

## SEVENTH DAY

**Thursday 14 February 2013**

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

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

Sitting suspended at 10.05 a.m..

The Speaker again took the Chair at 10.25 a.m., and invited the Member for Obura-Wonenara, **Honourable Mehrra Kipefa** to say Prayers:

‘Our Father, we acknowledge that the foundation of this Nation is built upon your Supremacy. We thank and honour you this morning. We thank you for everything that we do and live all comes from you. We thank you for the *Constitution* that was built upon your word and we thank you and acknowledge your supremacy in this Parliament.

We thank you for the Speaker, Prime Minister and all the Ministers, the Opposition, the Government and all the Members, the people of Papua New Guinea, the Departments and their Secretaries and everybody who contribute to help to develop this nation. We offer them before your awesome presence. We ask for your guidance and protection as we make decisions and may all these decisions be according to your will and purpose.

We ask this prayer in no other name but in the Mighty Name of our Lord Jesus Christ as we all join together to offer this Lord’s Prayer. Amen.’

## QUESTIONS

**Mr SAM BASIL** – I direct my questions to the Minister for Finance.

Mr Speaker, yesterday afternoon, a handful of Opposition leaders including myself went to the Vulupindi Haus to pay a visit to the Finance Department. We were met by the

Secretary of Finance, Mr Stephen Gibson and during our meeting, we asked him about the status of the PSIP and DSIP funds upon learning last week that almost all the Members from the Government and Middle Benches had picked their cheques and we believe it was used as a reward for supporting the 30 Months Grace Period Bill.

Mr Speaker, the Finance Secretary –

*(Government Members interjecting!)*

**Mr SAM BASIL** – Shut up!

**Mr SPEAKER** – Honourable Member, may I remind you not to use offensive words and language in the Chamber.

**Mr SAM BASIL** – If the Member wants to speak, he should pick his own time and stand up.

Mr Speaker, the Finance Secretary bluntly told us that the cheques were ordered by the Minister to be printed and there was no cashflow problem because normally no cheques are printed when there are no funds. The cheques were picked up after they were printed.

Mr Speaker, we asked the Secretary which clerk picked the cheques up and was very surprised to be told that the Minister for Finance picked up the cheques. My questions are:

(1) Why is the Minister performing the duty of an office clerk carrying around funds guaranteed by the *Constitution* and the *Appropriation Act* in his briefcase?

*(Government Members interjecting!)*

**Mr SAM BASIL** – Shut up!

**Mr SPEAKER** – Honourable Member, I must warn you not to use such words in the Chamber and stay focused on your questions.

**Mr SAM BASIL** – (2) Why did the Minister lie to the nation that there was a cashflow problem which prompted him to withhold the Opposition Members funds while distributing the Government and the Middle Benches Members’ cheques?

Mind you, the Secretary for Finance said that there was no cashflow problem and I salute him for been honest.

(3) Can the Minister confirm or deny that the DSIP and the PSIP cheques distributed by himself as the Finance ‘kuskus’ is used as a reward?

(4) Can the Government also through the Minister for Finance assure the Nation that in the future, such funds guaranteed by the *Constitution* and *Appropriation Acts* be wired directly through electronic transfers to District and Provincial Treasuries respectively and not to be used as carrots?

(5) Can the Minister apologise to the Nation for lying to the Electorates and their representatives in the Opposition in this Parliament and for treating us like his LLG presidents in Tari-Pori and making us run around looking for cheques?

(6) Can he also apologise to the Nation for the treatment given to the honourable Members –

**Mr Patrick Pruiatch** – Point of Order! Mr Speaker, the Member for Tari-Pori is an elected Member just like the Member for Bulolo and he is not a council president. The Deputy Opposition Leader should address the Minister appropriately because he is a Minister of State.

**Mr SPEAKER** – Thank you Honourable Member, I think your Point of Order is in order. Honourable Member for Bulolo, can you address the Minister accordingly.

**Mr SAM BASIL** – Thank you Mr Speaker, he is the Finance Minister but I said that he is treating us like his LLG presidents and we are running around looking for cheques.

(6) Can the Finance Minister also apologise to the Nation for the treatment given to the honourable Members especially the first term Government Members by using the

DSIP and PSIP cheques as a reward for their support and for driving the fear for been in the Opposition that they would miss out?

I ask on behalf of the silent Members on both sides of the Floor who have been mistreated.

**Mr Kerenga Kua** – Point of Order! As a first term Member of Parliament, the inference there is that all the first term Members of Parliament have been induced by these cheques to vote how they did.

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I can see no connection between the two events as the first time Member of Parliament. And that's a very incorrect inference to be drawn and I ask that part of the statement be withdrawn.

**Mr SPEAKER** – Your Point of Order is in order, Minister.  
Deputy Opposition Leader, please withdraw your statement.

**Mr SAM BASIL** – I withdraw. And finally, (7) Can the Minister for Finance step aside from his Ministry and allow for another Member of Parliament who is capable and has a big heart for Papua New Guinea?

