

SECOND DAY

Wednesday 15 May 2013

DRAFT HANSARD

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Sarufa M. Haro
Principal Parliamentary Reporter

SECOND DAY

Wednesday 15 May 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.

The Speaker again took the Chair at 10.20 a.m. and read Prayers;

‘Blessed is the man who does not walk in the counsel of the wicked or stand in the way of sinners or sit in the seat of mockers. But his delight is in the law of the Lord, and on his law he meditates day and night. He is like a tree planted by streams of water, which yields its fruit in season and whose leaf does not wither, whatever he does prospers.

Not so the wicked. They are like chaff that the wind blows away, therefore, the wicked will not stand in the judgment nor sinners in the assembly of the righteous, for the Lord watches over the way of the righteous but the way of the wicked will perish. Amen’.

DECISION OF LEADERSHIP TRIBUNAL – MEMBER FOR KANDRIAN-GLOUCESTOR- STATEMENT BY THE SPEAKER

Mr SPEAKER - Honourable Members, pursuant to *Section 27(6) of the Organic Law on Duties and Responsibilities of Leadership*, I present the decision of the Leadership Tribunal against Honourable Joseph Lelang, Member for Kandrian-Gloucester.

The decision of the Leadership Tribunal was to fine the Member for all four charges that he pleaded guilty to and lift the suspension once payment was made.

Honourable Members, I have a copy of the Order and the receipt of the payment of the fines imposed.

The Member for Kandrian-Gloucester has now fulfilled his legal obligations under the law and his suspension is lifted forthwith and he can now perform his constitutional duties as the Member for Kandrian-Gloucester Open Electorate.

PETITION

Legislate to combat crimes against women and children

Honourable Amkat Baki, Governor of West Sepik, presented a petition from certain citizens of Sandaun Province on behalf of the women and children of Papua New Guinea in the National Haus Cry, praying that the National Government make urgent and legislative and policy reforms to combat escalating horrific crimes and violence against women and children

Petition received.

02/02

QUESTIONS

Mr GARRY JUFFA – Mr Speaker, I direct my question to the Minister for Civil Aviation in relation to the awarding of a contract to repair the Girua Airport runway in Northern Province.

Mr Speaker, if it can happen in my province, I am sure it is happening throughout the entire country. The repair of runways is defined by Civil Aviation international laws and standards, but it seems this requirement is not been followed in the Northern Province.

A contract was awarded to a company under very suspicious circumstances and it is named as Hungry Ltd. The person that is running this company is called cowboy and

he lives in a settlement. He has no experience whatsoever in repairing runways and other roadworks but he has been awarded this contract.

As a result of the poor repair work, two Air Niugini Dash 8 aircrafts developed two punctured tires on this runway, and this is very dangerous.

I then investigated and summoned the NAC representative in Popondetta for answers and he informed me that the decision was made in Port Moresby.

I went ahead and talked to the CEO and he said he would get back to me but since then he has not done so. I want to know what criteria we are using to engage this type of contractors.

We had to summon the Works Manager because apparently he was given the authority to select the contractor. I was informed that he was related to the contractor. That Works Manager is no longer in my province.

When we are talking about airports, we are concerned about the lives and safety of our travelling public, both domestic and international.

Northern Province is becoming a regular tourist destination, especially Kokoda and Tufi and the flights are serviced by Air Niugini.

(1) Can the Minister give his assurance that an investigation will be conducted and the contract be revoked immediately?

(2) Can there be an audit conduct of all such contracts that are awarded throughout Papua New Guinea?

Mr DAVIS STEVEN – Mr Speaker, I thank the Governor of Oro for his very important questions in relation to the safety of the travelling public and the safety of our airports.

03/02

The legislation that governs our airports is the *Civil Aviation Act 2000*. From the beginning of that legislation to the end, everything is about safety. Let me also assure

Parliament and the honourable Governor that our systems of safety monitoring and certifying in this country are meeting world standards at the moment. CASA PNG which was established in 2010 has operated successfully in that regard.

In relation to the Girua Airport issue, I am informed that CASA has conducted a safety audit on that airport and has not certified that particular airport because it failed to meet the very standards that the Governor refers to.

Mr Speaker, the process does not end there. The audit findings are then referred to the National Airports Corporation who is responsible for the operation and maintenance of our airports. I am advised that the National Airports Corporation is currently attending to the audit report provided by CASA, and it is for that reason that CASA has not certified the airport, but until the corrective work is done, an application can be made for CASA to conduct a further audit pursuant to which decision can be made.

Now, one would ask why this airline continues to operate without the letter of certification. In this country, safety is a shared responsibility and it is not just for the State but it is also for the operators. So when CASA decides, like in the case of Girua, that the airport does not meet international standards then it is up to the operator to work their own security and safety mechanisms and systems to decide whether or not they assume responsibility to fly into those airports, and that has been the case. Now in relation to any incidents occurring in our airports, the law makes it mandatory for the operators to inform CASA.

In this particular case, the National Airports Corporation has received the concern raised by the honourable Governor and we are looking into the matter. But let me state a fact that is relevant to this case in respect to the contractor – the hungry man or the cowboy who is hungry. That name was proposed to National Airports Corporation in a letter. And we made the necessary enquiries and there is nothing odd and suspicious and Hungry Construction happens to be one of the few construction companies available in that province according to reports received. And so when the Works Department was unable to undertake the job, this contractor was recommended in an official way.

Mr Speaker, I want to assure the Governor that once the reports are ready, I will inform him accordingly.

Mr NOAH KOOL – Mr Speaker, I direct my question to the Minister for Correctional Services.

This morning our two daily newspapers, *Post-Courier* and *The National*, published eye-catching headlines on the recent Bomana Prison breakout involving the most wanted prisoner, William Kapis, and two other escapees.

