

SIXTH DAY

WEDNESDAY 27 MARCH 2013

DRAFT HANSARD

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SIXTH DAY

Wednesday 27 March 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.

Mr Speaker again took the Chair at 10:35 a.m., and invited the Member for Rabaul, **Dr Allan Marat**, to say Prayers:

“Sovereign God our Heavenly Father, we stand before you just as we are in the name of Jesus Christ. Father, we thank you for this week; it has been a week where we remember the time when your son represented the fullness of your love to mankind. He came into this world to redeem us. We thank you that he bore the same scorn, especially his death on the cross. This is a Christian country; we praise and thank you for it. As we continue to think about that, think of your people whom we represent here in Parliament. We seek the guidance of your Holy Spirit, knowledge and wisdom that can only come from you. This morning we stand in prayer and ask that you will grant us knowledge and wisdom as we deliberate the issues that affect the lives of your people of this country, Amen”

QUESTIONS

Mr SASINDRAN MUTHUVEL – Mr Speaker, my questions are directed to the Minister for Justice and Attorney-General, and I ask the Minister for Lands and Physical Planning to take note.

Before I proceed with my questions, I would like to mention that most of the development of resource projects including the upgrading of the Okuk Highway, building of communication towers, schools, colleges and et cetera are hindered by land ownership disputes. However, most of these disputes are minor and can be addressed by involving certain provisions of the legislations.

But due to the incapacity it has become otherwise a stumbling block to development.

(1) Apart from the restructure in the magisterial services to have a deputy Chief Magistrate on land matters in the various local or provincial land court,

what steps has your department taken to hear all land dispute matters in the various local and provincial land court?

(2) What is the total number of cases pending in these courts throughout the country apart from the appeals in the higher court?

The National Executive Council decision restricted the National Lands Court to stop its determination in 2004-2007.

(3) Does the NEC have power under the *Land Registration Act* to impose a moratorium on the work of the National Lands Commission as declarations of the National Lands are piling up without the commission undertaking its powers and functions?

(4) Is there any plan by your ministry to revive the various legislations dealing with land that are outdated, such as the *Lands Title Commissions Act, 1962, Land Dispute Settlement Act, Land Tenure Conversion Act, 1963 and National Land Registration Act* and other legislations dealing with land disputes and ownership.

Mr KERENGA KUA – Thank you Mr Speaker. The issue of land disputes and compensation demands has always been an impediment to the development of this country. Any government is always serious about bringing development to our people to improve quality of life and give them a better future.

Governments cannot hang those developments up in the air. They have to position them on the ground so that people can have access to them and benefit from them. When the government tries to have access, it has always become an issue and the issues have been growing over time.

02/06

As a government, I do not think that we have a clear cut solution and wholesome approach to this issue. We in this forum should dedicate a lot of time, study, discussions, thoughts and debates to try and find a way to deal with this issue in a way that finds acceptance amongst our people in the rural areas and throughout the country. Our people

should recognise that the work that the government does is not for a profit like private enterprises, but for the improvement of their own lives.

Mr Speaker, in much more mature and developed societies around the world people pay taxes. If you have a working population about 94 per cent of those people pay taxes. This tax adds to a very significant amount that the government uses to provide services back to the people, especially the under-aged and retired. Therefore, a substantial percentage of working age people are working and paying taxes.

The situation in our country is the opposite. The majority of our working age people are not on any formal income and do not pay taxes. Only 36 per cent of our working age people have a formal income and are subject to tax. The government then uses it to improve the lives of the vast majority. This is difficult and the government will always be short of money for infrastructure developments and for improving our peoples' lives.

I would like to take this opportunity to refer to the question proffered by the Governor for West New Britain to call out to our people throughout the country, to pause for a moment and think carefully when they are raising disputes when there should be no dispute and calling for compensation demands when there should be no compensation.

For example, the entire Okuk Highway from the Lae wharf up to wherever it finishes in the Hela Province was built in the 50s, 60s and 70s. There were people living on that land when that development took place, and I am sure there was an agreement in respect of every square metre of that road from start to finish. This agreement could have been a gift by the people who lived and occupied that land. They had possession and control of it with the government of that day to construct that infrastructure to benefit the people during that generation and the generations to come. A deal would have been made with these people, but not all of us were around at that time to understand the nature of that deal. Nevertheless, a deal was struck and payment may have been asked for or it could have been given freely. The point was that a deal was done.

What we need to do when we are screaming about development on land that is already owned, occupied and developed by the government is to look back on history. This is so that we can understand the nature of the arrangement that the people made at that time. We must try to respect and uphold that understanding instead of trying to undo deals and arrangements made by previous generations.

I think that there ought to be some respect and understanding. A deal is a deal, a contract is a contract, and I think that we need to give it that recognition. I am taking this opportunity to call out to all our people throughout the country to respect arrangements made by our fathers and mothers in the past.

The same should be applied to any arrangement that we, the present generation, make because we will be expecting the future generation to respect it. Before we have that expectation we must firstly look backward into history and respect the arrangements made by those who preceded us. Then we can rightly expect the future generations to respect deals that we make and contracts that we attain regarding land issues.

I am, therefore, encouraging everybody to move away from this compensation mentality because the goods and services that are going to be positioned on this land is for the benefit of everybody and the landowner whose land this infrastructure is going to exist.

That is the general position that I would like to take. I think we should discourage compensation for land disputed in the first instance and discourage the compensation mentality in respect to land owned and occupied by the government. If the government wishes to improve the infrastructure that is already on that land then it must be given the freedom and flexibility to do so without mounting new compensation claims to undo, and I say this in the context of the Okuk Highway.

03/06

I have heard stories about the Okuk Highway that a sum of K54 million was paid to Chimbu alone. I wonder whether the Government has the money to pay K50 million to each of the Highlands provinces and Morobe where the highway runs through. That was a very bad precedent.

I think that we should be calling upon the people to go backwards in time and thoroughly study the arrangements that the government of the day had in place at the time when the road was first built. This is the position we should take, and it now brings me to the point of the question raised by the Governor of West New Britain, whether the land dispute settlement legislations that are available are used to satisfactorily deal with the demands for compensation and the disputes that arise from land issues.

I would like to invite the Governor to put his questions down in writing and give it to me because they contain some very good points. I will get detailed answers from my department and furnish it to Parliament later but the general gist of my response to his

question about the availability of those legislations and whether it is being used would be this; I feel that those legislations that he has mentioned do provide a sound and satisfactory mechanism by which we can be able to receive, process and decide on those issues. It is up to us as a Government and our line departments to understand those procedures that are available in law and to use them.

That should be more of our challenge than our focus because I think there is sufficient body of law in relation to the usage of land already to us in this country. So, if there is any reform necessary, of course those reforms will be done and have to be done. But firstly, we will have to apply those laws as they are and the application of those laws will help us to identify any weaknesses and shortfalls in the framework of those legislations.

Mr Speaker, but to begin with, I do feel that we do have a satisfactory body of land laws and we need to process any land dispute issues through those legislations, and I come back to the Okuk Highway corridor running through Chimbu for instance. A lot of money has already been claimed but there are also lot of claims outstanding and I don't want to encourage it as one of the Members from Chimbu. I refuse to have a hand in it because I know that there was already an arrangement with the government and our fathers in the 50's and 60's.