Mr Minister, your actions were in contempt of the true spirit of democracy and the *Constitution*.

(8) Can you return the cheques back to your Finance Secretary so he can deposit them into our Districts and Provincial Treasury accounts?

**Mr JAMES MARABE** – Let me commend the Deputy Opposition Leader who in his very recent past was the Minister for Planning and at some time I had a hard time chasing him as Secretary for Planning also so –

**Mr Sam Basil** – Point of Order! During my term as the Minister for Planning, I did not run away with the cheques and lied to the people. You have misquoted me and you are lying. I never did that.

**Mr Michael Somare** – Point of Order! Mr Speaker, honourable Deputy Leader of Opposition called the Minister a liar which is unparliamentarily. Can you ask him to withdraw it please?

**Mr SPEAKER** – Thank you Governor, honourable Deputy Leader of Opposition you have to withdraw your comment, please.

**Mr SAM BASIL** – Thank you, I withdraw.

**Mr JAMES MARABE** – I acknowledge the good Deputy Opposition Leader for asking the question that is very important, not for his Electorate but for all of us to work as elected leaders of Parliament to deliver to the best of our ability for our people.

Mr Speaker, as we all know it is very fresh in our mind and we structured a Budget that is very much in deficit, total revenue shortfalls to the total development need we have in this country is K2.6 billion of the total K13 billion.

\*\*Mr Speaker, the honourable Member was the Minister for Planning less than a year ago. He would be in a better position to know that by January and February we do not have enough money to run every government bills and to pay every government development kina that we need to pay up front. We got key priority areas that needs to be looked at first; in January we paid for the tuition fee appropriation K238 million was paid, and some of us who own business here have a clear understanding that taxes are paid upfront because if taxes are paid then you will be paying top kina right now. But many do not pay taxes up front and in January it was hard to find all the money that we needed for January and February. That is why some districts have been receiving theirs and some have missed out and that is the normal thing to do as responsible government we got to manage. Some members sitting on the government side and the middle bench have not received their share of DSIP so it is not only the missed out that is felt by the

opposition members and some of you will receive very soon when the cash flow warrants. And that is something that I can assure every members of this Parliament. This Government is not punitive and bias but will serve every districts because that every member sitting in this house represent those districts and provinces right across the length and breath of this country. I ask Deputy Opposition Member, please don't go into my department and search every second day. Your entitlements for district will be passed onto you in due time whenever I feel that the cash flow warrants it to come and so you will receive your share of money.

On the question of why is the cheque raised manually; simple reason is most of the members sitting in this house are first term members of Parliament and they have issues with the district and provincial treasurer and administrators. Members of Parliament must ensure that they have their planning progress put in place and money given to them. Just recently I advertised all the positions of district administrators and provincial treasurers to be filled nation wide. This a complains coming through us -

**03/07**

These are complaints coming to us, through the government caucus and some of you Opposition Members have also expressed to me that you are not satisfied with your provincial treasures and district treasurers. So we have to correct all these technical and procedural issues first.

One of such issues is for us passing the amendment to the Public Finances (Management) Act. We get this out of the way because we don't want to electronically transfer monies into the district treasuries when some are not operating, some Members are not seeing eye to eye with their district and provincial treasurers right now so we have to tidy all these things up. And so the cheques are slowly going out to the districts, we promised all electorates and all provinces nationwide that 20 per cent of funding will come in the month of February.

So, please, Members of the Opposition, I am there to talk to you. If the public servants do not serve you fully then I m going to walk as a walking Minister, I am not going to sit and wait for public servants to come to me.

While some of them clock out at 4.06, a clock off at six o'clock from my office. I go to work at seven o'clock in my office so please, don't pass me and go and see my secretary. Come and see me as a matter of protocol and I'll talk to you, I am here to be talked to for goodness sake.

**Mr Sam Basil** – Point of Order! The Minister has been using this trick to tell people to join PNC Party.

**Mr SPEAKER** – Your point of order is completely out of order.

**Mr JAMES MARAPE** – Mr Speaker, let me remind him. I don't need more numbers in PNC. We have got enough Members to run government and the coalition government's numbers are in order. We are all solid. We have got one intention and that it to deliver to our people. And for the rest of this year let me assure every Member of this House, you take the months of February and month of March to fix your district treasuries and provincial treasuries. We are going to establish charts of accounts in all districts, provinces and LLGs and we are going to remit funds straight to all districts.

But we have to do it this time around by way of cheques so that the Members are in control and they can fix those provincial and district structures. And when they are fixed we are going to systemically, depending of cash flow, disburse funds to the districts.

And right now, Members of the Opposition, you are lucky to see that cheque because next time around you won't be seeing cheques. You will be going to your districts and seeing money in your districts.

