

SEVENTH DAY

Thursday 1 November 2012

DRAFT HANSARD

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PARLIAMENTARY DEBATES CORRECTIONS TO DAILY DRAFT HANSARD

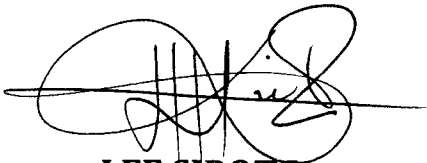
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Corrections maybe marked on a photocopy of the Daily Draft Hansard and lodged at the Office of the Principal Parliamentary Reporter, A123 (next to the Security Control Room).

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

Amendments cannot be accepted over the phone.

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

A handwritten signature in black ink, consisting of several loops and vertical strokes, positioned above the printed name and title.

LEE SIROTE

Acting Principal Parliamentary Reporter

SEVENTH DAY

Thursday 1 November 2012

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

There being no quorum present, Mr Speaker stated that he would suspend Parliament until the ringing of the bells.

Sitting suspended.

The Speaker again took the Chair at 10:45 a.m., and invited the Member for Lagaip Pogera, **Hounourable Nixon Mangepe** to say Prayers:

‘Heavenly Father, yu Holy; yu God bilong nau na oltaim. Mi prei long yu bai blessim mipela ol Memba stap long hia tude. Mi prei long yu bai luluk long mipela, givim mipela wisdom long wokim tingting na gutpela wok bilong pipol bilong yu, Amen.’

QUESTIONS

Mr JIM KAS – Thank, Mr Speaker. Before I ask my questions I wish to commend you for doing your job and doing away with PNG Time by being on time in the Chamber and expecting Members of Parliament to be in the Chamber before 10 o’clock for the commencement of the meetings.

My questions are directed to the Prime Minister. A few weeks ago,, the daily papers gave prominence to a speech presented by the Chairman of the Task Force Sweep, Mr Sam Koim, in Australia. The speech portrayed very disturbing information of PNG money being corruptly obtained and laundered to Australia and that both countries are not doing much to prevent such from happening.

Since the statement was released, both Governments have been tight-lipped on the issues stated and have never made an official response to date on whether or not some actions would be taken.

(1) Can the Prime Minister inform Parliament and the people of Papua New Guinea why this Government is silent on this issue?

(2) On the same token, why has Australia not responded to Mr Koim's speech?

(3) Can the Prime Minister or the Foreign Affairs Minister or the Attorney General inform this Parliament of any assurances by the Australian Government with regards to the issues that the Task Force Sweep Chairman has uncovered?

In fact, PNG does not keep national secrets from Australia as every Government Department has one or two Australians in key positions taking on the lead as advisors. While we acknowledge the consistent support of the Australian Government as a development partner, however, I consider the openness of our secrets as a serious compromise of our sovereignty.

(3) Do the Prime Minister, the Minister for Public Service and Minister for Foreign Affairs have any plans to redefine our bilateral relations and protect our sovereignty?

Mr PETER O'NEILL – Thank you, Mr Speaker. I thank the honourable Governor of Madang for his important questions which need serious attention. I want to assure the Governor and this Parliament that this Government is very serious about fighting corruption and we have done so by the establishment of the Task Force Sweep. We are also in the process of introducing the Independent Commission Against Corruption Bill into Parliament which is currently going through the final stages of scrutiny.

When this Bill is introduced, the country and the rest of the world will know that we are serious about fighting corruption. In terms of the issues that were raised by the Chairman of the Task Force Sweep in Australia, we have sought more details from him, because making such statements must require substantial evidence.

He is a person that has been tasked to carry out investigations and prosecution, and to ensure making sure that issues of corruption and illegal transfer of funds must be taken to the appropriate authorities to act on them. We have not even stopped him from doing what he has been tasked to do. He has now made a general statement accusing not only leaders of our country

but other citizens as well, some of whom have rightfully acquired properties in Australia through the right means.

I have not directly spoken to Mr Koim but have directed the Chief Secretary to contact him, and I have deliberately done that because many of the leaders both in Parliament and outside are subject to investigations.

I don't want him to think that we have influenced him so I have tasked the Chief Secretary to make contact with him through the normal bureaucratic process so that we can have that separation and some level of independence.

I want to assure Parliament that the Chief Secretary has spoken to him and told him to investigate and carry out the charges of specific cases where he has evidence and nobody is stopping him from doing that. We will encourage him to continue doing his work and that this Government will support him.

In 2013 Budget we are putting more substantial resources into the Task Force Sweep so that they continue to carry out the good work that they have started. I want to assure the Governor of Madang that we that we are doing all we can to support this cause.

On the issue of Australian Government's position, I want to state that I have received information from the Australian Government that they are now stopping the issue of visas to leaders and others in the country who have acquired income through illegal means and have been investing in Australia.

And some of our leaders are already being affected by that. That information has been given to me basically because the Australian Government wanted to highlight that they are taking this position and we respect that.

It is about time that some of our leaders and corrupt citizens who park money down there deserve to be not welcomed in that country and hopefully our agencies including Task Force Sweep, the National Fraud Squad and other government agencies who work with the Australian Agencies have a close working relationship, and I see no reason why they can't work together in addressing those issues that the Chairman of the Task Force Sweep has brought forward.

On the issue of sovereignty and Australians in the Public Sector, I want to say that we are reviewing that now and I agree with the sentiments shared by the Governor. There are some sensitive positions that we need to protect for our national interests and security.

It does not mean that the Australians are spying on us. They are there to help us build capacity in some departments and we welcome them.

02/07

We are reviewing the Australian public servants working in our line departments and I agree with the sentiments that the Governor is raising. There are some sensitive positions that we need to protect for our own national interest and security.

It does not mean the Australians are spying on us but in some departments they are there to help build capacity and we welcome that support but we need to review it for our own integrity and the Public Service Minister is taking charge of that. We are also having an Annual Ministerial Conference later in the month of November and the Australian Foreign Affairs Minister is leading a delegation to Papua New Guinea and our Foreign Affairs Minister will be leading our Papua New Guinea delegation where these issues will be reviewed as part of the development assistance programme that they have with our country.

Supplementary Question

Mr FRANCIS POTAPE - Mr Speaker, the statement made by Mr Sam Koim in Australia is serious in nature and I heard rumours that there are people working around the clock to either abolish the Task-Force Sweep or to remove Mr Sam Koim and put some other person so the direction can change.

Can the Prime Minister assure this Parliament and the people of Papua New Guinea that he Task Force Sweep will stay and that Mr Sam Koim will do his job without fear or favour? We need to protect the integrity of this country and what Mr Sam Koim has started is a good job and he must finish it.

I am aware of some law firms who have made millions of kina from the State are also working around the clock to remove him.

Mr PETER O'NEILL - Mr Speaker, I thank the Honourable Member for Komo/Magarima for his question. I think the Member did not hear me that when I stated that we

are increasing funding for Task Force Sweep earlier when I answered the Governor for Madang's questions earlier.

Let me repeat myself that we are increasing funding capacity to that organization which only goes to say that the Task-Force Sweep will continue until the ICAC Bill is introduced and passed and the ICAC is established then the Task-Force Sweep functions will be transferred to ICAC. We cannot have two organizations doing the same thing.

While that Bill is not before the Parliament you can have my word that the Task Force Sweep will continue.

Mr Sam Koim is doing an excellent job and he has my full support. I don't know where you are hearing these rumours from but I can assure you that he has my undivided support.

I want to assure you that he has my full support and I have no personal communication with him as I have stated earlier because I want him to maintain his independence and he can carryout his investigation. I know some of us here are making direct communication with him. I urge you all from refrain from doing that and let him do his job and let us not compromise his work and I assure the Member that Mr Sam Koim will continue as Chairman of the Task-Force Sweep.

Mr TITUS PHILEMON – Mr Speaker, my series of questions this morning are directed to the Minister for Public Enterprises, Honourable Ben Micah.

Mr Speaker, my questions are in relation to the non-transfer of equity shares for the Milne Bay and Oro Provincial governments held in the New Britain Palm Oil through IPBC.

I am aware that the Governor for Oro and the Minister for National Planning and Monitoring have raise the issue with you and I believe you will be well versed.

My questions are as follows;

(1) Have you taken any actions yet, to facilitate the transfer of the equity shares to the respective provincial governments?

(2) If not, can you do so as soon as possible? As you know raising internal revenue is difficult in these two provinces and dividends will really boost the provinces revenues.

(3) Can the Minister provide details of the share swap process and also the equity share levels for the two provincial governments for the benefit of the people of the two provinces?

(4) If there are certain difficulties that may delay in the transfer process, can the Minister consider other options so that the revenue from dividends are actually paid at equal levels to the both provincial governments concerned?

Mr BEN MICAH – Mr speaker, I thank the Milne Bay Governor for his very important questions. It is true that I have received a letter from both you and the Governor for Oro Province and the Minister for National Planning and Monitoring who is also the Member for Alotau.

There are shares for three provinces under the Commonwealth development corporation when it began earlier on in the late 70s and 80s. The Poliyamba Project in New Ireland, Higaturu project in Oro Province and the Milne Bay Estate also in your province.

The ownership of those projects have changed on three occasions, from Commonwealth Corporation to CTP a joint venture company of Themasc in Singapore and a huge food company in the United States and then about two years ago the New Britain Palm Oil bought off those three Estates.

I have both good news and bad news for you both Governors for Oro and Milne Bay. Let me start with the bad news and when I finish, you will be happy with the good news.

(Laughter in the Chamber)

03/07

Mr BEN MICAH – In relation to the bad news, as per an NEC decision, State shares which also includes the shares for Oro and Milne Bay Provincial Governments are kept in the General Business Trust (GBT). The GBT assets includes the State shares in the New Britain Palm Oil projects in Oro and Milne Bay provinces are all locked up with all other assets that were mortgaged to obtain a loan to finance our participation in the Exxon Mobil Gas Project.

At the moment, I am sorry to say that I cannot immediately transfer these assets as there are trigger mechanisms in the agreement. If we want to make some changes with the GBT, it will affect this loan and they might call up this loan early forcing the State to pay a higher price than what was proposed in the early stage of the agreement. So, at the moment, I cannot make any moves until we sort out this loan.