I would rather encourage my people in Chimbu and elsewhere in Papua New Guinea to go backwards and try to understand that arrangement. If that arrangement is not satisfactory then as the Governor has pointed out, let's bring it through, the *Land Dispute Settlement Act* and the Land Titles Commission to process those disputes before the government goes ahead and pays huge amounts of money which we don't have. To cater for this, we are forced to borrow offshore.

So, whatever little money we have, we must use it wisely and I think it is a good timely question raised by the Governor. In the future, if there is a claim, let's take it through the institutions that are trained, skilled, educated and resourced to be able to resolve disputes of this nature rather than for us to use a valuer. Let me tell you a story –

Mr SPEAKER – Honourable Minister, if you have answered the questions then please resume your seat.

Mr KERENGA KUA – Mr Speaker, it illustrates the difficulties that we have.

What I am trying to portray when not following the procedure is that you intend to pay a claim and you send a valuer to value actual 40-metre road corridor but people are claiming one kilometre away. There may not be improvements in the 40-metre corridor but next day you will find improvements on it when you come back. If the person who owns the land inside the 40-metre corridor does not have the corrugated roofing iron, he goes off and hires the roofing iron from an existing house outside the 40-metre corridor. That house is demolished in the night and the roofing iron is loaned to the owner of the 40-metre corridor and next day, there is a house with a corrugated roofing iron. As a result, the value goes up because it is considered a permanent improvement.

That is happening because we do not follow the law in dealing with these kinds of issues. So, I really appreciate the question from my learned Governor. We should try to process all the future claims of this nature through the Land Titles Commission or the *Land Dispute Settlement Act* where we might find a more satisfactory answer and the outcome may be more affordable to the State.

04/06

Supplementary Question

Mr JOE KOIM KOMUN – My question is directed to the Attorney-General, with regard to the Highlands Highway Road Rehabilitation Program.

I think the K6 billion is on the way for the rehabilitation. We also hear that K50 million has been expended on the Chimbu section. I believe Western Highlands and Jiwaka should shortly be expecting some improvements to our section of the road. When can my K50 million be put forward for improvement to my section along the highway?

Mr KERENGA KUA- Mr Speaker, I see he is asking for money that I don't have.

(Laughter in the Chamber)

Mr KERENGA KUA – I think from now forward, we should discourage compensation. What's been done is done. Two wrongs don't make a right, so let's cut it off now and go down the pathway that I have already described where there should be no compensation because that road going through Jiwaka is for the benefit of my

brothers from Jiwaka and likewise, the road going through Western Highlands. No body else will benefit.

As leaders we should take a stand and come out clear on the issue of compensation, we must denounce it. When we encourage and facilitate it, this brings a lot of burden to us. I give notice to the people of Sinasina- Yonggamugl that I will not entertain the idea of compensation. This is clear. They will have to bring all their claims to another person who is willing to assist them, but not me. The media will broadcast this message to the people of my electorate to know.

Mr TITUS PHILEMON – Mr Speaker, my series of questions are directed to the Minister for Fisheries and Marine Resources, Honourable Mao Zeming.

My questions relate to the issue of setting up provincial fisheries board and allowing the transfer of certain powers and functions of the National Fisheries Board to the provincial boards?

I'm aware that the National Fisheries Authority is in support of this move, can the Minister confirm that?

Mr Speaker, this transfer of powers will complement what the O'Neill-Dion Government is now doing in its endeavor to give more powers and functions to the provincial, district and the local-level governments.

I believe State institutions like the National Fisheries Authority should do the same.

My questions are;

(1) Can the Minister inform Parliament as to the status of the moves to set up provincial fisheries boards and to transfer certain powers and functions of the National Fisheries Board to the provincial boards?

(2) As the largest Maritime Province in the country where the majority of the people depend on the sea and fishery to sustain them and for cash income, can Milne Bay Province be the first to set up a provincial fisheries board?

(3) In the powers and functions to be transferred to the provincial boards, can the management of standard fisheries such as beche-de-mer, shark fin, trochus shells and others be the first to be included in the list of transfer functions ?

(4) Can the authorities set quotas in issuing of fishing licenses as well as, set levies and taxes.

(5) Can the monitoring and surveillance of the industry be also transferred to the provincial boards and the provincial government?

(5) Can Milne Bay Province be the recipient of one of the three surveillance boats that the National Fisheries Authority has bought for surveillance of the sea boundary?

Thank you, Mr Speaker

Mr MAO ZEMING – Mr Speaker, I thank the Governor of Milne Bay for the series of questions.

05/06

As far as the records are concerned, there is no decision to set up provincial fisheries boards in the provinces. Therefore, I am unable to answer his questions.

However, I wish to inform Parliament of the Government's indication to review the laws governing all government departments and institutions. We are ready in the fisheries sector and I have indicated to the Board to locate money so that we can conduct reviews. We have the mandate to also sustain and manage our resources.

Mr Speaker, the mineral resources will eventually go away but we can sustain the fisheries sector. A review on legislations governing NFA and coastal and in-land fishing agencies was supposed to be conducted. So, I assure the Governor that there will be a consultant group appointed by the National Fisheries Board to review the *Fisheries Management Act 1998*. That specific legislation does not allow the provincial governments at this point in time to decentralize the function back to the provinces. Once the reviews are completed, I will advise the Parliament accordingly.

Mr MEHRRA KIPEFA – My questions directed to the Minister for Works are in regards to Kingston Bridge in Kainantu District that gives access to the National Agriculture Research Institute, Coffee Research Institution, CAS Bundaira, Summer Institute of Linguistic and the people of Obura-Wonenara electorate.

Funding as well as material to reconstruct the bridge have been allocated already to the Department of Works. However, since last year up until today, no work is done.

My questions are:

- (1) Why is the Department of Works not working on the bridge?
- (2) Should we wait until a truckload of people encounter a disaster?

- (3) If the Department of Works is not able to reconstruct the bridge, can the PNG Defence Emergency Response be engaged to redo the bridge?

Mr FRANCIS AWESA – The Kingston Bridge problem is an ongoing one. Last year, some of its parts were taken to Provincial Works Department in Wabag for repair work. The parts have been repaired and returned to the site.

Mr Speaker, I share the same concerns because it is the only access bridge to those government institutions, so I assure the Member that I will investigate the situation and inform him accordingly in writing today.

Mr SOLAN MIRISIM – I direct my questions to the Deputy Prime Minister and I ask the Minister for Foreign Affairs to take note. My question relates to the border issue and Border Development Authority (BDA) development along the border belt from Western Province to Wutung.

06/06

Last Wednesday and Thursday, there were news articles about people from villages along the border exchanging kina to rupee or rupee to kina. Many of the villagers are taking their food crops to the Indonesian side of the border. The government had established BDA to be an agent in delivering goods and services to these border villages and provinces.

As a Member representing the Telefomin District, which is along border belt, in the last six years or so, we have not seen any BDA officer conduct a survey from Wutung to Daru to provide service to the people. BDA is an agent of the government and it is funded to provide services to the people living along the border areas. We are also facing a lot of border issues where many smugglers from Indonesia are crossing over to trade guns, human trafficking and other law and order issues.

I have three questions that I want to ask the Deputy Prime Minister because personally in my district, I do not know whether BDA is functioning or not because we have not seen any tangible services coming from them.

(1) If BDA is functioning then do they have any plans for the villages along the border belt?

(2) If they have any plans, when and how soon will they deliver goods and services to the people living along the border?