**Mr ANTON YAGAMA** – Thank you Mr Speaker for recognizing the people of Usino-Bundi.

My question is directed to the Minister for Justice and Attorney General. My question is when will they Lands Title Commission sit in Madang to look at the

landowners of Kurumbukari area and make a decision as to who is the proper landowner of that area.

I know that the Commission has already gathered evidence on that. It is now one year after that so when will the decision come out.

I want the Minister to tell me why they cannot make this decision? Many conflicts have arisen from the suspense as to who the real landowners are. If the Minister can inform me on that then this House and the people of Papua New Guinea can know also.

**Mr KERENGA KUA** – Thank you, Mr Speaker, and I also thank the Member for Usino-Bundi.

Mining projects in Papua New Guinea are important for the country to enhance its development agenda. But when we want to develop them we must deal with landowners issues so that they can move forward hand in hand, development as well as landowner's cooperation.

In the case of Ramu Nickel Mine there are issues with the landowners and for various reasons we have been going on and off because in principle, sometimes funds are not available to pay the costs of conducting a hearing as well as conducting investigations and other associated tasks.

But, I am pleased to inform the honourable Member that the hearing is nearing its end. There is a minor extension of about two weeks because the pipeline route in one section has been relocated from the original position to a different location. This is because the soil is not suitable for building of the pipeline.

The relocation is to another portion of land and that involves other landowners so we have extended it by two weeks to allow for this new group from the new location of the pipeline to come in and give evidence as to who the landowners are in the new site. –After that evidence is gathered then this hearing will be concluded.

So, by the end of this month the hearings will be concluded and in March the commissioners will take time to go through the huge body of evidence they have

gathered in the course of the hearing which extended over a long time as the Member has alluded to. They will then write up their decision.

So, at the latest, I want to assure our people of the mine site at Kurumbukari and at the inland pipeline corridor, and the coast where the processing facility is located that we should have a decision from the commissioners before the end of April this year.

We can then know who stands to collect royalties and other benefits derived from that mine with clarity so we can move forward into the next chapter.

So, I hope that this gives a degree of clarity –

**04/07**

This year so that we will know who is receiving royalties and what are the other benefits stemming from the mine so that we can move forward with a new chapter. I hope this gives some clarity to the Member and his people.

**SASINDRA MUTHUVEL** –My series of questions are directed to the Minister for Civil Aviation and I want the Minister for National Planning to take note. It is an undeniable fact that greater part of this country is made up of remote and isolated communities that are still not linked by any road networks. They are cut off and the only way for them to get help is always by foot or occasionally by plane operated by only few operators in the rugged terrains.

Many of the airstrips are closed and unserviceable and many of these bush airstrips are serviced by planes owned by NGOs and faith based organizations.

(1)Can the Minister inform Parliament as to what he has in mind to address the plight of these rural populations that need air services? Some of these communities have airstrips but they are no longer serviced by any airline companies.

(2)Can the Minister tell Parliament if the Government can provide subsidies to mission owned airline operators that operate in these remote areas so that they can increase their capacities to serve more rural communities?

My provincial Government intends to purchase a light aircraft from our own internal funds and donate to a third level airline operated by an NGO.

(3) Will the National Government provide counterpart funding to my government so it helps to cater and provide transport for the rural people in my province?

(4) Will the Minister advise Parliament about the plans involved reopening the bush airstrips in the country?

**Mr DAVIS STEVENS** –I thank the Governor for bringing our minds back to the aviation sector and I note his enthusiasm in respect to rural airstrips. I have made certain statements in the past in answer to questions raised in this Parliament concerning rural airstrips and I intend to put a Parliamentary statement in the next few days when the NEC has cleared my papers but to answer the Governor's question, let me inform the House and our people that rural airstrips is a priority area for this government this is reflected in the Government's approved work plan as outlined in the Alotau Accord. That is a commitment made by the Government and it is a priority area for this Ministry.

The Governor will be happy to note that this Government has allocated an amount of K6 million in the 2013 Budget which will assist the Ministry in starting the process of work that is required to put the National policy on the issue of rural airstrips.

This is important and may I take the opportunity to highlight again that the rural airstrips is one of the forgotten issues in the air transport sector for a very long time. It is a neglected area and it has been mishandled for about two decades and funding for these airstrips were directed to the provincial governments.

My information so far has revealed that most of our provincial Governments have been less satisfactory and that monies going to the provinces did not reach the rural airstrips as intended. I am glad to say that at the conference yesterday with the Governors were my officials from Civil Aviation had a briefing and it was realized that the interest in rural airstrips is very strong and I want to commend the Governors and leaders who attended that conference.

Very important information were put forward for the leaders and one these was an airstrips forum now being convened by the CIMC on the 7-8<sup>th</sup> March in Mt Hagen in a few weeks time. The Governor for West New Britain is being invited to present a paper in respect to his government's initiative based on the fact that monies now are being

pushed to the provinces and we are happy to note the enthusiasm and leadership of the Governor in West New Britain province.

