide behind the shadows, let us come out as true leaders who represent our people. We can forget about our English language and try to come and paint a good picture but if we do not implement the good picture that we draw, we are just wasting our time.

Mr Acting Speaker, I will be specially requesting the Police Commissioner to investigate the Electoral Commissioner on this election fraud. I want to know who benefited from the 280,000 generic ballot papers.

Mr Acting Speaker, like have I said earlier, I am prepared for the commission of inquiry or the investigation team to go to Vanimo and open up the Vanimo Green ballot boxes which are stored and see if the Belden Namah benefited from the generic ballot papers. It is easy to recognise. If the ballot paper does not have Vanimo Green on it, then it is a generic ballot paper which is a fake ballot paper. I will be supplying this information to election petitioners.

Go and open up the ballot boxes and let them see if the person that has won the election has used the generic ballot papers or the real ballot papers. Therefore, those who are doing the election petitions come and see me and I will give you the information.

20/04

You can just open the ballot boxes and see whether the ballot papers are original or not. I know some of you are already panicking. That is the reality so let's dance to the music.

Mr Acting Speaker, I stand to bring leadership that will bring change to this country. I stand to fix the wrongs of the past and change the country and bring in much needed reforms. We need action.

In the last nine years of the Somare Government, seventy six billion kina was passed yet the social indicators have gone wrong. If you are saying that previously it was worse then it is worse now than before. The roads are in bad shape, the hospitals do not have medicines and mothers are giving birth on the hospital floors.

I understand that the government is newly formed but my challenge to you all is that where do we go from here. Are we going to be like Andrew Traven who is printing generic ballot papers?

Mrs LOUJAYA TONY (Lae – Minister for Religion Youth and Community Development) – Thank you for this opportunity. The Opposition Leader and Mr Lelang should come back and sit down. I am appalled that you can insult the intelligence of Members who are new to this Parliament but we are not new to the performances of the public services.

I think, it was K200 million when Mr Lelang was the secretary of Planning with NADP. That was still so secretive. Now, you are accusing the Government of being so secretive of K6 billion. But you have not heard from some of us as to what we are going to do and how that K6 billion is going to be translated.

Some Ministers have not made their ministerial statements so, but please allow us to be able to justify where that K6 billion is going to be translated to.

We are a new Government and just because you are in the opposition you should not oppose everything that comes before you just for the sake of opposing?

Mr Joseph Lelang – Point of Order! Mr Acting Speaker, I think the Minister needs to understand what issue is on the Floor of Parliament. We are not saying don't get it? You need to demonstrate that you have the capacity to source this loan. That is what we are saying but you have not done that so do not misquote us here. I am correcting the Minister.

Mrs LOUJAYA TONY – I am not intimidated by the loudness of your voices because people are led by the credibility of our argument and whether it holds weight or not. So we are talking about the credibility of this K6 million and how to spell out that K6 million out in our respective departments. Treasurer has already made his ministerial statement yesterday. Finance Ministry is yet to present its ministerial statement as well so we are all in the queue.

You cannot visualize the full picture but instead you are insulting our intelligence.

Mr FRANCIS AWESA (Imbonggu - Minister for Works and Implementation) – I am grateful for the K6 billion but according to the Finance and Planning Ministers we do not have the capacity to repay this loan.

21/04

But I want to say that thoughts like this stem from typical bureaucratic and academic minds. Some of us operate on practical experience on how to facilitate that loan and how we are going to repay it.

No wonder this country has not moved because in the last five years when you were Planning Secretary with Mr Paul Tiensten, billions of kina were parked in trust accounts. And if I can recall from 2008 to 2010 and part of 2011 K9 billion was parked in trust accounts. And most of these trust accounts were not known by anybody, even how they were spent.

And that was your legacy. You wanted to hide all that money. A lot of money that's coming in from the LNG and other resources, you wanted to hide it in trust accounts which we have no trace of. I wouldn't be surprised if most of that went to your electorate and your province. I won't be surprised. That's probably how you got in.

This is Grievance Debate, you have to sit down, and you've had your turn.

Mr Joseph Lelang – Point of Order! Thank you, Mr Acting Speaker. I think the Minister is misleading the Parliament again.

Under the *Public Finances Management Act* and as per the appropriations acts of every year when Parliament passes the budgets, all trust account monies go to the Department of Finance, not Planning and not Treasury.

I was the Secretary for Planning, not Finance so you've got to get your facts right. Do not mislead Parliament and tell lies.