(3) Can they establish stations along the border to allow government services to go to the people?

Mr LEO DION – Mr Speaker, I thank the Member for Telefomin for his very questions in relation to the function of the Border Development Authority. I want to say that the BDA was established by the previous Government and their primary role under the Executive Chairman and the Board of Management was to provide coordination with other agencies, and one of those agencies is the provincial government. It was intended purposely to assist those provincial governments at the border areas.

Now, Telefomin District is one of those areas where illegal activities are taking place and we are aware of it, but I want to inform Parliament that the BDA is not the answer to all the illegal activities taking place along the border. This is a responsible Government and when it saw the actions and lack of coordination amongst the government agencies in these areas, then it reflected to the Government that there must be an agency established to provide those services with good intentions.

The perception of these affected provinces is that BDA is there to provide goods and services, which in fact, it is not. The BDA, like other authorities, has a special purpose, and their purpose is to ensure that the infrastructure development must take place in these areas. Unfortunately, because of the lack of funding by the National Government and we are not just sitting there asking the National Government to provide funding initially when I got into Office, I wanted an audit to be carried out in relation to the administration and the activities of this entity that was actually established by the previous Government.

07/06

The National government is responsible for making sure that there is proper audit of the assets. I have asked for a financial report in relation to some of these donor agencies that have come forward to help us. Because of the credibility of the National Government, they are willing, in fact, to help. And one of those is the Asian Development Bank that has already put up some money. And thanks to the National Government at that time for providing those counterpart funding.

Mr Speaker, we know that all the border activities since past history has happened in Vanimo, West Sepik Province. And all operations in relation to the security aspects, the policing, migration and defence force begin in that area.

At the moment, whilst I speak, there is construction beginning in Vanimo. One of the roles of the BDA, is to build infrastructure, provided that sufficient funding is provided to it.

As I have said, Telefomin and those areas down to the Western Province, we are very sensitive to the activities that are going on there. And I don't want the Members of Parliament from those areas to think that we are the answers.

In fact, because of the requirements that are in relation to those border locations, especially on the mainland, Western Province and West Sepik, the National Government has already allocated quite a lot of money to those provincial governments.

I have always stated here that we should not see each other as separate organisations. Let's work together, the Foreign Affairs Department and the Defence Force, and I am glad that the Prime Minister is leading the National Security Council, to discuss all these issues at those levels.

Not forgetting to say here that all organizations are there; they are not perfect but we've got all the right agencies that can inspect the sort of operations of the existing authorities.

I have a problem trying to satisfy the relevant special authority arrangements that should legally come under the provincial government but they are not because they are operating under different acts.

These are the dilemma that we face within the Department in trying to harmonise their relationship so that we are working for the common good of our people, which is to provide goods and services.

Mr Speaker, I must say that the prime responsibility of the Border Development Authority is to facilitate infrastructure development and this is what we are trying to do.

For the delivery of goods and services and other areas of concern, I am asking provincial governments from those areas to become more aware and efficient. And recognise their provincial executive councils so that legally binding decisions are made in order to facilitate decisions that will help us.

Mr Speaker, a good example is the planning that the Defence Force is trying to implement. It must be coordinated well because we don't want the Border Development Authority to be seen as the saviour in securing the normal functions of provincial government or Joint District Planning and Budget Priorities Committees in those areas.

Mr Speaker, I ask that instead of us passing the buck to and fro, let's all work together. The Inter-Government Relations Department is always willing to work with

the provincial governors. After all, that is the Department that you should by accommodating and seeing if there are any problems in those areas, including the type of systems that we have in government.

I am very thankful to the Prime Minister of the day for taking the leadership in the Alotau Accord and also in ensuring that a lot more power and money is going down to the provinces.

I say this because all the border provinces are also within this country and the systems look after them. so Government has to pay a bit more attention. We are already looking at borders from the west up to the north. I have received the audit report of 2010, but I am waiting for the financial report.

08/06

I will present that Report in Parliament so that Members are well informed, especially those that are from the border areas. To conclude, I want to say that it is a good plan, but the implementation of that plan is not very good because we have management issues happening across the board.

We are dealing with Papua New Guineans who are supposed to be qualified to be in charge of those organizations but as leaders, we cannot always crucify them. We have to bring them up to a level where government expects them to operate in a much more efficient and effective nature in terms of providing leadership in those areas.

Mr NOAH KOOL – Thank you, Mr Speaker. My question is directed to the Minister for Petroleum and Energy. There are two issues which I wish to bring to the Minister's attention, but before I ask my question, I wish to briefly explain that PPL334 covers the western half of Karamui LLG bordering with Pangia in the Southern Highlands and the known Elk and Antelope gas fields to the south.

In the last 30 years, your department has been giving exploration license to various exploration companies, however my people in Karamui have not seen any exploration in the area by any of the prospective exploration companies that your departments has issued licenses too.

For instance, a Sam Chung of the current licensed exploration company has indicated their office was at Nilkare Drive and a landline phone and mobile numbers have been given to the department, but these numbers are not in service and their office is not manned.

(Members interjecting)

Mr NOAH KOOL – They have not even submitted mandatory annual prospecting reports or annual forthcoming year plans for about three years and landowners with oil sip samples are looking for them in vain but your department is unable to help them.

(1) Can the Minister cancel PPL334 due to the non-compliance of mandatory requirements and further reserve these for my people as they have found a creditable overseas partner and they want to acquire this as it has become vacant.

Mr Speaker, my second point relates to landowners of developed Elk and Antelope gas fields, the Pawaian tribe. These people have been semi-nomadic people living within the borders of Gulf, Southern Highlands and predominantly Simbu provinces. Their villages are Wabo, Uraru, Soribero, Aiya, Subu and Inepamaru.

Most are in the Simbu territory and the provincial governments have maintained their schools, health centers and the only airstrip at Aiya. People as far as North Karamui speak the Pawaian language.

When InterOil discovered gas in the area there has not been any consultation with the Simbu Provincial Government or the Karamui-Nomane MP or the district.

(2) Has your department carried out geneology or anthropological studies to identify the specific borders of Gulf and Simbu provinces to find out where the gas fields are actually located?

This may involve geological information to find the rock formation structure that contains oil or gas and where it spreads out.

(3) Since the landowners are mostly Simbu people and the gas fields are within their boundary, can the department recognize Simbu province as a stakeholder to any negotiation, consultation and agreements in the future with equal terms with the Gulf Provincial Government?

Mr WILLIAM DUMA –Thank you, Mr Speaker. I thank the Governor of Simbu for his questions that are relevant and apply equally to all the projects across the country. I think it is important to outline the process involved in awarding PPL licenses in those areas.

Mr Speaker, normally, Petroleum Prospecting Licenses are issued for a period of five years and the practice is that in the first three years those who have applied and obtained licenses do what is known as desktop studies. They look at the existing data that is held by the State department and look into the archives and if they believe that there are certain areas of interests within the license areas they then go to do aerial surveys. If these surveys reveal certain bumps in those areas, they then go into exploration. The exploration is usually done in the fourth or the fifth year of the five-year license. The first three years are usually done studying maps.

09/06

Mr Speaker, although a company may have obtained their license, you will hardly see physical activities in those areas. That is because during those first two years desktop surveys are being carried out.