And he will be delivering a paper to contribute to the debate and discussion that we want to generate in the search for proper policy. Many leaders have requested in terms of financial support they require for the rural airstrips and my answer is that we will now go to a process of identifying a strategy plan and approach in which there will be a working arrangement between all stake holders.

We must follow a policy that not only guarantees funding but also the sustenance and the technical side which involves certification. There is now the issue of initiative with third level operators, let me assure the Parliament that in the six months that I have held this portfolio, I have made it my business to dialogue with third level operators.

MAF in particular, when I was in Mt Hagen last year

**05/07**

Mr Speaker, I was privileged to be in Mt Hagen last year when MAF received their latest aircraft, on behalf of our silent majority of our people in this country, I took the opportunity to thank MAF. They are unsung heroes and forgotten people.

Mr Speaker, this government will recognise them and their effects including those you are servicing the Sepik area and the Highlands Region.

The search has started and I want to inform the Parliament that MAF is part of the working committee, which is looking at the issues of subsidies and..*inaudible*..that we can develop to alleviate those concerns and ensure that services in our rural air strips are revived. Apart from that, there is a search now for ideas that will make our rural air strips relevant to the government's drive in the health and education sector in our rural areas.

Mr Speaker, to answer the Honourable Governor's question, yes, rural air strips are receiving attention. Rural air strips are a priority for this government and all the issues that the Governor has raised will be addressed.

Thank you, Mr Speaker.

**Mr MEHRRA MINNIE KIPEFA** – Thank you, Mr Speaker, I would like to direct my question to the Minister for Housing.

I would like bring back to mind the series of happenings that occurred in the country recently. We all understand that everyone needs houses and homes. Currently, our public servants are facing housing problems and to cap it all off, the rates of rental accommodation and property real estates are very high. This is making it difficult for our Public Servants to afford a home.

My questions are:

(1) Is there any possibility the government can regulate through the ICCC in terms of policy or mortgage corporation?

Otherwise, in 5 years time our people will not be able to afford houses as they will become too expensive.

(2) Is there any possibility that the government can meet the demands of housing?

At present the demand for housing is far greater than what can be catered for resulting in the prices of real estate properties to sky rocket.

(3) Does the Minister have any strategies or plans for our people?

Thank you.

**Mr PAUL ESIKIEL** – Thank you, Mr Speaker, I would like to thank the Member for Obura-Wonenara for a very good question.

I would like to advise this Parliament that housing is a chronic problem in this country, and unfortunately, I am put in a position where it is like swimming against the tide.

In the last 5 or 6 months, we have embarked on a development programme with stakeholders involved. Therefore, I would like to assure this Parliament that we have fixed up the project in Madang with 25 houses. Also, we have identified locations, especially, in Tokarara and Gerehu area and in the next couple of weeks there will be another 30 or 40 houses built.

The major problem now in the Department is that we do not have any funds. The Housing Department is financially struggling and in the 2013 Budget we were left out as usual. Currently, I am doing my best with my new management team. We have got

National Housing Estate Limited an entity we just started. We want to commercially drive National Housing Estate Limited. We have also got plans with the Lands Department and I have been communicating with the Minister involved to identify UDLs so that we can for it up for the National Housing Estate Limited to give us more land to build more houses.

Right now we have nothing to show cause for the booming real estate industry and therefore, we have to go on a big drive to build more houses to able to show cause, so that we can be able to regulate the high coasts in rentals throughout the country.

I would like to assure the Member and this Parliament that plans are already in place under way and I am so that in the next 8 to 9 months we should be able to see some tangible development as far as housing is concerned in this country.

Another big breakthrough is the Duram Farm outside of Port Moresby at the back of Moitaka Power Station. I am happy and I would like to thank the Lands Minister for making available 500 blocks with titles already given to us and I would like the Minister for Public Service to take note of this. I am told that there is about K87 million of Public Servant's money parked in Finance Department and I am in dire straits and I need that money.

**06/07**

I am told that there is K87 million of public service monies parked in the Finance Department and I am in dire straight and I need that money. If the good Minister can direct his department officials to allocate that money across we can see 500 houses being built.

### **Supplementary Question**

**Mr TITUS PHILEMON** – Mr Speaker, is the Minister aware that the Housing Commission in Alotau and its services along with the building have deteriorated. They have a very big land in Alirau and nothing is happening there.

(1) Is the Minister aware of that land?

(2) Can he make a commitment and see it for himself and maintain those house and provide services to the people of my province?

(3) Can the office in Alotau can be activated so that people who are living in public service houses can be be attended to like renovated because for so long they have been neglected?

**Mr PAUL ISIKIEL** – Mr Speaker, I would like to take this opportunity to thank the good Governor for Milne Bay for his very good questions.