But the good news is that I am now in the process and very close to negotiations to resolve the issue of IPIC loan so maybe in a matter of months, we should be able to resolve this which will not only release the guarantees on the shares for the State which includes your provinces in the oil palm project but it will also release all other assets including assets of the State-owned enterprises which are tied to this loan.

The final good news is that the NEC Decision is already there to transfer the shares. As soon as we resolve the IPIC loan guarantees, I will initiate the moves which I have already done in principle. I will formalise it when IPIC releases the loan guarantees and I will transfer the shares to the Milne Bay and Oro Provincial Governments respectively.

Mr PETER YAGAMA – Thank you, Mr Speaker, for recognising the people of Usino-Bundi this morning. I direct my question to the Prime Minister and ask the Ministers for Finance, Treasury, Trade and Commerce and Agriculture to take note.

Mr Speaker, I must be amongst the last of the new Members to speak for the first time in this Parliament.

Mr Speaker, I want to thank God for orchestrating my win and I want to also thank my people of Usino-Bundi for enabling me to come and stand here to represent them this morning.

Mr Speaker, on behalf of my people, I wish to congratulate all the honourable Members of Parliament for their election victories. I can already foresee that this Ninth Parliament is going to be the best Parliament Papua New Guinea has ever had. I want to thank all the people of Papua New Guinea for selecting such well educated men and women to represent them. Papua New Guinea can look forward to a bright future, and my people of Usino-Bundi can definitely look forward for a brighter tomorrow.

Mr Speaker, I thank you for the opportunity to bring matters of importance from my constituency. The Ramu/Nickel Project is nearing commissioning, Yandara Mine is projected to commence production in 2016 and the Banam Gas Project will test drill from 2013. All these projects are in my electorate and will contribute significantly to the nation's economy and will change the landscape of development in Madang Province and Momase region.

Mr Speaker, the Ramu Agro-Industries, commonly known as Ramu Sugar is one notable pioneer industry in my electorate and the only sugar producer in Papua New Guinea. It is also the

major resource project in Usino-Bundi electorate that has the potential to develop the largest oil palm estate and the largest beef industry in this part of the Pacific.

Mr Speaker, my question concerns the reduction of important tariffs on sugar, there has been significant increase in imported sugar by business houses. I am reliably informed that even the so-called PNG brand Coco'Cola no longer uses homegrown sugar. My recent visit to the Ramu Agro-Industry Sugar Industry revealed that our PNG-owned company is now on the verge of closing its sugar productions.

Mr Speaker, the Ramu Agro-Industry currently employs more than 2 000 people and when the harvesting season is on, it employs more than 4 000 people. Some of these employees are highly skilled and trained Papua New Guineans including scientists with PHDs in agriculture.

Should the sugar industry cease to operate, it would affect not just the employees but 20 000 people within the community that include families, relatives and friends of the workers. Can imports tariff on sugar be increased from 35 per cent to 50 per cent?

It used to be 70 per cent currently, the sugar industry is finding it difficult to survive when companies are importing sugar rather than buying locally. As a result, the warehouse is filled to capacity with sugar due to the reduced market. If this trend continues, we pose the risks of shutting down our only sugar operation in this country.

Mr Speaker, I humbly call on the Prime Minister to reconsider the earlier decision and restore the sugar import tariff to at least 50 per cent for the sake of our people.

Mr PETER O'NEILL – Thank you, Mr Speaker. I want to thank the honourable Member for Usino-Bundi for raising a very good question in relation to a very important industry. I want to inform the Member that I had meetings with Mr Nick Thompson who is the group CEO of the New Britain Oil Palm company along with Sir Brown Bai and other executives of the Ramu Sugar Industry including the General Manager, Jamie Graham, not the former Member of Parliament.

I met with them and they highlighted to me that they are at a risk of shutting down the Ramu Sugar Industry because it was not viable for the company to continue operations given that the Governments in the past have reduced the tariff from 70 per cent down to 35 per cent as requested under the World Trade Organisation Guidelines that we have signed up to. It also

places about 4 000 families in jeopardy where their livelihoods that has been developed over many years and the skills that they have developed cannot be utilised elsewhere. The also indicated to me that if they were not going to grow sugar, they will instead grow oil palm because this particular commodity is doing well in the global commodity prices.

Mr Speaker, my concern is that even though we are signatory to the World Trade Organisation, it seems to me that only Papua New Guinea is going full speed ahead while other member countries are reducing speed. We seem to be trying to please everybody except our own people.

04/07

I am very concerned about that, particularly in agricultural products. The trend around the world as I see it, is that, in countries like Australia, United States and Europe, even though they are reducing tariffs there is a heavy subsidy from the government from the side for the farmers and agricultural produce. There are subsidies that are government funded, so, of course, their farmers are in a better position and can compete at the global stage.

Whereas in our case, we do not provide any subsidy and we continue to reduce the tariffs and we force our own people out of jobs. So, that is an injustice to many of our families who depend on agriculture. Therefore, I told Mr Tomscoll and his team that we will work through the budget process. We are now in the final stages of discussing that and I want to assure the Member that their request will be considered favourably. And we will see how we can help them, whether it will be in tariff increase or in subsidies and we are working through a scheme. I will work with the Treasurer and as part of the budget when we present it in the coming weeks we will be able to accommodate many of these issues.

Mr Speaker, 4,000 families is a lot of people to be out of work. We are trying to increase employment in the country and not further reduce it. I am also assured by Mr Tomscoll that if the government supports that industry they are also willing to increase their production. This is because when we import sugar into our country from other farmers around the world we are providing employment for other people. Our own people also deserve to have the good opportunity of being employed.

Therefore, I want to assure the Member that we are working closely with Ramu Sugar Limited and their executives in resolving these issues.

Mr JOSEPH LELANG – Thank you, Mr Speaker, my question is directed to the Minister for Treasury but since he is absent, I would like the Prime Minister to respond to it.

Mr Speaker, on Tuesday, 4th September, 2012, the Prime Minister informed the Parliament in his address to the nation that the Government will take measures and corrective options to balance and controls will be put in place to curb expenditures, and in particular, over spending on personal emoluments.

Mr Speaker, can the Prime Minister inform the Parliament whether a supplementary budget will be tabled to balance the budget following the projected 2012 deficit of K513.1 million?

Thank you.

Mr PETER O'NEILL – I thank the Member for his question.

Mr Speaker, I want to assure the Member that we are working very closely with the Treasury Department and Department of Finance. We have not seen the final outcomes of the budget yet, but the projections are that, there will be under spending in many areas of the appropriations that we have made in the 2012 Budget.

Therefore, many of those will go into putting aside the small deficit that we encountered in the first six months of 2012. Until that comes into play we will decide that as soon as we present the 2012 Budget. So that is under consideration but I can assure the Member that I have a strong feeling that we will return to a balanced budget as projected under the 2012 Budget.

Mr MEHARRA MINNIE KIPEFA – Thank you, Mr Speaker, I would like to direct my questions to the Police Minister and the Minister for Defense to take note.

It has been more than a year since August 2011 and our five research scientists are still missing without a trace. I ask this question while paying tribute to the families and loved ones of the missing scientists.

My questions are:

(1) Has the Government through the Police Minister and Defense Intelligence have looked into this issue or have launched a rescue mission as collaborated with the PNGIMR regarding this issue?

(2) If so, can the report be tabled so that we can comfort the families?

(3) If not, then what has the Government prepared through the Police and Defense Ministries to look into this issue as it is becoming issue that will undermine the capabilities and capacity of our intelligence agencies for we do not want this to happen?

(4) And if this is the case, can the Government intervene and bring the perpetrators to justice?

Thank you, Mr Speaker.

Mr NIXON DUBAN – Thank you, Mr Speaker, I thank the Member for Obura-Wonenara for his questions.

I want to say that the missing five scientists is a national tragedy and the Government is very concerned about this issue.

Mr Speaker, one of my first commitments I made when I took office as the Minister for Police was to review the investigation regarding the missing scientists. Over the last two months I have asked the Police to look into this matter regarding the first investigation.

Mr Speaker, it has come to my attention that the first investigation carried out into this matter progressed well but due to funding issues the results that we wanted did not eventuate. I am happy that the Member raised this issue and I have given directions to have a team set up to look through the investigation again.

Therefore, I want to assure the Member and the families of the missing scientists that this government is committed and that through an NEC decision I as the Police Minister will ask for more funding to assist the continuation of the investigation. This will be done through a joint exercise to go into the suspected area.

05/07

Mr Speaker, according to the Intelligent Information there are reports and as per the urgency of the matter, we should refrain from further reporting the issue as those involved might

get away. But I assure the families that this is in order and we have made budget allocation already and we can seek the NEC's endorsement. Once the NEC endorses it we will fund the project so the investigation can be underway.

Mr DOUGLAS TOMURIESA – On behalf my people I wish to firstly congratulate you as the Speaker of the Parliament and the Prime Minister. I believe this Government will make changes especially, for our people in the remote areas.

I now wish to direct my questions to the Minister for Public Enterprises. Many of you already contributed to constructive debates and you have focused on remote areas.

Mr Speaker, 10 to 15 years ago, our rural areas were serviced by Air Niugini. But today the government owned airlines does not service our rural areas anymore. But I am thankful to Airlines PNG for providing three flights a week services into my electorate. And here we have big announcements on our health, education and higher education. But our people depend on quality services in terms of airlines and shipping. We also have big problems with shipping.

Mr Speaker two years ago –

Mr SPEAKER – Honourable Member, you have to ask your question.

Mr DOUGLAS TOMURIESA – Two years ago a joint announcement was made by the former Member and Air Niugini jointly that Air Niugini will be flying into our electorate. On two occasions I was on Airlines PNG flight in Alotau and we were told to get out of the plane because there was a mechanical problem.

Can the Minister inform the Parliament and the people of Kiriwina Goodenough that when will our nationally owned Airlines land on the island of love at Kiriwina?