Mr Speaker, in this case, and in the case of Sam Chung, it may be that they are carrying out, what is known as desktop studies and aerial surveys. You will usually find drilling if they believe that some areas are worth drilling if they find humps or beeps in the survey.

Mr Speaker, in this case, I am not aware of this particular licensee failing to fulfill the obligation required of it during the first three years. Nevertheless, if my enquiries do reveal that it has not been carrying out what has been required of it, then we have a process to follow. The Department then issues a notice to show cause, and if it is satisfied that a licensee has failed to comply with those requirements, we then take the step of terminating its license.

Mr Speaker, all that I can assure the landowners with is that, it is in our interest including themselves that when a license is issued, they should stay away so that the licensee carries out the required work without any interference.

Mr Speaker, we must all understand that unlike the forestry and fisheries industry, it is very difficult for one to know what is exactly below the surface of the earth.

Mr Speaker, also, it is a very expensive exercise to do those desktop studies and to carry out aerial surveys and finally make a decision to drill a well, which costs within the vicinity of \$US15 - \$US20 million. And in most cases, if a licensee drills nine or 10 holes, it will only succeed in one hole.

Mr Speaker, the success rate is very low and in most cases in this country, after most of the investors have spent nearly \$US15 - \$US20 million in drilling a well, they invariably always find a dry well. They usually find only water and write the expenditure off and move on.

Mr Speaker, that is why it is the policy of this Government that we are better of allowing investors who have deep pockets and one prepared to take the risk to carry out these risky work. If they are then lucky to find oil and gas, the State is guaranteed 22.5 per cent when we pay our sunk-in-costs.

Mr Speaker, this system is working very well and it is safe for this Government and our people. And if we were to allow our landowners to invest in exploration and if they were to incorporate their own business groups or companies to set out and explore, and in most cases if they were to find dry wells, those landowner companies would have a hard time explaining to the landowners, the shareholders, what has happened to their money.

Mr Speaker, that is why we have a system that has been working very well. I would like to assure the Governor the landowners, that in the event the department's enquiries reveal that this particular licensee has failed to comply with the requirements, there is nothing stopping the Department from terminating that license. There is also nothing stopping my department from giving a license to a company which can in many cases have access to money, technology, expertise and of course those landowners who are prepared to take risks like our foreign friends.

Once again, I would like to assure the Governor that if there are landowners who are prepared to work together, take the risks and invest the money then I am in the position to help them.

Mr Speaker, in relation to the issue of the Elk Antelope Project, I must therefore inform the Parliament that based on our studies, the Elk Antelope Project is located in the Gulf Province. My department and the developers have done what is known as land identification and social mapping studies. And those studies confirm that this project is located in the Gulf Province. I suppose it answers my good Governor's question.

Mr Speaker, it is very easy for people to stand up and claim or say that a particular project is in a particular area, but we go by satellite mapping and the Departments has records. We know where the Graticule Blocks are and I can confirm to this Parliament that the Elk Antelope Project is in the Gulf Province.

Thank you, Mr Speaker.

**DEPARTMENT OF PRIME MINISTER AND NATIONAL
EXECUTIVE COUNCIL – ANNUAL REPORT, 2011 –
MOTION TO TAKE NOTE OF PAPER**

Mr PETER O'NEILL (Ialibu-Pangia – Prime Minister) – I present the following Paper pursuant to statute:

*Annual Report of the Department of Prime Minister and National
Executive Council 2011 – Report*

I ask leave of Parliament to make a statement in connection with the Paper.

Leave granted.

10/06

Mr Speaker, the report covers all areas that are the functions of the Department, and particularly focuses on the achievements of the year 2011 and the decisions of NEC during that period.

Mr Speaker, that report features some interesting aspects and it also clearly highlights the performance of the Executive Government throughout that year.

Mr Speaker, in 2011, the National Executive Council met on 62 occasions and a total of 289 decisions were made out of 381 submissions that was received by the Secretariat.

Mr Speaker, that is an impressive performance, given some of the difficult situations we were in and the challenging times that we were facing leading up to the National Elections in 2012.

Mr Speaker, the report contains some expenditure reports of 2011 and it is a useful report that demonstrates financial accountability and transparency in the work that the Department is doing.

Mr Speaker, I recommend this report as required by law to Parliament and that this Parliament adopt this report.

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

**TEACHING SERVICE COMMISSION –
ANNUAL REPORTS, 2009, 2010 AND 2011 –
MOTION TO TAKE NOTE OF PAPERS**

Mr JAMES MARAPE (Tari-Pori – Acting Minister for Education) – I present the following Papers pursuant to statute.

*Teaching Service Commission Act –
Teaching Service Commission –
Annual Reports 2009, 2010 and 2011.*

I ask leave of Parliament to make a statement in connection with the Papers.

Leave granted.

Mr Speaker, this statement highlights the official accounts of the operation of the Teachers Service Commission and the administration of the PNG Teachers Service for the periods 2009 through to 2011.

Under the authority of Section 17 of the *Teachers Service Act* the Commission is required to produce an annual report for presentation by the Minister for Education to the Parliament after 31 January of each year.

The Commission could not present these reports on a timely manner due to administrative and financial constraints in the previous years.

Mr Speaker, these statements envelops three years, highlighting major developments and achievements during this reporting period for this Parliaments information.

The Teachers Service Commission plays an important and crucial role in the National Education System. It employs the Teachers on behalf of the State and is responsible for setting directions and providing a critical oversight in relation to the terms and conditions of teachers throughout the country. It also has the role of ensuring

stability in the workforce by continuing to make certain, that industrial peace and harmony exists within the entire teaching workforce.

Mr Speaker, the Commission is a three-man Commission appointed by the Head of State on the advice of the National Executive Council.

The Commission in 2009 and 2010 was headed by Mr Michael Pearson as Chairman, Mr Jerry Kuana as Commissioner Policy and the late Ms Rose August as Commissioner Operations.

Their operations were effective since 19 February, 2007 to 18 February, 2010 for a period of three years.

On 7 May, 2010, the same Commissioners were appointed to act for an indefinite period while permanent appointments were being considered after these positions were advertised in mid-year and the Governments National Gazette as required under the Statutory Regulatory Services Act No. 3 of 2004.

By November 2010, the Acting Chairman, Mr Michael Pearson, resigned, having reached the age of 60 years in May 2010.

As a result of this, a Commission was left without a Chairman for the remainder of 2010 and most of 2011.

On 6 October, 2011, the NEC, under the then O'Neill-Namah Government revoked the previous two Commissioners acting appointments and appointed Mr Samson Wagihome and Mr Mathew Gubaea as permanent Commissioners.

11/06

The Commission, however, continued to operate without a chairman until the appointment on acting basis of Mr Baran Sori as Chairman of the Teaching Service Commission on 15 February, 2012, for a three-months period, and extended as required under the Statutory *Regulatory Services Act of 2004*, until a permanent appointment is made.

Mr Speaker, this non-appointment of a Chairman in 2011 resulted in the Commission not making major policy decisions as it was not fully and legally constituted under the *Teaching Service Act of 1988*. However, it was able to operate and manage the teaching service without any major problems.

Mr Speaker, the Commission currently has a support staff of 28 officers. The support staff structure was restricted in 2007 increasing the staff numbers from 18 to 28

staff. Positions were advertised in 2009 and substantive appointments were made to most positions while others were filled on acting basis.