Yes, I am quite aware of that and I would like to advise the Governor that I have set up a task force team that is already going around the country to give me a status on housing and land issue throughout the country.

I am assuming that in the next two months or so I will be in a position to be able to address all that.

**Mr POWES PARKOP** – Mr Speaker, I direct my question to the Minister for Lands and Physical Planning and I would like to congratulate him for the Ministerial Statement he presented on the plans for the Department and his vision.

I want to ask three simple questions so that he can take into account and incorporate them in his departmental plan.

(1) Can the Minister, include in his programme and inform this Parliament whether he can introduce some laws to facilitate marine tenure?]

For example in Port Moresby, his department is giving titles to people who are applying under the land reclamation specifically within the harbour or foreshore.

I have never heard of a law where it approves Land Department to issue land titles over the sea.

If there is no law can the Minister include this agenda in his programme so that the islanders and the coastal people can apply and acquire land titles over the sea.

(2) Can the Minister outsource the Office of the Registrar of Titles? Because I find that, that office is one of the main centers in lands where there is gross corruption and you have people been issued with too many titles issued by that office for the same

land. There is no security for land and there are numerous examples here in Port Moresby.

If there are plans for that office then can he tell this Parliament?

(3) Can the Minister formulate a plan where we can give royalties to Urban Landowners? It is a sad state because all the land now has been developed and their bushes have gone, their fish have gone and it is sad because no place to garden.

The Department of Lands collects urban land rates so can we allocate some money to those urban landowners so they can assist themselves, because now these people live on a cash economy.

If not, we can empower authorize urban landowners to set up entities so that they can collect land lease so they can collect those land rates and they can split with the lands department.

**Mr BENNY ALLEN** – I thank the Governor for National Capital District for his very important questions.

In regards to whether the Department has a policy for land over the sea or any reclaimed land like the Harbour City Development, I am not sure at this point in time if we have a policy or not but if there isn't any we are doing a legislative review so we can include that as a policy also. But if we have I believe that the Department is implementing that policy by giving approval under its various processes and procedures. I check with my department on the status of this question.

In regards to the Office of the Registrar of Titles, I agree with the Governor that there are so many irregularities on the issue of issuing of titles and we find that we have two titles presented at the same time.

**07/07**

There has been cases where there is more than one title given out for a piece of land that is true as it has been happening.

I want to inform the house that there are two things I can do;

(1) I can take back all the delegated powers from my officers within the ministry from granting or signing any documents regarding land matters that will now be my responsibility,

(2) Secondly a computerized system will be put in place to address issues of granting titles so there won't be duplication of titles as in the manual system.

(3) In regard to creating a policy to recognize traditional land owners who provide land for development of towns and cities. I discourage compensation payments as we have discussed recently and I sympathize with the land owners however if the government is going to provide service on their land such as a school or health centre then they should not demand compensation as it will benefit them.

Currently the Department of Lands does not have enough funds to cater for that situation but I will inform you later if there's any progress on that matter.

I will take into consideration the idea of collecting land rentals once the land is registered under the rightful landowners and I plan to discuss that further with my officers from the Department.

In other countries for instance Fiji particularly Suva, the land owners are well catered for by the government who provides them with essential services like water and electricity as a result you won't be able to differentiate between a city and a settlement.

For us that would be for the future.

I thank you Governor for raising that point its something the Department will have to look into and see how we can address it.

**Mr RONNY KNIGHT-** My question without notice is directed to the Minister for Environment and Conservation.

Mr Speaker over the past years we have recorded several ship wrecks around our islands.

The first was a fishing boat grounded on Wuvulu reef, which destroyed huge amount of corals and released oil into the sea, it is still there today.

The second one was grounded on Aua Island and the salvage attempt did more damage to the reef than the actual grounding did.

Aua is a small island with one-piece reef so they were very badly affected.

The third one was a tanker, which grounded on the Western reef and caused some damage but was salvaged intact.

The company and crew were charged and prosecuted successfully by the National Fisheries Authority and Customs however the resource owners who depend on the reef for their livelihood have received nothing.

The fourth vessel grounded on six islands behind Bipi again the salvage attempt was the catalyst for serious destruction of the reef, these was dealt with dubious agents or resource owner who lived in Moresby and nothing was achieved in the village.

The fifth one is probably the worst scenario, a fishing vessel Dolorose ran aground on the Losres islands this vessel was pounded by waves and destroyed huge amount of reef and when she broke up the oil and fuel destroyed almost a kilometer of reef.

Mr Speaker my people from the island, depend on marine products such as sea cucumbers, trochus shell and pearl shell and this incident had a big impact in their lives.

My question to the Minister is;

- (1) Who is responsible to compensate the people and the reef owners for the damages to their livelihood and to their resources?
- (2) Can the minister take these issues on board and penalize these companies, which are based in Papua New Guinea?

The resource owners should be compensated and the state should charge these people. In other countries these people would be sued for billions for environmental cost and damages.