Mr FRANCIS AWESA – Thank you honourable Member, my statement is that you were chief advisor in the last five years when we had a windfall of cash from resources coming to this country. But you didn't do anything. You wanted to talk about education and health in your electorate and for that matter Papua New Guinea but you have not done anything.

Mr Acting Speaker, all they have done is park a lot of money in trust accounts and give it to their friends. That's the language they want to speak, that's the language they know.

These are typical bureaucrats. They have no practical experience in building roads, hospitals –

Mr Sam Basil – Global!

Mr FRANCIS AWESA – Well, you know very well, 23 years, Mr Sam Basil, I've been involved in road construction. I'm qualified to talk on it, unlike you.

All you little boys call yourselves the vibrant leaders but I am happy that this week on Tuesday, the Opposition Leader was man enough to admit that he needs wise men among us in this Parliament. He specifically mentioned Sir Julius Chan, Sir Michael Somare, Paias Wingti among many of us sitting here. So, in nine months he has grown up.

I would like to ask this youngster to apologise to me for leading me into the court room and abusing the Chief Justice and getting the police to arrest me. He should apologise to me because he misled me and he told me to go to the court room. None of the Members and Ministers went to the court house. I went there, into the court room –

Mr Sam Basil – Point of Order! What he is telling this Parliament is that the last time people of Imbonngu put him into Parliament was that he was stupid and he was being misled around without knowing what he was doing.

Mr ACTING SPEAKER – Your point of order is out of order.

Mr FRANCIS AWESA – Honourable Member for Bulolo, that's a childish statement and I would ask you to withdraw it. What I am telling you is the truth.

Mr Rimbink Pato – Point of Order! With respect to the Minister for Works, Mr Acting Speaker, could you ask the Deputy Opposition Leader and Member for Bulolo to withdraw the word, stupid and then have it struck out of hansard?

Mr ACTING SPEAKER – I ask the honourable Member for Bulolo to withdraw the statement.

Mr Sam Basil – Mr Acting Speaker, I humbly withdraw it, and I ask that we debate properly. Do not talk without dignity.

Mr FRANCIS AWESA – As they say, the truth hurts. I am telling you that, the current Opposition Leader led me to court believing that he had a case before the Chief Justice. I didn't know that he had another agenda. He had told the police to arrest the Chief Justice.

I am only saying that he apologised to the Chief Justice only on Tuesday this week. I think it's only fair that he should do the same to me because I represent my people. And I was misunderstood by the judiciary in thinking that I was part of this game that the Opposition Leader was trying to engage in.

It is all in order if the Opposition Leader can apologise to me and my people because he misled me into going to the court room and misbehave. I am only raising this question because on Tuesday this week he apologized to the judiciary and to the

Chief Justice in particular. He forgot to mention that I was with him because he told me to come.

The next thing I want to talk about in this Grievance Debate is the issue of elections.

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Mr Acting Speaker, in my electorate there were two of us who were declared and I was declared on the 24 July 2012 and the next day one of the other candidate got himself declared in a hotel room in Mt Hagen after they deducted 3,500 votes.

I want to say that this 2012 Elections was one of the worst elections that ever took place in the history of Papua New Guinea and the most noticeable thing that happened was inflation of people enrolling in polling places.

In one instance 8000 people were registered in my electorate for one particular candidate, can the Electoral Commission allow 8000 voters in one particular village in 10 hours with 8000 Open Ballot Papers and 8000 Regional Ballot Papers and everything was completed in record time in 10 hour period whilst the rest of us in different polling places took 10 hours to cast with a population of only 1000 and 2000 people.

I believe that there is a case raised by the Opposition Leader for somebody to investigate all these things on how they came about. If that is true I would ask the Opposition Leader to refer this case to the appropriate authorities instead of raising it here.

I have also noticed that candidates were also carrying these Ballot Papers that people are talking about. Some of them were even arrested in possession of these documents.

Mr Acting Speaker, in future I support the call for bio-metric system of voting and we have to spend more money to have it in place.

Mr ACTING SPEAKER – Minister, your time has lapsed. Please take your seats.

MR JOE KOIM KOMUN – (Anglimp-South Wahgi) - Mr Acting Speaker, I would like to take this opportunity to contribute to this grievance debate. I live in Waigani, and every morning I come from Waigani to here and I see those two white elephants, the Central Government Building and the Pineapple Building just right next to the Prime Minister's Office.

They have been there for some years and there has been talk about the Build Operated and Transferred to the private sector to renovate and work in partnership with the government.

As Chairman of one of the Referral Parliamentary Committee, I asked for an office space and it seems that there is no office space for Chairmen here in the Parliament.