This restructure paved the way for the Commission to have regional offices established in the four regions thus bringing its service closer to the provinces. The region is manned by one regional officer for each region, Southern, Momase, New Guinea Islands and Highlands.

The Commission during the report period has operated on a fairly low budget despite the fact that it oversees one of the biggest, if not, the largest public sector workforce in the country. In 2009, total appropriation was K1858800. This was reduced in 2010 to K1285900. In 2011, total appropriation was increased to K1760900 over three years. About 77 per cent of the budget was allocated for salaries and allowances of Commission staff while a mere 23 per cent was for operational costs.

The Commission has continued to request for increase to its operational budget to deal effectively with teacher management issue. This lack of adequate operational funding each year of the reporting periods has greatly affected the Commissions ability to carry out investigations and regulatory role as an employer of teachers as required under the *Teaching Service Act of 1988*.

Much of the Commissions priority, Mr Speaker, has been to see that the teaching services operate under the prescribed laws and policies set under the *Teaching Services Act of 1988* as amended. It works in partnership with the National Department of Education, the National Education Boards, Provincial Education Boards, Church Education Agencies and the Papua New Guinea Teachers Association in ensuring that teachers provide an efficient and effective teaching service to our children.

The teaching service is the largest single public sector workforce in the country with an average growth rate of five per cent each year.

Mr Speaker, since 2002; the workforce had grown from a total manpower of 32,022 to 35,792 in 2004. In 2007, the numbers increased to 38,470. By the end of 2008, total manpower had increased to 44 616 teachers in the country. By the end of 2011, total number of teachers had risen to 45485 teachers.

Membership is constantly changing due to new teacher recruits from the various teacher colleges and the intake of elementary teachers recruited from within their communities. The reduction of teachers in 2009 can be attributed to the growth in number of students as a result of the universal basic education policy and the reforms in the curriculum which has placed greater demands on the teachers.

In 2007, following a National Education Board decision, the Seventh Day Adventist Mission Teachers joined the Teaching Service. Their terms and conditions are now governed by the *Teaching Service Act*.

The Commission as an overseer of the terms and conditions of employment of teachers carries with it a huge role to respond to the queries complaints and appeals from its members. During the reporting period, on average over 10 000 queries which include letters, telephone calls and in-person queries per year received were from the teachers and much time and effort was taken to investigate and respond to each claim. These claims range from non-payment of salary and underpayment of salary, outstanding allowances to appeals on appointments and general complaints. The Commission relies on the National Department of Education to process salary and allowance payments as the executing arm of the Commission in this regard.

Apart from the National Department of Education salary processing section, there are 11 provinces and one district that have decentralized salary processing functions because of the distance from the respective provincial headquarters.

They are Western, Chimbu, Western Highlands, Sandaun, East Sepik, Madang, Morobe, West New Britain, East New Britain, New Ireland, AROB, Manus, Kiunga and Lake Murray district.

12/06

These provinces also ensure that teachers' salaries are paid on time. During the reporting period, very little has been done to review the operations of these decentralized provinces. The lack of funding has not allowed the Commission to improve their operations.

The Commission has also ensured that decisions of other authorities under the *Teaching Service Act* or the *Education Act* do not infringe or abrogate the rights or conditions of service of teachers. During the reporting period, many cases involved provincial education boards not complying with the law, especially in appointments and discipline of teachers, and through the teachers appeals, the Commission has had to defend the rights of the teacher. In some cases provincial education boards were directed by the commission to return teachers back to their tenure positions. Compliance to the Commissions directions by Education authorities were in some cases, not carried out and this has caused inconvenience both to the teacher and to the good working of the

system. Some action is currently being carried out to review the Act to strengthen the law to come down hard on non-compliance issues.

The Commission has also played a watchful eye on fraudulent entry into the service by unqualified persons. During the reporting period, many such persons were caught and terminated and in some cases referred to the police for a criminal charge. During the reporting period, the Commission, upon directions by the National Executive Council through the Departments of Treasury and Personnel Management, imposed a ban on recruitment of teachers into the teaching service. Up to 2005, the ban was partially lifted but new appointments during this reporting period were strictly monitored by the Commission's entry requirement policy. One notable change is the phasing out of the certificate in teaching qualification. The entry level for primary teaching is Diploma in Education. The Commission has determined that those certificate teachers currently in the system must upgrade to Diploma level through the in-service program offered at PNG Education Institute. The Commission also can only re-admit resigned teachers with Diplomas to fill vacant positions in the teaching service.

On the industrial front, the Commission was able to ensure that all agreed increases to salary and allowances made in 2008 to 2010 was implemented and paid out to teachers in service at the time of the agreement.

In 2011, a new 2011 – 2013 agreement was signed between the Commission representing the State and Papua New Guinea Teachers Association (PNGTA), which gave effect to increases in salary for teachers over a three-year period. This was implemented by the Commission through the Department of Education payroll section on 1 June, 2011, backdated to 1 January, 2011. This agreement will expire on the 31 December, 2013.

Teachers' salaries were increased by 6 per cent across the board for each year of the agreement and in addition, a buyout of accommodation subsidy at a fixed sum of K500 per annum was added to base salary midpoint of each scale for all teachers except elementary whose fixed sum was K360 per annum. This meant that accommodation subsidy was ceased as from June, 2011.

A new teaching service allowance was also built into the pay scales of all teachers equal to 8 per cent of annual base salary payable fortnightly except elementary teachers whose rates are a fixed kina amount.

Teacher's allowances were increased in the following:

(a) Boarding (including Community Boarding) schools duties allowance – for principals at a rate of K2 000 per annum and for teachers at a rate of K600 per annum.

(b) Rural remote disadvantaged school allowance – all teachers serving at approved remote schools at a rate of K3 000 per annum paid in lump sum at end of the year.

(c) Domestic market allowance for heads and deputy heads of schools – heads at TS grade 10 paid at a rate of K10 000 per annum; heads and deputy heads and heads of departments at grade TS08 to TS09 at a rate of K5 000 per annum. Heads and Deputy heads and heads of department and lecturers at colleges at a rate of K3 000 per annum.

All other teacher allowances previously agreed to by the parties remained unchanged and they are:

(a) Head teacher responsibility allowance at a rate of 10 per cent of base salary.

(b) One teacher/head teacher allowance at a rate of 10 per cent of base salary

(c) Multi-grade teaching allowance at a rate of 10 per cent of base salary dependent on class size and grade mix.

(d) Caretaker allowance at a rate of 10 per cent of base salary to those teachers appointed to carry out the duty and

(e) Mining allowance at a rate of 10 per cent to those teachers teaching in a district where mining activities are carried out.

This is to ensure that our teachers are retained to teaching instead of running off to higher salaries in those mining areas.

13/06

The benefits provided under the agreement continue to reflect the Government's support to give recognition to the work of teachers and to lift up performance.

The total teachers' salary bill which includes salary and teachers' leave fares for 2008 amounted to K452.8 million. This increased in 2010 to K646 868 500 and by 2011, the total teachers' salary and leave fares bill amounted to K622 891 400. The increase in appropriation reflects the increase in the number of teachers each year of the recurring period.

The industrial harmony within the teaching service continues to be a sensitive issue and has been a priority of the Teachers Service Commission over these years to maintain dialogue and mutual understanding with the PNG Teachers' Association. During the reporting period, this has been retained with no major industrial unrest.