**Mr JOHN PUNDARI-** I thank the honorable Member for Manus for his important question he has raised.

As the member for Manus has rightly put the National Fisheries Authority is responsible for processing fishing licenses application and also to monitor compliance of these licenses and the National Maritime Safety Authority would be responsible for Maritime safety standards and the coordination of shipping lanes.

Any issues of shipping incidences I believe would be reported.

**08/07**

The coordination of shipping lanes and any issues of the shipping incidences I believe will be reported within the space of 24 hours to the National Maritime Safety Authority. I believe this two agencies be should carrying out their own investigations in so far as this issue is concern. My Department is responsible with the protection of terrestrial bio-diversity as well as the diverse and the abandon marine bio-diversity.

Mr Speaker, while I have the opportunity to respond to the questions raised by the Member for Manus, I want to inform the people of this country that the legislations we currently administer under my department do not have the ability to access the value of destruction especially on our marine life that our people are so dependent upon.

Mr Speaker upon realizing these deficiencies I have taken responsibility to direct my department to immediately look at reviewing our legislation. The policies undertaken by my department at present, the Valuer-General is able to put valuations on trees, pandanus and sweet potatoes but no definite identification on beech-de-mer and corals.

Mr Speaker, I had the privilege when the Prime Minister approved my trip to Australia where I met up with the Great Barrier Reef Management Authority under the Federal Ministry of Environment. Just by protecting the Great Barrier Reef and its diverse marine resources they are able to generate about five billion Australian Dollars into the Economy of Australia.

Mr Speaker Papua New Guinea is a unique country. It may be small in a big global community but Members of this Parliament as well as Papua New Guineans must know that as small as we are, we are unique in the sense that we rank third having a land of virgin forests.

The concentration of the flora and the fauna is so diverse in our country and unique. If we get our priorities right we can turn our bio-diversity into another LNG. The review of our legislation and our policies is geared towards ensuring that we benefit with the stream of revenue we will now realize from the LNG –

**Mr SPEAKER** – Honourable Minister I must remind you that -

**Mr JOHN PUNDARI** – I am answering the questions and you must know these information –

**Mr SPEAKER** – Minister direct your answers.

**Mr JOHN PUNDARI** – If you want another LNG you have the rich resources –

**Mr SPEAKER** – Honourable Minister please address the Chair.

(Members interjecting) –

**Mr JOHN PUNDARI** – I am addressing you Mr Speaker, the destruction out there as a result of the ship wreck is the unique bio-diversity in our sea. We cannot be complacent about this. But we will send out an investigation team immediately as the Department to assess the damage. We need to do the right thing now and in the future. We cannot be complacent about issues that challenge us and issues of each heritage we have.

The only way forward is reviewing the legislations and having the right policies in place and ensuring that we have investments in there from non renewable sector into renewable sector that I administer. Hopefully we will go into the future and create another LNG for this country. We take your questions very seriously Member for Manus and the people of Manus. We will immediately put an investigation team to make access. We will also coordinate with the National Fisheries Authority as well as Transport Department and see what valuations can be put on the cost of damages.

### **MOTION BY LEAVE**

**Mr JAMES MARABE** (Tari-Pori – Minister for Finance) - I ask leave of the Parliament to move a motion without notice.

Leave granted.

**09/07**

The Deputy Leader of the Opposition made some remarks to the Minister for Finance this morning and we take those points but I want to say from my side here in working closely with Treasurer and many of the Ministers of the Executive Government that he has been doing a fantastic job in my opinion. We have been working together with the treasurer in very difficult circumstances and trying to meet all the requirements and priorities of our Government and of course our people going right down to the rural areas.

Mr Speaker, today, it is part of that effort by the Finance Minister and the Government and I want all of us to see this as a collective effort in terms of what the Executive Government is doing starting of with our long term plans leading to the Alotau Accord and all the various subsequent activities under that plan not the least of which is the financing plan. We can talk about all sorts of plans and activities but if you don't have the financing behind it, you will never get them down. This Government has created that plan, gone out through the Treasurer and he is sourcing the financing to achieve those plans. We are going into deficit for very good reason and that is one of the activities to actually sourcing that finance.

This year 2013 is the year of implementation. We have got record funding and fantastic plans but they are all useless if we cannot execute those plans, and this Government is about getting things done and we are team here. The Finance Minister is bringing this amendment here so that at the micro level which is most important at the rural level where we actually deliver on these plans. We get the money here, we are able to take it down, we able to drag it through that difficult and cumbersome public service machinery and procurement systems, and we actually deliver because that's what is all about at the end of the day.