Can the Minister inform this Parliament and the people of PNG, especially the women and children, what steps he has taken to address the jail breakouts in the country?

Mr Speaker, there also have been other breakouts from Beon Jail in Madang, Buimo in Lae and Barawaghi Jail in Chimbu.

Mr JIM SIMATAB – Mr Speaker, I thank the Governor of Chimbu for raising this very important question at this juncture when we are experiencing four major jail breakouts in the country.

04/02

Mr Speaker, on 21 March, 2013, a total of 44 prisoners escaped from the Beon Jail in Madang. Three weeks later on 14 April, 2013, a total of 59 detainees escaped from the Buimo Jail in Lae.

The two escapes totalled 93 prisoners and making it the largest prison breakout in the history of this country in one year alone. Both escapes occurred during broad daylight and were assisted by a total breakdown of the command and management of the prisons.

Mr Speaker, the majority of the escapees are very high risk prisoners serving long sentences for crimes such as murder, rape and armed robberies. To date, out of the 93 escapees, we have only captured nine and two were shot dead by the officers while in pursuit.

The official report of the prison breakouts from the management and the CIS Commissioner was submitted to me a bit late; 33 days later for Beon Jail and 9 days later for Buimo Jail.

Mr Speaker, I wrote to the Prime Minister informing him of my conclusion on these reports. The first conclusion is that there is a total breakdown of the command and

management of the prisons and that the situation is common throughout our jails in the country.

Secondly, the lack of vigilance by the Correctional Service Officers of their duty in ensuring the safety and security indicates serious decline in our Correctional Services.

Thirdly, there is a widespread complicity between the well to do inmates and the corrupt Correctional Service Officers. This has weakened the security in our prisons.

I would also like to conclude that if this culture is not stopped, it will no doubt lead to future escapes again. The majority of the escapees are very high risk prisoners and their continuation of being at large poses a very serious threat to the society and presents an added pressure on our Police and other law enforcing agencies. The ability of the prisoners to escape easily from the Beon and Buimo Jails as you know were aided by very poor and deteriorating state of prison infrastructure if you are to look at all our jails in the country.

Mr Speaker, although the total brief on the Bomana Jail escape has not yet reached my office, a preliminary briefing to me late last night confirms that above observations were relevant to the escape by three hardcore prisoners from Bomana Jail yesterday at 2 p.m..

Mr Speaker, it is with great sadness that I must confirm yet another prison escape in approximately one month after the Buimo Jail major breakout. The preliminary report I received on the Bomana escape yesterday afternoon confirms that three highly dangerous criminals serving long jail sentences escaped from Bomana Maximum Security Jail by armed hold up through the use of three revolver pistols.

05/02

The three escaped prisoners were, as we all know, William Kapis, who was sentenced to 30 years jail for armed robbery and is also awaiting court for further murder charges. Raphael Walimini, sentenced to three life years for murder, willful murder and armed robbery and Michael Warangu who is serving a life sentence for willful murder and armed robbery. Their escape was aided by corrupt prison officers with minimum resistance from prison guards on duty at that time.

Mr Speaker, a police manhunt was commenced immediately yesterday with police check points erected at all entry and exit points in NCD and also Central Province.

Mr Speaker, we are still working around the clock with the assistance of Security Forces officers from Goldie River, Police and Correctional Services Officers and we have hope. Although there has been some leads, and some information has come to light about events leading up to the escape and the assistance given to the prisoners in their escape, when that information is verified we will inform the public on what actions to take and how we can address that.

Mr Speaker, let me inform the Parliament and the people that through our Prime Minister, we will do everything possible to capture the three escapees who are now at large in our city. Only then will we be able to rest.

Supplementary Question

Mr KEN FAIRWEATHER – Mr Speaker, first of all, I'd like to say, that is probably the best answer to a question I've heard since I've been in this Parliament and the one before that. It is honest and straight forward.

It is a fact that wardens and their assistants have been aiding prisoners to escape and this has been happening in our main prisons.

I would like to know if anyone in the prison system has ever been prosecuted, jailed or sacked for helping these people, or does it just get brushed under the carpet and they get transferred up to Chimbu or some such place?

Mr JIM SIMATAB – Mr Speaker, I'd like to thank the Member for Sumkar, Honourable Ken Fairweather, for asking this supplementary question.

Mr Speaker, we are doing everything possible and we are going to review our structure and our Act to strengthen our operation by finding ways to remunerate our officers and at the same time put in some measures to ensure that our officers do not commit the same offences in our prisons.

Mr Ken Fairweather – Point of Order! That's not the answer to my question.

Mr SPEAKER – Your Point of Order is in order.

Honourable Member, can I ask you to repeat your question so that the Minister can give the right response

06/02

Mr KEN FAIRWEATHER –I would like to know if any prison officer has ever been prosecuted, disciplined, sacked or imprisoned to punish them for helping prisoners to escape. This is not the first time that such incidents have occurred.

Mr JIM SIMATAB –Mr Speaker, I will have to look into the history of the Correctional Service regarding this issue and will respond to the Member in writing.

Thank you.

Mr SASINDRA MUTHUVEL – I would like to direct my questions to the Minister for Works, and the Ministers for Planning and Agriculture to take note.

My questions are in regards to the oil palm harvest roads. Oil palm harvest roads have long been neglected by the National Government for many years now, yet, this poor infrastructure supports the Oil Palm Industry, which contributes millions of kina to the national purse.

Oil palm growers are forced to pay for these roads as well as fund the operations of the Oil Palm Industry Corporation (OPIC), and yet they do not receive any decent amount of service. There are huge amounts of opportunities for more revenue to be generated if these oil palm roads servicing the small holders are properly maintained.