In conclusion, the Commission is satisfied that it has managed the Teachers Service Commission within the given resource and constraints and will continue to play its roles and functions as prescribed under the *Teachers Service Act*. As the Minister responsible for the National Education system, which includes the management of the Teaching Services of Papua New Guinea, I commend the Teachers Service Commission 2009, 2010 and 2011 Annual Reports, and I am pleased to present the reports to Parliament for its information and records.

Debate (on motion by **Mr Mao Zeming**) adjourned.

MOTION BY LEAVE

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

Leave granted.

SUSPENSION OF STANDING ORDERS – REARRANGEMENT OF BUSINESS

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

That so much of the *Standing Orders* be suspended as would prevent:

- (a) the Minister for Transport presenting Notices Nos. 40, 41, 42, 43 and 44 ;
- (b) the Marine Pollution (Liability and Cost Recovery) Bill 2013. Marine Pollution (Ballast Water Control) Bill 2013, Marine Pollution (Preparedness and Response) Bill 2013, Marine Pollution (Sea Dumping) Bill and Marine Pollution (Ships and Installation) Bill 2013 being presented together and debated as on; and
- (c) separate questions being put on the second and third readings.

**MARINE POLLUTION (LIABILITY AND COST RECOVERY) BILL 2013;
MARINE POLLUTION (BALLAST WATER CONTROL) BILL 2013; MARINE
POLLUTION (PREPAREDNESS AND RESPONSE) BILL 2013; MARINE
POLLUTION (SEA DUMPING) BILL 2013; AND
MARINE POLLUTION (SHIPS AND INSTALLATION) BILL 2013**

First Reading

Bills presented by **Mr Ano Pala** and read a first time.

Second Reading

Leave granted to move the second reading forthwith.

Mr ANO PALA (Rigo – Minister for Transport) – I move –

That the Bill be now read a second time.

14/06

Mr Speaker, early this year, the Government approved three international conventions and protocols on marine pollution. The purpose of ratifying these nine conventions was to protect our coastal waters and marine resources from shipping related pollution.

Mr Speaker, with the ratification of these conventions, PNG is now part of the international community bound together by the rules of that convention which are there for the protection and the interest of the member countries. And they contain the best international practices dealing with marine pollution and compensation, insurance and damages.

Mr Speaker, the five Bills when approved will give legal effect to the conventions. The conventions will take on the force of law under our legal systems.

Mr Speaker, all vessel pollution in international or national waters will be covered by the laws and the conventions. We can sue and enforce claims and compensation under international conventions.

Mr Speaker, as an island nation and as a nation of islands, our coastal and marine resources are of utmost importance to the country. We have one of the highest marine

bio-diversity in the world and host some of the last remaining fishing coral reefs, mangrove forests and sea grass beds of the world.

15/08

Marine resources support PNG economy through commercial fisheries, aquaculture, marine base industry, coastal marine base tourism and diving. And many of our coastal and island communities rely on the sea and its marine resources for substances such as farming and fishing to support their livelihood.

It can be said that the sea is the supermarket for the coastal and the island communities and therefore it is vital that it is protected from the adverse effects of pollution. Papua New Guinea's rich marine resources face a lot of threats including pollutions from ships because a number of international routes pass through PNG waters including the main transit routes between the major east coast ports of Australia and commodity markets in north Asia.

As shipping traffic increase in numbers with vessels sizes from the ongoing developments of mining and oil and gas activities in the country, and also with the construction of new port terminal and seabed mining all these pose potential risk of marine pollution and PNG must be proactive in ensuring that its marine environment is protected. Like aviation, shipping is an international industry which crosses international borders and therefore must be compliant with international standards and practices so as to facilitate and promote the continued economic development of Papua New Guinea.

As part of its efforts to address the threats of marine pollution in PNG waters, the National Maritime and Safety Authority has consulted all parties including shipping industries, mining and petroleum sectors, experts from international marine organizations all over the world and have brought support for ratification international marine conventions and form amalgamation of necessary marine pollution legislations has been expressed by all sectors.

These new laws will implement all the relevant conventions of the international maritime organizations and provide PNG with a 21st century legal regime for marine environmental protection. It is important to note that in order to derive full benefits and to be able to fully apply the marine pollution legislations to international ships that pass through our waters and calling in at our ports, we must ratify the conventions and pass the five pieces of marine pollution legislation before us.

Mr Speaker, the bills in brief are as follows; Marine Pollution (ships and Installation) Bill will prevent all pollution from all ships and offshore installation including oil rigs and ship wrecks. This legislation will give effect to the international convention on control of antifouling systems on ships.

Marine Pollution (sea dumping) Bill is there to prevent pollution from the dumping of waste at sea from shipping vessels, passengers and pleasure crafts. And this law adopts and brings into force legal calls for the 1996 Protocol to the Convention on the Prevention of Marine Pollution by dumping of wastes and other matters and it is known internationally as the London Protocol.

Mr Speaker, marine pollution (preparedness and Response) Bill is there to provide for the effective response and clean up of oil and chemical spills from vessels and other sources coming into the country. And this important legislation adopts three international conventions and protocol.

The international convention on oil pollution, preparedness, response and coordination 1990 and is referred to as the OPRC convention and brings into force the protocol on preparedness, response and co-operation on pollution by incidences by hazardous noxious substances.

It also gives effect to the protocol relating to interventions on the high seas in cases of pollution by substances other than oil.

The Marine Pollution and Cost Recovery Bill is there to establish a national marine pollution fund and to provide liability and recovery of cost and compensation relating to pollution damages.

16/06

It gives effect to the following conventions; International Convention on Liability of Bunker Oil Pollution Damage, Convention on Limitation of Liability for Maritime Claims and, Convention or Protocol of 1996 to amend the Convention on the Limitation of Liability for Liability Claims.

The final one is the Marine Pollution (Ballast Water Control) Bill is to reduce and control aquatic bio-invasion via ships, ballast waters and sediments. These are sediments that are deposited into our waters from the water coming out of every vessel.

This Bill adopts or gives legal effect to the International Convention for Control and Management of Ships, Ballast Water and Sediments 2004, which is referred to as the BMW Convention.

Mr Speaker, I commend the Bills to this Parliament.

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

That the question be now put.

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

Bill read a second time.

Third Reading

Leave granted for third reading to be moved forthwith.

Motion (by **Mr Ano Pala**) proposed –

That the Bill be now read a third time.

Mr JOHN PUNDARI (Kompiam-Ambum – Minister for Environment and Conservation) – Thank you, Mr Speaker, this Bill is very important and I think Members of Parliament will have to debate on the Bill.

Mr Speaker, the Bill is long overdue. There are international conventions there and treaties, I believe, that we are a party to.

Whilst we are a party to and whilst we are participating in those conventions and treaties, we have done nothing for ourselves insofar as protecting our waters and the life that our people are so dependent upon.

Mr Speaker, I think this Bill has come about as a result of an accident of a ship just close by in Manus. Mr Speaker, we scratch our heads, wondering how we could get ourselves compensated as a result of that accident. Mr Speaker, we just find ourselves in a situation where our present laws and policies, cannot protect us.

Mr Speaker, this Bill is important and will ensure that we are covered when there is a ship wreck or some kind of pollution resulting from the transportation systems on our waters, et cetera.

Mr Speaker, it is embarrassing to note that exploration licenses are given for explorations over our sea and land. Currently, there are investors in our country exploring for potential oil and gas in our waters.

