

**FIFTH DAY**

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**Draft Hansard**  
**Tuesday 26 March 2013**

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**Subject:**

**Page No:**

<b>QUESTIONS.....</b>	<b>1</b>
<b>INTERIM REPORT OF THE COMMISSION OF INQUIRY INTO THE SPECIAL AGRICULTURE BUSINESS LEASE – STATEMENT – MOTION TO TAKE NOTE OF PAPER .....</b>	<b>17</b>
<b>ADJOURNMENT.....</b>	<b>36</b>

## PARLIAMENTARY DEBATES

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Sarufa M. Haro

Principal Parliamentary Reporter

## FIFTH DAY

Tuesday 26 March 2013z

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

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

Sitting suspended at 10:02 a.m.

Mr Speaker again took the Chair at 10:18 a.m., and invited the Member for North Fly, **Honourable Boka Kondra**, to say Prayers,

“Papa bilong mipela yu stap long heven, long dispela taim mipela bung long dispela Parliament long mekim toktok bilong dispela kantri. Mi askim yu long givim mipela wisdom, understanding na knowledge. Tude mi bringim olgeta Parliamentarians long han bilong yu, mi committim mipela olgeta, because without you we will have difficulties and problems. Because when the nation is not with you, there will be more problems, therefore, we must first seek your guidance, wisdom and protection. Thank you for the many blessings that you have shown to us, we give you glory and honor and know that you will continue to bless us richly, Amen.”

## QUESTIONS

**Mr TOBIAS KULANG** – My questions are directed to the Minister for National Planning but before I ask that question, I would like to thank the Minister for Finance for releasing some funds for the Opposition. We all represent people and wish to bring services to them.

My questions relate to procurement issues. I am confronted with procurement issues in my district when it comes to designs.

(1) Are there any avenues available for us to get standard designs, bill of quantity and costing for buildings for our districts?

Many Members want to provide good roads for our people and following a quick check with provincial works department, I found that they lack the basic equipment needed for building and maintaining roads.

(2) Will I use funds from DSIP to purchase equipment to build the road or will I wait for the Works Department to purchase new equipment in order for them to fix the roads?

**02/05**

My district management team does not have the capacity for project design and management now experience to ensure that projects follow proper procedures and are of standard.

**Mr CHARLES ABEL** – Thank you, Mr Speaker. I thank the Member for Kundiawa-Gembogl, Honourable Tobias Kulang, for his questions in relation to the procurement process for projects at the district level.

Mr Speaker, these are issues that many of us are facing because we were elected to Parliament to deliver on our peoples' expectations. The Government continues to increase funding to the districts. Even so, many of us Members have little to no idea to get things done and what means are available to us.

There are various agencies of government like the National Planning whose responsibility is to assist in the long term planning process. We also facilitate planning at the district level.

Mr Speaker, there are other agencies of government that assist in the subsequent steps in the procurement process. In terms of the procurement process the primary agency is the Department of Works. Therefore, once you identify the relevant gaps, the Works Department has standardised plans that will cater for roads, health centers, classrooms and et cetera. The provincial works department and provincial government are also available with those standard plans.

Mr Speaker, these plans may not be suitable for some Members, therefore, the government has allocated funding to assist Members in terms of administration capacity. The Members also know that 10 per cent of the DSIP and PSIP were made available in the 2013 Budget by the National Government with an increase from 3 per cent. With the funding, the Member's office is able to go out and procure services, such as the technical capacity needed to organise some of these designs.

For those who live in the more remote areas and do not have immediate access to services from the Provincial Government and Works, we are trying to fill that gap by giving you more funding in terms of administration capacity so that you can go out and procure the services. Through this competitive process you will be able to avail yourself of engineers and experts directly through your office or through a private company. And depending on a particular service that you require like designing or the subsequent steps of implementation, you will be able to avail yourself of those services.

Mr Speaker, we are aware of the capacity constraints at the district level but it depends on the circumstances and the location of the district. Also, you can avail yourselves with the National Works or the Provincial Works or to build capacity in your district directly by using funding that the government has made available through the administration component of the DSIP funding.

Mr Speaker, we all have different experiences. For example, at my district level, I have used PIP and DSIP funding to procure equipment for the Provincial Works Unit. I have also provided the Provincial Works Unit with funding so that they are able to employ engineers, architects and draftsmen. With the equipment they carry out work in the district or they procure the services through companies.

Mr Speaker, without dragging on too much, I am quite happy to talk with the Members as well as the other Members on how we can help them. Senior Members of Parliament have the experience on how to get some of these things done down at the district level and can also inform us. Nevertheless, there is a long term process of building capacity at the districts, provincial governments and the Department of Works itself.

Mr Speaker, procurement is major issue and this government has been highlighting this and that we appropriate the funding but many of us and the people are

concerned that despite the funding, thus so-called procurement process and the cumbersome government system and the inefficient and sometimes corrupt does not enable the funds to be translated into the services that are spoken of in our plans.

I share the concerns of the Member and it is our joint task and effort to correct this system, utilize the funding, build capacity in the districts, spend time in your districts to understand the problem, push your public servants and we can then start to get things moving at that level.

Thank you, Mr Speaker.

**03/05**

**Mr GISUWAT SINIWAN** – Mr Speaker, my questions are directed to the Minister for Works, and I would like the Ministers for Transport and National Planning and Monitoring to take note.

Mr Speaker, Nawae District is the most rugged electorate in the country with many fast flowing rivers and creeks, including the Busu River, which was recorded by the National Geographic Magazine as the seventh fastest river in the world.

Mr Speaker, my question to the Minister for Works is in regards to the Yumi-Yet Bridge storage programme at the National Works Yard in Lae.

Mr Speaker, my questions are as follows;

(1) Are you aware that the storage of the Yumi Yet Bridge Programme is gathering dust and shrub at the National Works Yard in Lae?

(2) What are your plans for the Yumi Yet Bridge Programme and how can you integrate it into the O'Neill-Dion Governments implementation for the years Programme?

(3) Are you aware that certain people are planning to take over the programme?

(4) Can the Minister allow Nawae District in its work programme to use all or some of the bridge sitting in the yard to cater for its 25 rivers across the electorate?

Nawae District has deposited K5 million into the company account to build a bridge at my electorate under the supervision of National Works in 2011. Up to date, nothing has eventuated.

(5) Can the Minister conduct an investigation to this matter and report to this Parliament and my people?

Mr Speaker, roads and bridges remain the major impediments to date for any leader in the in the country, especially in the Nawae District and the honourable Minister's assurance will be greatly appreciated.

**Mr FRANCIS AWESA** – Mr Speaker, I thank the Member for Nawae for his very important series of questions.

In relation to the storage of the Yumi Yet Bridge Programme in the Works Yard in Lae, I want to say that the Yumi Yet Bridge Programme expired six years ago.

No one knows to date, how many bridges we own and how much we paid and how many the previous company owns. This company had its name changed to Bridging Structural System.