A recent survey done by the World Bank estimates that it would require an annual budget of K57 million to rehabilitate or reconstruct over 2300 km oil palm roads connecting the small holder oil palm growers to the mills.

My questions are:

(1) Can the Minister advice the Parliament whether he has been briefed about the conditions and the economic importance of these roads?

(2) Can the Minister assure Parliament that he will allocate funding in 2014 to attend to these roads to support the Oil Palm Industry so more revenue is generated from the small holder sector?

(3) Can the Minister re-introduce the Commodity Road Improvement Programme (CRIP) to support these oil palm roads, which have economic importance?

Thank you.

Mr FRANCIS AWESA – I thank the Governor of West New Britain for his questions.

Mr Speaker, in relation to the first question, I have yet to be briefed on this, but yesterday I was informed that small farmers contribute up to K45 per tonne as contribution for maintenance of those roads. The oil palm industry in West New Britain Province also contributes a lot of money to OPIC and as to how much money they contribute, I am not aware. Regarding the National Government's contribution, so far, I must admit that we have not allocated any funds for the maintenance of these roads.

With that, I would like to give a positive answer regarding the second question, in that, the government would like to allocate funding in 2014 for these oil palm roads through urgent funds allocated for important roads throughout the country.

The West New Britain oil palm industry has been contributing significantly to the revenues of Papua New Guinea and I do not understand the reason why the government has not contributed. Nevertheless, and for the first time, I would like to assure the Governor and the people of West New Britain that the O'Neill-Dion Government will provide some funds in 2014 to help with the road maintenance programme.

07/02

As I said, I'm not too familiar with OPIC and how it works, so I would like to sit down with the Governor and see how far we can address this problem properly for the future.

Supplementary Question

Mr DOUGLAS TOMURIESA- Mr Speaker, can the Minister also advice the Parliament on the oil palm harvest roads in West New Britain, Oro, Milne Bay and New Ireland Provinces?

Mr FRANCIS AWESA- Mr Speaker, I think it's an industry that has a widespread arrangement in place. I'm not just referring to one province. OPIC is an arrangement that has been ongoing over the years and it covers all provinces including Milne Bay, Oro, West New Britain and all other provinces where Oil Palm is a commodity.

I'd like to sit down with all governors and members who are affected by this so that we can have some arrangement in place for maintenance of some of these roads in those provinces. I want to assure you that there will be some funds made available in the next year's budget, thank you.

Mr SAM BASIL- Mr Speaker, my question is directed to the Works Minister again.

In the 2011 Supplementary Budget, K5 million was allocated for the Nadzab Airport. In fact, a total of K25 million was given to Jacksons Airport but because Nadzab Airport was run-down, K5 million was then allocated for road gutters, concrete and streetlights.

Can the Minister assure the people of Morobe that the job will be completed on time?

At the moment the front of the terminal car park is incomplete and it was done by a company called Redrock Construction, which is owned by a senior executive within the Peoples National Congress Party. We want that job to be done and completed in full.

Mr Speaker, can we have that assurance from the Works Minister?

Mr FRANCIS AWESA - Mr Speaker, I am thankful for the question, but I wish to remind the honourable Deputy Leader of the Opposition that I answered this question

in the last meeting of Parliament, but if he wants me to answer again, I will be giving the same answer as I did before.

Mr Sam Basil – Point of Order! The job is incomplete, therefore, I have every right to come again and ask the Minister.

Mr FRANCIS AWESA - Mr Speaker, the access roads to the airport terminal have been completed but a few things such as street lights have not been completed. We have funds available so we will get them done. It is an ongoing project.

Mr Patrick Pruaitch - Point of Order! According to the *Standing Orders*, the same question cannot be asked again. If the honourable Deputy Opposition Leader has a query, he can follow up by writing to the Minister.

Mr SPEAKER- Honourable Minister, your Point of Order is in order.

May I remind the honourable House and the Deputy Opposition Leader of *Standing Order No 45*. A question cannot be renewed on the Floor of Parliament once it has been asked. If you need to follow up on your queries, you may do so by formally writing to the Minister responsible.

Mr TITUS PHILEMON - My questions are directed to the Minister for Justice and Attorney General.

Before I do so, I would like to pledge my support for the '*Haus Krai*' in PNG and overseas today, especially in my province.

My questions relate to allowances for village court officials and peace officers.

As you are aware these people work very hard to maintain law and order, a subject that is on our lips frequently when there are prison breakouts or lawlessness. But we forget that there are very important people who work tirelessly in the villages in this country, yet they are poorly compensated.

08/02

Since the introduction of the village courts in 1987, peace officers and magistrates have suffered from very low wages and salaries imposed by successive governments over the years. An allowance of K32.70 a month is paid to the chairman and K29.06 is paid to the deputy chairman right across the country. The ordinary magistrates receive K26.04 and the peace officers and the village court clerks receive K24.22 on a monthly basis.

My questions are:

(1) Why has there never being any increase to the allowances of the village court officers and peace officers considering the amount of hard work they do in maintaining law and order in the villages?

(2) Can the Government increase their allowances to levels more acceptable considering the cost of living today? Can anyone in this Parliament tell me whether you can survive on K30 a month?

The Village Court Secretariat has been sleeping on this issue for the past 26 years. There is an established secretariat but it does not seem to take notice of these hard working people in our villages.

(3) Can the Government through the Justice Department wake the Secretariat from their slumber and address this matter urgently?

Mr KERENGE KUA – Mr Speaker, these are very good question.

I believe it is good for this Parliament from time to time to address the needs of our hard working people in the rural areas. This is an opportunity for us to address this long outstanding issue.

As the current Attorney General, I must say that I do not understand how and why?

This situation has existed in this form for so long. I think that past governments have overlooked this issue and are at fault to some extent because they may have been using double standards.

