

EIGHTH DAY

Friday 02 November 2012

DRAFT HANSARD

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EIGHTH DAY

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The Speaker (**Mr Theo Zurenuoc**) took the Chair at 10.00 a.m..

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

Sitting suspended.

The Speaker again took the Chair at 10.30 a.m., and invited the Member for Lae, **Honourable Loujaya Toni**, to say Prayers:

'God of Abraham, Isaac and Israel, covenant keeping and faithful we come before your presence this morning and thank you for spirit of wisdom and understanding that rests upon the honourable Chair of the Speaker. And it is also extended to each Member in this honourable Parliament.

We pray for your presence to bring about your wisdom and understanding for the fulfillment of the purpose and the will that you have for each and every one of us in our respective representations.

Thank you once again for cleansing us with the precious blood of Yeshua and enabling us to come before your throne of grace and mercy. Amen.'

QUESTIONS

Mr GARRY JUFFA – Thank you, Mr Speaker, my questions are directed to the Minister for Health and HIV/AIDS.

Firstly, I would like to commend the Minister for his policy statement and I support his intentions. I only hope that he can muster the necessary resources and support to overhaul this key area, which is very vital for the development and wellbeing of our nation and the people.

Mr Speaker, my questions are:

(1) Does the Minister know about the terrible situation that currently exists at the Laloki National Psychiatric Referral Hospital?

Almost 200 patients and 75 employees work and live in the most deplorable conditions. The conditions are not fit for humans. And on the exact opposite side of the institution there are brand new facilities that were built to accommodate public servants and students for a Lakoki training facility.

The property has since been hijacked by a private firm owned by a former Member of Parliament who illegally obtained this institution through a former Minister for Health. This former Member of Parliament now rents out these facilities and collects rent while our public servants and patients are living on the other side in terrible conditions contracting all manner of diseases, illnesses and suffering continuously while the Health Department for the last two or three years have ignored this situation.

Many secretaries of Health have come and gone but none have made an effort to attend to this matter. This is a gross and terrible injustice committed against the patients who do not have the mental faculties to be able to attend to their own needs..

(2) Now that the Minister is made aware about this matter, what will he do about it?

(3) Can the Minister tell the Parliament if he is going to make an effort to recover this public property and use for the original intention that it was supposed to be used for?

(4) Can some action be taken against this former Member who is occupying that area illegally and collecting revenues from it?

Thank you.

Mr MICHAEL MALABAG – Thank you, Mr Speaker, I would like to thank the Governor of Oro for his questions. I appreciate you raising this question because I was there just three days ago and I was quite surprised when I went into the institute.

When I visited the institution they said that this was the first time that any Minister of Health has ever set foot in the Laloki Psychiatric Hospital. Just because we believe that the patients at the institute are mentally affected no one from government has ever gone there.

So, for the first time, I went there and was highly appreciated. I went there to launch a 49-seater bus but at the same time I also took the opportunity to check the hospital's facilities. And like you have said, it is not good at all. Our people who are in need of psychiatric care have to be looked at and cared for, and that is exactly what we intend to do.

The hospital staff at the institute have also given me a petition that goes back to May of this year, and I have had a look at it. They have made submissions to the government to properly rehabilitate the hospital and this is going to cost around K400 million.

Nevertheless, the institute has three immediate needs, especially regarding the wards because they have also women who are in-patients. You also have patients who come from Bomana and they are forensic patients. When you look at it, there is a mixture of patients and the hospital does not have a warder or someone to look after these patients and sometimes patients can just walk out of the hospital.

Just two weeks ago two patients ran away from the hospital only to be found dead but those are very serious issues. I have already made a commitment when I was there and K2.9 million was immediately allocated to them to sort out a few issues. Therefore, with the assistance of the Health Secretary, we will be seriously addressing those issues.

On the question regarding the institution, it was supposed to be a health in-house training institution. And I agree with the governor that for the last 10 years that place was maintained through ADB funding, and I can more or less say that the process has been hijacked by the previous Health Minister and by another Minister. Of course names cannot be mentioned, but anyway, I am aware of that matter and I have made it my business when I was at Laloki to also look at the institution over there.

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Now it has been left idle for reasons only known at that time but I can assure you, Governor, that the people who have been living there illegally have been moved out and I am thinking of using the place in the same way Divine Word University is doing in partnership with the Pacific Adventist University because of our partnership with the churches.

So we can move in because we need more nurse training and other in-house health courses can also be conducted there. The facilities are there but I don't know why it has not been utilized until now. That is bad and wrong.

Any public service institution must be put to good use including what it was designed for in the first place. I am really concerned that nothing has been done with it for the last 10 years.

Honourable Governor, we are already moving and you can be rest assured that we will get things organized because right across the country there is shortage of nurses, doctors and other health workers. And I intend to do something about it.

Mr KOI TRAPE – Thank you, Mr Speaker, I direct my question to the Minister for Labour and Employment and I would like the Minister for Foreign Affairs and Immigration to take note.

Mr SPEAKER – Honourable Member, the Minister for Labour and Employment is not in the Chamber so I reserve your right to ask your question when he is present.

Mr WILLIAM POWI – Thank you, Mr Speaker, my question is directed to the Minister for Education.

From the outset, Mr Speaker, I wish to congratulate the Minister who I see has passion for service delivery, more particularly within the education sector. Having said that, let me go straight to my questions.

Mr Speaker, I see that the Department has critical lack of capacity to fully implement this policy and has varied concerns for optimal performance insofar as the government's major policy is concerned.

(1) Can the Minister confirm to the people of Papua New Guinea whether there is a lack of capacity within the Department?

There are concerns out there in the communities and the county that some ghost institutions, tucker shops and various other institutions are being funded under this Free or Subsidised Education Policy.

(2) Can the Minister confirm to the country and Parliament of the level of ghost institutions that are being funded through this Government's support.

I think we are, through the government's policy throwing a lot of money to the schools where I believe boards and principals of schools need to be held accountable for.

(3) Does the Department have any accountability measure in place to ensure that we get value for money on money we are distributing to schools? .

On the commodity component of the Free or Subsidised Education Policy, I think there is a wider need for private-public partnership approach for service delivery in the education sector.

(4) Does the Minister have any plans to out source that component so that we have an optimal service delivery insofar as the Education Policy is concerned?

Mr PARU AIHI – Thank you, Mr Speaker. I want to thank the honourable Governor of Southern Highlands Province for asking these all important questions.

Mr Speaker, you know that this government is very keen on ensuring that we meet the targets of the Millennium Development Goals and also the Universal Primary Education in this nation.

I know that there are serious capacity problems existing in the Education Department. I took office just under three months ago and it's a settling-in period but already these capacity issues are glaring in my face.

Mr Speaker, we will get to that. I have instructed the Acting Secretary and the Secretary who has now been suspended to identify young graduates who have come out of universities in the last 10 years with double degree with Bachelor of Education, those with Masters Degrees as well as those who hold PhDs to ensure there is a succession plan put in place.

The hierarchy of the Education Department has aged and we want to move out of that to make sure that we address the education issues by thinking outside of the box. That's basically where I am heading.

On the question of ghost institutions, what has happened with respect to free tuition fee policy is that we have not given money to all the schools through Papua New Guinea. This is because most of the schools have not produced their census forms. These census forms tell you the population figures of the schools and it also tells the department whether there is actually a school in the location it is claimed.

Because we have not paid out those monies to the schools who claim that they exist, what I have decided to do with the residual tuition fees is to send out inspectors. Over the next week or

so, inspectors will be going throughout Papua New Guinea with cheques. They go there, verify the presence of schools and give the cheques. If there is no school then they come back and we update our records. But the cheque will be returned to the Education Department and I will be reporting to the NEC in due course.

There are accountability issues, and like most public institutions in this country, this is not just an Education Department problem. These are things that I am fully aware of and I want to assure the honourable Governor that we are working on programmes to make sure that these accountability problems are addressed. And I can tell you that we will ensure that the objective of providing quality education to our children is achieved.

03/08

Now, on the question of commodity component, let me say this, the O'Neill/Dion Government is very much aware of this. For the first time since the Wingti Era, this is a government who has not only talked about providing quality education but has gone out there, introduced the tuition fee free policy, and has actually funded it.

This government is responsible, it has released over K6.2 million in the last 12 months. This means that there is K6.2 million surplus in the pockets of parents within the country.

But a lot of money is going to be squandered if we don't have control measures in place. I am all about outsourcing the commodity component of the tuition fee free policy. That means that we leave just enough cash for administration purposes but the commodity component means that we give our school children, everyone of them, a school bag, some textbooks, pencils, rubber and all of those things that a student needs to do his or her school work.

We will outsource that bit to the private sector. This is something that I will be presenting to Cabinet in due course.

But, I thank the honourable Governor for that question and I am pretty sure that this answer will settle some of those questions that you have in your mind.

Supplementary Question

Mr CHARLIE BENJAMIN – Thank you, Mr Speaker, my question to the same Minister is this, one of the biggest selling policies is Free Education.

Very soon another school year will begin and our people really appreciate the assistance from the government.

With the Free Education Policy, school boards come up with exorbitant project fees of up to almost half of the school fees charged originally. This defeats the whole purpose of the government. If the National Government's ideas and policy stated that education is free, why is the implementing machinery going in the opposite direction? This is not appreciated by the people.

Minister, in the powers vested in you, are you able to make sure that school boards charge project fees at a very minimum of about K100 and below instead of killing our people, forcing them to not appreciate the Free Education Policy that we are preaching. Can you look at that and put a stop to it before the start of the next school year?

Mr PARU AIHI – Thank you, Mr Speaker. I thank the Governor for Manus for a very important question. That is the question that everybody is asking.

I want us to have a look at this from this perspective. With the Tuition Fee Free Policy in place every school will have capacity issues. There won't be enough classrooms because we have an increased population now enrolling in a particular school. Obviously the schools want to make sure that they help in that area by imposing project fees. If they use the money correctly they should be able to put up a classroom. But that's not what they are doing. We all know that.

I agree that we have to do something about this. I have asked the Secretary to look into this project fees aspect as well and tell us his findings.

I do appreciate the question. On the one hand we are saying its free tuition, and this is Tuition Fee Free Policy, we are not saying Free Education, it's Free Tuition.

So, the government is playing its part but we don't have enough buildings and that's the reason why the schools are doing this.

In the case of the private schools, they do that. And for us we want to go an extra mile. At this stage, I am sure the budget for next year is going to be pretty tight and we may not be able to expand beyond the levels that we've enjoyed over the last 12 months. But as I have said, I have instructed the Secretary to look into project fees aspect of education.

Let me just remind honourable the Governor of Manus and all the other governors that provincial governments are responsible for education within their provinces. There is a provincial education act and it is responsible for laws that apply within the provinces. You have the powers, governors, to issue those instructions but I am more than willing to engage with you to ensure that we control this outrages project fees.