Mr Speaker, this company has been operating in the Works Yard for the last six years without any formal arrangements to pay storage fees or to determine which bridges are owned by the State and which are owned by the company themselves.

As a result of these, I am conducting an investigation into the yard in Lae. There are lots of bridge parts that are collecting mould and nobody knows which ones we own.

The company's principal left the country 12 months ago and to date, we don't know who to talk to about the bridges.

Mr Speaker, we have to do this legally because it might be that they own some of these bridges so in answer to that, we are doing an audit for all the bridges and bridge parts that are stored in the Lae Works yard.

Mr Speaker, in relation to integrating the Yumi Yet Bridge Programme into the O'Neill-Dion Government's implementation programme, we will be looking at some proposals to look at bridging programmes in the country.

When the Yumi Yet Bridge Programme was left six years ago there was nothing to replace it.

Mr Speaker, I will be bringing to Cabinet a submission on this issue and will inform Parliament and the people of Nawae because that electorate requires a total of 26 bridges.

04/05

Mr Speaker, I sympathize with the people in that electorate .We will be doing our best to address this issue.

One of the things I would like to say at this point is, whilst the O'Neill Dion government is talking about major infrastructure, as a responsible government we are also mindful of small feeder roads and bridges in the rural areas .I will be bringing a submission to Cabinet to address this problem and I will also inform Parliament on a major policy.

In relation to whether I am aware of certain prominent persons who are intending to take over the program, the answer is, no, I am not aware, so as part of this audit and investigation, my department will also look at that issue.

On the fourth question, I want to inform the Member that if there are bridges in Lae Works yard that are owned by the State, certainly we will look at it, otherwise we will look at some other option.

However, I want to inform the honourable Member and assure the people that we will be addressing this problem now and next year. It is a very serious issue because that part of the country is one of the most rugged and more than 25 bridges need to be built in order for people to have access to Lae city.

In relation to the five million kina that Works paid to some contractor on behalf of the Member's electorate for bridges, this is a very serious allegation because I am told that there is no bridge. I want to assure the Member that we will be conducting investigations on this issue as well and if there are serious problems, we will refer them to Task Force Sweep.

Mr Speaker, the same goes to the roads; monies are being paid and roads not done. It's a problem that's being compounded because all these problems are done by Finance without any input or any knowledge of the Works Ministry. I'm only coming to realise these problems, which have been accumulating over many years.

**Mr RONNY KNIGHT-** Thank you, Mr Speaker, for recognizing the people of Manus.

My questions are directed to the Minister for Forests.

Mr Speaker, my small province has been the target of intensive logging over the last 25 years, which has denuded most of the West Coast area. The contractor in that time was supposed to build Veneer mill, plywood factory, roads, and bridges, schools and aid posts. All those things that were in the agreement have not come to fruition and now that contractor has left that area and is now in another area on the South-West of Manus. Now these same loggers are working under different names and my people have gained practically nothing from the exploitation of our resources over the last 25 years.

Mr Speaker, my province is an island; we are only 100 kilometers by 60 kilometers wide and it cannot stand this sort of exploitation. The South-West Coast is again being exploited by these logging companies, Uni-rise and Super Green, which I think are subsidies of RH.

In 2010, it was in the newspapers that logging was banned and many people were happy about it

(1) Can the Minister explain the state of that ban now?

(2) Can the Minister check the agreement between the local landowner companies and our provincial government companies that were involved to see if those agreements can still be fulfilled?

The main question on the minds of my people is whether it is possible if they can plant oil palm in those places that are already denuded rather than cutting down virgin forests?

**05/05**

**Mr PATRICK PRUAITCH** – I thank the Member for Manus for his questions relating to the logging operations in Manus Province.

Mr Speaker, in response to his first question, the National Forests Authority's down-stream processing policy states that any new permit on FMA projects has no round log. The Government has also set a 2015 deadline to scale down exporting of round log and go into full down-stream processing.

In terms of project agreement, there are a number of logging concessions that are taking place in our country. In relation to Manus Province I am also aware that there is no existing FMA but there are extended TRP over a number of times. So I will be grateful if

the Member discusses with me the conditions of the permits. There are also substantive conditions insofar as the FMA is concerned. The TRP has eventuated because of the agreement between the landowners and the company concerned.

I assure the Member that if there are conditions under the TRP arrangements, we will pursue that and assist him to rectify the issues.

In terms of Companies doing agriculture operations in virgin forest areas, this is subjected to a Commission of Inquiry and I believe the Prime Minister will make a statement to that effect soon.

However, I appeal to the Members from timber producing provinces that if there are issues relating to a particular project area, I will be grateful to sit down with them and address the issue. I also want to see that our people benefit from the exported resources.

Mr Speaker, the Government gave approval two weeks ago to transfer the administration of the Log Export Development Levies from the Department of Finance and Planning to the National Forests Authority. This will enable close scrutiny in terms of administering the funds and implementation of the projects within the log exporting districts and the provinces.

**Mr WILLIAM POWI** – I direct my questions to the Minister for Lands. This is in relation to a detailed report regarding a Land fraudster who operates in the country. A copy of this report has been given to the Minister for Lands.

I have seen this report and it contains a wider implication on some small towns in Papua New Guinea like Mendi, Popondetta and Gulf. The leading fraudster is operating under the pretence of TJ Homes Limited and is believed to have owned most of the land in Gulf, Popondetta and other small towns in PNG.

This company is now fraudulently acquiring land in Port Moresby and is selling it to foreign business houses. My questions are:

- (1) Is the Minister and his Department aware of this land deal?
- (2) If so, are they taking any measures to immediately investigate TJ Homes Limited?

(3) How many land titles have been acquired so far including the ones that have been disposed today?

(4) If the land has been acquired, have they followed proper processes to acquire the land?

(5) Can the Minister and his department investigate and recoup State land and further refer the Directors of TJ Homes Limited to the Fraud Squad for immediate criminal investigations?

**Mr BENNY ALLAN** – Thank you, Mr Speaker. I thank the Governor of Southern Highlands for his questions and for giving us a comprehensive report on his concerns.

**06/05**

We will now have that report included under the investigation we are undertaking. In response to his first question on whether the Department of Lands was aware of the land deals, Mr Speaker, we were not aware until the Governor brought the report to us.

I want to thank him and many other Papua New Guineans who are raising this concern about the deals and the improper transactions taking place at the Department. As a result of the many developments taking place in cities like Port Moresby and Lae, most of us don't go to small towns like Popondetta in Northern Province and Kerema in Gulf Province. However, some people are quietly going to these towns and acquiring land and then selling at a higher price to foreigners.

I want to inform Parliament that the Prime Minister has given a direction to the Department to 'clean up' this year as one of our priorities. So the Department is now putting in place an investigation team to investigate all the improper land deal allegations. I know that there are certain officers within the Lands Department who are facilitating those illegal transactions but at the same time, there are many good officers being implicated. So this investigation team will look into all the allegations that are raised by Papua New Guineans including the Governor.