Mr BEN MICAH – Mr Speaker, I will talk to the Air Niugini management and find out whether it is appropriate for Air Niugini to fly into his electorate.

Mr TOBIAS KULANG – I direct my question to the Minister for Public Enterprises. Before I ask my question I would like to congratulate him on his appointment as the Minister for

Public Enterprises. I commend him for the good job he is doing. I am aware of the problems currently faced by State owned enterprises. There is no quick fix solution to such problems but we need bold effort to bring in some interventions. I commend him on behalf of my people.

My question is in relation to a Peter Maiden, a sales oriented person with Post PNG. I have been informed that this person is selling out land mark building of post offices in the Port Moresby.

According to the newspaper articles he is trying to sell out the Boroko Post Office. He is an expatriate currently on employment contract with Post PNG. He is not a naturalized citizen and has no families here in Port Moresby. He is running down the institution consecutively while enjoying the packs and privileges. He has misappropriated approximately K2 million already. He is also selling out the assets that belong to the seven million people of Papua New Guinea. These landmark buildings belong to this generation and the future generations.

My questions are as follows:

(1) Why should we allow the contract to continue working in Papua New Guinea?

(2) Can we impose laws to deal with such persons publicly?

He is selling our assets cheaply and buying expensive properties.

(3) Is the Minister aware of these issues and what is he going to do about it?

Mr BEN MICAH – Mr Speaker, I did not hear you clearly can you repeat your questions?

Mr TOBIAS KULANG – (1) Are you aware of an expatriate who is currently on contract basis?

This person is currently selling out all the post offices in Port Moresby and in the Country.

(2) Is he trying to finance the innovate idea to revamp the operation of Post PNG?

(3) Is he just giving away to some of his friends so he can continue to buy properties in Badili at a very expensive price?

(4) What are you going to do about it?

(5) Should you keep him and his contract?

06/07

Mr BEN MICAH – Mr Speaker, when I got appointed to this position less than three months ago, I called all the CEOs of government-owned enterprises and put them on notice. I gave them three months notice because it is not fair for me to just come in and terminate staff left, right and centre.

Within that three months period which will lapse in November, I have set up an investigation to assess and analyse all the state-owned companies. They will audit the performance of the boards, management and financial positions of those entities. I am happy to report that I will present a report to NEC to advise it of issues such as this as well as on some things that had happened even before my time. If I were to go through everything that happened in Telikom, PNG Ports and all the other companies of the Government, the members of Cabinet will be shocked at the type of information which is going to come on how these companies have been managed.

With regard to the sale of Boroko Post Office, I have instructed the Managing Director of IPBC to put it on hold.

In relation to the other questions raised, we will deal with at the National Executive Council level.

For the post office, there are three main business of PNG Post. The first one being the work of delivering mails, with the entry of internet into the way people communicate, there were major changes made to communication culture. So the work of delivering mails has declined drastically. It is now the lowest business transacted by PNG Post.

The second one is express freight. That is the product that is propping up Post PNG. It is one of their strengths but they are facing a very big challenge from DHL, TNT and other big overseas companies. So they are also struggling in that area.

Another product that assisted many Papua New Guineans is the Salim Moni Kwik product. Even that business is now affected by mobile phone banking.

So, all the three ways in which the company makes revenue are affected by these outside factors. So it is a struggling company, it is now getting close to insolvency. But I want to assure the Members of Parliament and Member for Kundiawa in particular that steps are being taken to address the problem affecting the performance of the company. And also we are going to deal

with the management matter that you raised together with all the other managers of other companies.

SUSPENSION OF STANDING ORDERS – EXTENDED TIME FOR QUESTIONS

Motion (by **Mr Sasindran Muthuvel**) agreed to –

That so much of the *Standing Orders* be suspended as would prevent the time for Questions this day being extended by 20 minutes.

Mr SASINDRAN MUTHUVEL – Thank you, Mr Speaker, I wish to direct the question to the honourable Minister for Agriculture through you.

As this honourable House and all of us know that West New Britain is an Oil Palm Province.

That industry generates up to K1.2 billion turnover in West New Britain alone and it generates up to K120 million in terms of tax revenue.

All my people depend on Oil Palm and my growers have been using a pricing formula formulated in 2001. We are now in 2012 and there has not been a change in the pricing formula of the company. So, the people are not receiving good money, they are receiving about K200 per ton.

We now have up to three generations of people living in one small oil palm block of about three hectares.

(1) When are we going to conduct an independent review of the pricing of oil palm with a professional consultant?

(2) Why are we not able to establish an authority such as the one the cocoa and copra has?

Oil palm does not have an authority it only has OPIC whose main primary function is not regulatory but extension functions only. And also I wish to place on record, that is it true that the department wants to abolish OPIC and bring that function under the milling companies?

I want to inform all honourable Members that we need a regulatory authority for a crop such as oil palm which generates billions of kina. OPIC is supposed to protect the interests of all the small growers but it is not doing so.

This concern that I am raising does not only concern West New Britain Province. It will be of benefit to New Ireland, Oro and Milne Bay. It is a national issue. So, why don't we establish an authority to regulate this industry?

The intention to bring the functions of OPIC into the milling companies will not favour the growers, even though they are supposed to protect the interest of small growers. And also OPIC is surviving only from the levy fees which they derive from the oil palm companies.

These are the two questions to the honourable Minister for Agriculture can respond to and also explain to this honourable House about the future of oil palm.

07/07

Mr TOMMY TOMSCOLL – I thank the Governor of West New Britain for raising these questions. He's first question relates to the pricing formula for the oil palm sector. If the Governor was reading the papers about two months ago, he would have read that I directed for a price formula review in the oil palm sector.

I have directed that the Oil Palm Industry Corporation (OPIC) must have a direct consultation with my department and the Secretary to formulate terms of reference for investigation into the price formula. The investigation would be carried out in consultation with all the stakeholders involved in the oil palm industry.

The oil palm industry underpins the sector in a big way and the Governor has correctly stated that the oil palm industry brings to this country tax revenue of almost K1.2 billion. The industry also provides more than 27 000 jobs to Papua New Guinea citizens and especially those people that live in the rural areas.

The way the current pricing is concerned, it leaves many Papua New Guineans living in the rural areas to operate on a deficit budget. The price formula investigation will be funded by the World Bank. And I have made that clear under a program that is between the PNG Government and the World Bank. The current terms of reference have reached my office as of

yesterday and having gone through them I found them to be unsatisfactory and will therefore sit down with the stakeholders, in particular OPIC and conduct further discussions.

Once this is completed, I will direct that the pricing formula investigation be carried out at the earliest. The second question relates to the functions of OPIC. It was set up as an extension agency to assist farmers but during the years that it existed, it has moved away from its intended purpose and is serving the big companies in the oil palm sector.

I am very much aware of that and also the oil palm industry is pushing to be what is termed as the 'pig body' in the oil palm sector. I do not agree; to me the pig body of the oil palm sector is a NGO not established by any law in this country except a voluntary organisation put together by the oil palm sector companies.

Mr Speaker, my intention is to bring to the Cabinet a submission to set up an oil palm board, so that the board can be the regulator of the industry. It is the biggest industry in the agricultural sector, yet it does not have a regulatory board, and I believe this is the way forward for the oil palm industry.

Mr GORDON WESLEY – I direct my questions to the Minister for Works and Implementation, and I want the Prime Minister and other relevant Ministers to take note.

Mr Speaker, the nation and the 7 million people of Papua New Guinea are committed to the K6 billion loan from China. Media reports say that bulk of the money will be directed to the funding of the Highlands Highway and I commend the Government for the initiative. In terms of economic contributions to the nation; Milne Bay and in particular Samarai-Murua district through the Misima mines in strategic moment in time has sustained the country's economy and the nation's budget when Bougainville Copper Mine was shut down indefinitely due to the crisis.

Now Misima mine is closed and it's not due to social unrest but due to the normal process of the expiry date of the mining agreement and after all the milk and honey was sucked, the island has been left dry with no trace of economic development for the people on the ground.

Mr Speaker, the ocean remains the only highway for the island people and there is an overwhelming need

(1) Can the Minister inform the people of Papua New Guinea his plans on how to improve sea transport program for the maritime provinces?

The nation has just gone through a traumatising experience with the loss of many lives at sea in one of the most unfortunate disaster in the sinking of the passenger vessel MV Rabaul Queen. Inquiries have been conducted and the findings are shocking.

(2) Will the Minister inform the Parliament his plan to reintroduce Government run vessels as in the Australian era of administration? Those vessels were efficient and safe as they followed strict safety regulations.

(3) Will the Minister inform the people of Papua New Guinea if he has alternative plans to address the need for sea transport by the majority of the people living in Maritime Provinces?

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Mr FRANCIS AWESA – Mr Speaker, I thank the Member for Samarai-Murua for his series of questions. I think his second and third questions are relevant for the Minister for Transport because they are in regards to sea transport and its safety aspects.

In relation to the policy on sea transport generally, I would like to reserve my answers because these questions are the subject of a Ministerial Statement that will be presented next week when all these issues will be covered to highlight the governments position in the area of sea transport mainly in the coastal areas of our country.

Mr GISUWAT SINIWIN – Mr Speaker, I thank you for this opportunity and as a first timer I wish to take this opportunity to thank my people of Nawae, Nabagerab, Bwain and Bukawa in the coast for giving me this mandate to serve my people in this Ninth Parliament.

As many of you have said, I am a giant killer.

(Laughter in the Chamber)

Mr GISUWAT SINIWIN – Mr Speaker, I direct my series of question to the Prime Minister Right Honourable Peter O'Neill and I would like the Deputy Prime Minister and the Internal Security Minister to take note.

Mr Speaker, in regards to the article in one of the dailies on Tuesday, it reported that the Landowners of Port Moresby want to boycott or plan a strike against the visit of the Royal Highness Prince Charles and Lady Carmila Parker.

(1) Can the Prime Minister tell the country what is the Government's position on that issue?

(2) In regards to the current ethnic clashes in Lae, what are the Governments plans to intervene in this fighting?

The Nawae Electorate is vast, up the mountains to the coast and it shares borders with Lae Open, Huon Gulf Open.