Mr RONNY KNIGHT – Thank you, Mr Speaker, my question will go to the Minister for Civil Aviation.

Mr Speaker, they say Manus is a very small province but in fact we are quite scattered and our islands are in a very bad need of transport. We have small airstrips which were handed over to our provincial government to take responsibility for.

What is currently happening is not really good. In Wuvulu, Aua, Mal and others we have airstrips and we have one that is very badly deteriorated in Luff. Can the Minister consider centralizing the functions of those airstrips back to the Department of Civil Aviation so they can run them and look after them properly?

04/08

Mr DAVIES STEVEN – Thank you Mr Speaker, I thank the honorable Member for Manus for his questions. This question raises the important matter that affects the cross section of our country. Rural airstrips have been an important concern for me as soon as I assumed this responsibility 100 days ago.

In fact it, it is a question that has been begging for hundreds of years in this country. The issue of rural airstrips must be clearly understood and I am glad that the Member for Manus has stated this in his question. The answer that I want to bring to Parliament is; since the reforms were made to the CAA sector in 2008 by way of a legislation that was passed by Parliament.

The role of maintaining airstrips was decentralized to provincial governments and as a result funding was allocated to provincial governments to maintain them. It has been a sad discovery for me to know that a total out of 900 airstrips that were once functional only 200 are operational while the rest are not.

Another sad thing is that it is not the government but the supporters like the Mission Aviation Fellowship, and other third level operators who are mission oriented and supporting

these airstrips. The issue of rural airstrips has been abandoned and it has been neglected by previous governments but that is not the case with this Government.

Mr Speaker, this is a government that is committed to driving change and progress to our rural areas. I happy to announce that in the last 100 days I have made contact with third level operators, in particular MAF and the others that are currently servicing our rural airstrips.

I have been to Mt Hagen, Morobe and Madang provinces to see the third level airplane operators with the specific interest and intention to ensure that our rural airstrips are brought back to focus and that the current government is guided and assisted in coming up with a policy that will do exactly what the Member for Manus is asking for.

Mr Speaker, I am happy to say that on November 14 2012, there will be a forum organized by CIMC which intends to bring together all the stakeholders and the relevant personnel from my Department to discuss and debate a policy that is appropriate to address our rural airstrips.

If we do not take that step, the sad conclusion is that we will lose our airstrips and so this government is very clear in its intentions and its purpose is to ensure we save our rural airstrips and that there is an appropriate policy in place to guide this Government, not only in the immediate but the long term sustenance of these airstrips.

Mr Speaker, I am glad to inform the Member for Manus and Parliament that rural airstrips will not be ignored and that the third level service providers that have been left alone for so long to attend to the needs of the rural areas accessible only by air will be looked at. This Government will partner with them and support them to ensure that the airstrips and the communities that are relying on rural airstrips will be supported.

I want to conclude by saying that in the next few days, I will deliver a ministerial statement on our air transport sector which will feature particularly on the rural airstrips and I will deal with this and other issues that affect the air transport sector in this country.

I want to assure you all that I am determined to revive the efficiency of rural airstrips and to support the third level aircrafts and airlines in our country. And I will encourage the participation of our provincial governments. I want to say here also that we made a survey on performance of all the provincial governments and we found out that not many provinces have performed at all.

Monies allocated for maintenance and upkeep of airstrips in the rural areas have not been used for the intended purposes. I support the views of the Member for Manus, that it is now time for rural airstrips to be returned to the National Government where it can be looked after because that is one area that needs to be taken care of critically if we will drive the District Development Program that this Government is embarking on.

05/08

Supplementary Question

Sir MICHAEL SOMARE – Mr Speaker, in East Sepik we have a good Samaritan who operates an airplane that lands in the lagoons and lakes to cater for our health services, acting as the flying doctors. I hope the Minister will also consider East Sepik because he only mentioned West Sepik but these planes provided service for West Sepik as well.

Mr DAVIES STEVEN – Mr Speaker, I am grateful to the father of this nation for raising his concerns for East Sepik. Let me take this opportunity to assure the Grand Chief Sir Michael Somare, in respect to the questions he asked earlier concerning the East Sepik airport.

Let me begin by assuring the Grand Chief that this Government is committed to do the right thing and the Wewak airport programmes are not been hijacked and work on the tarmac and the fencing will begin next month.

Let me assure the rural people of East Sepik that all the third-level aircraft operators in that province will be invited to participate in this forum that has been promoted by CIMC which I have chosen as an independent sector to help in formulating a policy that recognizes the experiences of different provincial governments including East Sepik Province.

Mr Speaker, the intention is that we come up with a policy that accommodates all the peculiar needs of different provinces in this country. This Government is about ensuring our rural airstrips are not neglected or ignored and our people do not cry again. This Government is focused on addressing those needs once and for all.

Mr MALAKAI TABAR – Mr Speaker, I direct my series of questions to the Prime Minister Honourable Peter O'Neill. Before I ask my questions let me on behalf of the people of Gazzelle, congratulate you on your elevation and election to the Speaker's Chair, the Prime Minister and his Deputy and all the Members of Parliament for your elections to this Honourable Ninth Parliament.

Mr Speaker, listening to the Prime Minister's response to Honorable Yagama's questions on sugar, I like the idea of trying to foster a deal to assist our rural people.

Mr Prime Minister my questions are in regards to the much-publicized Rice Project in the Central Province, which has continuously been submitted and surfaced in your Office as the Chairman of the National Executive Council.

Mr Speaker, I believe that that project will not assist our agriculture industry and we spend close to K6-K7million on the import of rice into Papua New Guinea every year and Trukai Industries have not done enough.

As Papua New Guineans, we should organize and coordinate our provincial Governments to grow rice in this country.

(1) Mr Prime Minister in relation to all the above will you approve the project?

(2) In the event that the rice project is approved, what is the price for ordinary citizens to pay for a kilo of rice if we are to monopolize the rice production and importation in this country?

Mr PETER O'NEILL – Mr Speaker, I thank the Member for Gazelle for his questions. I want to thank him for asking this question because it has been the subject of discussion in many sections of our communities throughout the country because it is a major project that has been proposed by a developer.

The developer is willing to invest billions of kina in this project covering a large area of landmass in the Kairuku/Hiri District in Central Province. This proposal requires certain support from the Government and that includes a levy and some level of monopoly if they are going to reach a certain level of production.

Mr Speaker, I want to inform the country and this Parliament that the project has been through Cabinet on three occasions, including the last Government that we were all part of,

including the Members of the Opposition and it was rejected three times because it did not meet certain levels of programmes the Government is pursuing as a result of the increase in price.

Levy was one of the main issues that we were concerned about and if we had enforced a levy on the produce, our consumers who depend on rice will suffer

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I thought that would not be fair to our people, and told the developer that to go back and discuss these issues with our technical people including Treasury and the Department of Agriculture and Livestock.

On issue of monopoly, I want to say that we don't want to encourage monopoly in the country. What we want to encourage is production of locally grown rice. If the investor comes in with conditions that we have offered to the agricultural industry under the Green Revolution Policy, that meet the incentives that we want to give to agricultural sector then they can take advantage of the tax incentives and other incentives that the government has already given in the Green Revolution Policy under the Somare Government, which this Government supports.

So I think the terms of engagement in the development of a major agricultural project is already out there but I want to assure the Member and this Parliament that we are not going to place our consumers at a disadvantage. We want an active participation of the landowners in that area because of the large volume of land that will be required to develop this project and also a very good consultation between the Central Provincial Government and the Members of this province.

We are a long way off, but I can assure you that if the project meets all the requirements of the government then of course we will make a firm announcement as we conclude those but at this stage, I can assure the Member and this Parliament that the project is still under discussion with our officers and technical people.

Supplementary Question

Mr BIRE KIMISOPA – I direct my question to the Minister for Agriculture,

Mr SPEAKER – Honourable Member, you cannot ask a supplementary question to another Minister, it has to be directed to the Prime Minister.

Mr BIRE KIMISOPA – I will direct it to the Prime Minister and I want the Minister for Agriculture to take note.

This is along the similar lines as what has been raised. Does the Prime Minister know that agricultural produce like pumpkin, carrot, tomato, capsicum and onion are being imported and sold in the supermarkets in Port Moresby?

I have not seen the supermarkets in other centres but I have seen this happening in Port Moresby.

Mr SPEAKER – Honourable Member that is a new question and it is not related to the previous question so I would ask you to resume your seat or otherwise you direct it to the Minister for Agriculture.

Mr BIRE KIMISOPA – Thank you Mr Speaker, I redirect this question to the Minister for Agriculture. The question relates to agriculture produce, including chicken, as you may have seen in the papers recently where people in Lae are complained about it.

If you go to a supermarkets in Port Moresby, you will see that similar produce that are produced here are being imported from overseas. Our village people produce similar produce here and transport them as far as Southern Highlands and Enga where they go through very expensive and costly exercise to transport them all the way down to Lae and bring it here. If you go to Gordons Market now, you see that a lot of these vegetables go bad partly because they are held in storage for a long time.

Mr SPEAKER – Honourable Member, ask your questions.

Mr BIRE KIMISOPA – This is because the supermarket owners don't want to buy from them as imports from overseas are highly subsidized as alluded to by the Minister –

Mr SPEAKER – Honourable Member, you need to ask your question rather than debate it.

Mr BIRE KIMISOPA – My question is, can the Minister look into this matter because the highly subsidised products that are imported can easily take over the business from the local producers.

Mr TOMMY TOMSCOLL – Thank you Mr Speaker. I want to thank the Honourable Member for his questions. The questions relate directly to fresh fruits and vegetables.

I want to begin by saying that our farmers particularly those who are producing fruits and those who are producing vegetables have a very difficult time trying to penetrate into a higher markets of the food sector. Many of our people are from the farm because they want to be self-employed and because they want to generate an income just to sustain living, buy clothes, medicine, etcetera, they get involved in farming.

Our people's problems begin right at the farm. When they go to grow a produce, they actually don't know what market they are going to sell to. The food market is a structured market; it has a high end and lower end. In trying to sell the produce, the farmer, for instance, picks it up from Goroka or Southern Highlands. There are many other service providers in the supply chain such as truck owners which the producer has to pay to transport his produce to Lae. They also includes PNG Ports Authority where the containers are parked and if the turnover at the ports are very slow, the cost accumulates.

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These providers include container owners whom also charge for the containers and shipping companies that move the containers from Lae to Port Moresby. In fact, it is cheaper to move a container from Lae to Singapore than from Lae to Port Moresby.

Once the container is in Port Moresby, they are faced again with red tapes at the PNG Ports, because it takes almost a day to get clearance to go and inspect your container. They are faced with a shipping monopoly because there is a shipping monopoly in this country. They are faced with a stevedoring monopoly. Instead of clearing a container within two days the stevedores will clear it after a week. By the time it hits the shelves the cost of that product is very high. It is therefore no longer feasible for a farmer to grow and bring the produce to Port Moresby.