What the Minister for Finance is doing is he is doing his part as the member of this important team. Some of us coming back as second term Members; we have the opportunity or the difficult experience of delivering at that level. We are now trying to use that experience and some of us have delivered quite a lot and I know one of them is

the Deputy Leader of the Opposition who has done a lot in his electorate and many others have also done so. But we are not using that experience to translate into the necessary legislative changes, regulations and plans that we can deliver and I am very pleased to say that this is part of it; adjusting the guidelines to the amendments of the Public Finance Management Act in terms of raising the ceiling down there is part of freeing up the bottleneck. We cannot have with inflation and rising costs, all the projects we are trying to do, the empowerment of provinces and districts, we are trying to separate when you have the national level activities (CSCB) up here and all the other sub-national programs, we are trying to empower the provincial and local-level governments and districts so that we can execute down at that level.

These amendments to the legislation are going to be supported very importantly by some Finance Instructions and Office of Rural Development guidelines that we will be delivering tomorrow in the forum in the State Function Room and we encourage every to come along too because there will be supporting regulations to these amendments to bring in a new series of steps in the procurement system where essentially, you will have at the lowest level up to K5 000 can be procured down at the district level through DPMC and the district administrator based on verbal quotations.

Now from K50 000 to K500 000 will be able to go through the DPMC, district project management team chaired by the administrator will be able to award contract at that level based on three quotations. From K500 000 to K5 million which is the one that relates to the legislation today, of course we will use the Provincial Supplies and Tenders Board. Ceiling has been now raised from K3 million to K5 million and above that will of course it will go CSTB.

Mr Speaker, in conjunction with that there will have to be some changes which the Finance Instructions will bring to Section 32 Authority. Those limits will also be adjusted to facilitate because there is no point in having the procurement process that go through and the supporting financial process where they actually raise the cheques authorise the APC does not have the supporting regulations as well.

Mr Speaker, these things will be announced tomorrow and on top of that as we all know, we are now providing 10 per cent administrative component in the DSIP and PSIP

funds to also support and create the enabling environment and mechanism that Members of Parliament are able to expect this procurement system a bit better.

I want to say also that with these reviewed guidelines, extra financial ceiling and authority, I just want to remind and encourage all of us that there are also accountability mechanisms in the regulations. There are reporting requirements that are standardized, there are standard forms which we will be presenting them tomorrow and I want to encourage us all that while we are busy doing and expanding, there is also a requirement and conscience in public of accountability and transparency. We must report back to the relevant agencies where there is ORD, Finance, Treasury and Planning but at the same token we national agencies must be more rigorous in getting down to district level and making sure that public funds are accounted for. We don't want to get into trouble having large amounts of money then we don't perform the necessary reporting back, we all have to report back to our people and at the end of the day we will all have to go back to election but we don't to go back and explain a lot of missing or unaccounted for funds. So I know there is an urgency to expedite and get things down but we must always remember the requirements for accountability.

Mr Speaker, I don't want to drag it on too long, we have spoken about this at length on what we are proposing to do but I just want to say that this Government is serious about getting things done, serious about implementing and this is part of a series of steps towards getting that done. At the end of the day, I say again that all this steps are meaningless if we don't go out there and translate them into something tangible for this country.

The projects we are doing at the National level and at the micro level, we all have a part to play. Down at the district level, we can get our plans done and we all individually do our part to fill in those gaps that we are talking about; infrastructure and human resource gaps down at that level. Up here at the department level as Ministers and public servants, we play our part in filling the gaps up here and at the end of the day; we are going to take this country forward. We can take this country forward but it is the team effort and all of us have a part to play in this team effort. The very important part we are talking about this morning at the Government Caucus is in relation to the public servants

and the important legislation that the Public Service Minister will be presenting to also do his part in this exercise that at the end of the day once again we translate these plans.

Mr Speaker, we all have our parts to play and I congratulate the Finance Minister so let's get behind him on this and turn up tomorrow and look at the regulations then we will adjourn Parliament, go home and get this implementation process happening as we keep talking about it.

**Mr JOSEPH LELANG** (Kandrian-Gloucestera) – Thank you Mr Speaker, I also want to add few comments to this very important amendment to the *Public Finance Management Act*.

The amendment to the *Public Financial Management Act* amended Bill 2013 is an important amendment and so we need to look at it within the overall structure of the government.

Mr Speaker, we should go beyond addressing only improving the threshold of the procurement limit. We should also consider establishing in the 89 districts a District Supply and Tenders Board (DSTB). We should also proceed to establish District Works Units in all the 89 districts in the country to complement this so that they can be able to supervise its work and certify completion such work.

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This districts works unit can be able to supervise this works and satisfy completion of this works in a proper manner.

Mr Speaker, the Section32 powers alone is insufficient and a lot more should be done to establish proper authorities that will approve new increases in the thresholds in the districts in terms of contract approval so that the local-level governments and districts can be able to implement their development plans with the increased funds that have been allocated to the districts and the local-level governments and this can be done in a proper governance framework.