At the moment, we have a complaints desk set up and it will have a box, which will enable all Papua New Guineans who have issues regarding fraudulent land deals to

furnish their reports to the Lands Department. Once we set up the investigation team, they will look into all those complaints. There is a delay in setting up the investigation team because we are currently working on transferring all the files from manual to computerized system. So if we set up the investigation now, it will disturb that process and in the event lose some files.

But let me assure Parliament and the Governor that all his concerns raised in question one to five will be addressed by the investigation team, once it is set up. And if TJ Homes Limited and officers implicated are found to have been involved in a fraudulent deal then they will all be dealt with according to the laws of this country.

**Dr ALLAN MARAT** – Mr Speaker, I direct my questions to the Minister for Finance and I ask the Minister for National Planning to take note.

Mr Speaker, a lot of Papua New Guinean citizens and non-citizens whether individuals or corporate entities have genuinely rendered services to the State and have genuine claims with the State that remain fully or partly unsettled. Most of them are our small business people and organisations who are struggling to make ends meet in today's very challenging economic environment.

Mr Speaker, my questions are:

(1) Is it true that there is a list of genuine creditors who have genuinely provided services to the State and their full claims or balance of their claims have been outstanding for more than 10 years?

(2) Is it true that these genuine creditors were assured by the Department of Finance and the Department of National Planning that their full claims or balance of their claims will be settled with surplus funds from the finalised end of the year 2012 accounts?

(3) Will the Minister inform Parliament if the end of the year 2012 accounts have been finalised and how much were the surplus funds if any as of close of accounts 2012?

**07/05**

(4) Minister, is it true that the false balance of the claims of these genuine creditors have remained unsettled and have been put on hold because some surplus funds

were available but have been used by Finance and the State generally has petty cash for unbudgeted commitments?

(5) Finally, Mr Speaker, when will Finance, Treasury and National Planning pay all these genuine creditors?

**Mr JAMES MARAPE** – Thank you, Mr Speaker, I'd like to thank the learned Member for Rabaul for raising these series of questions, especially the question on what he described as 'genuine creditors'. We have had these issues of so-called genuine creditors and outstanding payments that go back many years. And he rightly puts it from his source of information that it goes back 10 years or so.

Mr Speaker, let me say from the outset that the issue of claims coming directly to Finance has been an issue that is quite messy right from the start. And we are trying to tidy up this issue of claims coming directly to Finance.

Mr Speaker, let me say that the Finance Department should be the last stop of the process that verifies claims if there is a need for it to come to Finance.

In a fiscal budgetary year, every operating department of the State is given budgetary support for various programmes. Now it has become prevalent amongst many departments to pass the buck, saying here is the claim, go to Finance and settle bills at Finance.

Before answering the Members question, I must say that I have already told Finance that it must stop getting claims directly from individuals to Finance Department. Claims must originate from originating departments. The business of claims coming directly to Finance Department or Planning Department is the reason why there is so many abuses happening at Vulupindi House.

Originating departments and agencies that have an operating budget for that year must learn to expend the appropriations within money that is budgeted. Now the issue of coming at the close of accounts and asking if there is any money for so-called genuine claims is something that I am trying to clear up in Finance right now.

If there is a genuine claim, and let me go to his first question and confirm to the Member that the practice of running claims to Finance, Treasury and Planning departments exist. And there is a backlog of those claims.

Right now I have asked the Finance Department to take stock with Planning Department to see what these so-called claims against the State that have accumulated over time for. And he puts a time frame of 10 years and I would like to confirm this but I must say that there are many existing claims, whether they are genuine as he claims or not is something that we are trying to ascertain and this might take time. There is no free money to handle and settle every claim that comes before us.

Secondly, how do we go about settling these claims, which he is referring to as at the close of accounts? Many of these claims are being referred to the State Solicitor to verify. Many of these claims must go back to the originating department for them to be verified. For us sitting in Vulupindi House, we don't know in some instances where these claims come from, what services were engaged and by whom and by which department. And so I'd like to see the authenticity of these claims, and where they originate.

So these are some of the reasons why there is a delay in the payment of these claims. May the honourable Member kindly remind his friends who have genuine claims in Finance Department that their source of originating claims is something that we have to verify. There can't be claims just presented to Finance Department saying, Mr Seriseri, can you settle this claim. I must see where in the budget we must source these funds from and pay if ever they are genuine claims as he claims.

**08/05**

On the issue of close of accounts in 2012, I want to respond by saying that we are tidying our books and some of these issues will be addressed but we never had any surplus in the 2012 budget to close our accounts.

We had immediate government priorities like settling Electoral Commission bills; we paid the excessive K35 million to the Electoral Commission to clear some of their backlog of claims. In my responsibility as steward of public funds I would rather go for major state obligations and liabilities rather than so called genuine claims that continues to run. There is a syndicate of people who know how to have access and claim into Vulupindi House and they have been operating at the top with finance officers to get claims directly from individual claimants.

I have asked for all claims to go back to the originating departments, if there is a claim against works department, then it should go back to works department, they will pay out from their appropriation for this year. If you have a claim against transport go to them or if you have one claim against agriculture go to them.

Nobody should front up at the Finance Department with one little paper as claim against the State, otherwise I am putting them to Court to get their Court Orders, But if you do not have a genuine contract which states otherwise and I as representative of the government is not satisfied, the Court will confirm your claim and if you will the State Solicitor will give directions for the finance to pay.

That is the way we do business now, as we can't go on sitting and entertaining claims at finance department, especially with individual claims as by the end of the year we are faced with a deficit budget and we need to meet commitments of our budget. So if he is saying that it is a genuine claim and they have not been paid he can go to the State Solicitor, and if there is clearance from the State Solicitor's office and present to finance but only if it is within the provision of budgetary support then they will join the queue of many who are yet to be paid.

**Mr POWES PARKOP** – My questions are directed to the Minister for Health, and I would like the Minister for Housing and Urbanisation to take note.

(1) Why is it that the nurses have not occupied the houses that were built for them by National Housing Corporation between 2009 and 2010 in Gerehu stage 3B?

(2) Has this got to do with the problems between the NHC and its contractor?

(3) Is it true that the contractor was paid lump sum in advance of K10 million and never completed the job?

(4) Will the Minister and his colleague refer the contractor to police or the SWEEP team so they can investigate and prosecute where possible?

Last Saturday was World TB Day, and we have a high prevalence of TB in the country;

(5) Will the Minister, walk the talk and pass a regulation to ban spitting in public places?

**Mr MICHAEL MALABAG** –I want to thank the Governor for raising a very valid question, which is also affecting workers in the health profession.

Mr Speaker, the government of Papua New Guinea back in the 2007 Supplementary Budget appropriated K15 million to NHC to manage. This was an arrangement between the Papua New Guinea National Nurses Association and the government at that time.