Mr Speaker, in the consumer market the consumer is concerned about food safety, quality and cost.

Mr Speaker, I do not believe –

Mr SPEAKER – Honourable Member, I will interrupt Parliament. Can the Sergeant-At-Arms inform those workers to stop that noise?

If you are able to hear, the Minister may continue.

Mr ASSIK TOMMY TOMSCOLL – Mr Speaker, I do not believe that we should remove that utility from our consumers. Our consumers should have a choice and should make a choice.

Mr Speaker, I have the functional responsibility of the National Agriculture Quarantine and Inspection Authority (NAQIA). The job of NAQIA is to protect the bio-diversity of all the plants and animals in this country. Therefore, NAQIA is the authority that inspects all the import into the country to ensure that foreign diseases do not come into the country and kill the bio-diversity of our flora and fauna.

Mr Speaker, it is not the responsibility of NAQIA to protect farmers by tariffs.

Mr Speaker, NAQIA does not deal with markets and so, it is not within my responsibility to address this issue.

Mr Speaker, I also have the responsibility of the Fresh Produce Development Agency. This agency was co-jointly ventured into between the government of Papua New Guinea and the government of New Zealand in 1988. The function of the FPDC is basically to provide market advice, technical information and product information to our farmers.

Unfortunately, like all other government agencies it too lacks the capacity both in terms of manpower and appropriate funding levels. In order for us to help our farmers who are in dire need of assistance from the government the FPDC has engaged in a new project. This new project is still in the design stages. The project basically is to construct and develop a cold store at 8-mile in Port Moresby so that our farmers can be assisted to bring their produce into Port Moresby and hold them in a cold store to be sold.

The problem faced by our farmers regarding their produce is that, the produces are not packaged in a way that can sustain the produce over a time period. Therefore, after a few days the produce begins to go back, and so many of our suppliers, wholesalers and retailers do not want to buy these produce because there is no durability.

Mr Speaker, I hope this project will help to relieve some of the burdens of our farmers, and apart from that, I would also like to say that, on the imports of fruits and vegetables that come into this country there is no government subsidy given to them. This is because this was a commercial decision made by commercial investors to bring those fruits and vegetables. The government just only ensures that these vegetables meet the required standards of NAQIA, and that these vegetables and the movement of people in and out of this country do not bring along with them food diseases.

Thank you, Mr Speaker, I hope that my reply satisfies the Member.

GRIEVANCE DEBATE

Question proposed –

That grievances be noted.

Mr PETER O'NEILL (Ialibu-Pangia – Prime Minister) – Thank you, Mr Speaker, I wish to participate in this grievance debate regarding an issue that is a concern for many of our citizens, particularly, those in the Western Province.

I would like to inform this Parliament that we welcome the recent announcement of the new chairman of the PNG Sustainable Development Programme, our former Prime Minister, Sir Mekere Morauta. This organisation has been in existence for well over 10 years.

Mr Speaker, I want to say that, the programme was designed when BHP, the operator of the OK TEDI Mine at that time exited the country due to environmental and many other issues expressed by our citizens and that of the international community.

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However, 10 years later, we ask ourselves, did we get a better deal. Did we get a better deal for this country on the ownership of that mine? It is perceived that the mine was given to

Papua New Guinea Government and Papua New Guinea now owns 100 per cent of it. Do we really control that mine or not? Has it delivered to the expectations of our people, particularly the Western Province?

I know that the new chairman will look into all these matters as he is very familiar with many of these issues. But I also note very well that the new chairman has taken over from Professor Ross Garnaut who was the former chairman. This particular person has moved into OK Tedi as chairman while he is also the chairman of Highlands Pacific.

I know that he is a man of the highest degree of integrity and experiences and so forth but he has been the chairman of PNG Sustainable Development for 10 years. Whilst we welcome his appointment, I am very concerned about some of the comments that he made during the changing of the chairmanship of these two organizations.

A few days ago, I made mention publicly that I think it is time that BHP reviewed its position on how it manages PNG Sustainable Development Company on behalf of the people of Papua New Guinea. What have they delivered? Let us see.

We have given them a blanket cover, insurance and protection from this Parliament that we will never sue them for the damage that they have caused to our people. Only a few days ago we heard from several Members of the Western Province regarding the enormous damage that BHP has caused to our country and our people's livelihood, particularly in the Western Province.

Now, this is of a huge concern to us. And when we have foreigners coming here running companies on our behalf saying that they are white knights they must do it with respect to the people and leaders of our country.

Whilst they have good intentions, their delivery of services is yet to be seen. As I have said, we have seen many big announcements about major projects that will change the course of this country over the past 10 years or so, yet, we are yet to see one of those projects delivered. It is not only a disappointment to the country but also a disappointment to the people of Western Province.

I strongly believe that BHP does not want to come back and invest in this country at all and yet was granted mining exploration licenses not so long ago and now they have surrendered those licenses. For them PNG is not an investment destination.

But, why do they continue to try and run this organization on behalf of the people of this country, by remote control from a place called Melbourne in Australia and by directors who do

not live in this Papua New Guinea, do not understand what we need in this country and what our people's daily lives and expectations are. But they continue to dictate the management of this particular organization.

I am very concerned because this particular person has a very disrespectful way of conducting himself in this country and I intend to take appropriate action that may include migration issues.

Mr Speaker, I am very concerned about this particular statement when I made a statement on behalf of the country that BHP reviews the way they conduct the management of PNG Sustainable Development Company on behalf of our people. Now that is a fair call by a leader of a country that is concerned about the management of billions and billions of kina by foreigners on behalf of our people. They need to be accountable. This is not funds that belong to BHP or a few directors of their board anymore.

The comments that he made are undermining the political leadership and undermining the people of this country. Let me quote; he goes on to say many other things but, this is what he said, 'naturally, with such accumulation of wealth in a poor country, poor country, it is very tempting for political figures to think of better ways of using', he is saying, it is very tempting for political figures to think of better ways of using it now then putting it into long term development'.

Now, nobody alluded to the fact that we want to use that money right now, nobody told BHP or Ross Garnaut that this was a fact.

Mr Speaker, I will put him on notice today, that he is no longer welcomed to this country. He can stay out of Papua New Guinea and conduct himself. I want to put on record in this Parliament that we will not tolerate people of such standing coming to this country and disrespecting leaders of this country.

Mr Speaker, I am aggrieved by that fact because I think that he has got no care whatsoever. He thinks that he is above everybody. He is not accountable to anybody. So, I want to put on record that he is no longer welcomed in this country until BHP surrenders the control of that to the people and government of Papua New Guinea, we will maintain this position.

Mr TONY AIMO (Ambunti-Drekikir) – Thank you, Mr Speaker.

I rise to; firstly congratulate you for your elevation to the Speaker's post on this Floor of Parliament three months ago.

I further would like to, on behalf of my people of Ambunti-Drekikir, congratulate the Prime Minister, Peter O'Neill, Deputy Prime Minister Leo Dion, Leader of the Opposition Honourable Belden Namah –

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Leader of the Opposition, Honourable Belden Namah, Deputy Leader of the Opposition, Sam Basil, congratulate all the distinguished ministers and colleague Members of Parliament who have successfully won through the ballot box.

Most importantly, Mr Speaker, I wish to take this time to thank my 6634 loyal supporters of Ambunti-Drekikir Open Electorate for their patience and understanding in the last four months awaiting my election petition result.

Now that the game is over I am committed to work closely with all my stakeholders and agents to achieve one common goal that is to deliver essential government services to the people of Ambunti-Drekikir without fear or favour of anyone. There is always time to forgive and forget.

Mr Speaker, I have some very important ongoing projects yet to be completed. If they are completed their outcomes will be enjoyed by my people. And I'd like to mention some; the famous April-Salomei Carbon Trade Project, the Nungwaia-Bongos Integrated Large Scale Agriculture Project, the Ambunti Rural Lockup, Kawanga Resettlement to Paup Road, Balif to Nungwaia-Masalaga Road, Wara Sikau to Nungwaia to Ariseli Road, Balif to Ariseli Road, Avatip Water Supply and Wam Water Supply. Those are the impact projects that I had in the district that I need to complete.

My ultimate aim for these next five years is to make sure that these incomplete impact projects are completed. Therefore I need 101 per cent support and cooperation from all sectors and agents of my district, province and the national government.

Mr Speaker, let me digress, to mentioning on this Parliament, my observation of the 2012 National General Elections.

As you know, I was down and out through the 2012 Election process. The ballot papers spoke for the then Member Elect. As a strong advocate for the *Constitution* and the respect for the rule of law I was resurrected to be with you all on this Floor of Parliament today.

Mr Speaker, people who intend to contest must clean their backyards first before they decide to contest. If not the rule of law will come after them. My returning and taking my seat on this Floor of Parliament today for a third term in this honourable House is a classical example.

As a first successful winner of the 2012 National General Election Court of Disputed Returns, I am thankful that our *Constitution* is alive and well. And the rule of law prevails.

Although there were some evidence of foul play employed in the election process in my district, I took my predecessor to court on technical grounds, simple basics. Let's address the basics, the Electoral Commission failed miserably to address the basics.

In my electorate of Ambunit-Drekikir it was very evident that a lot of eligible voter names were not on the electoral roll. In one of my LLGs only two election officials voted for all the eligible voters. Similarly the election officials never checked the age variation of intending candidates. They never verified them properly so my predecessor or Member elect faced the consequences of electoral officials who never did their homework. They never checked properly.

Mr Speaker, we must think very seriously. And I'd like to take this time to thank the Prime Minister and this government for the initiative that it is going to employ. That is the biometric system. This will really help. And I am glad to see that the Prime Minister has committed or has planned to commit K7 million to introduce the biometric system.

Mr Speaker, I'd like to also say that my election victory is sending a signal to the Electoral Commission. If they have to plan to 2017 Election they have to start now. We have to really get down to getting our electoral rolls done properly. My victory also sends a signal that if you are an intending candidate and want to fill in form 23 to enroll you must also have your birth registration certificate attached to it to substantiate the authenticity of who you are.

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Section 01 (01) of the *Constitution* says that if you want to sit on this Floor of Parliament, you must not be less than 25 years of age and that is clearly stated in the *Constitution*. It also states for the requirement of parents to take their children to the Civil Registry Office and register their child.

The *Constitution* says that if you want to contest for the by-election or for any other general elections you must be 25 years and above. So, it is the parents' responsibility to make sure that their child is properly registered at the Civil Registry so that when they are 25 and over they can be able to contest for the elections.

One other thing the Lands Department uses is that, for ILG registrations, it is a requirement that you must attach all birth registrations of all your clan members so that you can be qualified to gain ILG registration for your customary land.