(3) Can the Prime Minister direct the National Boundaries Commission to make a clear demarcation isolating it with Lae Open boundaries and the Huon Gulf Open boundary?

Mr SPEAKER – Honourable Member, your questions are all over the place but I will ask the Prime Minister to answer your questions.

Mr PETER O'NEILL – Mr Speaker, I thank the Member for Nawae for his questions.

Firstly, land compensation issue is starting to become a problem for our country and and if we do not manage it well, it will get out of hand. There are so many different kinds of claims, some are genuine and some are not that genuine. But many are capitalizing on the opportunities like this Royal visit and some threaten the Government where the public uses these facilities. In many parts of the world this act will be described as an act of terrorism.

There are processes in place where you can go and submit your claim and it can be assessed in a good manner and these people can be compensated.

Some of these people are asking for hundreds of millions of kina and if that land was not developed, will these landowners make that kind of money they are asking for? We have to be reasonable. After all this is our country and we all are landowners one way or another. It is not for one section of our country to go out and put the rest of this country at risk. I think there should be some level of reasoning when we are debating this issue. We have put the Police, Defense Force and the other security agencies on notice.

Mr Speaker, this visit is an opportunity for us to showcase our country that we are a unique country, very diverse, with a lot of tolerance and with very good people living here trying to get on with their lives.

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This is an opportunity for the country to be put on the world map. Many times, our country gets bad publicity for all the wrong reasons and this is a time when we can tell the world that Papua New Guinea is a country that is strong, stable and is prospering as we move forward.

So, I want to assure the honourable Member that we are tightening up the security as a result of this kind of issue and demands that have been brought forward by the landowners which will cause inconvenience to some of the public but unfortunately, we will all have to address it. Some of the road access around the city will be blocked off and it will only be for few days.

We are not only having the Royal visit but we are also having the Vice Chairman of the Government of China who will be coming on the same day. So we have two distinguish guests visiting the country, who are bringing together with them large delegation and press presence. So, let us work together in making sure that we showcase our country in a good manner.

On the issue of Lae settlers, I know that some work has been done through our Chief Secretary's Office so I want to assure the Member that I want that thing to be resolved in a manner where we cannot stop migration of people moving from one city to the other. They have constitutional rights to move in and out of any part of the country as they wish but, we need to manage the settlement programs in a manner which respects customary landowners and people who are of that province.

The Chief Secretary will provide me a report and I want to assure the Member that I will give a copy of that report to him and we also will take the recommendations of that report to Cabinet to try and find the resolutions to the outstanding issues on the Lae settlers.

On the issue of the boundary of Nawaeb, we have established an Electoral Boundaries Commission that I understand will present a report to us in 2013. We are trying to bring it early because some of our electoral boundaries will be affected so Members of Parliament can be able to debate that earlier before the elections commence in 2017.

When the Electoral Boundaries Commission presented a report in 2006 and 2007, the Members were in a election mode and eventhough the recommendations were good, they rejected it. We are going to bring that back, we have already established a Electoral Boundaries Commission and when the report is ready, I will table it in Parliament.

Mr KEN FAIRWEATHER – I direct my question to the Minister for Transport. The sailors of Lutheran Shipping have been on strike for over a month and nothing seems to be resolved. May be you can get some assistance from the leaders of the Lutheran Church in Parliament to resolve this because we need the Lutheran Shipping in the maritime provinces particularly, in the Momase region.

It has been long time now and my district is loaded with district materials that have not been moved for a month and it is holding up a lot of things. I wonder if the Minister could work together with some of the leaders of Lutheran Church in Parliament and break this deadlock.

Mr ANO PALA – Thank you Mr Speaker and I also thank the Member for his question.

Mr Speaker, I understand that, that was the case some time ago but as of today, the Lutheran Shipping is back in operation. That is the information I received but I will follow it up today to make sure that it is in operation as I have been advised and if it is not in operation, I will inform the Member accordingly.

However, as of today, the company is back in operation but I will give him the details later as to if there are any other problems associated with the operation.

**THE STATUS OF THE NATIONAL HOUSING COMMISSION –
MINISTERIAL STATEMENT – MOTION TO
TAKE NOTE OF PAPER**

Mr PAUL ISIKIEL (Markham – Minister for Housing and Urban Development) – Thank you Mr Speaker. On behalf of my people of Markham and as colleague Morobeen Parliamentarian, I take this opportunity to commend you for been elected the Speaker of the Ninth Parliament. Likewise, I also acknowledge Honourable Peter O’Neill for his election as the

Prime Minister of Papua New Guinea, and subsequently, my appointment as the Minister responsible for Housing and Urbanisation.

As a first time Member of Parliament, I am privileged and honoured to deliver my first Ministerial statement to Parliament.

Mr Speaker, before I make my maiden Ministerial statement, I would like to reply to question raised in Parliament by the Opposition spokesman for Housing, Honourable Lukas Dekena last week on the issue of Gerehu Stage 3B(2), National Housing Corporation and Public Servants Housing Project.

This project is an initiative of the previous Government to minimise the housing problems of Public Servants in NCD. The National Government allocated K15 million to the public investment program budgetary appropriation of 2008 for the construction of 80 houses at the Gerehu 3B(2) project area.

Mr Speaker, I understand that normal procurement procedures were applied with due diligence to the local contractors –

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Mr Sam Basil – Point of Order! Mr Speaker, while the Minister was delivering his speech there was another Honourable Member that walked in front of him.

Mr SPEAKER – Thank you, Honourable Member, I must caution the Members of Parliament that the *Standing Orders* does not allow any person to walk in front of another and the Chair when a Member is making a statement.

I did not notice that Honourable Member for Bulolo but let me make it clear to all Members of Parliament.

Minister you may continue.

Mr PAUL ISIKIEL – This project is an initiative of the previous government to minimise the housing problems for public servants in our nation's capital. The National Government allocated K15 million through the public investment programme. And a budgetary appropriation in 2008 for the construction of 80 houses at Gerehu stage 3B2.

Mr Speaker, I understand that the normal procurement procedures were applied with due diligence and three local contractors namely; Tower of Coming Investment, Kwaju Construction and Wari Vele Agency Limited were awarded the contract by the Central Supply and Tenders Board (CSTB) to build the 80 houses.

The project is in its final stages of completion and is waiting for the NCD Building Board for the inspection and issuing of the certificates of completion and occupancy. The current suspended National Housing Corporation board (NHC) engaged another company called Niugini Builders and Roadsto Construction after two of the previous contractors, Wari Vele Agencies and Kwaju Construction abandoned 22 houses out of the 20 houses that were awarded to them.

Mr Speaker, the strategy was for the NHC to pursue a stage two development of the Gerehu 3B2 with an estimated 34 allotments to ensure that houses are offered to State organisations or private entity on outright purchase arrangements in order for the corporation to roll over funding for the stage two projects without major hassles.

As the new Minister for National Housing under the O'Neill-Dion Government I have instigated reformation and transparency within the NHC, and I can assure you that during my term diligent procedures will be taken to ensure check and balance on public funds within the NHC and the Urbanisation Office are followed.

Mr Speaker, this Government will ensure better affordable and quality housing become a reality for our citizens, especially for our urban population.

Mr Speaker, pursuant to *Standing Orders* I take this opportunity to make a ministerial statement to this honourable Parliament regarding the status of the National Housing Corporation (NHC).

By way of introduction, the National Housing Corporation was established by an *Act* of Parliament when the Housing Department and the National Housing Commission merged to be what is now known as the National Housing Corporation on the 1st January, 1990.

Mr Speaker, the vision of the National Housing Corporation is to implement the aspiration of the National Government in providing decent affordable range of housing solutions for all our citizens in the face of critical shortage in our rural district stations, towns and cities.

Mr Speaker, sadly, that honourable and well intentioned vision remains a figment of the dreams of its creators 22 years later as I speak. The National Housing Corporation is today a dysfunctional entity and an embarrassment to the due process of corporatisation and innovative corporate culture.

While real estate companies grow fat at the upper end of the housing supply chain by increasing the rentals of previously National Housing Commission and Housing Department owned houses a thousand fold after a quick repainting job our esteemed National Housing Corporation went into a long slumber.

Rentals of the limited supply of houses and apartments in the private in the private real estate market are way beyond the reach of the middle to low income earners. The minority supersedes our citizens and business houses take advantage of the prevailing high demand for quality homes by continuing to build luxury flats vertically than up market locations to cater for other super rich individuals and corporate clients.

This practice has driven up the housing rentals in the middle and lower ends of the housing market. All of these have been happening in the absence of the defective National Housing Corporation or consumer affairs regulatory regimes to peel down and outlaw unjustifiable high rentals. Sprawling squatter settlements have grown on prime State and traditional land in the middle or fringes of towns and cities because the National Housing Corporation is chronically inactive.

Mr Speaker, in short, the National Housing Corporation is one State enterprise that has lost its way as successive boards and management try to use the organisation for personal wealth creation.

Mr Speaker, I am not an alarmist but let me say realistically that the basic housing that we are facing throughout our nation's townships and cities over the past 37 years is chaotic, inhuman and possess imminent dangers of serious disease outbreaks.

Mr Speaker, in the 83 days that I have been the Housing and Urbanisation Minister, I cannot help and with a great deal of dismay, that the lack of attention and absence of priority placed on the construction and delivery of affordable and good quality housing for our citizens as to rent is one for the biggest missed opportunity of our post-independence era.

We must act now to change the horrors of overcrowding in the less than 3,000 mostly rundown low to medium covenant housing stocks now under the National Housing Corporation's management nationwide.

Mr Speaker, with the support of my colleagues in government and with the support of the leadership of our Prime Minister, I have resolved to instigate the reawakening of the nation's premiere housing development organisation under my watch.

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With the cooperation of the Lands and Physical Planning Ministry and Department, we will explore opportunities of land acquisition from traditional landowners on lease-lease-back basis or on other formulas that bring about win-win outcomes for urban traditional landowners and the State.