This was for 18 units at that time were constructed at a cost of K3.84 million. PNG Nurses Association paid off K8.6 million to NHC for 18 units to be built but out of that only 17 were allocated to them. It even went to the extent that a lawyer engaged by PNG Nurses Association arranged for what you call conveyance of ownership to the cost of K200, 000 that was given to the lawyers.

The ownership over those houses is still with NHC and they are still holding onto the tenancy agreement, of which the Nurses Association have expressed their disgust as to why those 18 houses have not been occupied by nurses, especially when they are facing accommodation problems.

To my understanding and my colleague Minister will can probably say something; the NHC has yet to pay outstanding amounts to contractors who were engaged to build these houses.

**09/05**

The Ministry of Health has written to the Minister of Housing if he could look into this very seriously and settle this matter once and for all. I have also consulted the Prime Minister or his intervention regarding this issue because it is very serious.

At that time when the money was given the arrangements were made between the nurses association and the National Housing Corporation. I understand that four or five local contractors were engaged and most of them were paid. This is the norm in Papua New Guinea, and I refer back to a question asked by the Member for Rabaul to the Finance Minister. Once you put a bid for work like build and construction, you will be paid a mobilisation fee of 50 per cent or 100 per cent in advance. The contractors will go back and do variations after variations and that is the problem that we have.

That is part of the problem that we are facing at Gerehu. The situation at Gerehu is that the contractors are still holding on the property keys unless a fee of K5 million is paid. The Housing Minister can confirm this. Therefore, to answer to the Honourable Governor, that is the situation as it is right now. I have already spoken with the Minister for Housing and he will sort that situation out hopefully.

Regarding TB, I am happy to mention here that the Honourable Governor on Saturday came to the Sir John Guise Stadium. We did not participate in the programme but it was equally important that we both were present.

I would like to say that the Governor is forthright as he has been raising the issue of the spitting of betel nut and the loitering of betel nut skins. And in answer to that Governor, I have raised this issue with my Secretary for Health on how best we can support you by way of legislation.

We all know that TB is an air borne disease and buai contributes to its spread, so Governor we are taking that onboard and hopefully I will be bring back some papers to Cabinet regarding this very important issue.

Thank you, Mr Speaker.

**Mr PAUL ISIKIEL** – Mr Speaker, let me give this Parliament some details of the Gerehu 3B Housing Project and highlight the issues that caused the delay in taking possession of the houses.

Mr Speaker, before my time, the project was commended in 2008 from a K50 million funding sourced to their accounting framework structure, ASS, with the Department of Finance for the project of Gerehu 3B to be known as Housing Pilot Project.

Mr Speaker, the project was executed during the former Housing Minister Andrew Kumbakor's tenure and board chairman, Mr Francis Tanda.

Mr Speaker, in 2008, normal tenders were called through the CSTB and the NHC project Division did a design scoping of the project for 80 houses comprising stand alone and units.

Mr Speaker, three builders won the bid and were awarded the contract to construct the 80 houses. They are Tauop Cumming Investments which was awarded a contract value of K3 million for eighteen H-65 houses at that time.

**10/05**

Wari Vele Agencies was also awarded a contract at the value of K6 million for 40 houses of 36 X H65 and 4 x H90 houses, a total of 40 houses altogether.

The third contractor that was awarded the contract at that time was Kwajo Construction Limited at the value of K3 million for 22 H65 houses specifically for PNG Nursing Association.

The PNG Nursing Association paid over K3 million through an MOA signed with the National Housing Corporation to construct houses for its members.

Mr Speaker, in 2009, Wari Vele Agencies asked for an additional K8 million as variation and costs to complete the contract.

PIP Funds were then sourced out and Wari Vele Agencies was paid another K8 million.

Mr Speaker, then in 2009, one of the three contractors Kwajo Construction Limited failed to complete the 22 houses and the Board at that time then again approved Rodstore Limited to complete the remaining work.

Rodstore Limited completed the work for the Nurses Association but NHC still owes Rodstore Limited in excess of K5 million because by then there was no money left.

A K5.7 million submission, was put together for the National Planning Department but was rejected, despite, the approval and payment of K8million to Wari Vele.

Mr Speaker, despite receiving a large chunk of the project budget totaling over K14 million, the construction by Wari Vele Agencies has left much to be desired.

Mr Speaker, the contractor Wari Vele Agencies did not complete the prescribed contract as outlined and awarded through the Central Supplies and Tenders Board to build 40 houses.

Instead Wari Vele Agencies abandoned the job and the Board was forced to engage a new builder in Nuigini Builders.

Mr Speaker, Niugini Builders completed the job as required but National Housing Corporation at that time also had no money to pay them and we still owe them. This is K14 million of public money gone to waste.

Mr Speaker, the Management of NHC has embarked on corrective measures and as filed legal proceedings against Wari Vele Agencies to recover those monies through the normal court process and this matter is now on foot.

Mr Speaker, in the case of our good members of the PNG Nurses Association not able to take possession of the fully completed houses, because it is the contractor is still owed monies and cannot provide the necessary certificate of completion and the certificate of occupancy to allow the members of the PNG Nurses Association to move in.

Mr Speaker, the project is fully completed, but because of non-payment to the contractor the Members of the Nurses Association are held at ransom.

Mr Speaker, I sincerely ask this Government to seriously take note and consider allocating some funding to NHC so that we can assist the Nurses Association.

**INTERIM REPORT OF THE COMMISSION OF INQUIRY INTO  
SPECIAL AGRICULTURE BUSINESS LEASE –  
STATEMENT – MOTION TO  
TAKE NOTE OF PAPER**

**Mr PETER O'NEILL** (Pangia/lalibu Prime Minister) – Mr Speaker, on the 21 July 2011, the then Acting Prime Minister, Honourable Sam Abal established a Commission of Inquiry into Special Agriculture and Business Leases.

Special Agriculture Business Leases have existed since 1979. These leases enable customary landowners to surrender their land and enter a leasing arrangement with the State. Theoretically, the customary land would be unlocked and freed for development.

Mr Speaker, by the 1990's, foreign businesses began acquiring large tracts of customary land through the SABLs and Landowners were not receiving any real benefits. Studies have now revealed that over 5.2 million hectares of customary land has decreased

from 97 percent to 86 percent. In most cases land has been logged and no other significant economic or agricultural development has taken place.

**11/05**

The land has been logged and no other significant economic or agricultural development has taken place.

Mr Speaker, in light of mounting public criticism, on 21 of July a Commission of Inquiry was established and asked to determine the legal authority and the procedures of which the SABLs were issued and also to enquire particulars of each SABL that was issued in the country.

Mr Speaker it is with much regret that I inform the Parliament that the Chief Commissioner Mr John Numapo, and Commissioners Mr Alois Jerewai and Mr Nicholas Mirou have yet to provide me with a final report.

Mr Speaker, on 14 of March this year, exactly one and half years later the commissioners provided me with an interim report.