Not only village court magistrates but ward councillors have also been underpaid all these years.

The Acts of Parliament have enabled for the creation of these positions and their duties are statutory in nature. Having taken that into consideration, we also know that there are laws on minimum wages. This law mandates us not to pay for labour in the rural and urban areas below a certain level. But this is a situation where we are using the law to enable us to pay for labour below the minimum wages level. The Government of the day is at fault because it has used the law to steal the benefits of the peoples' labor.

These people, especially magistrates, risk their lives to enforce peace and harmony in the villages. They work 6 to 7 days a week for long hours. But their hard work is not remunerated because we have decided that they be paid well below the minimum wages level.

Mr Speaker, we will propose, through my department, that all magistrates throughout PNG will be paid on a fortnightly basis.

09/02

Mr Speaker, I wish to also highlight here that we must now try to include our village court magistrates and our councillors throughout the country under the rural or urban minimum wages rates, which will not exceed K30 million. I think the money will be well spent and for a good cause.

Mr Speaker, I have not discussed with the Governor but since he has asked the question, I can say that I have already done my research and I have allocated K1 million from the DSIP for law and order issues in my electorate. From that amount, I have allocated K800 000 for councillors and magistrates in my electorate under the minimum rural wages rate as a pilot project for this year. We have decided to pay them K150 per fortnight and that has had a very significant impact in their performances.

Now we have almost 80 people on the Government Payroll who are vigilant regarding law and order issues right at the grassroots level. They are taking their responsibility with pride because they know that the Government has recognized them and they are now on the payroll.

Furthermore, Mr Speaker, we have experienced less problems in Kundiawa town, especially in the production and sale of homebrew and other illicit drugs because the village magistrates and councillors are seriously taking on their duties and responsibilities in their villages to address law and order issues. My people produce homebrew along the border and then shift it over the border to sell in the town.

Mr Speaker, the village court magistrates and the ward councillors are taking control in the villages and in Kundiawa town because it is now free for people to work around at night without too much harassment or disturbance. This is an illustration of a classical example where if you put your money in the right place, it can have a significant impact on the quality of lives of our people in the rural areas. Above all, pay the people what they really deserve.

The Department of Justice and Attorney General will submit a proposal to the Department of National Planning and Monitoring to be submitted to the Cabinet (NEC) for support that all the village court magistrates throughout Papua New Guinea will be put on a payroll beginning next year (2014) and onwards, if you will all support it. It is not much but K150 is for rural rate and we will consider a rate for urban areas.

In addition, I would be more than happy if the Minister for Inter-Government Relations, the Deputy Prime Minister, can also consider the needs of all the councillors throughout the country and also put his submission through the NEC. Like I said, I have done my own research and it won't cost much but only K30 million for both the village court magistrates, peace officers and the ward councillors throughout PNG. When we initiate such policy, we will see that the quality of our households will improve greatly.

Mr Speaker, we must rise up and make the right decisions for our people and we remove this very inequitable situation where we have been stealing from their labour for ages by using the law to legitimize what can be categorized as deprivation of the benefits of their services to the nation.

Of course, they contribute a lot to the nation building at the very grassroots level, so it is time that we put our village court magistrates, peace officers and ward councillors on formal wages, and I will be making a formal submission to Cabinet insofar as the magistrates are concerned.

I would also welcome the support of the Minister for Inter-Government Relations in respect of councillors.

Supplementary Question

Mr JOE KOIM KOMUN – Mr Speaker, this is an itchy issue but community peace officers have taken up the role of police in rural areas where there is an absence of police manpower.

Can the Minister also include in the review an increase in the number of peace officers and magistrates in the villages to accommodate the young people who are influential in the communities because most of the times I have seen that-

Mr SPEAKER – Honourable Member, may I remind you to address the Chair rather than addressing or looking at the Minister, which is unparliamentary.

Mr JOE KOIM KOMUN – Mr Speaker, my apologies.

Can the Minister increase the number of peace officers and the village court magistrates in the villages to match the rising population?

Mr KERENGA KUA – Mr Speaker, if I did hear correctly, the Member's question asks to increase the number of peace officers and magistrates in the villages throughout the country. If that is correct then, yes, we will also consider increasing the number to combat the law and order issues in the rural area.

10/02

Mr DANIEL MONA –Mr Speaker, I direct my questions to the Minister for Internal Security.

Mr Speaker, I wish to preface my questions.

The cessation of Auxiliary and Reserve Police services has created many problems in some of our districts.

My questions are:

(1) Can the Minister explain why regular police officers refuse to take up postings in Goilala districts?

Mr Speaker, yesterday we talked about the public sector reforms. People seem not to be taking orders, so we really want to know if these officers are receiving orders or just deciding on where they want to go for postings?

Mr Speaker, police officers have been misusing the two police vehicles that were given to Goilala district, and have now been wrecked. The vehicles are now at Boroko Police Station and no one is willing to repair them. These two vehicles were not bought by the Police Department; they were bought by former politicians and donated to Goilala district.

(2) Can the Minister and his department explain who will take on the responsibility of repairing or replacing these damaged vehicles?

The vehicles have been wrecked and are at Boroko Police Station and nobody is willing to repair them. These two vehicles were not bought by the Police Department but by former politicians. They are in need of repairs and are lying idle at the station, and I am not going to purchase new ones. Another vehicle is being used by policemen in the Central Province and we want to know when that vehicle is going back to Tapini.

Mr Speaker, since the reserve and auxiliary police were put off, there have been two killings in my area. As a result, I have requested for regular policemen. An operational order was given by the provincial police commander and the divisional commander for a number of police officers to be stationed in Goilala, but unfortunately, policemen have refused to take up the posting until they receive their allowances.