We keep spending money on renting office space around the city and I noticed one thing that most of the Government offices are located in one particular group of companies premises.

I don't know for whatever reason and there must be some sweetheart deal somewhere resulting in our two building still remaining idle out there.

If we can spend some money and renovate these offices it will benefit us a lot. We must make use of what's already available instead of talking about some good ideas which are beyond our wildest dreams.

Mr Acting Speaker, whoever is responsible for this office space allocation must firstly, look into more office space.

I would like to ask the Minister responsible to look at renovating the Pineapple and Central Government Buildings so that we can utilize them as part of our cost saving exercise.

Apart from this the Governor of Manus talked about land compensation and I think this is getting out of hand and we need to legislate laws

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Mr SASINDRA MUTHUVEL (West New Britain) – Thank you Mr Acting Speaker. I rise in this honourable Parliament to make my first speech as the Governor of

West New Britain Province. It is an honour and privilege to be a Member of this Ninth Parliament of Papua New Guinea.

Mr Acting Speaker, on behalf myself the people of West New Britain who I represent, I congratulate you as the Deputy Speaker and I congratulate the Speaker of this Parliament. I am confident that the Speaker will effectively direct the business of this Parliament and your rulings from the Chair will be both fair and beyond reproach.

Mr Acting Speaker, though the Prime Minister is not here, I congratulate him on his election as the Prime Minister of this country. I also want to congratulate my fellow Governor, Honourable Leo Dion on his appointment as the Deputy Prime Minister.

Mr Deputy Speaker, I want to sincerely thank the Prime Minister for having the confidence to appoint Honourable Leo Dion as his Deputy. The appointment reflects a vote of confidence in the New Guinea Islands region and being in the region, I value that very much.

I also offer my congratulations to all the Ministers of the Cabinet and I am confident that with this formation of Government, we will work closely to deliver the critical services needed by our people and in the process, properly empower them so that they can be masters of their own destiny.

Mr Acting Speaker, I want to convey my most sincere gratitude to the people of West New Britain who have forgotten about their colour or creed and voted me as their Governor. I can only repay their confidence by working very hard to deliver on their needs and aspirations.

Mr Acting Speaker, I also want to thank my party leader, Honourable Joseph Lelang for having the confidence in me as his candidate for the West New Britain Provincial seat. The choice of the people of West New Britain also demonstrates the fact that eventhough we may have a deep rooted multi-ethnicity in the province, we can peacefully co-exist as a people and that can be of a greater strength.

Mr Acting Speaker, West New Britain has a total population of over 270 000 with a growth rate of 2.5 per cent, which is above the national average. It has an area of 21 000 square kilometres with only two open electorates. It has seven major tribes and 25 major language groups. It has huge migration which, contributes to the increasing population with a high population growth.

Mr Acting Speaker, West New Britain is blessed with abundant natural resources and good weather. It is also blessed with talented human resource and it is home to the largest oil palm milling company in the country. This industry employs more than 10 000 workers and it has an annual turnover of over K1.2 billion. It is this that has a healthy contribution to our provincial and national economy.

The oil palm industry provides an average household earning of between K2 500 and K5 000 per family and phase out a total of K10 million per month to the growers. That means that there is a high level of disposal income much of it is often not spent properly by our people. There lies our greatest challenge of properly empowering our people. But the industry is localised in the Talasea District. Therefore, our greatest challenge as I mentioned earlier, is to harness our natural resources and properly empower our human resources so that people can sustain themselves.

The West New Britain Province is a province of contrast with the huge oil palm industry and very good infrastructure in the north coast but very little economic activity on the south coast. This imbalance must be addressed and that is one of my greatest priorities in the next five years.

I fully agree with my party leader's statement that when I was on the election campaign trail, I travelled this part of the province and I saw mothers still wearing traditional attires and without modern clothing. I heard that they give birth under these harsh conditions. That place is one of the most neglected electorate in the country.

Mr Acting Speaker, with only two open electorates; Talasea and Kandrian-Gloucester, I can already see that service delivery is very difficult because of the geographical disposition. Therefore, I will work closely with the Electoral Boundaries Commission to review the need for more electorates in the Province so that the service delivery can be made easier.

I am advised that there is already a proposal before the Department of Provincial and Local-level Government. This must be revised and I will be approaching the Deputy Prime Minister to look at this with the view to hastening the process.