Mr Speaker, like all members of the public, I am deeply concerned about the misuse of SABL leases and the rampant destruction of our rainforest. The purpose of this inquiry was to inquire into each SABL issued and make the necessary recommendations that we needed to take action on. The terms of reference established under the inquiry were precise and very clear.

Mr Speaker, what I have now received from the commissioners is only an interim report and that interim report only deals with three out of 16 terms of references that were made to that Commission.

Mr Speaker, the interim report describes the legal authority for issuing SABLs as well as the administrative procedures that were being used. There are no clear recommendations or no clear findings; the report provides only a summary of the existing legal and administrative processes and framework in the issuance of SABL.

Mr Speaker, this is very disappointing. When I presented this interim report to cabinet, the National Executive Council has decided that this report is not complete enough to be tabled to this house, instead Mr Speaker the Government wants to wait for the final report for its findings and recommendations.

Mr Speaker it will have serious legal implications, if we just accept the interim report, it is necessary to wait for the final report

Mr Speaker, the Commission of Inquiry was given only three months initially to set up, so from time to time the Commission kept coming back to the Government asking for extension, and because the Government wanted the report to be finalized we gave continuously gave them extensions.

Mr Speaker the Government considers this delay unacceptable and I have communicated this to the Commissioners. The Commission of Inquiry is well funded and well staffed. The legal counsel and others who are involved in this secretariat and the Commissioner assisting the Commission are very well experienced. The Commission has travelled all through out Papua New Guinea to visit each SABL that was issued, some of which are in quite remote areas was at a significant expense to the state. The Commission of Inquiry has cost well over K10 million, more close to K15 million, and the final figure is yet to be established.

Mr Speaker, considering the amount of money that we have spent, I think it is only fair that this country receives the final report with the final finding and recommendations. That is why Mr Speaker, given the costliness of this exercise and given that we have given the Commission of Inquiry wide ranging powers and support, it is quite disappointing that we are yet to receive the final report

Mr Speaker, now I want to inform this house and the public that the moratorium that the Government established on issuing of new SABLs is still in place and will remain until the final report is received and each recommendation is accepted by this Parliament and is implemented through the normal agencies.

**12/05**

The Commissioners promised to deliver this Report within two months, however, while we are waiting, I want to assure this Parliament that our Government is already working to create a clear policy on issuing of SABLs in the future

Mr Speaker, the Ministries of Lands and Physical Planning, Forestry and Agriculture have been directed to develop a new policy direction and procedures for the issuing of SABLs in the future. Some of these problems associated with the lease are

already well known and we cannot continue to wait forever. We expect that this new policy will be established and we will announce it to this Parliament.

Mr Speaker, our Government has taken this action deliberately so that we can allow our people to participate more actively in our growing economy.

Mr Speaker, we will allow to issue these leases so that further investments can take place in the industries like agriculture. We really need it to be grown in our country.

Mr Speaker, despite the slowness of the inquiry I want to assure this Parliament that our Government remains fully committed to bringing down the final report on SABLs. We will ensure that these abuses taking place in the issuing of leases are exposed. We will also ensure that we have a clear part in deliberating the recommendations furnished by the Commissioners.

Mr Speaker, this statement highlights to Parliament the status of the outstanding Inquiry and its Report yet to be made available.

**Sir PUKA TEMU (Abau – Minister for Public Services) – I move –**

That the Parliament take note of the paper.

Mr Speaker, I commend the Prime Minister for making this very important statement to the nation. I also commend him for his leadership on insisting that this well overdue SABLs Commission of Inquiry Report is brought to this Parliament. I commend him for maintaining the steadfastness and ensuring that the Commission of Enquiry delivers its commitment to the country. The Parliament will wait for the final Report.

Mr Speaker, I am very happy that the Commission of Enquiry on the Special Agriculture and Business Lease was established in 2011. A Report is well overdue and I urge the Commissioners to do their work speedily because the people of Papua New Guinea are waiting. I therefore, recommend that the Commissioners deliver the Report before the next sitting of Parliament so that the leaders can debate on it.

The Prime Minister stated the Special Agriculture and Business Lease legislation has been on foot for the last 35 years. I believe, it's original intention was in order because we have realized that our country hosts some of the well renown forests in the world. Papua New Guinea has been declared the third largest of the rainforests.

Therefore, we contribute in protecting the world from climate change effects and impacts currently taking place.

Mr Speaker, we need to also acknowledge that, it was this legislation that brought in the much needed development of our land. Our resource owners who have looked after the forests for thousands of years will now have a right through the legislation to invite investors to come forward and invest in their land.

Unfortunately, Mr Speaker, in the process some of these people have come through the windows and others through the doors. I think it is time we deal with this legislation.

The Prime Minister is providing a strong leadership in instructing the Ministers for Land, Forests and Environment and Conservation to ensure that we have an holistic approach to this issue of national development.

**13/05**

Our customary landowners are host to enormous resources in terms of viable agricultural land, forestry and at the same time contribute to maintaining a pristine and clear environment and hosting the diverse flora and fauna that PNG is very proud of.

Mr Speaker, one of the challenging issues that we have to face as a country is, what pathway should we chose in so far as long term development of our land is concerned. No development can take place without land and therefore, one of the biggest challenges that Parliament and many governments have failed before is how we can unlock the enormous potential that land has. Fortunately or unfortunately, much of the land is where large virgin forests are and environmentalists want to protect it and part of this issue was raised in a forum in Cairns by NGOs and environmentalists for PNG to re-look at the administration of the SABL legislation.

So, rightly the Prime Minister's leadership needs to be commended and we hope that the Commissioners will respond favourably and conclude their commitment to this country and present the report.

Mr Speaker, I think one of the most important challenges we have as a young developing country and with the monitoring of the extractive industry and this Parliament finds Sovereign Wealth Fund legislation, I think we are now strategically positioned to

see how the extractive industries like petroleum; gas and oil can be used to invest in sustainable economic development and also in protecting the environment. Now we are talking about the huge masses of forests in the country where land is very suitable for agriculture development and where our people would want to participate in the economy as the Prime Minister has rightly said.

Unfortunately, the monotorium on SABL has gone for a long time and I for one fully support those investors that have come in following the law or the right process. There is this balancing act where we can not really penalise them and those resources owners that have identified their investors and followed the law through public hearing where this investors have gone and identified through the ILG process, the true landowners. Public hearings have already invited the Department of Agriculture and livestock to help the resource owners what type of agriculture projects they should propose as well as the forestry so the forest clearing authority (FCA) to be granted.

Therefore, the framework is right but the biggest challenge for us as a country is in view of the Climate Change debate and us as a young nation choosing an economically sustainable development as well as an environmentally protective development option. We have the best opportunity today to debate this final report so that we can adopt through the leadership of the Prime Minister the best policy in unlocking land in the country so that our landowners can benefit.