For this reason, we then engaged auxiliary police but during a trip to Port Moresby, they were locked up at the Boroko Cells for wearing police uniforms because the law says that they are not allowed to wear uniforms.

I then had to go personally to the Boroko Police Station to bail them out and they are now in Goilala carrying out their duties. And I told the Boroko Police that if they want to arrest them, they can come to Goilala.

Mr. Speaker, we need to be very serious about this .

Mr SPEAKER – Honourable Member, please ask your question.

Mr DANIEL MONA – (3) What programs are being put in place now regarding the reservist and auxiliary policemen and women?

Mr Speaker, if the PNG Police refuse to go to their assigned posts, I think the Prime Minister should seriously consider signing up the Australian Police to engage them here in Papua New Guinea in areas where our police don't want to go, like Goilala.

Mr NIXON DUBAN – Mr Speaker, I thank the Member for Goilala for his questions.

The issue of policemen not taking up postings in Goilala can be fixed and I do not see any difficulty in that. Policemen and women are supposed to be obeying orders in terms of the deployment and if there is an issue on that, I will discuss it with the Commissioner and ACP Central.

On the issue of police vehicles which are donated by politicians, those vehicles belong to the Police Department and police officers have to take ownership of those vehicles. And if they happen to cause damage then they have to fix them and replace them too, and I do not see any reason why they should give excuses.

However, I assure the Member that we will look into it.

Mr Speaker, on the issue of Reserve and Auxiliary policemen and women in this country, those areas come under the 2004 Police Review Report, but it has been indicated it will be included in the next review report. You will find that reservists are people who volunteer to perform the duties of policemen and women without being paid and are willing to be deployed anywhere, while the auxiliary police are confined also on a voluntary basis but sometimes Members of Parliament give them some allowances as incentives to perform their duties.

11/02

I am mindful of the fact that a review is being implemented as part of the initiative by the former Minister and also good Review Report recommendations have been given. If we need to make adjustments, I don't see any problem with increasing the number of auxiliary or reserve police because this country needs to make adjustments if we are to solve problems.

I am able to support in any way possible to assist the auxiliary and the reservists so that they can participate in curbing the law and order problems.

In relation to the question on the Australian Police assistance, I want to inform the Parliament and the public that the final details of this arrangement have been discussed but no formidable outcome has been reached yet basically because this issue has been tested in Court on its constitutional implications. We all know the outcome of the Court so we need to address it in a more legalistic way so that it cannot face the similar situation once it is implemented in the country.

So those are the issues that we have to go through at the formal channel of discussion which will include some Ministers as well as the Minister for Justice and Attorney-General. Once those things are in place and we agree on the arrangement that will fit into our country's law, we will look at it and ask them if they are willing to be deployed to other parts of the country.

PERSONAL EXPLANATION

Mr PETER O'NEILL (Ialibu-Pangia – Prime Minister) – I seek leave of the Chair to make a personal explanation.

Mr SPEAKER – Do you claim to have been misrepresented?

Mr PETER O'NEILL – Yes, sir!

Mr SPEAKER – Go ahead, leave is granted.

Mr PETER O'NEILL – Mr Speaker, I just want to make a clarification with your permission on the question that the Deputy Opposition Leader, the Member for Bulolo, had asked the Minister for Works in relation to a contract for maintenance of the road from Nadzab to the main highway, which is about less than two kilometers of road.

The Member made references that a PNC Party official was involved in the contract, and as a result, there are some insinuations that the PNC Party was involved.

Let me point out very clearly that every Papua New Guinean has got a right to participate in any business activities. It does not matter whether you are a member of a party or not. As citizens, they have every right to participate actively, but it must be done transparently and in a very accountable way. We do not go around giving contracts to party members because they are members of the ruling party or coalition government. We give it to people following the due process.

The due process is by going through advertisement and tenders. As the Member for Bulolo will recall, he was part of the last Government when he was in Government from 2011 to 2012, and we deliberately appointed the new Chairman for Central Supply and Tenders Board who was a former executive of the PNG Party of which the Member for Bulolo is a member. We don't play politics in those kinds of positions; we think he is capable so we allowed him to remain as Chairman until now. We do this because we believe that there must be some transparency. We do not have to replace the chairmanship because he is a member of a different party.

I want to say very clearly that no Cabinet has given that contract, no CSTB has given that contract based on PNC Party membership and that this matter has never come through to Cabinet so Cabinet has not deliberated on this issue.

I want to ask the Minister for Works to furnish the Deputy Opposition Leader full detailed information in writing so that he can be fully satisfied on this matter.

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

12/02

**DEPARTMENT OF WORKS AND IMPLEMENTATION –
ROAD INFRASTRUCTURE PROGRAM UPDATE –
MINISTERIAL STATEMENT – PAPER NOTED**

Mr FRANCIS AWESA (Imbonggu – Minister for Works) – Thank you, Mr Speaker, for allowing me to make this ministerial statement. It is my first statement as a Minister.

Mr Speaker, I want to first of all make some preliminary remarks in relation to some questions that were asked by the honourable Member for Bulolo.

In relation to the K5 million that was allocated for the Nadzab Airport rehabilitation, I want to confirm to the Parliament that K5 million was allocated to upgrade and reseal the roads around the airport, and K3 million kina of that money was used. A contract was awarded by the Central Supply and Tenders Board to a contractor called Dekenai Constructions.

The correction I want to make here is that it was not Redrock Constructions; the contract was originally given to Dekenai Constructions to reseal the airport access road. In that regard, the honourable Member was wrong in mentioning a company that was never given the contract in the first place.

I want to warn all honourable Members that we must be careful in making references and creating uncertainties and raising innuendoes about our citizens, including corporate citizens who are not able to defend themselves on the Floor of Parliament.