Registration of births for our citizens is very important towards planning, growth and development of our nation and it is the responsibility of all parents to have their children registered at the Civil Registry.

Mr EREMAN TOBAINING Jnr (Kokopo) – First, I would like to congratulate you for being elected as Speaker of Parliament and I would also like to congratulate the Prime Minister for his election victory.

Mr Speaker, on the status of the preparation of the 5th PNG Games, as the host Governor, I feel it is timely and appropriate to advise or address the Parliament accordingly on the importance of this national event.

Mr Speaker, from the outset let me assure all the leaders of this House and the people of Papua New Guinea under the leadership of our senior statesman, Sir Rabbie Namaliu as Chairman of the Organizing Committee, the preparations are well underway to bring on the games on the 30th of November.

I am hoping that all of you sitting here today have supported and sponsored your local teams to participate in this important national event.

Most of the teams from our 22 provinces have already indicated their participation in the different sporting codes and I am grateful of that. I want to thank the governors of Jiwaka and NCD whose teams have already prepared themselves well ahead.

The management and the administration of the 5th PNG Games will be the first executed under the plan of action that was developed and published as a tool to guide the various sub-committees of the main organizing committee.

Mr Speaker, I would like to thank this Government for the commitment of K15 million that was allocated for the new infrastructure in East New Britain.

On Thursday, 25 October 2012, PNG Power supplied power to the new facilities at the Kokopo sports ground, while Water PNG has also connected water supply to the sports venues.

Mr Speaker, this time the 5th PNG Games will be the bigger and better one. The final preparation especially, with the administration and technical team, has already been finalized. A total of 10,000 sportsmen and women including the technical team have been confirmed.

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My people have given their assurance that they will not support our own provincial team but will support all the other provincial teams that participate at the PNG games.

Milne Bay Governor I've seen in the print media that your teams are ready to participate at the games.

Mr Speaker we are only three weeks away from the grand final and I would like to assure this Honorable House that East New Britain and its people and the 2012 PNG Games Organizing Committee are ready for the games to begin.

Mr Speaker I'm inviting all the Members and the Provincial Governors to come to East New Britain to see the games and support their teams.

Mr SAM BASIL (Bulolo) - Thank you Mr Speaker for allowing me to join this debate.

Mr Speaker I would like to stick to the issue of the mining to summarize what's happened during the week and also about what's happening in my electorate.

Mr Speaker I was very happy with the statement of the Environment Minister during the week and the questions that he's answered regarding the capacity of DEC and he's admitted that the Department of Environment and Conservation is not adequately funded and that they do not have the testing laboratories and all those facilities. I would like to thank him for his boldness to stand up and admit those.

However, Mr Speaker, what I ask for and I believe many other members ask including one of our funding fathers, Sir Julius Chan is that, does the Department of Environment and Conservation have the capacity to manage environmental issues of our mining companies? Why

are they issuing out new environment permits to allow for the mining companies to issue mining licenses.

That question still remains and I want the government or the Minister to make his stand next week or in other sessions to come to telling the People of Papua New Guinea whether they would continue to issue licenses or fix up the Department first before it issuing licenses.

Mr Speaker in my district I have Hidden Valley Mine and at the border of Huon Gulf in Morobe Province we have Wafi mine coming up soon. There are some issues I want to raise that I want other ministers concerned to take note of because they are very important.

Mr Speaker, this is regarding the power supply. When Hidden Valley was up, the government through IPBC and PNG Power reckoned that we could supply the power.

I think they wanted 90 megawatts. But during the construction phase until now they have entered into an agreement with Hidden valley to supply the power so the government put up a contract and constructed a big power line and now they are not supplying the power and the power supply to the mines is minimal and is affecting Lae and the Highlands out of the Ramu operation.

This clearly shows that when we negotiate with a mining company to come into Papua New Guinea we must ensure we have the capacity to accommodate their needs before we invite them over. It is taking a toll on all the cities and towns up in the highlands, and the Momase region including Lae. they are rationing the power because the mining company is chewing up all the excess power we need to run our cities.

Mr Speaker the other issue is roads. The road access between Lae into Bulolo and up to the mining company where the mine operates is not adequately funded by the government. When we put in hidden valley, we put big trucks in and big trucks are running 24 hours and from Works Department there is no consistent funding to fund that Bulolo highway. I believe the same thing is happening on the Highlands highway. When we talk about Pogera and from Hagen to Southern Highlands. We are not ready to fund these roads. And in my district alone those big trucks are hammering the roads and the road conditions are worsening every day. We do not have the capacity to look after those roads.

Mr Speaker the police and I believe that if the Police Minister and the Mining Minister are listening, when the Mining Minister decides to set up a new mine, please ensure that you supply police officers for those mines. They have to have their own police officers. Because at

the moment Wafi mine although in exploration stage scoops up all the police offices from the Mumeng police station, Hidden Valley scoops up all the police officers from Wau and Bulolo police stations.

This leaves no police officer to man the township and it does not look good when we are a Government for the people. We are supposed to maintain those services for the people in the districts and yet the Mining Company goes in but we cannot supply the police so they come down and remove all the officers from the stations and the people are left to protect themselves.

For example; a couple of days ago, the beginning of the Lae Show, all police from Wau and Bulolo were called to the show grounds and people moving to Lae from Wau were held up at gunpoint because there were no police to man the township. It brings us to the question again, whether or not we have to address these needs before we bring in the companies. They must have their own security personnel or police so that they do not get the police officers from the stations leaving our people without police officers.

Because the mines are operating at the expense of our people and the same thing goes to Special Support Grant (SSG), since 2009, when Hidden Valley came into operation, we have not received any SSG, they only gave K12 million after I went in personally slammed the table during my term as the Minister for National Planning.

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Since 2009 when the Hidden Valley Mine started its operations, this was the first time that we received the grants because I was the Minister but what about other Members of Parliament who have mines in their provinces and are not Ministers? I am sorry but they will not receive anything.

So those mechanisms are not in place to complement the districts. The other thing is that when we make MOAs, we must write them in English and Tokpisin so that the simple people in the villages will understand. Now we are find it difficult to review the Hidden Valley Mine MOA because they lured the landowners to Australia and offered them luxuries and many other things, and they brought them back and they signed the agreements. Now we are facing many problems where districts are missing out on development grants, there are no accountability with the local-level governments, sub-contracts are not given to the landowners, local citizens are not employed on the mine site and as a result, we have many complaints.

Therefore, I want to state clearly that when the Mining Minister and the government officers who go forth to establish new mining projects in the districts, we must ensure that the MOAs are printed in English, Tokpisin and Motu so that our people in the villages must know what will happen when the mine operates. Wafi Mine is going to go into operation and I have been the advocator of this so we have to do this now. Recently, I have heard that the mining company appointed elderly people into the board and brought them to the village and told the people that this is how we are going to operate but we don't know what the MOA will say. The way it is going, we have not learnt from our mistakes.

Mr Speaker, while I am at it, I want to inform the Police Minister that there are many law and order problems in Hidden Valley and Wafi and I think they should have their own police rather than use police from my electorate. Many complaints have come from the Lae City police on problems regarding the Police Force and some citizens have asked me to raise this concern in Parliament. I wanted to raise it during the Question Time but the Chair did not recognise me so I want to mention this now so that the Police Minister will be aware of it.

Many Policemen in Lae and even in my district and other parts of Papua New Guinea are involved in personal businesses. Many Police officers are involved in real estate business, hire car business, PMV business, Security Company business and they also provide close protection unit to support to Asian businessmen and other business people. So if the Minister is listening to this debate, he has to identify those police officers and get rid of them from the Police Force because they spend half of their time and the resource of the Police to look after their own business interests.

This is even happening in my electorate where a policeman transports coffee from the rural areas down for sale. He wakes up in the morning and spends half the time doing his business until mid day and then goes to do the police work. The same thing applies to the security companies where if a policeman owns a security company, it is a guarantee that his police unit will look after his clients and as a result, they won't attend to the problems of the people.

So if the Police Minister is listening in his office, he has to make a statement about it and assure the public that these sort of police officers have to be removed from the Police Force.

Mr RICHARD MARU (Yangoru-Saussia – Minister for Trade, Commerce and Industry)

– Thank you Mr Speaker. There is a concern in Lae where the farmers are complaining about the

importation of chicken from Australia which, are being dumped on our shelves, and in Bulolo, they are complaining about cheap fibro coming in from China.

Mr Speaker, when I became the Minister, I realised that Papua New Guinea has lowered all its tariffs to levels lower than the sanctioned ones WTO called for called the WTO Band Rates and opened the gates to cheap imports. As a result, we are going to kill all the local industries and the classic examples are chicken, soft drinks, and the list goes on.

I want to inform this Parliament that for reasons only known to the past governments, the responsibility of setting the tariffs was transferred from Trade and Industry to the Department of Treasury who has no idea and they don't consult the Department of Trade and Industry, so they don't know the effect of their decision to lower the tariffs in Papua New Guinea. Very soon, we are going to lose the chicken industry because of the dumping of chicken from Australia. If we lose this industry, we will lose 4 500 jobs and an industry that is worth K500 million. It will affect the masses.

A similar thing will happen with timber where we will no longer have any timber products from Lae because we can't compete with the cheap plywood from China. The Minister for Forest has written to me already and I have now made a submission to the Ministerial Economic Committee that in this Budget, we have to increase tariffs for at least six sectors in order to protect the local industry. So as Minister responsible, I have done what I have to do and it is up to this Government to make sure the levels of tariffs are increased.

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I also want to inform all the farmers, that, as the Minister responsible for Trade Commerce and Industry, I have recommended to government that we should immediately increase tariffs. We can keep debating in Parliament and continue to protect the consumer and say no to increased tariffs, or that we keep jobs and employment for our people.

I will give an example; the Australian farmers who sell chickens to this country do not pay company taxes in this country. Therefore, they do not contribute in any way or benefit our people and this country. We are so wrapped up in listening to the foreign advisors in the Treasury Department resulting in the neglect of our own industries in the country. It is time that we stand, and I want to inform the Parliament that I have done what I believe must be done, and

that I expect support from the government to increase our tariff levels so that, we can keep jobs and look after our people.

It will not be long before we get to the end of the construction phase of the PNG LNG Project and therefore, another 5000 people will then become unemployed. Therefore, we have to be careful when we deal with issues concerning tariff levels. Why then are we reducing it lower than the rest of the world?

This is an issue of national importance regarding whether to keep our industries or open the flood gates and kill all the industries causing more unemployment. How then are we going to take care of our people?

Once again, I want Parliament to know that I have done what needs to be done and a submission is before the government to make sure that in this budget we will increase tariffs in our critical industries that are adversely affected by the cost of cheap imports that we cannot compete with.