As important as rural development, urban development, underpinned by construction and supply of good quality housing at affordable rentals to the majority of our urban residents who are at the medium to low end of the formal wages sector is 37 years overdue.

Mr Speaker, it is my pleasure to announce to the honourable Parliament that the O'Neil-Dion Government intends to put up gainful scores on the score-board of urban housing development

The Government will be creating housing solutions for the middle and lower end of the supply and demand chain. The National Housing Corporation's active housing programs ceased 22 years ago as successive governments rolled out politically-driven home ownership schemes for tenants of existing low to medium covenant National Housing Commission housing

That's history; that's water under bridge. We must create new opportunities.

We all know that there exists a very high demand for affordable and comfortable housing for Papua New Guinea as in our major townships and cities.

As Minister for Housing and Urbanisation, I have taken on the role of number one carpenter and I am to build houses and more houses vertically and horizontally until every man, woman and child of Papua New Guinea have a roof over their heads.

Mr Speaker, the flight of humanity from rural and hinterland Papua New Guinea to the major coastal cities of Port Moresby, Lae, Madang and elsewhere adds daily to the pressure and demand for housing already existing in those cities

Mr Speaker, in respect of the performance of the National Housing Corporation since its inception in 1990, the facts are:

Since 1990, the National Housing Corporation has not been building more houses. The NHC has only been managing what it has now in stock, which is made up of mortgaged properties and rental housing totaling some 3,000 properties in a fast depleting stock. The NHC had not actively collaborated with the lands and physical planning department and ministry to explore opportunities for acquisition and leases from traditional landowners for housing estate developments.

The NHC has not tried to initiate regulatory measures to curb the freely rising rentals charged by private real estate companies, and the NHC's assets were randomly stolen and sold by individuals for personal gain over the years to the extent that the NHC as a State owned enterprise is cash and assets poor.

Mr Speaker, the urban housing problems and shortage our nation faces today will not go away overnight.

It will take concerted effort over time to correct our current housing shortage problems. That means that we must not plan the work that needs to be done that of building more new houses and then work that plan to fully achieve our urban housing outcomes.

Mr Speaker, the National Housing Corporation can be a major positive social and economic impact player in the overall national economic and social development effort.

NHC can be turned around to become a profitable State owned enterprise with proven hands on management and political leadership to drive a number of best practice corporate and competitive advantage strategies to get the organisation up and running in the desired direction.

I believe that the NHC will grow and re-invent itself and its corporate purpose and vision.

Mr Speaker, I now highlight some of the very critical problems and constraints, the National Housing Corporation has been faced with, since its inception:

(1) An estimated K22 million is outstanding liability in rates from town authorities and land rent from the Department of Lands and Physical inherited from former predecessor

organisations, Department of Housing and National Commission. This is still outstanding to the present time as a major single liability.

(2) National Government stopped normal Government Budgetary support to NHC in 1992. It meant in real life situation that the Corporation must sustain itself, both in its normal daily operations and in undertaking new Housing Projects, using the rental income realized from its current stock of properties. That was a tall order and did not work effectively to this day.

(3) National Housing Corporation has been suppressed on numerous occasions by Government. Trade Unions and the General Public not to effect new rental increases, a vital corporate requirement it is entrusted with to perform, yet it has not done so, resulting in vital loss of income.

(4) A Government Policy Decision made under the Give Away Scheme (GAS) in February 1993 saw 4 022 low costs houses given away to sitting tenants based on the contents of NEC Decision No. 78 (a)/92. This means that each low costs house given away will be compensated for at K4 000 per house with an interest 10% within three years. To date the total calculations stands at K37 016 901 million, the amount which the State is yet to honour, in paying the National Housing Corporation, as per its NEC Decision, and yet, the State has not honored its Decision to this very moment.

(5) National Housing Corporation is currently relying on its run down and deteriorating rental stock of just under 3000 properties with rental rates ranging from K23.00 per fortnight to K200.00 per fortnight for three to four bedroom units in prime locations of the cities and towns to sustain itself. A real threat and danger to the corporation's survival is the fact that there is no policy directive in place to deter further sales by Management and the NHC Board.

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(6) The National Housing Corporation is faced with a serious capacity problem. It currently manages one of the most outdated financial management system, quite unexpected of in today's information era in comparison with all other public and private sector competitors.

(7) A serious cash flow problem constraints on a daily, weekly, monthly and yearly basis sees it unable to meet and achieve its required financial position on many fronts. Some of these

include nonpayment of POSF entitlements stretching out to four or five years, no cover taken on property insurance coupled with deteriorating management problems.

Mr Speaker, what is the solution to this serious crisis, since my appointment 93 days ago as political head of NHC I have made it my business to take National Housing Corporation to new and better heights.

Let me highlight in brief the government's important commitments and initiatives.

A major improvement to financial and information technological system, proper evaluation and assessment of the corporation's finance administration and the information technology support system connecting the entire organization with its internet work starting as soon as funds become available in the coming weeks.

Nationwide property validation exercise, the National Housing Corporation does not have true and correct information of its property, stock and valuation assets of its net value. As such, a major exercise is currently underway, commencing in NCD some four weeks ago and this exercise will extend to other provinces eventually.

Realignment of the organisation's structure. A major review of the current NHC organizational structure involves proper manpower audit, attainment levels of current workforce and the capacity requirements for the desired due changes for the organization to go forward and excel in the new direction.,

Registration of national housing estate limited. Policy rationale for the requirement as a state enterprise, just like PANGTEL is to Telikom is that NHCL will operate solely as a real estate arm of the National Housing Corporation and it will compete with real estate firms in the commercial property market. The income which is derived from it source over time will be channeled into the National Housing Corporation to build houses for low income groups and settlements self-help housing residents as a policy of cross-subsidizing. In the long term, the government does not have to be burdened because this is one of the major policy shifts only this government has been able to initiate and if properly managed, will go a long way in helping every citizen, both urban and rural with the housing constraints or challenge.

Invitation to urban customary landowners and private landowners to participate in a major housing in a major housing development programme with the State.

The O'Neill/Dion Government faces a chronic problem in all towns and cities in that the three per cent of all State land is fast disappearing. And the only way forward is to establish proper administrative, legal and mutual understanding with few stakeholders. In most urban centres this means that we have to invite private landowning groups and the customary landowners to the discussion table.

I am pleased to inform the honourable House that many private landowning groups and customary landowners have submitted their interest to my office and the National Housing Corporation. Notably the villages of Roku, Tatana, Kouderika, and Boera located within the LNG Gas Pipeline Project area near Napa Napa in Port Moresby.

I have directed the technical project team in the corporation to undertake concept layout plans, site analysis report and at the same time carry out studies in getting the clan groups register their customary land in preparation for a major housing programme.

Adoption of Public/Private Partnership approach in housing. I commend the leadership of former Minister for Housing and Urbanisation Honourable Ken Fairweather for instigation and initiating public/private partnership in the provision of housing where the NHC provides serviced allotments with lease titles readily available while the private partner exhibits all infrastructure services which includes well laid out drains, power, sanitation and sewerage networks, vehicular access roads and a fully completed stand alone house on each of these serviced allotments on site.

This initiative will be pursued and progressed during my tenure in the office as the current Minister for Housing and Urbanisation.

And it is fitting to note that both the current NHC board and management have fully implemented this policy initiative through the signing of the various memorandums of understanding with these important business partners. These includes PNG Forests Products for the Meiru Housing Project in Madang, CPL Group's subsidiary company Hardware House for the extension of 3B2 Gerehu Project in NCD, and AA8 of Singapore for the redevelopment of Emma Hostel into units and apartments within NCD.

The Memorandum of Understanding provides basis for equity sharing in the whole project where NHC provides serviced land and the private sector provides funding options.

Under the PPP arrangement the government will ensure that value for money and service with the private sector with a partnership approach and importantly, alleviate the housing problem faced by the nation.

Mr Speaker, as you can see, from the brief illustration in this government's aggressive approach towards redefining the corporate position and the designation of the shelter sector.

I am also pleased to inform this honourable House that another major milestone the O'Neill/Dion Government is about to achieve will be the tabling of the National Housing Policy which is in draft form presently and going through the final write up. This policy will indeed set out the government's roadmap and a major development initiative.

Mr Speaker, current housing demand project captured by a random survey conducted by NHC implies that NCD immediately requires 50 000 houses and 5 000 annually to keep up with the current housing demand.

In Lae it requires 30, 000 houses and 4, 0000 annually to keep with the demand for housing.

In Goroka it require 10 000 houses and 1,000 annually to keep up with the housing demand and in Madang it requires 10,000 houses and 2, 000 annually to keep up with the housing demand.

The government is ultimately faced with the mammoth challenge of having to construct some 120, 000 new housing requirements and this is merely for the five centres as demonstrated in the survey analysis.

Mr Speaker, when you look at the total national context we are talking about 500, 000 to 700, 000 housing need which must correspond with new graduates and trainees coming out from colleges and into the workforce needing urgent housing requirement and at the same time keeping with annual demand projections.

The question is, can we achieve this target? Do we have the resources to accomplish this mission?

Mr Speaker, if there is a will, there is a way. Thank you.

Mr TOBIAS KULANG (Kundiawa-Gembogl) – I move –

That the Parliament take note of the Paper.

I wish to debate on it.

Mr SPEAKER – Honourable Member, I will suspend Parliament for lunch but you can continue your debate after lunch.

Sitting suspended from 12 noon to 2 p.m..

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Mr TOBIAS KULANG (Kundiawa-Gembogl) – Mr Speaker, in my former role, I spent some time conducting reviews on the National Housing Corporation's state of affairs. And I want to say that this organisation is one of the most problematic entities that I have reviewed. You can't make out which is the tail or the head for that matter; it is completely messy. The Minister's statement is reassuring in that we realize now that there is a lot of work to be done.

The land is rich in abundance with minerals but 36 years on, housing is still a basic fundamental need for this country to some extent. |At this stage at least we should have got a better grip of the issue so our citizens can have proper shelter, not only in the urban areas but in the rural areas as well.