So, the first correction is, yes, there was money allocated and a contract of up to K3 million was awarded to Dekenai for the resealing of the airport road. The rest of the money is still held with the National Airports Corporation for the construction of the access road from the southern end to the northern end to connect the airport to the national highway to the Highlands region. That's the first clarification I want to make.

Mr Speaker, before commencing my statement, let me take the opportunity to acknowledge the contribution of honourable Members of this Parliament; the landowners, contractors, the PNG Royal Constabulary, the PNG Defence Force, provincial governments works engineers and ExxonMobil, who have all worked tirelessly to restore some of the major emergencies affecting our major road network in the country,

including the recent landslip in Kerowagi, Chimbu Province, and Surinam Bridge washout along the Ramu-Madang Highway.

Mr Speaker, in consideration of the Government's responsibilities and expectations entrusted upon the Department of Works through the 2013 Budget to deliver important road projects of national interest, the Department's task, as the Government's implementation agency, is very crucial.

It is, therefore, important that this honourable Parliament and the country are properly updated on the status of the key infrastructure programmes implemented in the road sector.

Mr Speaker, let me refer all honourable Members to the current condition of the road network.

Road transport is the main mode of transport in this country. PNG land transport assets include 8,738.47 kilometers of road of which 4,256 km is classified as priority roads and remaining 4,482 km is classified as non-priority roads.

National, provincial and district road networks are estimated to be about 30,000 kilometers of roads.

Due to the recurring low funding levels for maintenance experienced over the past years and inappropriate use of these limited funds, the Department has not been able to carry out necessary road maintenance works at the current timing while the road structure is still intact.

The Department currently sits on a K1 billion worth of backlog of deferred maintenance cost accumulated over the years due to neglect. As a result, most of our road network is currently in a critical condition.

Mr Speaker, the O'Neill-Dion Government therefore recognises the maintenance backlog issue as a hindrance to economic growth, prosperity and social services delivery. To improve this setback and to honour its commitment the O'Neill-Dion Government has appropriated a record K1 billion funding allocation in this year's budget. This is a promising start by this Government and it is expected that under the standing commitment, the Department is able to recover the deteriorated status of our road network to a reasonable condition which we all can appreciate.

Mr Speaker, in aligning with the Government's determined efforts and budgetary commitment to improve the current deteriorated state of our road network, my department will focus on the following main targets in this medium term 2013-2016.

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- Upgrading and sealing of 1000 km of urban, national and provincial roads over a 4-year period.
- Opening up of four economic corridors of national interest – Gulf and Southern Highlands (Erave to Sembiriki), Morobe and Gulf (Kaintiba to Aseki) Road; East and West New Britain Link and Baiyer-Madang.
- Maintaining the service level of 4000 km of national roads in good condition through performance based multi-year contracts.
- The revitalisation of the Plant and Transport Division as a delivery mechanism for providing sustainable road maintenance programme on the rural and districts roads.
- Establishing an Infrastructure Development Authority before the end of 2013.

Mr Speaker, creating an encouraging, robust, strong, effective and innovative delivery environment at the Department of Works is absolutely necessary to ensure these key infrastructure projects are delivered to specification - on time and within budget- and minimise the issues of uncontrolled variations and procurement fraud.

Mr Speaker, the following are some of the important measures and reforms the Department is undertaking to create an environment that is conducive for effective delivery of these major road projects.

- We have commenced a review of all PNG standards, specifications and procedures impacting PNG infrastructure, including for example; the *PNG Building Act and Regulations*, specifications for road and bridge works, technical specifications for standard architectural works and the PNG Flood Estimation Manual to name a few.

- We are refocusing its Procurement Plan, both in form and format to include all infrastructure projects being undertaken, including those undertaken by Donors.
- We are reviewing the Contract Administration Manual and we will train department and provincial staff in its use.
- We are improving the Standard Bidding Documents for minor works, major works, consultancies, supply contracts and design and build contracts.
- We are also defining realistic construction unit cost estimates for road works, bridge works and different types of buildings.
- We are refocusing the regular reporting by provincial works staff on all infrastructure projects, including those being delivered by Donors.
- We are resetting the organisational and governance structure of the Plant and Transport division.

Mr Speaker, some of the districts have no access to reliable road networks, therefore, we are trying to revive the Plant and Transport Division, which we were familiar with in the past. We have also identified 45 electorates which are in critical need and the other 43 have the capacity. What we are trying to do is re-fleet the Plant and Transport Division.

- We are trying to complete outstanding recruitment tasks. The Department needs to ensure that it attracts and retains good staff, especially engineers.

Mr Speaker, at this point, I want to inform Parliament that we have lost a lot of engineers. Many of them have left to work on the LNG Project and I want to inform Parliament that we need to attract our good engineers to work with the Department. By that, I mean, we have to provide good incentives including better packages to retain them.

- We are regularly assessing the performance of key staff against agreed performance targets focused on project implementation.
- We are establishing and supporting the Infrastructure Development Authority and High Impact Project Office through the engagement of advisors and consultants and the provision of office space and funding.

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Mr Speaker, let me now inform Parliament on the Department's infrastructure program implemented under the leadership and support of the O'Neill- Dion Government with the K1 billion budget appropriation and some continuing works on the priority areas.

Mr Speaker, under the high impact projects currently being delivered by my department, the following projects are at procurement and implementation stages.

For the Lae city roads, K100 million has been allocated. The O'Neill-Dion Government recognizes Lae city as the industrial hub of the country. The heavy freight demand in the city puts the current road infrastructure under immense pressure requiring high quality roads to match the growing demand.

In consideration of this requirement, my department is already progressing with suitable design and documentation.

1. Completion of all ongoing concrete roads costing up to K26 million.
2. Survey and design of new sections of road beginning with the high volume traffic roads at K74 million.
3. Tenders are already out for some new sections for upgrading and reconstruction works.