Mr Speaker, one of the big issue is the debate on the Carbon Credit market which was flagged in the last Government after the 2002 elections and then in 2007 elections. The Grand Chief, Sir Michael Somare provided a leadership where he was appointed Co-Chairman of the Rainforest Nations and the big debate was on how can we as the rainforest hosting nation tap into the Carbon Credit whilst we protect the diminishing forest for the globe and for them to recognise us that we are contributing to the protection and safeguarding of the world, and also how can the globe reward our traditional landowners who have looked after our forests for thousands of years.

Mr Speaker, I am very excited about this prospect for our nation standing in the cross path now where we can actually choose the best economic model to protect the environment as well as help the resource owners to benefit in terms of improving their living standards.

14/05

Choose the best economic model to both protect the environment as well as help the resource owners to benefit in terms of improving their living standards insofar as the Millennium Development Goals are concerned.

So, Mr Speaker, like the Prime Minister, we urge the Commissioners to do their work quickly. We know that it is a very big issue, it is not something small. Many sites have to be visited and therefore recommendations must come and I urge that we look at a completely different development pathway as a nation. That we must be one country in the globe where our environment is maintain as pristine, where our forest is also protected and where logging companies or through agriculture development FCAs are granted, that we chose those commodities that can also protect the environment rather than cut every forest or bring in developments that would ruin our environment as well as our forest.

Mr Speaker, one of my respected leaders, Sir Mekere Morauta once said on the Floor of Parliament, 'that our generation not only inherited our land and our development from our past leaders, but we have also borrowed it from our future generations'.

I think that's a very important statement and with this SABL and the issues on agriculture development such as rice production, corn production or even cattle, all these issues that we need as a nation to move on. And God has blessed us with oil, copper and so on and we also have a very beautiful country with an enormous potential for tourism, I think we are in the right position to chose a sustainable economic growth pathway while protecting our forest and environment at the same time.

I hope that in the recommendations to one, one of them would be to limit the acreage for SABL purposes, probably no more than 50 000 hectares at any one time. And we set pre-conditions to it so that when the investor comes he must take that only. Anything above that you must make so that you meet all the environmental requirements etcetera.

Mr Speaker, these are exciting times. I think in this debate we need to focus away from the extractive industry. LNG project is coming as well as copper and gold projects. We are in the rim of fire zone. Climate change issues are very obvious now. Floods and landslips are coming.

I think its an opportune time for the Commissioners to give the opportunity to Parliament to debate the final report.

So, like the Prime Minister I urge the good Commissioners to conclude their task and allow Parliament to debate and the government to take action.

**Mr GARRY JUFFA (Oro)** – Thank you, Mr Speaker for giving me the opportunity to join this debate, and I want to thank the Prime Minister for his presentation. It is a very sober presentation and I wish to have a few words to discuss that particular presentation.

There's been so many inquiries. This is just another example of an inquiry that has cost this country a substantial amount of money. In this instance, K15 million, where we've had three Commissioners, three learned persons and they've had a team of very intelligent people, a secretariat that has been set up to support them in conducting this inquiry. And after so many months they've only turned up with a preliminary report.

Mr Speaker, I am a trained investigator and I worked for 16 years with IRC and Customs. And I was in charge of several investigations, joint agency investigations or investigations that were conducted specifically by IRC or Customs. And as an investigator I can tell you that the process of investigations is not so costly as it has been in the inquiries that are constantly being conducted and tabled and so on.

Mr Speaker, from this we must learn something and I want to propose that the bill that is being put forward for the establishment of ICAC must be fast tracked. That organization can then coordinate such investigations drawing from the exiting resources in the government, the Public Prosecutors Office, the Police, Customs and so forth. Involve those learned people in there, the technocrats, the experts who know how to conduct these investigation. And conduct these investigations in a thorough manner. In that way we will save our people substantial amount of money, and these investigations or inquiries will produce results. Those people who are responsible will be brought before courts, they will be

15/05

Those persons found to be in the wrong will be brought to Court and penalised accordingly.

From those investigations we can come up with recommendations on how we can improve our laws to protect our people from further exploitation. Now we have gone back to ask the inquiry to continue but they will come forward with another bill and they will say we will need this much more to complete this inquiry and then what will we do after that?

What if they do not deliver their inquiry results on time and what if there is another preliminary report? What if this will cost us another K15 million? We have to think carefully about the future; how are we going to conduct these inquiries so that they produce tangible results? And the persons involved are brought before the Court and prosecuted and the interests of the people are protected.

Here we are looking at a very important inquiry because it touches on the most important aspect of a Papua New Guineans' life. We are already seeing chunks of land in this country being taken and sold off; Lands Department officials are traveling throughout the country rezoning land.

For instance, land that was allocated previously for recreational or agricultural purposes are packaged and then sold off by corrupt officials. We cannot be always blaming foreign investors; they are here to do business. It is up to us to set the parameters, administrate them and enforce the laws that we are constantly creating here in Parliament.

Mr Speaker, my proposal to the Prime Minister, and his team is that in the short time that you have been in power you have brought about some meaningful changes and I want ICAC to be fast tracked and established, sufficiently resourced and given the mandate to coordinate investigations. Let us look at doing away with such inquiries and putting in place mechanisms by which investigations can be conducted timely, meaningfully and cost effectively.

For instance we could set up an investigation team that is specifically dedicated to conducting that investigation, we could then set up a prosecution team that will prosecute

those who are responsible and an audit team that can make recommendations as to how we can put necessary controls in place.

Then we could have a dedicated Court that is responsible for prosecuting those who are responsible. It will cost us less money and we will have tangible results after these investigations are conducted. All I want to say is that global warming and deforestation are a reality. Land grabbing is a reality and we are going to see a continuation of marginalization of our people, unless we sit up and make an honest concerted effort to conduct these inquiries.

**Mr KERENGA KUA** (Sinasina Yongomugl-Minister for Justice and Attorney General) – Mr Speaker, while listening to the Prime minister's report and the comments made by Sir Puka Temu and Governor Garry Juffa, I must say that today casts a very dark shadow on the reputation of lawyers in this country.

It is indeed a sad day because the issues that we are concerned with are very serious and the statement by the prime Minister makes it very clear that it affects ten per cent of our land in this country. That is a lot of land if you put it in the context of three per cent alienated land that used to be there before.

Just this single program has resulted in ten per cent of the land being alienated from the customary landowners and it costs millions of kina in business opportunities and it affects the lives and livelihood of thousands of rural people who look to us as the custodians of their right. And yet the three members of the inquiry who are three of the most senior lawyers in this country have exhibited by their actions or lack of it- a very serious disregard for the seriousness of this matter.

I think they exhibited a level of standard which is well below the standard that is expected from the most senior members of the legal profession. For a long time I was president of the Law society and we used to scream and shout for more empowerment for senior local lawyers and law firms but in order to be given that kind of responsibility we must be able to deliver when opportunities are given, such as this one.

16/05

How can we be calling for more responsibilities? I am in support of this and will always be in support of it, but it makes it difficult for me to sell the agenda to this forum and to public when senior lawyers themselves let us down. They have had one and a half years to deliver this report and now we have been informed that they have been paid close to K15 million. And they had 16 terms of reference and we are told that the report that we received has only touched on the legal parameters surrounding the SABL system.