I believe this is a very important area where we need a new line of thought and some bold intervention. I believe the issue of housing is a very critical issue. In order to position this country to go forward in a very competitive manner to compete and position itself in the global market, we need to approach this particular issue with a clear direction and plan of action.

At this stage, I was expecting that the Minister would want to liquidate this entity because where it is now, it gives us a glimpse of a financial debt over K20 million. As an accountant, I had the opportunity to check the books and the balancing does not tie up.

Critical components such as inventory for properties are non-existent. If there is no inventory, of your core business, how do you run the business? And there are all sorts of practices in there. I was expecting the Minister to say, let's liquidate this institution and use the proceeds to repay all its debts.

I am glad that the Minister has mentioned a new NHC policy and I look forward to contribute in debate when it is introduced.

I still do not know who this organization existed for. It did not serve any purpose, so let's liquidate and repay the debts and use the proceeds to finance a new robust plan and incorporate our current needs; not only the needs of the working population but also the entire nation. We must work with the basic statistics of our population, in urban as well as the rural areas. For example, when you go to mine sites like Tabubil and as you drive out of the boom gate, you will see people living in settlements, which is quite sad

I would like to suggest that with the new policy, a holistic approach needs to be taken, involving key departments such as Lands, Housing and the other departments to work together to come up with that policy. And the plan should be able to address the needs of the urban and rural people.

Mr Speaker, as part of this plan, affordability should be addressed.

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Mr Speaker, housing is one of the basic relevant needs, that is completely out of the reach of our average population in this country.

I believe that we should set up a financial institution that concentrates on purely assisting our citizens in acquiring a property either in the cities or in the urban areas.

Mr Speaker, 85 percent of our people live in the rural areas and we should be drawing a road map on how our people can harness the massive landmass, close to 85 percent, which has not been urbanised.

The time has come when we are too much boasting about massive windfalls on our various resource developments and we ought not to rush in trying to maintain a run-down State entity as the National Housing Corporation but build something new that our future generation can be proud of.

Mr Speaker, I have also sighted reports on our current practices like the recent housing scheme at 8 mile for our public servants. I will talk about that at a different time, but we need a consolidated approach. I notice that the particular contract or deal was signed by the Public Service Department, when the Auditor General was supposed to handle that. So if the Auditor General didn't sign then they came up with a contract that probably was geared to fail in the beginning.

The Minister for Environment and Conservation stated that one of the key things he would like to address is the housing scheme for his department staff. So we are going to have every department in this country coming out and trying to manage its own housing schemes like what everyone has been doing over the years, or should we have another new concept where one entity will manage the nations housing needs and then we hold that institution accountable instead of every one trying to do their own thing.

Mr Speaker, we have so much experience in the past regarding housing. I argued last time that we are enjoying very good economic growth and better commodity prices. It is not because of our ingenuity or a creative plan of economic management that any leader or government has put in place.

Mr Speaker, in order for us to sustain our current growth and properly manage our windfalls to allow it to trickle to some meaningful development to improve our social development indicators, I strongly believe our attitudes and experiences of the past must come to an end.

Mr Speaker, I am delighted about the new concept of Private Public Partnership but in the recent past it supposed to have been a win, win state, however, in most cases our private partners continue to benefit and gain.

Let me suggest here while debating this, the National Housing Corporation should be scrapped and in its place we establish something new and in establishing a new direction, let us be genuine with our intentions.

When you fly into Jacksons Airport and you drive towards Erima, to a place dubbed as candle light city and you will notice the state of the houses there. The entire building industry should be properly regulated. I am very embarrassed when I drive through that section of the road. When it comes to housing that is the state of affairs and we need to bring into light all these issues.

Mr Speaker, let me conclude by appreciating the Ministers efforts on the state of affairs, as this is a fundamental and a basic right of the people of this country.

I look forward to the tabling of the National Housing Policy that will be tabled in Parliament and I believe that it will be a holistic and a cohesive plan that will move this nation forward.

Sir PUKA TEMU (Abau - Minister for Public Service) – Mr Speaker, I wish to contribute to the debate and also add to what the honourable Member has stated. I commend the Minister for Housing and Urban Development for presenting the State of Affairs of the National Housing Commission and the way forward that he has mapped out.

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I wish to recommend a lot of things which the Parliament really needs to look at, and I know that the Ministers for Housing, Lands and I will also be talking about it. Housing must be regarded by this Parliament and any government as very important because it a basic human requirement. In the debate on TB, I stated that good size housing with good ventilation and lighting are very important so the Government must recommend and support good size housing for everyone. All of us have traveled widely in our own country and also overseas as well. If you drive past 6-mile and you see a settlement there and not far, you will see Tubusereia settling on the main road and then you go to Gaire and you see people making an effort to build their dwelling places with whole range qualities and styles because of their ability to afford.

Mr Speaker, I would strongly support the establishment of housing bank. I believe India has a bank dedicated for housing. The housing bank should also linked to other institutions like universities where they create technology; for example, on the coast when we put up a corrugated iron roofing, the salt rusts it very quickly and so the University of Technology through the information technology development and with their architectural design and engineering department will have to come up with a plan and design of bamboo roofing. We got wild bamboo growing in this country and there are houses that you can build from bamboo and create the roof, wall, ceiling and the flooring, and they are fire and termite resistant as well.

So when that technology is available and linking the universal technology and the bank and the government, we can come up with an affordable and durable house where a family of four or five are happy to live in.

Mr Speaker, so we really need to be smart now and I strongly suggest that if the Parliament on both sides can strongly recommend for serious consideration of a housing bank. And that housing bank also has to influence for example, right now, when you go and buy a cut

timber in the sawmill, the timbers are not treated well so within months they are infested by termites.

I built a Treasury house in Kupiano and within six months, the termites infested them so we had to change them again because the contractor came and bought the cheap material and timbers in Port Moresby which were not treated. These policies are all over the place and we are not managing things well, we are letting things passively develop and we wake up late.

So the Housing policy really has to address the whole range of issues including access to credit for our own citizens willing to build affordable houses and buy timber and roofing that does not rust and that last for a long time. But you and I know that in the world out there, there are now housing materials from roofing, ceiling, wall, to everything that are made in factories and you do not have to cut down forests to obtain these materials. We may need to bring some of those factories so that we can then employ our young people who will help in manufacturing durable, affordable, termite free and rust resistant building materials so that the house can stay for a long time.

We have a lot of sand and gravel so we need to look at youth employment. For example, under this housing program, we can teach young people on how to make bricks, and the policy will allow young people to even make furniture for the houses. The policies must be supported by the government institutions. So there is a whole range of things having holistic approach to Housing.

Mr Speaker, the construction of the LNG phase will soon end and we need another activity to continue to hold the number of jobs, and I think the housing industry is one such area where jobs can be created where all the service industries such as plumbing, electrical, iron works, timber, and etcetera, can be included. We can actually allow that industry to blossom under a government policy and the Minister can take the lead in this.

I really sincerely believe that housing plus the industries in housing after the LNG Project is one area apart from the other construction industry where jobs can be created. So, I strongly advocate for the young people to be taught how to make brick like in Africa. Young people should be taught how to make bricks for sale.

We need to create these types of activities. Factories for housing materials can be an industry that can create a lot of jobs that can make Papua New Guinea enter into innovative technology so that by 2050, the housing issue can be done away with.

16/07

Mr Speaker, I have been thinking about this for the last two terms, therefore, through my JDP&BPC decisions will be made on providing 20 roofing irons, solar lights and a water tank for every family. This is because 20 roofing irons will create a good three-bedroom house. Easier access to water and availability of lights will alleviate many problems that families experience.

Those are the kinds of initiatives that the system must allow. Our JDP&BPC policies and the guidelines must allow such things and as leaders and Members of Parliament, we must think seriously about what we can do to address this issue.

Mr Speaker, as the Member for Abau, I will seriously look into housing, rural electrification and water distribution for the village people. Nevertheless, I will fall short because I have got 20,000 households in Abau. For 3 000 households to have those 20 roofing irons, water tank and solar lights it requires around K17 million.

For the next five years, if I can secure at least K5 million per year through DSIP funds and other means, every household will have access to these materials. This is where this debate is very important, and I know our voters out there are human beings and they need a decent roof over their heads.

There are houses in the Abau Electorate that still have thatched roofs over them. Half of Abau is not covered by roads so I go by dinghy for five hours in rough weather where, and on three occasions my boat had capsized. Although Abau is not far from Port Moresby, half of my electorate is not covered by roads.

Thus, this comes back to what I have always said. Let us connect this country with roads. The Prime Minister is committed to seek more funding from outside for construction of roads. Let us go and source the funding from outside and let us, during this term of Parliament, open up more roads than we have had in the last two terms of Parliament.

Let us also cover the country with electricity. The power lines stop at Kwikila in the Central Province, so hHonourable Ano Pala is lucky. Connecting the power lines from Kwikila to Kupiano will cost K14 million but it has not been done.

Therefore, the systems are not working and responding. We have got an entity called PNG Power, which should be called 'PNG-No-Power.' I know that the Minister for State-owned Enterprises is working hard but I would like to highlight a point here.

I have always said this, and I hope that the new Members of Parliament will take this seriously. When we debate here in Parliament the Ministers are better off because they have aid staff. The highest level I can employ and aid staff is grade 17. In the market place we cannot attract the best brains to support me as a leader.

As for the backbenchers they have got nothing at all. How can a backbencher perform on the Floor of this Parliament when they do not have a qualified supporter who writes his speeches and does research on policies and laws? If the people of Abau voted for me then they must not look for me. Let me go to Waigani and my people must not expect me to go back to Abau but the system of government must deliver for Abau not the Member.

Mr Speaker, you must give me the best advisors who are well paid so that I can debate constructively on the Floor of Parliament. Our Parliamentary Committees must also be well resourced. After our debates on housing, the Parliamentary Committee on Lands and Environment should come up with the best laws and policies. We should not only rely on the Executive Government to provide the leadership. Parliament must provide the leadership, therefore, we really have to structure well now.

I am highlighting this issue in this debate because as is the trend when this debate is concluded, nothing will be done and when our five-year term is up, half of us will not come back. Seventy per cent of you are new and young Members of Parliament and, therefore, we must now bring in a new political culture rather than continuing to do the same thing.