Mr Speaker, there are continued explorations for minerals in our waters. I would also like to place on record that in the absence of an offshore mining policy and legislative framework, we went ahead and issued exploration licenses for investors to explore minerals in our waters.

17/06

Mr Speaker, the potential is there for specialists to come and get approval from government line agencies to mine or to dig wells for oil and gas that have been discovered.

Mr Speaker, it's a question of whether, as a Government and as a country, we have the right legislations and policies in place to govern and to regulate.

Mr Speaker, the Bill that is before us is very important. We gave exploration license to a company that went and did exploration works.

Mr Speaker, exploration work costs a lot of money, it is not just sitting back at the table and signing papers and then you have applications been screened by authorities and agencies of government.

When an investor is given an exploration license, the investors go and spend a lot of money. When they find the mineral they come back to us. And in the absence of proper laws and policies we go ahead and we screen those applications.

Mr Speaker, in the case of Nautulus, when they found potential minerals for extraction in seabed mining in our waters, they went to the Department of Environment and Conservation and they got the necessary approvals. They complied with all our processes. Even in the absence of an offshore mining policy or a legislative framework, we thought within the perimeters of our current legislative frameworks we had went ahead and gave them a mining lease.

Mr Speaker, maybe that is the reason why they call us the land of the unexpected. When we are challenged and we have issues and we cannot calculate proper values and compensation for damages done in our waters, we come up with such bills and all of are sudden we realize that it's so important for us.

Mr Speaker, I commend the Minister for Transport for bring the Bill forward and it should encourage the support of all Members on this Floor of this Parliament and pass it.

Mr TITUS PHILEMON (Milne Bay) – Mr Speaker, I like to commend the Minister for Transport, Honourable Ano Pala, and also the O’Neill-Dion Government for bringing this Bill forward in this term of Parliament.

Mr Speaker, you will realize that Papua New Guinea has a very big sea area and it compared to the landmass of this country.

Mr Speaker, I commend the Minister but at the same time, I would like to say that this Bill has come very late. So much damage has already been done in the past with some mining activities on Island in Misima.

Mr Speaker, a lot of the movements of these huge ships throw a lot of rubbish into the sea and this Bill is here at the right time.

Mr Speaker, I would like to say that the biggest sea, area the Bismarck Archipelago, is also the breeding ground for tuna.

A lot of our coastal people of this country depend on the sea for their livelihood and not forgetting our seas hold a lot of potential for tourism.

Mr Speaker, for far too long, the foreign ships have been using our waters as dumping grounds and mind you, I am bold in making this statement. They have used our innocent passages and are not liable to pay anything to us.

18/06

But I thank the Minister for these Bills because we have signed many treaties and many conventions with other countries, but as far as sea is concerned, nothing is given back to this country. With regard to compensation, cost recoveries and other things, this is the move in the right direction. They don’t only spill oil in the sea, they also throw their waste into the sea and many of our coastal communities today use those things such as containers to get their kerosene.

The plastics thrown into the sea are harmful to marine life. Many legal or illegal fishing companies are involved in dumping waste into the sea.

Under this arrangement, I would like the fishing companies to be also included. They have to be monitored because they use a lot of power, oil and they spend a lot of time in PNG waters catching fish.

They have licenses to fish in here and they also have licenses to fish in other countries and when the tuna migrates to other countries, they also move.

Mr Speaker, the issue I would like to bring to the attention of the Minister is; are we be able to monitor these activities so that we can alert the Government or to the Ministry of Transport?

The coastal areas, especially Milne Bay, the biggest maritime province in this country, have experienced a lot of movements of these foreign ships.

I have brought the Jomard issue to the Minister for Public Enterprises and he is aware of it. We have raised these concerns many times on the Floor of Parliament, and at one time, I raised a question to the Minister for Transport, and I'm glad that he has now brought this Bill before Parliament.

We fear that with the increase of production of the LNG, the movement of sea transportation, especially foreign ships will increase.

There's only one thing that I want to ask this Parliament, and that is to recognize the Jomard passage within Milne Bay province and even the Rosros Pit. These areas must be declared so that this areas when used, they must be compensated, if that is what the Bill calls for, we will fully support it.

Mr Speaker, we must also be recognized by the International Maritime Organization, which is the only organization that regulates and legalizes Particular Sensitive Sea Areas (PSSA). At this moment, Papua New Guinea's maritime area is not being classified as PSSA, although we have the best marine diversity in the world. We have the best reefs, even better than Great Barrier Reef, which has already been identified as PSSA. When are we going to be identified as a PSSA so that we can be able to have our compulsory pilotage? We want our sea areas to be properly protected because a lot of our people use the sea as their main way of travelling. When you drive on the highways, you don't throw rubbish out, but in a boat, when the boat is moving, there is waste being dumped in the sea.

Mr Speaker, I thank the Minister and also thank the O'Neill-Dion Government for bringing this Bill .

I know the Members of this Parliament will support and pass this bill. This is a relief to the people of coastal areas in this country because the sea is their livelihood. Nautilus will not bring life to the coastal people, Sir, but this Bill will. Yes, it will support every coastal village within this country.

Mr BEN MICAH (Kavieng-Minister for Public Enterprises) - Thank you, Mr Speaker, for giving me the opportunity to speak on this very important piece of legislation.

I want to commend the Minister for Transport for bringing these Bills, and I would like to support the Minister for Environment and the Governor of Milne Bay in that, this Bill is long overdue. I also commend this Government for bringing this Bill forward during this term of Parliament.

19/06

My strong challenge to the Minister for Transport and also to those Ministers responsible for enforcing our laws and regulations of the country is to ensure that the laws that we pass in Parliament must be enforced and the private companies must comply and abide by these laws. We have capacity issues which we need to address but these are the challenges that we need to live up to and be able to address.

These laws will now put huge pressure on the National Maritime Safety Authority. I am sorry to say this, Minister, but currently this organisation is incapable of living up to the challenges of enforcing its current mandate on the shipping industry. Also for those of us who have been observing from the outside, this organisation has been seriously compromised by the members of the shipping industry. How can a single shipping company have many of its ship sunk and how many lives are lost at sea without proper burial?

Despite this, it continues to operate and the National Maritime Safety Authority continues to give them licenses to operate when their records show clearly that they have allowed ships that are not seaworthy to operate and in the process have lost many lives at sea. This is one big challenge which I believe the NSA should stand up to and ensure that the regulations are abided by the shipping companies because now, Minister, you have just added on their shoulders a huge responsibility that is really required at this time when we are expanding businesses that require movement of large ships carrying toxic materials like the oil tankers, LNG ships, copper and Nickel/cobalt ships within the 200-mile zone from the coastline.

Licenses are also issued for gas and oil exploration in Gulf and proposed sites in New Ireland basin and Bougainville. Oil exploration is also going to be done in Madang, Morobe and Oro provinces.

I am pleased that the Minister has brought in this Bill, which will polish the activities of the exploration companies so we should not experience the disaster like in the Gulf of Mexico where only one spill of oil affected billions of dollars worth of peoples assets; not only business people but the lives of ordinary citizens of America as well. They lost everything they earned in their lifetime and caused some environment damage that couldn't be addressed by that country. This disaster came about as a result of a faulty oil rig that was never properly scrutinised by the regulatory bodies of United States of American. So, a huge demand is placed on the Maritime Safety Authority in the Transport Department and it must make sure that the laws that we pass will be effective.