That is the easy part and it should cost less than K50 000 to obtain, and not K15 million. What we have got here is a report that touches on the legal parameters, systems and procedures which are all there and that itself should not be the subject of an inquiry.

An inquiry should be more into the issues of fact, facts that surround the legal regime that is there. What this country and customary landowners need to know is what has happened since the legal framework was set up. That was what the then Prime Minister commissioned, what the government paid for and what we expected.

I think that we should demand that this Commissioner deliver this report by the next sitting of Parliament, which will be in about two months time. They should not have any additional costs because they have already been paid more than enough and deliver that report. We should also remember in comparison that the inquiry into the sinking of the Rabaul Queen came in inside the budget and the time frame that was allocated to them. The report was also very thorough and comprehensive.

We expected the same level of delivery here but I hang my head in shame that it was not the case. We should perhaps demand through the Prime Minister that in order to rescue the lost ground on the lawyer's reputation, generally speaking, they should come good with this report at the next sitting of this Parliament.

In future when we are setting up commissions of inquiries like this, may be, we should also think of setting up a certain percentage of the overall fee as retention funds. May be one-third should be parked away as retention funds to be collected only after the final report has been delivered, and to be forfeited if they fail to deliver inside the prescribed time limit.

Mr Speaker, that is all, thank you.

Mr LABI AMAIU Moresby North-East) – Mr Speaker, I too would like to join this debate regarding the current interim report that was tabled to the Office of the Prime Minister.

With respect to what the Attorney-General has just highlighted, we need to know facts. In the event that the commissioners do not know, I would like to bring two examples to the attention of the commissioners.

The first thing that I would like to bring to the commissioners' attention and if they could include it in their report is the issues concerning boundaries. We have two traditional clans; one is the Koiaris and the other is the Motu Koitabus.

I believe that most of the land that we share, especially from Laloki all the way to PAU and towards 6-mile are identified as State land. Then again, there are land that are also traditional land that are owned by traditional landowners like the Biori Clan,

We have had issues since the 1950s when institutions like universities and companies came in to do business and provide services to our people and have acquired land. There were certain amounts of land that were acquired for certain purposes.

Therefore, the facts that we would like to know from the Commission of Inquiry is that; some of these traditional land have also been zoned and rezoned over again for other purposes unknown to the Minister for Lands or the political head of that particular electorate.

**17/05**

It is now been brought to this Parliament that some of the investigations that have been carried out has not touched the areas that we are concerned with and hopefully they have been accommodated in that report especially the SABL along Illimo Farm and at the back of Pacific Adventist College.

The Commission has to seriously look into the legal implications that these landowners are going to be bringing towards the Moresby-North East Electorate Office and also petition this Government to revisit the decisions that were done through our Colonial Government.

I have a lot of complaints that the people from the Motu/Koita are claiming custody of the areas around the Bisini Park.

Mr Speaker, there are a lot of legal questions over all these issues and to justify who is the ultimate landowners and my classic example is Universities that have been built on.

Mr Speaker, the Commission of Inquiry in Agriculture and SABL issues have not really addressed the issue between landowners and the State in regards to the 99 year lease agreement.

**Mr SPEAKER** – Honourable Member, resume your seat, your time is up.

**Mr MICHAEL MALABAG** (Moresby North-West Health) – Mr Speaker, thank you very much. In my former life as a civilian we were very vocal about SABL.

As far as I know SABL and ILG were more or less both extensions or revised versions of the Land Mobilization Programme.

It was more or less intended to free up customary land for development purposes.

The good intention of that worked completely and as far as I am concerned was abused, manipulated and taken over by the “big boys” under the pretext of Agriculture Development.

After all that happen you find that there is no agriculture development and all the logs are been chopped away and as a result we have environment consequences.

Mr Speaker, there are no safe guards to protect the peoples’ interest and no monitoring aspects.

Thank you, Mr Prime Minister, for your statement on the Commissions Report but what was presented is absolutely is not good enough.

They have to provide as soon as possible, a comprehensive Report with appropriate recommendations to justify the K15 million that has been used up.

**18/05**

I know that the Prime Minister wants this inquiry out of the way as soon as possible .Thank you Mr Speaker

**Mr DE KEWANU (Mendi)** - Thank you Mr Speaker for recognizing the people of Mendi. I would like to commend the Prime Minister, for this important and very sensitive issue on land in this country.

I commend in a sense that SABL has been an agenda for this country and they have been waiting for this and this interim statement gives an overview of what has happened to our land in this country.

I am alarmed and surprised to know that this three percent of alienated land in this country is all the centers now it's 13 percent and in 13 percent it has gone down to 86 percent of total land in this country being alienated. It would be surprising to see what the report will show for that matter. It is a very sensitive issue and the Commission of Inquiry did not take it that serious and it comes to touch each and every one of us in this nation.

You are talking about 10 percent of land that has already been alienated and we want to know who has been involved what the parameters are and how this has happened because this nation wants to know whether this policy is working and those recommendation that we would want to see, have got to be for their future of this nation and I have got children and their children and they are for the future of this country and we have got to set the foundations right, if we going to do that we should not mark around.

The Commission of Inquiry should not mark around when you are given an assignment you got to deliver within time and you are over paid. Perhaps the Commission of Inquiry should have their own terms of reference or maybe another Commission should be overlooking them.

When you are not responsible to this country especially when given a mandate or responsible position to carry out an inquiry which will impact the economy of this country and the well being of our rural community, when we talk about alienating land under SABL and whether that has worked. We want to know, we want to set the course of this nation and that is through this Commission of Inquiry. I think the interim report or statement as stated by the Prime Minister can shed some light for the Commissioners to take note and move and give us the appropriate final report for the Parliament to consider and it would be interesting to see the recommendations.

I want to know what has happened, whether they have been down with the business deals if its agriculture or timber, I don't know what has happened but the Parliament and country has to know. I think its about time, the onus is now on the Commissioners to come up with this final report in the next sitting, by then we will have the appropriate information and the recommendation so that we can debate on and if need be policy or laws has to be set for land in this country we can derive it out of such reports.

Mr Speaker it is sensitive and we have to be serious and it s about 13 percent of the country's land is already alienated, where titles have been issued on 10 percent and it's really frightening to me and that's 10 percent of customary land so we want to know we want to see what has happened and the report has to be finished within reasonable time. Thankyou Mr Speaker

**Mr TOBIAS KULANG** (Kundiawa-Gebogl Open) – I also join the rest to thank the Prime Minister for bringing this interim report on this very important matter I also take note of the Governor for Oro's comment in relation to such reports. I believe this report is very important and when the final report is tabled we must ensure that we follow through to implement recommendations that will be coming forward from that report.

Mr Speaker, the three Commissioners are very respectable individuals and they have contributed much to this nation.