Albert Einstein called it insanity; insanity is trying to do the same thing over and over again and trying to expect a different outcome.

17/07

Mr Speaker, going back to the important issue on housing, I strongly believe that after the LNG project, the building industry can create a lot of jobs. Let us recommend a Bank for Housing or establish a sub-sector within the National Development Bank.

Let us consider a standard housing scheme. The Minister for Forests and Environment must make sure that no timber yard is allowed to sell timber in this country if the timber is not treated. Our people should not rebuild and repair six months down the line again.

Let us link up with the students of the University of Technology, especially the engineering faculty. For example; the University of Technology must have a commercial arm. They should be selling the best housing designs for us to buy so that they can make money. The University has all the appropriate technology so we need to link it up. We need to be smart now.

The Minister did not speak a lot about urbanization but I was the one who developed the urbanization policy in the previous government. So I signed the document on urbanization policy. Many governments and parliaments have forgotten about urbanization. We woke up too late so we have unplanned and unmanaged towns. And that is why there is an increase in squatters.

As I speak, there is an illegal structure being built on State land. But the authority on Physical Planning or the city manager is sitting down in his glass office and allowing that illegal structure to be built. By the time he takes the matter to court, it will already become a settlement. We are always chasing our tails but we are not catching up. The housing issue is very important because there are too many illegal settlements and our cities are not looking well.

In the regard to the environment, shop owners or tenants are not taking up the responsibility to clean up the back and the front yards. They do not repaint their front walls and nobody is taking that responsibility. Authorities are not enforcing standards and we have been very slack in this area. That is why we are not attracting tourists. Tourism industry is a big time sleeping giant in this country and we need to wake it up.

Papua New Guinea has beautiful fauna and flora and the pristine environment in the Highlands region and everywhere. One day I would want my grandson to walk through a street and say, what a clean city.

Port Moresby is full of people and the nation must build another second largest city in the country. I strongly recommend that we build a city in Tari, where the gas project is. It is also where most of our population lives. We must relieve Port Moresby city because it is congested. We must now help the Leader of Government Business to build the second biggest city in Papua New Guinea. Our people in the Highlands region must have close access to services.

The United Nations promotes a service centre concept. We must have enough services in order for our people to make one-stop-shop rather than coming into Port Moresby. Therefore, Mr Speaker, the urbanization issue is a serious debate so please do not defer it.

Mr LUKAS DEKENA - Thank you, Mr Speaker, for giving me the opportunity. Before I continue with my debate, I would like to seek leave of the Chair to ask a question.

Mr SPEAKER – Leave granted, you may ask the question.

Mr LUKAS DEKENA – What does the *Standing Orders* say about debating ministerial statements? Should the Minister be present on the Floor of the Parliament to take note of our comments or should we debate in his absence?

Mr SPEAKER – I think you can go ahead and debate without the Ministers presence.

Mr LUKAS DEKENA – Apart from shelter and clothing, housing is an important part of life. I commend the Minister on presenting his plans and ideas on how to tackle the housing issues.

18/07

However, the Minister has only focused on the urban area. The urban areas contain only employees of the formal sector and only represent 10-15 per cent of the population.

How about the rural areas? Eighty five per cent of our population lives in the rural areas. And the statement did not capture what the Minister and his government intends to do in the rural areas.

In relation to the housing problem in the urban areas, in the past, probably during the colonial days, they started off well. But up to now, even the National Housing Corporation itself does not know for sure what its assets are in the country.

Many a time you sweat your guts out to find a house through the Housing Corporation. And when you do, Housing Corporation gives the information to other interested parties and sells or leases it to these people while your time and effort are wasted.

I have encountered this very problem in Lands Department when I was the Minister. They have no proper record and in fact have no idea how many state lands are vacant.

With regard to the recording system, the computer era evolved in the 1980's after Papua New Guinea gained Independence. After all this time, we have not made any attempt to change our recording system from manual to electronic. That is a very big problem in our country today.

Mr Speaker, is it because we are reluctant, or is it because we are scared? Or is it because we are not really genuine and serious about taking our country forward? This is a common problem you can find anywhere in this country, especially in government departments and institutions.

Because we have a manual filing system, we are human beings and are liable to engage in all these corrupt deals. And that's why we see a lot of allegations in the media about the Lands and Housing Departments being corrupt. I think corruption has filtered right down to the grassroots level. For example, when the people see a Member of Parliament, they expect him to give them something. They are already corrupt in their minds.

Many times we say that we don't have land but if you walk out to the front of this Parliament and look out, you can see a lot of vacant land. When we say there is no land available, what exactly are we talking about? Do the titleholders actually have the capacity to develop those lands?

Or, as I have discovered, city planning has a different zoning system to the Lands Department zoning system so the titleholder is sitting idle waiting for the zoning conflict to be resolved. If he wants to develop the land, city planning will come and tell him that it is zoned for something else. And that's where the problem is.

So I am of the view that, maybe, we should amend the law in a way that only one authority takes charge of zoning and planning so that all the lands that you see available should

be developed. Otherwise titleholders will take you to court and you may not be able to do anything on that land.

Another matter of concern is the shortage of land; our minds focus on lateral thinking. I mean we are talking about lateral expansion but we are not considering vertical expansion, which is building upwards or downwards.

I read in a paper that in Brazil or some such country in South America they are building a 30-storey building downwards into the ground. So you see, opportunities are their but we are very good at finding excuses to justify our failures. And not so good at finding alternatives such as making use of available resources, that we don't have.

I would want to see that important departments like Housing, Lands and other State institutions have our records updated and kept electronically and set audit trails so that anybody trying to change files and amend records can be caught.

In all these we are talking about urban areas, but I want to talk about rural areas. I have tried rural housing in my electorate. I completed four wards where I supplied 20 sheets of roofing iron per adult male and bought Lucas Mills and gave them. And the response and feedback I got was that it is very good.

I knew that rural housing was not a component of DSIP but I foresaw that some social problems were going to arise later and that was why I did it. The introduction of elephant grass was killing our kunai grass which we use to make roofing for houses. When the population pressure is applied on our forests and all the trees are felled, the acacia cane that grows under trees which we use to build blinds also turned to grass. So when the trees go, the grass goes and the acacia canes go, we are going to have a major social problem in the Highlands, especially in Chimbu.

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That is why I have prioritised rural housing as a preventive approach to arrest social problems that may arise in the future. The story we are getting from the Government, the Prime Minister and the Minister for Finance is that the budget is going to be focused on the rural areas, so I am glad to know that this is what will be delivered on the Floor of Parliament.

I am glad because in my electorate, there are areas that already have sealed roads and others have electricity and so forth, so with approach of providing rural housing, I feel it will be complete. Why provide rural electrification and better roads when you can't provide housing? What is the benefit of providing rural electrification when people do not benefit? The minimum requirement for electricity connection to homes is that the house must be a semi-permanent building.

I want to stress the point that we are only concentrating on the workforce in the urban areas, which make up about 15 per cent of the population, when the majority live in the rural areas. I want the Government, when formulating the budget, to put aside a component of the DSIP for rural housing, so that at least we start somewhere.

That will go a long way to address some of the housing problems in the urban areas. In many ways we will be assisting the working population who come from the rural areas but need accommodation. They will have a place to stay and commute to work. This will also control rural and urban drift, as well as cutting down on some of the social problems that come with it.

These are some of the reasons why the Government should take this on board, so we have to provide services like roads, communication, health, education, agriculture and others to keep people in rural areas and deal with minimum number in the urban areas.

But if we try to improve the rural areas through communication and electrification, and yet see an influx of rural to urban drift, these services that we are delivering to the rural population is useless and a waste because people are migrating and are becoming a problem in the urban areas. The services then become inadequate due to the increased population.

Mr BIRE KIMISOPA (Goroka) – Mr Speaker, I wish to congratulate the Minister for Housing for a very good statement. Towards the end of his presentation he proposed a number of houses that he wants to complete in a number of towns and cities.

In NCD alone, we will need 50 000 and about 30 000 houses are required as well as in other centres. I would like to assure the Minister that in Goroka, we have embarked on a very ambitious program for land and town boundary expansion and land acquisition. There has been a most recent debate on the controversial SABL, but in Goroka and Mount Hagen we have been using SABL in terms of land acquisition around the town area and that has worked very well.

Mr Speaker, I would like to point out to the Minister that we are ready in Goroka. We have land available for 10 000 houses so you won't have any problems with land. We seem to be the most tolerant society in the region as we are working with state agencies. We understand the needs on the ground so we have gone ahead and embarked on a program that was put together by Sir Puka Temu and Dame Carol Kidu, and it has worked very well.

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Mr Speaker, I suggest that the Government allocate some money towards the township of Goroka for building 10 000 houses because we need the investment in Goroka. Unfortunately, we don't have all the minerals like gas, gold and oil but Goroka is in a very strategic position as well.

Mr Speaker, coming back to the crutch of the Minister's presentation, let us not beat off and talk about something else. The Minister has presented a Ministerial Statement on the state of housing in this country and that relates to the Housing Corporation. Let us come back and see the institution for what it is.

At this point in time as we speak, the Housing Corporation is in a deplorable state and is run down. We have people working in the Housing Corporation throughout the country and when you walk into their offices, it's like you have entered a morgue. They are hardly motivated and not paid well enough. They are a semi- autonomous body and sadly they don't know what the Government policy is. There is too much politics and people with money who are interfering. Everyone wants a house in this country so they are bribing every Housing Corporation official in this country.

Mr Speaker, the question we need to ask is what is the public policy expectation for the Housing Corporation? How many houses do they need to build? What is their balance sheet? Have they got sufficient capital?

I suspect if they are managing roughly around 3000 houses in this country, on valuation, it could be around K300 – K400 million. Why are we putting the Housing Corporation on a leash? They should be able to go into the markets and bring competent management into the Housing Commission and go to the bank, borrow big time and start buying land and building houses. Let them manage the whole thing that way.

Mr Speaker, if we are consistently going to interfere with Housing Corporation, they are not going to go anywhere and remain in a sorry state.