The Minister for Agriculture and Livestock has already informed Parliament that we have the highest freight cost, air fares, hotel rates and et cetera in the world. This is not the fault of these industries for high costs. The reason is because they cannot compete. We have to address the issues of high costs first then we can expect the industries to compete.

It is unfair to say that they are inefficient or a lease cost operator but most of these problems are the results of the government failures in the past concerning our industries. That is why I am telling Parliament that this is the key issue and that we should not just listen to foreigners. We must start to act to protect our own people, businesses and industries.

Thank you, Mr Speaker.

Mr DOUGLAS TOMURIESA (Kiriwina-Goodenough) – Thank you, Mr Speaker, for recognising me and the people of Kiriwina-Goodenough and for giving me the opportunity to speak again.

Mr Speaker, I have certain concerns that I would like the Parliament to take note of.

During Question Time in Parliament, the Ministers that we Members would like to direct our questions are not present. The debates in Parliament are very important and we expect the Ministers to be here to listen to these debates and respond to our questions.

The *Hansard* clearly shows that the things that we deliberate on the Floor of Parliament are just repetitions of what has been talked about in the last 10 or 20 years. And when it comes to the implementation of policies, we do not deliver to our people.

Therefore, I am putting this challenge to Parliament and I would like the government whip to take note. When we deliberate here in Parliament the issues are very serious as it concerns our people. Therefore, we must be here in Parliament so that we hear what each Member has to say so that we all can work collectively and cooperatively to address national issues.

Mr Speaker, the reason why I have started off with this challenge to Parliament is because the Prime Minister raised an important issue this morning. Now, I am a former employee of BHP International for seven years. Therefore, the issue raised by the Prime Minister this morning is a very serious issue concerning this nation.

Take for instance, the OK TEDI Mine in the Western Province, and as stated by the Minister for Culture and Tourism the pollution to the waterways in the province has caused mothers to give birth to deformed babies.

Now I put this to you all, as leaders of our people, does it move, stir or incite any feelings inside us to hear a fellow Member talk about deformed babies? Or are we going to just sit here and allow companies by granting licenses to them to come and destroy the livelihoods of our people.

When the people of Western Province took BHP to court, this Parliament came up with a law and intervened. The landowners who were about to win their case did not succeed because this Parliament frustrated the process. And we are talking about this company again and Ross Gano, but it is this Parliament that continues to protect big mining companies.

Why do we continue to protect such people, companies and organisations? And then later we turn around and shoot them when we were ones who at the first place protected them.

Mr Speaker, therefore, I want to put on record that I will not support any organisation or company that uses Papua New Guinea for fast money making purposes.

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For the sake of my small people on Kiriwina and Goodenough, we don't have any others resources except for human resource.

And if big organisations will come and destroy the human resources and the livelihood of our people like the OK Tedi River and we continue to make laws to protect them we have to sit back and ask our good Lord search my heart so that I can make decisions that are good for my people

For too long we call ourselves, PNG, a Christian country and we come and say prayers here but do we search our heart enough to seek God's guidance will and purpose to put our people Some of the issues that because some of us sitting here how many times we have gone back to the Parliament records the *Hansards*, to read through and see some of this discussed today about health education are in the records but they need implementation we speak too much but talk about when it comes to implementation, we lag behind.

Mr Speaker I raised this issue because there's too much talk but I believe the Parliament does not have its full capacity.

I hope other Minister can listen to what we back benchers and middle benchers are saying so that it becomes a reality. There is no point planting a pawpaw tree and having it decorate your garden when it does not bear fruit, you plant so that you can harvest.

We have been planting for years on this Floor of Parliament but the harvest is very little

Mr Speaker to I will conclude by sharing this parable by the bishop of Alouta Catholic Church and he he said;

'When a huge tree falls in a garden all will hear about its fall and will gather to witness it but there are millions of small trees growing and they don't make any announcement meaning when a leader falls in PNG all will hear about it but there are generations of Papua new Guineans growing silently with no announcement and we as leaders are responsible for that generations.

Mr TOBIAS KULANG (Kundiawa-Gembogl) - Thank you Mr Speaker for recognizing me this morning I would like to join this debate on a particular issues

I was going to ask it as a question to the minister for public service but I took note of the debate from the prime minister and I think I should raise this in a form of Grievance Debate

Mr Speaker this is in relations to the public servants home ship scheme deal at Eight Mile. Yes, I hear my other colleagues are saying scam I would like to say the scandalous public service home ownership scheme deal

Mr Speaker, I took note of the Prime Minister's sentiments in relations to peoples within and outside of this country view s about the leadership of this country Mr Prime Minister sometimes the truth will hurt.Sometimes we cannot separate ourselves from our past it will continue to overshadow us.

Mr Speaker, I know that there is a crop of new generation entering this Parliament as we have heard from my good brother from Kiriwina Goodenough

Mr Speaker this is the unfortunace situation that we have to dael with the stigma the perception of our past records of leadership style therefore we must not sensationalize on this floor of Parliament but be men enough to take the bullet.

Then I believe that we will pay attention to some of attitudes and well become better leaders. I say this because I am not related to Ross Garnaut. I take offence in what was said, as a citizen of this country but there are some issues that need to be dealt with and this cant be swept under the carpet as responsible leaders in our time and in our generation. Only then will we lay the foundation for this country to move forward.

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Mr Speaker, I take note also of an important and profound statement from the Prime Minister when has said, 'this country is not an issue of resources, it's an issue of management'.

As an accountant, I know that management is a function of leadership so instead of saying management we should say leadership. So why should we have a problem when somebody has a problem with our style of leadership?

In the recent past, when the Prime Minister just decided to say, that some of the guys whom the nation has advanced K39 million to, right at Eight Mile, and they did not deliver. The contract was structured, and I say, 'by master craft'smen who know the job. People with the experience of NPF Scandal were employed in our Jimmy Maladina.

Mr SPEAKER – Honourable Member, may I advise you to refrain from calling names and making impartial allegations?

Mr TOBIAS KULANG – I withdraw from calling names but I must say, that the nature of the contract, as I studied this case, is from people who are very well aware of the inherent weakness of government.

They stated in the contract that the government must do this and then we will do that. They wanted to government to ensure that the utilities were connected, if not the contract will fail.

But you know, Mr Speaker, I want to bring this issue to the Floor of Parliament. This contract was signed and from the outset, the execution of this contract required that the contractor be paid 33 per cent of the contract value, K13 million up front.

Now, where on earth can you get a contract like that? Three months later another K15 per cent, taking you to up to almost 49 per cent on the contract value, you have given to that person. This is like a person whom you have given all your money to and he will then use your own money to do your work.

With the greatest of regret, that was under the watch of our Prime Minister who was then the Public Services Minister. This is like a sore thumb hanging on our name and now we get angry when people question our style of leadership. This is a big question for us to ponder on in this Floor of Parliament.

This is not something that happened many years ago, it happened days or months ago, in fact as recent as yesterday, in August, when this Cabinet ruled that this is not an issue.

Mr Speaker, I said the issue and the problems we have, from the words of the Prime Minister is management, management as against leadership. What's wrong with leadership? I said the problem is the issue of integrity in leadership. That's what's lacking.

We are not saying we are not what we say we are or what we appear to be. On the one hand we said we are fighting corruption. We are legislating on the Floor of Parliament to deal with corruption but on the other hand, we are progressing it, we are promoting corruption in our actions in broad daylight.

Another aspect of this contract is this. The contract stipulates that the person who wins the contract should have 200 land titles under his name and then he can get that contract.

Mr Speaker, in the contract, as part of the deal they signed in August of 2009 in which we gave 33 per cent or K13 million of the deal to the contractor and then he went down the road and signed a deal with a company, Ban Development who owns the titles.

He did not have the titles when they signed the contract but we have already given him K13 million and then he went and bought the titles from another brother and came back to the government and said, now I'm ready to make business with you. But you know the actual titles were transferred in August 2010.

So he does not have contract and we don't seem to have a problem with deals of this sort. And then Cabinet readily approved that. Forget about this you naughty boys, just return the money and you can go free.

Goodness gracious me, what kind of contract laws and what kind of justice system are we introducing to this country. How can we stand up to the rest of the world and say, 'this is our style of leadership?'

Mr Speaker, in another issue, these 200 blocks there, our uncles, some of the people in that company we are dealing with are knights and sirs. In fact, one of them is a very prominent figure in one of the biggest group of companies in this country.

They do not need our sympathy or our sorrows. This money is more urgently needed by our people for their roads, hospitals and schools.

I have a situation where children in grade 10 are seated on the floors of classrooms. That's where the money should be, not in the hands of those people who have enough.

We'll we don't have a problem with that, why are we shouting at Ross Garnaut?

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This year the contractor came back and said sorry because there were some variations. The word 'variation,' sounds unfamiliar.

Mr SPEAKER – Honourable Member, I have to interrupt, your time is up so you have to resume your seat.

Mr BIRE KIMISOPA (Goroka) – As part of today's Grievances Debate, I will be making a statement on behalf of Papua New Guinea businessmen and women right across the country. And if I run out of time, I will later seek leave to have rest of the speech incorporated in the *Hansard*.

Mr Speaker, I stand on behalf of all Papua New Guinean businessmen and women who have been waiting and watching with great anticipation as to when the PNG Government will

endorse the Kokopo Summit Resolutions. This National Development Bank sponsored initiative by Minister for Trade and Industry, Hon. Richard Maru, who was then the managing director of the National Development Bank (NDB).

The NDB under Mr Maru's stewardship was inspirational and was focused on much needed small businesses. His determination and visions gave many small businessmen and women the confidence to show that NDB is there to assist them without much hassle within the existing banking monopoly that we have in the country.

Some of us here in this Parliament have been privileged enough to organize and participate in this once in a lifetime gathering of all Papua New Guinean entrepreneurs in Kokopo from the 4th to the 10th of April, 2011 for the integral PNG incentive PNG Business Summit.

Mr Speaker, the name indigenous may not sound proper but the state of desperation expressed by our nationals to operate in the business sector to identify commonly as SMEs cannot be underestimated. The rural economic contribution from the sector is growing every year and yet the depression rate is growing tremendously high and nobody cares.

There is no institution or regulatory support and there is no clear policy that can articulate Government's intervention in that sector and there is no vehicle or tool that is established for the sole purpose of bringing services of NDB to the rural community. The use of the word indigenous in both cases is deliberate and also a warning.

If the urgent need for this particular sector is ignored, sometimes the consequences can be very bad as was the case in the Solomon Islands and in some Asian nations.

Mr Speaker, Kokopo resolutions came about to a collaborative forces of discussions and provincial interactions with the Government's lending agencies like the National Development Bank and the many hundreds of Papua New Guinean businessmen and women who have participated. The participations of the Kokopo Summit were all united under a common cause for economic empowerment and inclusivity in nation building, something our businessmen and women felt and were denied for many years.