Mr Speaker, our national priority roads which form the economic backbone of the country needs to be properly upgraded and sealed to a standard that can live its full service life.

Accordingly, the Government prioritizes the upgrading and sealing of the remaining unsealed sections of these important roads as paramount. Once completed, all road sections will be transferred to National Roads Authority for sustainable management and maintenance under multi-year performance base contracting arrangements with reliable and performing contractors.

For Buluminski Highway in New Ireland Province, the Government focuses to complete upgrading and sealing of the remaining 58km of unsealed section of the Kavieng to Namatanai road.

The Government of PNG has committed K14 million for upgrading and sealing of 17.22 kilometers of the unsealed section from Bopire to Kanapit and is now at Tender evaluation stage.

AusAID funded K15 million for upgrading and sealing of the 22 km section from Pinatgin to Soaloba. It is at the design and scoping stage while the remaining 19 kilometers is to be picked up in 2014.

To maintain and upkeep existing roads already in good condition, NRA will assume responsibilities from Kavieng town to Kabil Bridge for K7.4 million, a total of 137 km.

For Hiritano Highway, Central to Gulf Provinces, upgrading and sealing work on the section from Inawabui to Bereina in Central Province (18 km). This is has been funded by World Bank at K25,966,450. The contract has been awarded and works is ready to commence.

Upgrade to seal from Malalaua to Eboa in the Gulf Province (57 km). Invitation of bids in May 2013, this month, and will be let very soon.

The routine maintenance works of Hiritano Highway for the 20 km gravel section from Malalaua to Kerema in Gulf Province is at Tender stage.

The Government of PNG has funded K10 million under the 2013 Budget to upgrade and seal the road from Epo to Kerema town.

Pavement of repairs and resealing of the 13.4 km road from Veimauri Bridge to Waima (13.4 km) is at K8.5 million under AusAID and contract and has already been awarded.

There will be a replacement of the existing Angabanga Bridge with a permanent super structure under the ADB. This will commence very shortly.

NRA is undertaking the 30 km pavement reconstruction from Bereina to Apanaipi section for K10 million.

NRA undertaking pavement recycling using new technology from Laloki Bridge to Brown River (8 km) at a cost of K10 million.

The total cost of works ongoing and upcoming on the Hiritano Highway is K124.5 million.

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The Department of Works is confident that these improvement works on this highway will support the upcoming LNG Project in the Gulf Province. By 2014, major

portions of the remaining gravel roads on this important highway should be upgraded and sealed.

For Magi Highway, currently a distance of 150 km is sealed to Upulima Bridge. Pavement repairs and resealing from Kemp Welch Bridge to Matairuka (16 km) will be funded by AusAID at K8 milion.

Upgrading and sealing of 12 km section from Upulima to Imila Bridge (7 km) will be at K10 million.

From Imila bridge to Mayagolo Bridge (10 km), upgrade and sealing is K10 million. Kupiano turn-off to Kupiano station (9 km) is K5 million.

The NRA is undertaking long term maintenance contracts between Bautama Roundabout and Kemp Welch Bridge for K15.5 million, a 73 km section.

Based on the maintenance need, a total value of works ongoing and upcoming is K55.5 million.

Mr Speaker, for Ramu-Madang Highway, pavement upgrade and sealing works from Tapo to Gogol Bridge and Mupu Bridge to Biribiri Mountain (10 km) is K8.5 million under AusAID.

The NRA is undertaking long term maintenance contracts from Pompoquto Bridge to Usino junction for K15 million, a 71 km section.

This Government has agreed in principal with the Government of Australia during the recent visit of the Australian Prime Minister, Honourable Julian Gillard, to upgrade and seal the Ramu-Madang highway to a world class road under the AusAID Program which will start next year.

On the Sepik Highway 200 kilometers of the 270 km was sealed from 2006. The remaining 70 km is a gravel section which is not sealed and maintained under Government of PNG and AusAID. A total value of works ongoing and upcoming is K70.4 million.

Sepik Coastal Highway is to be declared as an international highway and is 436 km long. Total sealed section is 94 km and total unsealed section is 342 km. The Sepik coastal highway is currently being maintained under the Government of PNG and AusAID funding is to seal the gravel sections.

There are approximately 100 wet crossings that urgently require bridging and the estimated cost is K300 million. The Department of Works is committed to addressing this issue before it is declared as an international highway. Based on the maintenance needs, a total value of works ongoing and upcoming is K348 million.

Mr Speaker, on the Wau-Bulolo Highway, pavement repair and drainage upgrade works from Highlands Highway turn-off to Markham River is a total length of 3.99 km. Total contract price is K3.7 million and works is 100 per cent completed.

Upgrade and sealing from Bulolo end of seal to Pinetop Bridge; the total contract price is K5.3 million. Works are in progress.

Relocation of the over-flooding section at Kumalu is K14 million. Survey and design works is in progress to find a long term solution.

Emergency restoration works along the Wau to Aseki section is K5 million. Works is doing under scoping.

The National Roads Authority will undertake long term performance maintenance contract from Bulolo turn-off in Lae to Snake River Bridge for K6 million; a distance of 70 km section.

In East New Britain, the New Britain Highway is a total length of 35.38 km, and the whole is sealed. Pavement rehabilitation, drainage and sealing works on the New Britain Highway is from Burma to Vunadidir junction. Total contract amount is K9.3 million. Works are in progress. Upgrading and sealing of Kokopo to Rabaul is K8 million funded by the Government of PNG and works is in progress.

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West New Britain Province – New Britain Highway; 163 km is sealed and 155 km is yet to be sealed.

For Pavement repair and resealing with associated drainage works from Ruma Box culvert to Tiaru River (9.6 km), the total contract price is K5 997 320.68, and works are in progress.