Mr Speaker, the conversation we should be having now in support of the Minister is; as a semi-autonomous body, what do we want from them? What are the expectations that they have to fulfill as a matter of government policy? That is where all the points should be heading.

Mr Speaker, in this country, 5 percent of the land is alienated and it is in the government's disposal while 95 percent approximately belongs to you and I as landowners.

Consistent with what the Government is doing in the urbanisation policy we need to bring the Department of Lands and Physical Planning, Housing and Urbanisation and lock them in together on one major strategic exercise and that is to provide affordable housing for our people.

If you were to buy a Housing Corporation house right now, you can make a 10 percent deposit but you will be told that the house that you are trying to buy has no title over it. Waiting for that title may take you a year because another State agency has to be involved in issuing the title and that's the Lands Department.

Mr Speaker, there is some disconnection between the Housing Corporation and the Lands Department. Housing is equity for our people. I believe that the Housing Corporation lack strategic direction from the Government.

We need to start from here. As Members of Parliament we should not use our positions to walk into the Housing Corporation and demand for houses. We need to join the queue along with everyone else and do what is right. Some of us have access to the Minister and we think we have got certain privileges so we can march through and ask for any house in this country.

Mr Speaker, the Housing Corporation requires political leadership and less political interference and it needs to be given more attention and more funding allocation like what the Minister for State Entities is talking about.

If the Housing Corporation should embark on a financing exercise like going out to the market place and employ competent people, develop the existing stock of housing in the country and up the rents a little bit and increase the staff salaries, it will lead to arresting this chronic problem of housing we have in this country.

Mr Speaker, I would like to commend the Minister for Housing and Urbanisation who also happens to be an in-law from the Eastern Highlands. The Minister is fully aware of the request that we are placing in terms of the housing needs in Goroka, and if the Government is embarking on a program of land acquisition and in the process of building affordable decent housing for our people, I suggest that Goroka becomes the first choice.

Mr MARK MAIPAKAI (Kikori - Minister for Labour and Industry) – Mr Speaker, I wish to commend the Minister for Housing and Urbanisation, a first term politician, for a very good presentation on the State of the Housing Corporation today and how he intends to implement his forward plans to make the Corporation a viable organisation.

Mr Speaker, been a third term Member of Parliament there is no better way other than what the Minister has expressed.

Housing Corporation, as we all know, has not been given the necessary support and there is too much of political interference. I wish to contribute in terms of highlighting some alternatives and support some of the proposals mentioned by the Member for Goroka.

Mr Speaker, I don't think the Housing Corporation should go to another institution to borrow money. They have got more than enough land in this country and the way to resolve the issue is through government intervention and to ensure that houses that come under the Housing Corporation must have titles.

Mr Speaker, private partnership arrangement is the way forward and I commend the previous Minister for taking the initiative of getting a private entity to take ownership of all the assets.

Mr Speaker, for public servants, I strongly believe that POSF or Nambawan Superannuation must be put on notice.

The Public Servants put in a lot for this country and when they retire the coffin box is waiting. The story about a retired public servant is a very sad one.

Mr Speaker, for example, for someone from Gulf, the best investment he can get after retirement is a PMV truck and after three months of operation the vehicle is involved in an accident. Where is his hard earned money that he contributes to Nambawan Super?

I know they have an internal policy where a contributor is given a cheque for some extra amount whenever he needs it but there is no control of where the money is heading, whether it is for building a decent house or for sure other reason.

Mr Speaker, if we look at the entire seafront in Port Moresby, the Harbour View is either owned by Nambawan Super or NPF. These are the biggest landlords in the city and they are extending to the Pacific. The superannuation members have nothing. Shame on these two state institutions!

I urge the Government to intervene and protect the contributors of this nation.

21/07

If public servants want houses, the finance must come from these two institutions so that when loyal public servants retire, they can leave a legacy for their grandchildren. We have to tow these big institutions into line; enough of building skyscrapers. The private sector executives and workers are paid good salaries while the public servants who loyally contribute to the nation have nothing when they retire.

Sometimes I get on the MRDC executives because I come from a resource-rich province that is host to two major pipelines for gas and oil, but when you look at it, no one from Kikori has gone overseas to study under the Future Generation Fund. So what is this fund for? I would have thought that they would have done the right thing to send someone from my electorate to study overseas, come back and develop their area.

I think that we have to give something back to the people. We are decision makers so let's make some constructive policies as to how to make these institutions serve the best interest of our little people in this country. Sometimes, I feel sorry for the long serving public servants who retire and go back home to their villages and live in bush- material houses. They have served this country for a good number of years but I believe there is something wrong somewhere and this is where the buck stops.

We should not talk too much, I think the problem is before us and we have to seriously discuss the necessary legislative changes as to how to help the Housing Corporation to rightfully play its role in delivering to our people much needed decent accommodation.

The Minister for Housing has my support in the Cabinet. I will support whatever initiative he will introduce to make sure that those plans are actioned throughout the country.

Mr SAM BASIL (Bulolo – Deputy Leader of the Opposition) – Mr Speaker, first of all, I want to congratulate the Minister for Housing for a realistic look at the real estate and housing problems in the country. The lack of attention and absence of priority placed on the construction and delivery of affordable and good quality housing to our citizens is one of the biggest missed opportunities over the last 38 years since 1975.

Mr Speaker, before I go on, I would like to also applaud our leaders in 1975 and the Australian Administration that were there at that time. When I was a kid, I was one of those that benefited from the National Housing Scheme. My mother is a housewife and my father was a Highlands truck driver. We moved into Section A, Lot 2 in East Taraka in Lae city and I grew up in that house from 1975 to 1983. I was a beneficiary of that scheme so I would like to inform that Minister that those houses that were built back then were very good houses. They were built cheaply but they could withstand the rain, earthquake and some of them are still standing today. The houses were made with timber while others were made with fibro and contained one-sided walls and sealed paper under the roof as ceiling. These houses had basic styles with only two doors for the front and back, toilet and shower and some of them were built with high posts and some with low posts.

One of our founding fathers in this Chamber, Rt. Honourable Sir Michael Thomas Somare was the Prime Minister in those early days when these types of houses were constructed. I believe that the Minister does not need to go far; he should go back to National Housing Corporation and retrieve the designs of those houses. They are being constructed today but I do not see any changes in some of those materials that were used during those days until now. We could still build cheaply.

Mr Speaker, I am, therefore, also pleased to note that the Minister now wants to take on the role as number one carpenter in housing building to build more houses vertically and horizontally. Our real estate industry in Papua New Guinea extends beyond the reach of our normal citizens living in the urban areas.

Mr Speaker, most of our senior officers from the public sector, almost 50 per cent of them, live in squatter settlements. Most of them work in government institutions that are playing a vital role in driving some of our resources in the country, making big decisions for our country while residing in the settlements. Some of them are renting houses that cost K1 500 a month or K900, and their wages cannot cover these expenses. So when they make decisions to award land, what do you expect them to do? They will still have to make some money somewhere. They will still have to take shortcuts to get money under the table because they do not have proper housing.

22/07

Mr Speaker, corruption is also linked to proper housing and therefore, proper housing must be provided for our citizens.

Mr Speaker, I would also like to suggest to the Minister that we do not have to get contractors because look at how many contractors have messed up a lot programmes. Just recently we had the housing scandal where many of these contractors are working on multi-million kina projects. Most of these contractors come up to the Minister and tell him that they will give him 10, 20 and 30 per cent. The managing directors of any State organisation are very good at doing that.

Therefore, I suggest that, if the Minister is very serious in rolling out our housing programmes then the Department of Works must be revived in all the provinces in Papua New Guinea. We have to revive and give them funding so that they will not steal it so that we can build houses at affordable rates.

Mr Speaker, many companies now are corrupt and are good at offering money to the Ministers and managing directors and when these contractors do not deliver in the programmes the people in charge do not penalise them because they are scared that the contractors will make known that they received bribes.

It is good that we should drive our housing projects for Papua New Guinea but let us use the Department of Works.

Mr Speaker, on that point, I would also like the Minister to regulate housing industry and its rentals. We have to regulate the housing industry in Papua New Guinea because at the moment it is driven by the big market forces. Big project that comes like the PNG LNG Project

suck up all the houses and our ordinary people have difficulty because overnight the prices increase to K1500 or K2000 a week. Therefore, that industry needs to be seriously regulated. Thus, I believe that, in your next policy statement you have to include the regulation bit of it.

Mr Speaker, I do have housing commission in Bulolo for all the existing houses in my district and many other districts as well.

Mr Speaker, I believe that those houses are beyond repair and worth nothing now. Let us give back these houses to the tenants at an affordable price like K5000 across the board. These houses are already rundown and we have to look at building new ones. Just like in the colonial days when we shifted in 1975 to 1976 the construction was massive. Houses were built in Lae, Bulolo, Eastern Highlands and Western Highlands. Why cannot we do that? We have to go back and do that because we owe it to the future generations of this country.

Whilst in the issue, I would like to support Minister Maipakai on getting the National Provident Fund and Public Officers Superannuation Fund at task because those organisations should be the ones building houses and helping the housing industry. This is because everybody is making backdoor payments in the system in order to have an affordable house.

Why can't those institutions build houses instead of going to Fiji and buying hotels there? Why can't they buy land and do something like the Housing Corporation. We will also work together with your department so that we can get our working class people back into those houses

Mr Speaker, seriously I do have a relative who has graduated from University and his parents knew that he would get a good job and live in a good house. But, unfortunately, he lives in Tete Settlement. His wife is also a graduate and they both work in a government department but they both live in the settlements. This is a serious issue for the country but I am happy that the O'Neill-Dion Government is addressing this issue but the implementation part of it is very hard.

Mr Speaker, we can stand up here in Parliament and say that we will do this and that but the hardest part is the implementation of policies. And you yourself said that if there is hope then there is a will. Therefore, I hope that we can do all these and implement these policies.

Thank you, Mr Speaker.

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

ADJOURNMENT

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

That the Parliament do now adjourn.

The Parliament adjourned at 3.20 p.m..