**Mr JULIUS CHAN** (New Ireland) – Mr Speaker, I just want to compliment both the Government and Opposition but more particularly the Prime Minister for delivering what he promised to delegate more powers to the province. So I this is the right time, no implementation will ever be achieved unless we all speak the same language, many times the Prime Minister beat the drum, left-right, the Ministers follow left-right but the Public Servants don't know how to follow the tune. That is where the biggest problem is, the machinery is made up of the executive, which is the Ministers, the Public Services and the people. The people are responding far too often and we put too much weight on our people who have sacrifice too much especially in resource ownership. This Government takes a lot from the people so the people have played their part in giving up their rightful share of the resources. But the middle part of the machinery, which is the public service doesn't deliver. So in congratulating the Prime Minister, the political arm of the government is functioning and he is delivering and I congratulate the Minister for that. But the public service is not ticking at all his way of speaking is totally different from what you speak. Those people are not listening in fact I have referred many of them to the Ombudsman Commission under Section of competency because they don't deliver what the government has promised to deliver. Let me give you just one example, especially from the Minister for Planning which I praise him a lot because he answers the correspondences almost instantly. However, he says one thing and our Secretary say a different thing. Who am I going to believe? The Secretary wrote to me and said, Kavieng airport needs money, you have K3 million and so can I have it. And I said, well let's share it. Then I got a letter saying, there is no money it's been given already. So who do I listen to the Secretary or the Minister? Of course I listen to the Minister but now I got Kavieng airport deteriorating, just recently all of a sudden it had to cater for influx from Tokua because of natural disaster. We can't do much so I appeal to the government to implement what you discussed about this morning. In the caucus meeting you gave an undertaking for a committee to come in not only to decentralize but also to make the public service system more responsive to the direction of the Minister. And that is the only way there is no other way if you protect them too much nothing will happen. So I would suggest that you go and reintroduce the contract system and make it possible to

terminate those who can not perform by normal contractual employment agreement, one to three months notice.

Prime Minister talks about corruption and in my electorate there is indication of corruption, the administrator charged this person all the evidence are there and all of a sudden this huge animal, the public service commission intervene and reinstate this man.

Mr Speaker, how can we do it and I know the Minister for Public Service supports me on that. Now we are on a coalition course and I ask the Prime Minister to intervene on this one. The coalition course is this, my cabinet followed the Prime Ministers direction and I direct the cabinet decision not to reinstate this person so we are on a coalition course. Where do we go to court, Prime Minister, National court or the Supreme Court? But the easiest way is this; I will help solve the problem for the public service commission. You want to reinstate that corrupt person that's okay but get rid of him from New Ireland, is it okay? Many of those public servants are working differently and not marching to the beat of your drum

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Those people working under you are working differently. They are not marching to the beat of your drum. Many of them, especially the agencies of government, when they come to New Ireland they go through the back door. They don't come through me.

Mr Speaker, I thought I was established by law to rule my province but these people come around like phantoms in the night. They go and make private deals, they don't even tell me they are here and they build hospitals when I don't have plans for nurses. They build bridges where there is no water.

Mr Speaker, you listen to what I have to say first. And these puts a heavy burden on me and politically I get blamed because the people said, beautiful hospitals are already there but it cannot operate because we have no nurses because money. I didn't plan for it but all of a sudden these phantoms come and propose these projects.

Are we speaking the same language? You understand what I'm talking about? Prime Minister we want to say we support this government. Let's get it rolling, let's move but let's the three arms of government all firing like a rocket. Like what happened in the last few days in North Korea but don't follow their policy.

From here, I believe you have all our support and I believe this morning you recommended somebody to take the rein. The Governor for Oro, and he's a dynamic man. I saw him in the TV last night and nearly broke my screen. So Mr Governor, you take charge, follow the beat of the drummer, which is the government and I want to just throw up something, just for the sake of it.

That is, Minister for Public Service, very soon I will be presenting to him, and he's been very kind, he's restricted by law. For me to implement the Prime Minister's policy of spending a lot of money in the local level government, this is what I've done, and you can help me correct the Opposition.

What I've done in my province is I have been thinning things, I am doing it piecemeal by expanding the provincial headquarters. I thinned the top, I strengthened the districts and I flattened the LLGs in order that I can spend this K500 000 every year. Maybe it's the right way to go, maybe it's the wrong way to go but for New Ireland it is the right way.

And if those people don't follow my thinking, you know what, this is the greatest thing about democracy, you are free to go.

So, I am looking forward to the ministerial visit so we can put and change and convert words into action, so, Mr Planning Minister, Finance Minister and Prime Minister let's move on.

Motion – That the question be put – agreed to.

Motion – That the Bill be now read a third time – agreed to.

Bill read a third time.

## **MOTION BY LEAVE**

**Mr CHARLES ABLE** (Alotau – Minister for Planning) I ask leave of Parliament to move a motion without notice.

Leave granted.

## **ADJOURNMENT**

Motion (By Mr Charles Abel) agreed to.

That the Parliament do now adjourn.

The Parliament adjourned at .....