**19/05**

Mr Speaker, the three Commissioners are very respectable individuals. They have contributed to this nation. However, I am concerned that it has taken them too long to complete a task given to them. Therefore, I would like to call upon them to defend themselves but I think we should wait until the final report is tabled.

Mr Speaker, land is the only resource we have left for our people. After 36 years of Independence our country has made little progress. Our country is not able to defend itself in terms of economic competition. We are not able to compete against Australia and our Asian neighbours.

Mr Speaker, land is our security. It is the hope of our future. When the Industries have finished extracting the minerals, what is left to us, is the land.

As mentioned by the Minister for Public Service, when we are dealing with a nation that is unprotected or not competitive, we need to ensure that we are using a model that will safeguard our future.

Mr Speaker, we are definitely borrowing resources from the future. But as leaders we should be making decisions for our children so that 60 per cent of our decisions made is in favor of our future generations. As responsible leaders and custodians of our people's resources, we should not compromise their future. We should not put them in a situation where they will become beggars and aliens in their own land.

Let us not confuse ourselves. The issue is straightforward. Our land is not for sale.

**Mr DOUGLAS TOMURIESA** (Kiriwina – Goodenough) – I thank the Prime Minister for his statement in relation to the long overdue Commission of Inquiry Report. While I sit here listening to the remarks, I realise that some of us are yet to comprehend the issue of SABLs.

Has the Government consulted the Landowners? Have they explained to the landowners about investment prospects and what they are doing to their land?

The Government wants the Report to be ready in two months time and I believe the people of Papua New Guinea deserve this Report as soon as possible as well. While we are representing our people to debate this issue, we must come up with the decisions that will benefit the rightful landowners.

Mr Speaker, proper guidelines and screening should have been put in place in the first instance but that did not happen so we have to deal with it today. This is a waste of money.

**20/05**

We need to fix up things right at the beginning instead of creating the problems and then spend money to fix them. The K15 million used for the inquiry should have been given to my people of Kiriwina-Goodenough to fix up the health and infrastructure problems we have there.

The business houses are more interested in money making. SABL is for agricultural leases but today, they are out there cutting logs and making more money. We need to deal with these issues. What have we got left for the next generation? We are here talking about Ok Tedi Mine polluting the Fly River and very soon we are going to mine everything out. We have gone as far as mining the seabed so what have we got left for tomorrow?

This Government and we, the new generation leaders that stand here today must leave a legacy for tomorrow. If we do not fix our issues today, we will not leave any legacy for tomorrow.

**Mr POWES PARKOP** (National Capital District) – Mr Speaker, I wish to take part in this debate because it is a serious and important debate.

First of all, I wish to commend the Prime Minister for his statement. The interim report and the full report are still pending but I want to ask the Prime Minister to table the report so we can implement its recommendations. The Prime Minister will become a champion because one of the inquiries he commissioned on the sinking of the Rabaul Queen is being actioned now and prosecution of those liable must take place soon.

But honourable Members, our record is not good in relation to commissioning of inquiries. I think we are telling lies to our people. We spend a lot of money with the commissions of inquiry but the reports gather dust and nothing eventuates. We spent K50 million on the Finance Commission of Inquiry and it is dying a natural death where nobody is being prosecuted. We have also spent money on the Sandline Inquiry and only Sir Julius Chan was prosecuted and he won the case. We also had the NPF inquiry and I believe only the current Prime Minister was prosecuted at that time and he won the case.

Mr Speaker, the point I am trying to make is that we spend a lot of money on these inquiries and they are serious inquiries. I want to commend the previous Acting Prime Minister, Sam Abal who is no longer a Member of Parliament but he deserve credit for making the decision to commission this inquiring into SABL. As we have heard from other Members of Parliament, this is an important issue.

If the final report is ready, hopefully soon, the Prime Minister must table it and we look at its recommendations and debate the significance of it. As the Minister for Public Service as stated earlier, this will determine our future.

Mr Speaker, if we look at the economies of Europe, they took for granted that their economies will be stable forever but it collapsed. The European Union collapsed and here we are fast-tracking our people to leave the subsistence economy and go into cash economy. There is no guarantee for us and our people that it will sustain our people like our traditional economy where it has sustained our people for more than 50 000 years. We still have virgin forests although it is scares in the cities.

We are unable to survive in the cash economy because we don't have the skills, management ability and finance and we are in the periphery of our own land. You don't need to look far.

Mr Speaker and honourable Members, we are the living example here in Port Moresby, Lae, Madang and Mt Hagen. We are already amalgamated and our people are finding it hard to sustain themselves in this cash economy. We have not solved this yet and we are selling our forest and land.

The so called investors are cutting down virgin forests. If they are serious in agriculture, we have plenty of grassland in the country where they can plant oil palm rather than cut down the virgin forest. I believe this is just a disguise to cut down the forests and the inquiry should not be costing the government K15 million because everybody knows what is happening. It should be a short inquiry.

I am disappointed with my lawyer colleagues because even though some of us are Members of Parliament like the Minister for Justice, we are still lawyers because our names are the records. The members of this commission of inquiry are three learned gentlemen where one is a former Chief Magistrate, one is a senior Prosecutor and the other one is a senior private lawyer. I am disappointed with them but what are we going to do. Can the Prime Minister ensure that they deliver this report? The Minister for Justice and Attorney-General must also assist the Prime Minister in doing that and restore the reputation of our legal fraternity because they are also part of the alienation of our land. Instead of defending our people, they are becoming accomplices aiding and abetting.

So if the Minister for Attorney-General is hanging his head in shame, talk to the legal profession that they must also defend our people. As lawyers, we used to defend our people freely before and did many things but we never received K15 million. We provided our services for free.

I am not happy with our three senior legal officers but they are not here to defend themselves. Maybe they will do a miracle and present the report but time is running out on them and if they don't deliver the report on time, the inquiry comes to an end and the K15 million will be another waste of public money. So Prime Minister, we must find a way to save the inquiry and save this money so that it is not wasted. If there is a need for us to pass legislation or enabling act, we must do it because I am not sure these three learned people will deliver the report on time.

**21/05**

We know that in the case of previous reports, when their time lapses, their terms of references also lapse, and the money spent on the report is squandered.

It is a serious matter which we have to look at from all angles including the inquiry itself, how much we are spending, what the implications of it are, and how we are developing our country in to the future.

So, all of us must tell the Prime Minister that we are happy with you for tabling this interim report but we want your to bring in the final report because we want to discuss the implications. And there are so many implications. Most of all, it's about the economy of the future. Do we convert everybody in to the cash economy? Can they survive? Is there a guarantee that if we build an economy it will not collapse like Cyprus and Italy and other economies which took for granted that they are solid? They will never collapse. Even France and not long Germany will also face disaster.

So we already solved this problem when our ancestors found out 50 000 years ago how to sustain us up to today.

Let us not give it away. That was my little contribution but we are looking forward for the final report. Bring it in quickly.

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

## ADJOURNMENT

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

That the Parliament do now adjourned.

Parliament adjourned at 12.30 p.m..