Mr Acting Speaker, I want to request at this juncture that the Prime Minister run a consultative and inclusive Government for the benefit of our rural majority. To that end, I hope the Prime Minister and his Cabinet will work very closely with the governors of

provinces to ensure that there is bottom-up planning from the ward level at the local-level government right up to the National Government level. It will be good to discuss this further when the Prime Minister and perhaps the Minister for Provincial and Local-level Government visits West New Britain which, I have discussed at length with the Deputy Prime Minister.

Mr Acting Speaker, like most other provinces, we have an integrated provincial development plan in place, which will drive our development agenda in the province. This plan is predicated and consistent with the Vision 2050 and the PNG Development Strategic Plan 2010 to 2030. We will use this plan as a road map to achieve our development aspirations.

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Mr Acting Speaker, education, health, infrastructure and provision of water to our rural majority remain the key priorities of our government for the immediate to medium term as we seek to provide an environment that will properly empower our rural majority.

Mr Acting Speaker, looking ahead to the 2013 Budget, I intend to introduce some key interventions in provincial budgets that we believe as a government can properly empower our people. These will include the rural industry or cottage industry concept. These concepts may appear to be new but they have been around for awhile and I believe they are more relevant to PNG as a nation with the majority of its population still living in rural areas. The introduction of rural electrification using firewood and steam engines is a perfect platform for human development and poverty elevation.

Mr Acting Speaker, we can do this and it is verily possible. The entire British Empire was established with the power of steam and the same power of steam can be used to generate electricity.

Mr Acting Speaker, when the Prime Minister –

Mr ACTING SPEAKER – Governor, your time has expired. You may ask for leave to have your debate speech to be incorporated into Hansard.

Mr SASINDRA MUTHUVEL (West New Britain) – I ask leave of the Parliament to have the rest of my speech incorporated into the *Hansard*.

Leave granted.

The rest of the speech reads as follows: (still awaiting Governor's Office to submit a copy of the speech)

Mr DON POLYE (Kandep – Minister for Treasury) – Thank you, Mr Acting Speaker, I normally would sit down and take notes of points raised by the Honourable Members of Parliament, Governors and others in order for the Prime Minister, Deputy Prime Minister and Ministers of State need to address in our executive decision making process. But because we are coming towards the budget session I have heard some very misleading speculations being thrown about with regards to what the government is doing. Therefore, I thought that it would be better to put into perspective and clarify what the government is doing.

I think that it is fair that we know the truth as to the path that the government is taking and so that any arguments that has developed or debates that come out, we are talking on facts and not speculations.

The two issues that I would like to address, and I would like to thank the Minister for Community Development, she did raise some points in line with what the Government is. In fact there are three issues:

The first one is the issue that I hear again and again since the last two or three weeks is the financing of the budget, and also the type of budget that the O'Neill-Dion Government will hand down.

Therefore, I should make some points very clear with facts regarding how the government is going about its strategy. The financing of the budget is a very important component of the budget strategy. When we hand down the budget we will give the exact component details of the budget.

The financing component part for the budget has attracted a lot of debates and I do take note of the points that the Shadow Minister for Treasury has raised. They are

good points and I agree with what the Leader of Opposition is saying. Apart from that, the debates are constructive with some points that the Government is addressing, but some are very speculative and we do not agree with the facts and figures brought onto the Floor of Parliament. But we treat them as debates and arguments which the government will assess and to implement the best way possible for the budget for our people.

The source of financing is coming from three areas, and it is quite a new approach as opposed to what we have been doing in the past. The budget will be ear-marked for a five-year plan and not a plan just for one single year. We have got a financing plan and we are looking at the existing development partners for aid grants, concessional loan facilities and credit facilities available from the World Bank, Asian Development Bank, AusAID, JICA and all those traditional partners of PNG in developing our economy.

We have resources that the government is giving number one priority, like any government has always done in the past to ensure that it reflects in the budget by way of financing in counterpart funding to make sure that we draw down the loan to implement programmes. This is a first and the government has not deviated from that.

The second point is; we are looking at the domestic market. If you look at PNG, we must have a financial or capital market that we must develop, strengthen and grow. If we have to address development issues, and funding is required, the domestic market is there for the government or any other State-owned entity for the purpose of doing business or development investments.

We cannot allow our domestic capital market not to grow. We have superannuation funds, financing institutions and banks. The government values them and so we are working with them. This is because at the moment equity is very high.

The third point is; the international capital market and the Asian Development Bank. The Asian Development Bank is one of the international capital markets. The government has already embarked on discussions to draw down and create a credit facility on a concessional loan basis and draw down resources to whatever amount the Government thinks fit and sustainable but can be affordably drawn down to address development issues.

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So these are basically three sources of money supply which, the government is looking at in order to finance the budget. It is like any other businesses.