Mr Speaker, this is a sector that did not ask for a 10 - year tax holiday as given to Ramu Nickel project and more recently, the wholesale exemptions accorded to the PNG LNG Project. And this sector also ask for protective tariffs enjoyed by Ramu Sugar or ask for government reserve list or any such exemptions enjoyed by many industries in this country.

Mr Speaker, the Kokopo incentive fell within the auspices of the Government of Grand Chief, Sir Michael Somare and then later was embarrassed empathetically by the Honourable, Peter O'Neill when he became Prime Minister on the second of August, 2011.

The challenges and promises remain unfulfilled and yet our people who are small time business entrepreneurs, including the social investment made into our communities, unlike our foreign competitors are not clearly understood from within government.

Mr Speaker, a robust and dynamic private sector dominated by Papua New Guinean nationals on coffee export, engineering and contraction work, exploration and professional services and the fast food operations must be a mandatory incentive for any Government. A once in a lifetime seed capital and legislative support has to be made in to small and medium enterprise of our country if we are to collectively tackle law and order, unemployment and alleviate poverty all over this country and line up to the expectations of the Vision 2050 statement.

Mr Speaker, it is with some degree of deliberate effort by all Papua New Guinean businessmen and women who ventured into Kokopo for the summit. There were some great excitement and expectation that our political leaders would embark on a once in a lifetime opportunity to empower the National Development Bank with seed capital so that our aspiring businessmen and women can take their rightful place in the economic landscape that has been created by the micro economic conditions presently experienced around the country.

Mr Speaker, can I pause for a brief moment and thank the Government for the generous investment, including most recently K130 million being pumped into the NDB. Although there are some problems with the NDB they are charging interest rates at about eight per cent. I suspect 20 or 30 per cent of those funds will be consumed by the staff within the NDB.

Mr Speaker, our nation has enjoyed improved commodity prices for agricultural exports and record revenue for its mineral and petroleum exports over the last 10 years and at the same time the nation's income has increase to a point where we now have passed the record of five supplementary budgets to appropriate revenues over and above the national budget estimates.

Members of parliament have rewarded themselves with over K21 million per districts since 2007 and a record number of political projects have been advanced right across the country from the National Planning Office.

Landowners from the LNG project have been given considerable amount of money, almost K300 million as the pay before use benefits as the number of businesses and individuals have enriched themselves by aligning themselves with a ruling class of this country.

Public expenditure, Mr Speaker, has been increasing as a consequence of record revenue

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We are now appropriating at least K13 billion budgets in 2012 compared to 2002 when it was less than K2 billion.

We have made generous investments into primary education and university yet it does not mitigate the increasing unemployment rate which currently confronts our youth population.

Given the appalling socio-economic indicators of our country we remain hostage to law and order, increasing high unemployment and falling living standards and yet the critical role small business plays in alleviating some of these social problems are not featured in the political narrative.

We are caught hook, line and sinker by the mining and petroleum boom and the need to align our small businessmen and women within this growing sector appears to be drowning in policy confusion within the appropriate agencies of government. There is really no political leadership for the non-mining and petroleum sector of the economy and small business appears to be the victim of our so-called economic success.

Mr Speaker the Asian Development Bank estimates that less than 10 percent of the working age population in Papua New Guinea are earning a wage in the formal sector.

There is roughly five percent or at least 300,000 people in this country are paying wages and salaries tax which is really a small income tax base from which the government can raise the domestic revenue to support the national budget.

It is this backdrop that the small business sector of the economy needs an urgent economic stimulus to improve this sector of the economy which is already struggling to cope against a number of business constraints such as higher interest rates, higher cost of credit, higher rentals and the higher cost of imports.

Mr. Speaker it is obvious that the private sector remain the greatest accelerator for economic growth where better living standards and improved social services can be enjoyed.

The economic prosperity of this country can be determined by how well our citizens are empowered by its government and not by a socialist program where Members of Parliament are the dispensers of public monies for public goods and services.

The more our unemployed people become employees in the formal sector of the economy through a deliberate program of assistance to the small and medium enterprise there will be a corresponding increase in tax revenue (personnel and business) and also it should lessen our socio economic problems.

Mr Speaker, projects initiated by politicians in this country have all been parochial and have no real public or economic value with most possessing a negative rate of return on investment.

Public investment has been made in the millions but a concerted effort to leverage this investment through sustained economic activity remains in the dungeon of policy confusion.

There seem to be a cornucopia of policy prescription invented on the run by politicians who have never sold an ice block, operated a PMV bus or sold coffee on the road side.

They can never appreciate the constraints the small businessmen and women face on a daily basis and the overwhelming need to decrease our high unemployment rate, increase our wage tax income and mitigate our rising social costs.

Mr Speaker I'm virtually running out of time, should I seek leave of Parliament to incorporate the remaining part of my speech?

This government must be deliberate in articulating policy prescriptions for Papua New Guinea nationals who operate within the small to medium enterprise in this country.

It must be a parochial and racist enough to establish a once in a generation endowment fund consisting of budgetary support to the National Development Bank that guarantees lending to all Papua New Guinea businessmen and women.

The government must establish a financial institution for Credit Risk Management where an agency or bureau is established that assesses and assists the applicants in accessing credit successfully.

It must also establish a Solvency Agency that periodically request financial reports for applicants so as to assist the banks better understand the financial prospects for the applicants.

It would also be good public policy to establish a Business Impediments Commission that eradicates all unnecessary cost on business.

Furthermore, the government should establish a one off lending charter geared towards this sector where the National Development Bank and other three commercial banks would participate in lending to our aspiring national businessmen and women.

The charter must provide generous repayment terms, state guarantees and subsidies, low interest rates, and a lenient lending regime that does not discourage applicants with no prior history of trading.

It must remove the mandatory requirement of higher collateral or sweat equity required for credit in order to encourage the growth of small business.

A government that truly wants to accelerate economic growth must ensure its macro economic conditions are right.

It's fiscal and monetary policy settings must place a cap on inflation that ultimately must lessen the cost credit.

Also it is imperative that the government's social initiatives and public expenditure on the major infrastructure is conducive for sustained economic growth.

The small business sector dominated by Papua New Guineans would benefit from land mobilization, cheaper loans, and an efficient state owned enterprise which provides reliable electricity, and telecommunications.

It would be in the national interest that the PNG government considers an immediate reduction in company profit tax rate with an aim of encouraging long term private investment and also aid new business entrants into the markets.

Papua New Guinean businessmen and women see themselves playing a pivotal role in maintaining social cohesion within our communities.

Our national businessmen and women continue to absorb the huge cost of maintaining social welfare and law and order in our rural communities.

Small business man and women are the safety net where our people can go to if they require a coffin box to bury their beloved ones.

They provide monies for bride price and funeral at the cost of their own business with no tax concessions.

They also provide monies for school, fees, monies to settle disputes and compensation and also support the many church and community social programs.

They are the de-facto center link that provides social security cheques to our people.

Unfortunately, foreign businesses and their proprietors do not carry this great social burden but our business people do so sometimes at the cost of our own survival.

The Australian cannot worry about their unemployed because they have Center link.

Australians have a generous welfare system which includes subsidy on pharmaceuticals and so do the many countries around the world that have a government sanctioned program that sustains the marginalized in society.

I believe this is the time for a major economic stimulus package into the banking sector.

The National Development Bank has to be given sufficient seed capital coupled with a regulatory framework to assist and provide funding to our many aspiring businessmen and women.

There is no better time to embark on an ambitious, yet noble endeavour for our people than this period of our history when our macro-economic conditions look very promising.

There may be an opposing voice to the Kokopo Indigenous Business cause but where else can our people go to when countries like Australia provides an interest free grant of AUD\$10,000 per citizen for home ownership.

Even in Malaysia where their government is quite deliberate on purpose by investing in its own business people through credit guarantees and enforcement of regulatory and legislative tools that intentionally invests in its native population.

A greater public investment into the national development Bank would allow most of our people to participate in economic development and any dissenting voice ought to critically look at property ownership in this country where it is skewed towards the privileged few who are often not Papua New Guinea nationals.

We simply do not have the equivalent of a Foreign Investment Review Board of Australia that regulates foreign participation in their economy even in matters such as property acquisition.

When alienated land in Papua New Guinea is approximately seven percent most of which is prime land is concentrated in our towns and cities, this gives our business people little hope for leverage to secure credit on the basis of collateral required when ownership is in the hands of the wealthy few and foreigners.

Already, there is overcrowding out of liquidity within the commercial banks towards sectors of the economy where the return on investment is high.

There is also a certain bias towards lending in Papua New Guinea where security or equity contributions are like attempting to climb Mt. Everest without an oxygen mask.

Loans to well established companies are increasing by comparison to new applications as they continue to expand and dominate the economic landscape.

Small to medium size enterprises consisting of plumbers, electricians, and bricklayers are absorbed into the existing big companies with no room for our people to participate legitimately as entrepreneurs in the skills and profession they have taken up.

The Banks are reluctant to lend to the many talented and experienced Papua New Guineans whose trade and expertise is seen differently compared to what you would experience in Australia where the small business sector is dominated by the trades people such as plumbers, bricklayers, electricians home builders, morticians, landscapers, restaurant and coffee shop operators and even bakeries.

Lending to Papua New Guineans in retail trade for general merchandise is no go zone for our commercial banks.

Given the success of foreign interest in this sector of business, commercial banks have scrapped from their loan book this aspect of lending.

They have declared unilaterally that Papua New Guineans are incompetent against the flood of foreigners selling lamb flaps, cooking oil, canned fish and pirated videos and even down to fishing hooks and their plastic hair combs.

Our National business man and women are of the view that this government regardless of the change has an obligation to the national cause.

There are certain national endeavors that should not be derailed as a result of political bias.

The indigenous cause is a game changer in nation building and it should be free from parochial interest as the consequence of inaction will have an enormous economic and social consequence on the lives of people.

I urge the Prime Minister and his government to give financial support the National Development Bank deserves for the sake of our people.

This is not free money because we know our business people will have to pay it back anyway.

Sir MICHAEL SOMARE (East Sepik) – Mr Speaker I have a grievance I'd like to share.

I have a problem which I have already notified the Prime Minister in a letter.

My grievance is this; in my letter to the Prime Minister I stated that in East Sepik we made preparation for the recent royal tour however the government decided that my province would not be included.

However I want to know why the government sent the Commander for Defence Force Walter Enuma to guard my house.

Is it a thief's house or the house of the defence commander or commissioner?

I would like the Minister for Defence to know about this.

I was the regional member for East Sepik and the Prime Minister when the rogue soldiers burnt the flag called Royal Queens colours at Moem Barracks and I intervened and advised them to stop such unlawful acts.

We have accepted in our *constitution* her majesty the Queen as our monarchy so we have a constitutional monarchy in our country Mr Speaker.