Another point I wish to raise also supports the statement by the Governor of Milne Bay and is in relation to our waterways. We must to look at how we can get more revenues from ships that pass through from the west coast of America, North Asia into Australia and New Zealand and into the Indian Ocean. Everyday hundreds of ships are passing through New Ireland, East and West New Britain waters into the Jomat Passage to Australia and Asia.

I believe that these ships are freely passing through. Why is it that the Suez Canal, Panama Canal and other waterways around the world charge fees like toll fees on the road while we are collecting nothing from ships that are carrying billions of dollars through our waterways. I want to put this concern on notice so that the, Minister I can find ways to address it. Maybe we could charge some levy for environmental risks like spillage and so forth especially with tankers. Sometimes when ships sink, our corals are destroyed but we don't take any action.

20/06

How many licenses were issued by the National Fisheries Authority? Many big ships and Purse Seiners are being refilled in the middle of the ocean without any control at all. Can the Minister and his department think of making a policy to ensure there are be no more refilling of fishing boats and other big ships offshore? We must have more control to police what kind of oil they are releasing into our ocean.

Finally, I as a Member representing an electorate which is three quarter maritime, where my people use the sea as their garden and highway and also on behalf of other Members representing maritime areas, I wish to thank the Minister for coming up with this law. But the challenge is with us in the Government to ensure that our

enforcement must be strengthened through the implementation of this law so that big shipping companies will comply. It will not only ensure that our seas are safe but we will also be able to get more value from the passing of ships through our waters.

Motion – That the question be now put – agreed to.

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

The Proposed Bill requiring an absolute majority as required by the *Constitution*, the Speaker ordered that the bells be rung.

21/06

The Parliament voted (the Speaker, **Mr Theo Zurenouc**, in the Chair) –

AYES – 74

NOES – 0

The Bill passed with the concurrence of an absolute majority as required by the *Constitution*.

Bill read a third time.

MARINE POLLUTION (BALAST WATER CONTROL) BILL 2013

Second Reading

Motion – That the question be now put – agreed to.

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

Bill read a second time.

Third Reading

Leave granted to move the third reading forthwith.

Motion (by **Mr Ano Pala**) proposed –

That the Bill be now read a third time.

Motion – That the question be now put – agreed to.

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

The Bill requiring an absolute majority of 56 Members as required by the *Constitution*, the Speaker ordered that the bells be rung.

22/06

The Parliament voted (the Speaker, **Mr Theo Zurenuoc** in the Chair) –

AYES – 74

NOES – 0

The Bill passed with the concurrence of an absolute majority as required by the *Constitution*.

Bill read a third time.

MARINE POLLUTION (PREPAREDNESS AND RESPONSE) BILL 2013

Second Reading

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

That the question be now put.

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

Bill read a second time.

23/06

Third Reading

Leave granted to move the third reading forthwith.

Mr ANO PALA (Rigo – Minister for Transport) – I move –

That the Bill be now read a third time.

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

That the question be now put – agreed to.

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

The Bill requiring an absolute majority of 56 Members as required by the *Constitution*, the Speaker ordered that the bells be rung.

24/06

The Parliament voted (the Speaker, **Mr Theo Zurenuoc**) in the Chair –

AYES – 74

NOES – 0

The Bill passed with the concurrence of an absolute majority as required by *the Constitution*.

Bill read a third time.

MARINE POLLUTION (SEA DUMPING) BILL 2013

Second Reading

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

That the question be now put.

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

Bill read a third time.

Third Reading

Leave granted to move the third reading forthwith.

Mr ANO PALA (Rigo – Minister for Transport) – I move –

That the Bill be now read a third time.

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

That the question be now put – agreed to.

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

The Bill requiring an absolute majority of 56 Members as required by the *Constitution*, the Speaker ordered that the bells be rung.

25/06

The Parliament voted (the Speaker **Mr Theo Zurenuoc** in the Chair) –

AYES – 75

NOES – 0

The Bill passed with the concurrence of an absolute majority as required by the *Constitution*.

Bill read a third time.

MARINE POLLUTION (SHIPS AND INSTALLATIONS) BILL 2013

Second Reading

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

That the question be now put.

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

Bill read a second time.

Third Reading

Leave granted to move the third reading forthwith

Mr ANO PALA (Rigo – Minister for Transport)-I move-

That the Bill be now read a third time.

Mr Speaker, I want to make comments on two matters raised by the three speakers during the debate.

Mr Speaker, the first issue that was raised by the Governor of Milne Bay is sharing of information and the capacity.

Mr Speaker, our job in the Department of Transport, which is the lead agency in the transport industry, is to provide the system, the fundamentals and the data under which the transport system operates

Mr Speaker, in relation to information, the world is a small world. Australia can see all the vessels in Papua New Guinea, whether they are going out or coming in and they can actually detect the banana boats.

Mr Speaker, all we need to do is connect with that system. We are putting systems in place so we can tap into to the information and data that already exists. So in response to the Governor's concerns, we may not have the capacity, but we have access to that capacity to access information and data from the Australian satellite system.

Mr Speaker, the Minister for Public Enterprises also raised the issue of shipping rates, which we are addressing. That has also suffered in the last 10 to 15 years because we have been charging rates on the size of the vessel. I have now instructed them that we must charge on tonnage. The vessels are still the same and we are still charging the same rate even if they are getting heavier or the cargo is getting bigger.

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The Department is going through the system to ensure that the industry out there supports the move.

Mr Speaker, the Transport Department is not doing the work and spending money. All the moneys are controlled by Treasury and the work is done by Works Department. The Department only ensures that the system of transport works.

That is the plan to ensure that all the fundamentals of the transport system works because the transport system is where our economy is. The transport system moves our people to and from.

Mr Speaker, let me give you an example; the reason why we had the Rabaul Queen Disaster was because somebody did not pay attention to the fundamentals of the system. Somebody forgot to mention that the inspectors were not qualified. Somebody forgot to mention that we did not have enough inspectors. Somebody forgot to mention that the major players had conflict of interests. These are fundamentals and not rocket science.

We lost over hundred and sixty-five lives because of one mistake. It did not happen because of money but somebody failed to check the system.

The Transport Industry is to go back to the basics and for the next five years, we will be going through the system and ensure all the fundamentals which protect our business and commercial interests and the safety of our people are attended to.

I thank the Members for their commitment today. We must ensure these procedures are followed. This is not a dynamic and exciting debate but it is a procedural matter and needs to be attended to in the interest of the travelling public and business community.

Motion (by **Mr John Pundari**) agreed to –

That the question be now put.

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

The Bill requiring an absolute majority of 56 Members as required by the *Constitution*, the Speaker ordered that the bells be rung.

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The Parliament voted (the Speaker, **Mr Theodore Zurenuoc** in the Chair) –

AYES – 74

NOES – 0

Motion so agreed to.

Bill read a third time.

MOTION BY LEAVE

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

Leave granted.

LEAVE OF ABSENCE

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

That Mr Ken Fairweather be granted Leave of Absence for the duration of this meeting due to ill health.

ADJOURNMENT

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

That the Parliament do now adjourn due to the funeral of the Late Sir Tore Lokoloko, a former Governor-General, which Members of Parliament are required to pay respects at the Sioni Kami Memorial Church at 1 p.m.

The Parliament adjourned at 1.15 p.m..