Government is not just looking at one alternative and thinking of putting all their actions into one basket. We are not doing that but to reduce the risk, we have to diversify our capital drawn down from our sources and I think that is prudent.

I would like to advise the Opposition as well as the public that the government is prudent in its approach to look at various broader scale of valuable capital available to finance the budget. So in the next five years the government's financing plan will come from those three sources.

We are not just talking about drawing down so much money from one source because we know that there are risks involved. Some of us have been in the government for the last nine years and we have seen the risks associated with it with the fluctuation of the currency it does really affect us. For instance, we are losing export revenue at the moment because of the appreciation of the kina against the US dollar.

Mr Acting Speaker, the O'Neill Government is more prudent than what you think. So our financing capability will be centered on these areas and I would like to assure you that I am confident that there is enough liquidity. I am confident that we also have affordability and a five-year plan to move forward. With the positive projective we can move forward and ably do it with sustenance.

It can be sustained over time. So in regards to the budgets, I will give you the details. You know that you cannot give details at any other time except when you are handing down the budget. That is a tradition carried on by any government. You cannot talk about the pros and cons of the budget until it is presented. So if you are asking at any other time, you are misleading.

Mr Acting Speaker, I would also like to make clarification on the second bid which is the Economic outlook. If the government is to look at a deficit budget which, I am talking about now, our economy condition is conducive enough for us to go and add extra money in order to come up with a deficit budget to address economic issues.

The Opposition talked about GDP and the debts. From experience, the debts GDP ratio stands at 24 per cent. Not because we have paid off the debts on time, but slowly we

have managed to do so and the amount now stands at K8.63 billion. But our GDP stands at K33 billion. When we came in 2002, the GDP rates was very small and the debt level was at K7 billion.

Sir Puka Temu and the others who were in the past government in 2002 should know that. But at that time we had a very constructed small GDP so when you look at the debts with GDP ratio, the GDP ratio was so high because it was small.

But now when you grow the GDP up to 33 per cent, you are looking at eight over K33 billion which is below 30 percent with the international monetary fund World Bank, an internationally accepted and suggested rates of debts to GDP ratio. The point I am making Mr Speaker, is that when you grow the economy, the GDP reduces. When you continue to grow the economy, the GDP continues to reduce but it depends on how best the programs are implemented to stimulate that growth. The Government should be targeting specific areas, so when they get their budget they should know what areas to spend their money on. The funds will not be going into trust accounts any more. The Finance Minister will be putting out instructions to have separate district government chart of accounts that will register the expenditures through the accounting process. So it is going to be different.

Regarding the economic growth, we look at the LNG Project but, there are also disadvantages to that. But everybody is talking about it now because of its phase the GDP is growing at 9.9 per cent. It may seem bad in some areas, but the good part is that the debt has reduced and the employment opportunities have increased at 7.9 per cent.

Such economic metric level achievement cannot be realised quickly. The signs of growth can be realised through traffic and airport congestion, and business and buildings going up. The government is in the right focus and will now mechanize to tickle it down to the grassroots level. That is exactly what the budget is doing.

This Budget will be the important Budget for this Parliament because we will be translating it down to more effective way.

All the Ministers have been talking about what they are going to do now and that is to translate this Budget down to grassroots level.

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All the Ministers have been saying, 'this is what I am going to do' to translate that down to the grassroots level. So, look, we are on the right track. I'll have to give that assurance. Everything else we are saying are speculations for the sake of arguments.

So, we will be reviewing our medium term policies. We will be depending on and assessing our macro-economic stability. Also we will be looking at the global economic conditions, like the US is in recession, the Euro zone is now going through a sovereign debt crisis but we are seeing very strong growth in the north, middle and eastern Asian economies such as India and China who are taking the lead in the growth of their GDP.

We in PNG are right in the centre of the west and the Asian countries, at the centre of the Pacific Ocean, a very strategic location.

What is the best time to take advantage of this situation when the liquidity is very high, when the reserves is at K10 billion, when the GDP is at 9.9 per cent growth, employment at 7.8 per cent and inflation has come down to 1.4 per cent with the global average of 5 per cent, we are at a much lower rate. What is a more opportune time then right now? This is the opportune time, you need to capitalize on existing aid and grant packages, make use of the domestic capital market and grow it and also you make use of your foreign capital markets available to you. And you put it into investments and that's what we are doing. So I will be giving out the facts when handing down the budget.

Motion – That the grievances be noted – agreed to.

ADJOURNMENT

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

That the Parliament do now adjourn.

The Parliament adjourned 1.00 p.m..