Today Commander Enuma is guarding my house in military uniform with weapons and I want to know why that is so?

Can the Prime Minister and the defence Minister find out and inform me the reason behind this?

I'm the Regional Member for East Sepik and a long time serving Member of this Parliament, what is wrong with us?

The National Government did not have funds to replace the flag and it was through my instructions that we purchased a new flag for our battalion at Moem Barrack which is currently with me in my house.

The High commissioner from London sent the flag to me and I will present it to the commander in East Sepik to present it back to the national commander.

They have sent military officers to my house to get the flag.

Mr Speaker since 1968 my house has never had a guard and my people don't disturb me because they respect me.

Why did they send Commander Enuma? He has two court contempt charges on him for entering the Chief Justice premises with Honourable Belden Namah.

Mr **SPEAKER** – Honourable Governor I must remind you as per the rules of the house we cannot defame a person in here.

Sir MICHAEL SOMARE - Sorry.

I want to know why, what am I guilty of?

The Ombudsman Commission suspended me for three months and tried to prove me guilty but was unsuccessful.

What am I guilty of that the military should monitor and guard my house?

This morning Wewak town was full of military personnel with their arms, is there a war going on?

Mr Speaker I am disappointed by such actions.

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Mr Speaker I am not pleased with the actions taken by the Defence Force. We asked for proper procedures to be followed and the report was in my house and I would have given it to the military to be presented by the Commander of the Defence Force. The way they did it was not right because I am not a thief. This is my eleventh term in Parliament and I might come back even though I am too old.

Mr Speaker, I am not a thief and my people have not rejected me. In the recent election, many young candidates said that they would beat me but as we say in my area, I am the root of the sago and you will be unable to uproot it. I don't deserve this treatment because I don't mistreat others and everything I do, I always do it by the law.

If we want to show leadership, I have been doing that until now and I have not done something wrong. Sometime ago, during question time, a question was raised about the funding I allocated for Karimui road in 2010, and I told the Governor for Chimbu Province that I am aware of the funding I that allocated.

I did not do anything wrong to have the Defence Commander sent to my house. I am upset about that. Like other Members, I have a right as a Member for East Sepik to speak for my people. I have held this seat for 44 years and I am still here and it is an insult to my dignity as a honourable Member of the Parliament and I don't like that kind of treatment to be given in my

province. Why show military weapons in Wewak town? Do you think we are trouble makers? We are law abiding citizens and we follow the laws of this country.

Mr AIDE GANASI (South Fly) – Thank you Mr Speaker for recognising me as a Member representing South Fly electorate. Mr Speaker, I want to make a maiden speech on my appointment as Deputy Speaker.

Mr Speaker, may I extend to you warm greetings and congratulations from the people of South Fly Open Electorate on your election as the Speaker of the National Parliament and effectively as the head of the Legislative arm of the government.

Mr Speaker, I would also like to take this opportunity to extend similar greetings to the honourable Peter O'Neill on his election as the Prime Minister by the majority of MPs supporting him on this floor of Parliament.

On the same token Mr Speaker, may I also convey my greetings to the honourable Mr Belden Namah for assuming the leadership of the Opposition.

Mr Speaker, it is also worth mentioning that for the first time in the history of this country, I am proud to acknowledge the presence of the three great women Members of Parliament amongst us. They are the Honourable Julie Soso, the Regional Member and Governor for Eastern Highlands Province, Honourable Loujaya Toni, Member for Lae Open and the Honourable Delilah Gore, Member for Sohe Open electorate. These women have earned their place in Parliament and gives back inspiration to our womenfolk that leadership does not belong to men alone and women can be good leaders in our country as well.

May I also congratulate all other fellow Members of the National Parliament for obtaining the mandate from their respective people to be representatives in the Parliament. I also commend the leaders in this Ninth Parliament for respecting the democratic process of electing a government with the majority into office and the opposition with minority also into office.

Mr Speaker, may I now lead you back to my election some weeks ago as Deputy Speaker of which, I'm humbled by the confidence and trust placed in me by my fellow Members of Parliament. This in effect, makes me the deputy head of the Legislative arm of the government and therefore, lifts the profile of the South Fly District that I represent, and I'm sure my people truly appreciate this recognition and respect given to them by the honourable Members of this Parliament.

Mr Speaker, as Deputy Speaker, I will give you my total support and commitment in ensuring that the integrity and reputation of Parliament is respected and upheld at all times.

Sadly Mr Speaker, as I make this statement, I note many things that need our urgent attention to restore the pride and respect of this great institution. Some of these are maintenance and renovation to the building which, is in a very bad state and if allowed to deteriorate would cost the taxpayers of this country more than the cost at hand now.

Staffing in various sections of Parliament needs to be improved drastically in their performance. Members of this Parliament deserve nothing less than hundred percent performance in undertaking their duties and supporting us as mandated leaders of our people.

In turn Mr Speaker, this Parliament also needs to review what we offer our staff, and if need be, let us improve their working conditions so that moral is high and they perform their duties to the best of their abilities.

Mr Speaker, I also note the rigid security around the Parliament and would like to appeal that we relax security and allow general public who are our people and will give us the mandate during every general elections to visit Parliament and learn how it operates. It will help if Parliament could open all days to the public and provide awareness on its functions and how it operates. The National Parliament needs to be more people friendly.

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The National Parliament needs to be more people friendly.

Mr Speaker, in the last term, it was realised how powerful Parliament is, and therefore, we need to get it to play its role effectively as the legislative arm of government. We need to do this by giving effect to the various parliamentary committees by resourcing them well so that they can function and operate alongside the executive arm of government.

Mr Speaker, as Deputy Speaker, I would want to support you in ensuring quality debate on Bills and issues of importance and encourage all Members of Parliament. This would mean that the legislative drafting section of Parliament should be better resourced so that it is able to assist Members in the drafting of Bills. Members should also be resourced well to enable them to undertake reception Bills and other important issues so as to lift the standard of debate and deliberation in Parliament.

Mr Speaker, lastly, and with utmost respect to the Chair, you and I must demonstrate impartiality and fairness in presiding over Parliament. We give every Member in Government and in the Opposition their respective opportunity to represent their people as mandated leaders.

Mr Speaker, having said this, I would like to remind Parliament of the democracy that we enjoy as a country. A country that consists of many different tribes with 800 different languages together united as one people. As mandated leaders we are duty bound to protect and uphold the principle of democracy as we owe this to our people and to the fathers of this nation who led us to a democratic and sovereign nation.

Mr Speaker, two of those fathers are here with us today as Members of this Parliament, and let me accord the respect that we have for them. They are; Sir Michael Somare, the regional and Governor of East Sepik Province and Sir Julius Chan, the regional Member and Governor for New Ireland. We look forward to the wise council and guidance of these two great leaders.

Mr Speaker, and honourable Members of Parliament, let me assure you all that I will not let you down as I humbly accept your confidence in me and will do my best in supporting the Speaker and overseeing Parliament.

May the Almighty God bless us all and this nation of ours.

Mr GARRY JUFFA (Oro) – I wish to make a few comments regarding the logging industry in Papua New Guinea and in relation to that, the SABL inquiry.

I would like to thank the former Prime Minister, Sir Michael Thomas Somare, who instituted the SABL inquiry and I would also like to commend the current Prime Minister for continuing with that inquiry.

Mr Speaker, Papua New Guinea contains the largest rainforest area in the Asia-Pacific region. Our rainforests are home to one of the most diverse and elaborate ecosystems containing thousands of species of flora and fauna, much of which are endemic to Papua New Guinea. Many such species continue to be discovered but of course we have discovered them already, but the Western world come and discover them to name them after their grandfathers, uncles, themselves and so forth. The rainforests are home to many tribes who depend on them for their survival. They depend on them for food, shelter, medicine, cultural and spiritual identity.

Mr Speaker, since Independence and especially commencing in the 1980s with the arrival of logging firms from Asia, our forests have seen substantial destruction and irresponsible harvesting of logs with little oversight or monitoring by the government.

We have allowed the export of logs by SGS, a firm tasked with the responsibility of reviewing all log exports. This firm has been kicked out of several countries like, Pakistan, Bangladesh and most recently in Indonesia for failing to fulfill their mandated responsibilities. This firm only examines 10 per cent of the actual logs harvested and exported. Even these inspections constantly reveal discrepancies that are hardly ever penalised or acted upon. These discrepancies range from between 20 to 100 cubic meters per shipment.

Companies are simply allowed to continue to export logs with no repercussions, ramifications, penalties or disciplinary actions of any sort taken. Papua New Guinea is one of the very few remaining nations that allow round log exports and that occurs with great financial loss to Papua New Guineans collectively as a State and to the landowners, due to very elaborate transfer pricing mechanisms established by these firms. These firms are experts in transfer pricing and they are constantly declaring losses and therefore, paying no taxes at all.

The government has at times become oppressive and harsh towards its own people by abusing them and using its own agents as it protects the interests of logging pirates who destroy substantial portion of forests and pay very royalties and taxes of any sort.

I also take note here to commend my fellow Member for Kiriwina-Goodenough who highlighted an issue that we must start taking note of and rise up to address. It is an issue that the Minister for Trade, Commerce and Industry has also taken up. And that is the issue of nationalism, the very reason why we entered this Parliament, which is supposedly to protect the interests and future of our people.

Nevertheless, many of us ignore this when we enter Parliament. We abandoned our people at the door ways of Parliament along with their dreams, hopes and aspirations. We then start to protect the foreign investor where many of them enter the country with heinous and evil deeds in their minds. They are willing to rape, pillage and steal from our people, the very ones that elected us into Parliament whom we had sworn to protect but many times have failed them.

Now, getting back to what I was saying before, once logging has been completed the land area is devastated and people's lives are equally destroyed. Their land is gone with their forests decimated with the empty promises of infrastructure development yet to be delivered.

There are no schools and hospitals as promised and if so, they are built from the cheapest possible materials with the hastiest manner where they fall to pieces almost immediately after they are erected. The so-called roads built are actually dirt pathways which were built to allow the loggers to access the timber that they want to harvest and export. And in many instances they even force the government to pay them to build these roads. This is a scam within a scam, which we happily facilitate and we run around and say that we are excited about all these investments and beat our chests and say that we are progressing and that all these natural resources belong to the government.

The truth here is that, all these natural resources belong to our people and the future generations. But we do not think of them, we always forget about them.

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The evidence of these are found in provinces like Western, Gulf, Oro, Manus, West New Britain, Sandaun, East Sepik, East New Britain, Southern Highlands, Central, Madang and Morobe. Papua New Guinea, we have allowed ourselves to be fooled. We have lost over four million hectares of rainforest over the last 30 years and there is nothing much to show for it.

We can praise ourselves about how we have some positive changes in our remote areas as a result of logging but the truth is that we have been fooled because we have allowed it. Our people are not better off and even the so-called landowners are nothing but middlemen running around in Waigani carrying briefcases full of papers. These are the same con people we know of but the true landowners are in the villages. We always meet these con people in Parliament and other government departments. What kind of landowners are these who don't go home but stay in Port Moresby and hang around the government offices?

These people also do not benefit. They are also bribed with six packs beer and taken to the hotels but in the end, they don't get any benefit. The people who have acquired the wealth from our resources are the foreign pirates who have entered this country and breached our laws, often with our assistance.

Mr Speaker, recently, legislative amendments were introduced to monitor, review and ensure that duties and royalties were paid correctly. This optimistic developments have however, being overshadowed by a new cunning scam designed and developed that will allow continued access to our country's rich forest and the stand on which I speak out on the issue on SABL.

Purportedly, this was designed to free up land for agriculture development purposes, mainly for oil palm.

In some provinces where there are no forest resources where SABLs could be established, perhaps their lands are being properly utilised. However, in provinces that have forest resources, there are scams; merely a conduit used by agents by logging companies to access large tracts of forest on the pretext of so-called agriculture development and free up the land while the people remain miserable. They are just spectators, slaves and labourers in their own land and their children are waiting to see a bright future with a begging bowl in their hands.

More than 11 per cent of our forests have been subjected to this scam and have been earmarked for the so-called agricultural development by the allocation of more than 70 SABLs. The SABLs appear to have been merely designed to continue logging operations with impunity and no regard to the environmental repercussions and the landowners' rights and entitlements. In fact, the disgusting situation of landowners being fooled and the ignorant and innocents being taken advantaged off by logging pirates and elected officials and bureaucrats continues evermore. Sadly, we are failing our people again.

Mr Speaker, the Prime Minister has made several strong statements against this situation and he has instructed that the SABL Inquiry that was set up by the former Prime Minister to continue. My concern is this; will the SABL Inquiry bear fruit or will it like many other inquiries fade into obscurity and be relegated to the dust bins of history as quoted by Fidel Castro.

We spend so much money on these inquiries but these inquiries have become scams within scams. We spend millions of kina on them and I am hoping that the SABL Inquiry which I believe has already been completed should be tabled so that we can take action to rectify the situation. We can stand up and serve the interest of the very people that we have promised to represent in Parliament instead of constantly running around embracing foreigners who are illegally entering this country like the former fugitives and so forth.

Mr WERA MORI (Chuave) – Thank you, Mr Speaker for giving me this opportunity to participate in this Grievance Debate.

Mr Speaker, I come from a rural electorate and I want to say that many times, our people from the villages always hear about Green Revolution. When Green Revolution was initiated, the concept was very good but it failed as soon as it started.

Mr Speaker, I would like to ask this Parliament that if we have to resurrect this program, it must happen so that at least our people from the remote communities like Karimui and Tabibuka can be able to sell their produce to the markets.

Mr Speaker, another issue is in relation to the biometric voting system and biometric voter identification. If this system is going to be introduced and to be used in the elections, it will cost a fair amount of money. Firstly, all the eligible voters in this country must be registered biometrically. It should not only stop at the issuing of voter identification cards but you must be able to hotlink every voter to the respective council wards so during voting, it would be easier where we automatically vote by basically just pressing our thumb. This is the system we prefer if it is going to be introduced. If they just issue ID cards as registration, it will be a problem up in the highlands where people will hold-up voters with guns and use their ID cards to vote their own candidates. As a result, the genuine people with the ID cards will not have the opportunity to vote.

We have to establish this system in such a way that if someone uses other people's card to vote two or three times, their votes must be disqualified automatically. This is the system that we must advocate and support. Otherwise, we might waste our time talking about it and it will become a wasteful exercise.

Mr Speaker, I am sure that everyone will not be pleased with the next issue that I want to talk about.

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But I must stand up and speak for and on behalf of an industry that I have been involved with for almost 30 years.. I am a geologist by background and I've been in the mining industry and I have read and heard so many negative comments about mining.

You have a right to speak because you are all elected leaders. But I want to say that we must know that the mining and petroleum industry brings in at least 60 per cent to 70 per cent of the budget of this country. So sometimes when we speak we must think and talk.

I heard today that we spoke on OK Tedi, Ok Tedi was not a mistake when it came into production. I'd like to draw the attention of Members of Parliament to the time when Panguna Mine came into production.

Prior to Independence Panguna Mine paid for everything, it paid for public servants salaries, university students' scholarships and so on down the line and that was because of mining.

Sometimes we lack understanding of that industry, mining. And I'd like to inform honourable Members of this Parliament that when a mine is going to be set up, that decision is not made overnight. For a mine to come on stream it takes about 20 to 25 years from the start of explorations to the actual mining.

Before the mine comes on stream, in the *Mining Act* which governs all the activities with regard to mining and explorations. Sorry, I am not the Minister for Mining but because I came from that background I must speak for the benefit of all of us.

There are very stringent conditions under the *Mining Act* which we were required to comply with. I was an exploration manager and I made sure that all those terms and conditions as stipulated were followed to the letter.

Mr Speaker, that's the way and this is the reality of mining. For the case of Ok Tedi, it is an unfortunate situation. Ok Tedi receives 10 metres of rainfall or 10 000 millimetres of rainfall every year. Between Ok Tedi and the Fly River you have a situation where you have a very steep mountain with a very sudden drop onto very flat land.

Water raining down that ravine comes down with a very big force and when it rains that heavily, the water causes soil erosion and deposits the stones and rocks on the Ok Tedi and Fly River systems.

It is true that mining activities are going on but at the same time natural soil erosion process is also contributing to the over sedimentation of the Fly River system. So the sedimentation can also be attributed to the natural system.

Mining companies operating there have dredged out a lot of river bed sand, as much as they can at a place called Bige where the gradient of the river changes to control the sedimentation deposits.

But, that remains the responsibility of the government. Whatever decision the government makes, the mining companies respect and comply with whatever regulations the government enacts.

I now wish to speak on the seabed mining. I know that many of us are saying that this is not good and we are having doubts about it.

I'd like to provide some background on the issue from my understanding so that at least it will clear some of the doubts we have. I was very fortunate to be present when the Member for Obura-Wonenara directed a question to the Minister for Environment and Conservation and asked the Minister for Mining to take note of. I think it is better that I should explain some of these circumstances.

At the outset I wish to say that the mine at Solwara 1 will not have any chemicals used. It will all be mechanical. The dredge will be under water between 1400 to 1600 metres below that seabed. The crusher that will be used is also used in other parts of the world to mine for diamonds and so on.

The ore will come up to a pump up station on a ship, this ship is like a hotel where nearly 200 employees will be stationed. The rocks that are crushed underwater will be done without the use of chemicals. Any consumables to be used are all organic products.

The ore will be pumped up to the ship with water and then the water will be dried and the dry ore will be loaded on containers and taken to Laskul Bay. Nothing will happen at Laskul Bay, the ore in its entirety will be loaded on ships and taken to China where it will be smelted and separated. None of the activities taking place in Papua New Guinea will require the use of chemicals in extracting the gold or copper or whatever is contained in the ore.

So, I want to assure all of you Members of Parliament, many times you speak on many issues that you are not well versed in, if you don't really know about a particular subject, please refrain from making comments on it. Because don't forget that many of these mining companies are here because of the way our fiscal regime is set up. If we start changing the goal post, some of these companies will leave this country.

I know we will say, let them go, but I want to say that last year gold production dropped to 52 tons, production of copper came down to 151 000 tons. Previously we were producing copper at over 160 000 tons and gold at over 62 tons. We don't feel the pinch because of the relatively high commodity prices that covers that.

But now we don't know. But I thank the government for borrowing the K6 billion because there will be a deficit in the budget as a consequence of lower production in those commodities.

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I want to say here that there will be no tailings and waste. I think there was an issue and the Member for Bulolo raised. It was only fair that the Mining Minister should have responded but now that I have the opportunity I want to say that oxidation will be in its solid form.

It will have no detrimental consequence to the environment and in terms of sulphur the area is in an active tectonic zone, the background of the sulphur content is so high because of the amount of sulphuric activities that are within the area.

Mr Speaker, it is only fair that I make these comments for the benefit of all Members.

Motion –That the grievance be noted- agreed to

MOTION BY LEAVE

Mr JAMES MARAPE (Tari-Pori-Minister for Finance) – I ask leave of parliament to move a motion without notice.

Leave granted.

SUSPENSION OF STANDING ORDERS- REARRANGEMENT OF BUSINESS

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

That so much of the Standing Orders be suspended as would prevent the Parliament proceeding with the Establishment and Appointment to Special Parliamentary Committee on HIV/AIDS Advocacy.

SPECIAL PARLIAMENTARY COMMITTEE ON HIV/AIDS ADVOCACY- ESTABLISHMENT AND APPOINTMENT OF MEMBERS

Motion (by Mr James Marape) agreed to –

That;

(1) this Parliament establishes a Special Parliamentary Committee on HIV/AIDS Advocacy.

(2) the Committee shall consist of Mr Gordon Wesley as Chairman, Mr Sasindran Muthuvel, Mrs Julie Soso, Mr Philip Undialu, Mr Daniel Mona, Ms Delilah Gore, Mr Camillus Dangma, Mr Jeffery Komal and Mr Joe Koim.

(3) The quorum of the committee of the meeting is for the issue of HIV/Aids that is destroying the young population of the country.

(4) The Committee shall also prepare and recommend appropriate legislation to be introduced in Parliament.

(5) The Committee shall recommend a coordinated system of response and prioritize resources and source funds from the Government, NGO, donor countries and ways to manage funds and reduce the duplication of activities.

(6) In partnership with international organizations and the government, seek technical and professional, pharmaceutical and capacity building support to fight against HIV/AIDS.

(7) Members of each of the electorates have district AIDS committees with funding from each local Member and the committee may examine any matter referred to the committee by the Minister for Health the Minister responsible for HIV/AIDS, be the Parliament on its own initiative for the committee or subcommittees under powers, send for persons, papers and records.

(8) The committee and subcommittees have powers to move from place to place and the committee.

(9) Shall appoint no more than four subcommittees and to refer any matter of the subcommittees and the committee

(10) Shall have leave to report from time to time.

(11) And the Members of the Committee hold office until the end of the life of this Parliament. The Government

(12) Shall allocate sufficient funds to enable the committee to carry out the assigned tasks and the National Aids Council must facilitate assistance for some committee members to attend NAC matters.

(13) The committee may source other external funding from development partners where necessary to carry out its mandate duties during this term.

SPECIAL ADJOURNMENT

Motion (by Mr James Marape) agreed to –

That the Parliament at its rising adjourn until Tuesday 20th November at 2:00 p.m.

ADJOURNMENT

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

That the Parliament do now adjourn.

The Parliament adjourned at 1:45p.m.