Rehabilitation, drainage and sealing works between Gigipuna junction and Koloji Bridge (5 km), the contract price is K6 917 474.84. The contractor is in the process of mobilizing to the project site.

Rehabilitation, drainage and sealing works between Tiaru to Aliai (8 km), estimated cost is K6 million. It is now at Tender stage.

Rehabilitation, drainage and sealing works between Gigipuna Junction and Soi (8 km), the estimated cost is K6 million. It is currently at scoping stage and preparing of Tender.

NRA is undertaking long term performance based maintenance contract between Mai junctions to Yamule bridge for K9.5 million, a 75 km section.

For the Enga Highway; pavement reconstruction works from Wabag-Wapenamanda, a 30 km of severely damaged section, K20 million worth of works is in progress.

Pavement reconstruction works from Wapenamanda-WHP border (29 km) will come under a K20 million PJV Tax Credit Scheme. It is now at documentation stage.

Laigam-Porgera road upgrading and sealing (60 km) section will cost K250 million. Work in progress under ADB

NRA is undertaking a 12-month routine maintenance contract between Togoba Junction to Enga border for K4.2 million (33 km section). Work is in progress.

Once the Wabag-Wapenamanda and Wapenamanda to border section is sealed, the entire section from Togoba to Porgera will have been upgraded and sealed to a satisfactory condition.

Highlands Highway; this is the single most important highway connecting major resources sites and agriculture centers at the upstream end.

Lae-Nadzab upgrading and sealing to a 4-lane, world class road (40 km) is at K500 million. Work is to commence in June 2013.

Togoba-Kisenepoi upgrading and sealing (60 km) is at advance survey and design stage. Contract will be let in November 2013 for construction.

K30 million is allocated for survey and design for future stages, and works is in progress for 10 sections.

Survey and design for approaches into Goroka and Mount Hagen towns for 4-lane highway in is progress.

Geotechnical investigations for the unstable section in Chimbu and Daulo Pass is in progress.

On the Mendi-Tari Road; Kiburu junction to Poroma (10) first stage upgrading and sealing is at K10 million, and work is in progress.

Poroma to Semin (10 km) pavement reconstruction works is at K10 million. It is now at Tender stage.

Mr Speaker, our development partners bear more than 50 per cent of our maintenance programs on our national and provincial road networks.

17/02

I am happy to report to Parliament that the Australian Government has altered their position on this and they have come to fix Ramu to Madang Highway and it will start next year. It will be a world class project and the Australian Officials are liaising with the Government in trying to realign their priorities. Australian Aid Transport Sector Programs (TSSP) total approved funding is K164.4 million for roads and bridges covering 10 provinces namely; Central, Milne Bay, Morobe, Eastern Highlands, Madang, East Sepik, Sandaun, West New Britain, East New Britain and New Ireland Provinces.

World Bank will upgrade to seal along Hiritano Highway from Inawabui to Bereina in Central (18km). Upgrade to seal along Hiritano Highway from Malaua to Epo in the Gulf Province (57km). Routine maintenances works of Hiritano Highway on the gravel sections from Malalaua to Kerema in the Gulf Province will also be funded by World Bank.

ADB continues to focus mainly on Highlands Region core road network. These are road projects ongoing in Eastern Highlands Province, including Raipigap to Okapa road (46km), Mendi to Kandep (50km), Lagaip to Pogera (65km) and Ialibu to Kagua in the Gulf/Southern Highlands Highway. Bridge projects total budget is K250 million to cover following provinces; Madang (6 bridges,) East Sepik (6 bridges), East New Britain (11 bridges), Central Provinces (7 bridges). All of these projects are currently under survey, design and scoping and some of these contracts will be awarded in October 2013.

Mr Speaker, the O'Neill-Dion Government in 2013 has funded some other important road projects including Goroka town roads is a total of K10 million and awaiting legal clearance for award.

Mount Hagen to Togoba - K10 million survey and design stage, Vanimo Highway- K10 million, Malalaua to Kotidanje - K10 million, Kukupuga - K10 million, Pupuleta to Hangauna - K5 million, Nuku to Agusame - K5 million, Hiritano Highway- K10 million, Magi Highway - K10 million, Koroba to Kopiago - K10 million, East/West New Britain Highway - K10 million, Gulf/Southern Highlands Highway - K10 million, Kikori to Kerema - K10 million and Wabag town roads - K10 million. All these projects are under the design, tendering and procumbent stages.

Mr Speaker, under the National Road and Bridge Maintenance Program, the Department receives national road maintenance funds totaling K64 million, national bridge maintenance funds totaling K32 million. A major portion of these funding is used to fund unbudgeted related emergency. From the experiences and data available, funding for repairing damages to roads and bridges assets under the disaster emergency situations must increase in the future. We are only five months into the year and already 50 per cent of the maintenance funds have been committed to attend to various major emergencies around the country.

Mr Speaker, provincial and districts access roads make up 70 per cent of the country's roads network, which directly provides access for delivery of basic Government services and creating marketing opportunities to the 85 per cent of the rural population. Due to poor maintenance over the years these roads are either closed or in very bad condition. And in alignment with the O'Neill-Dion Governments vision to reach the rural population on the back of improved rural access, Department of Works is trying revitalize the PTD, which use to be the plant and transport division in the Works Department that aimed at providing sustainable maintenance program.

The Department of Works is already re-fleeting Mount Hagen, Morobe, East Sepik and West New Britain Provinces with a total of 54 new construction equipments, which will be delivered on 13 November 2013 with the assistance of JIKA, and we want to target remote districts like Telefomin, Goilala, Middle Ramu, Menyamya and, et cetera.

Mr Speaker, PNG has a very low road density as compared to the land area and population density. Therefore, Vision 2050 prescribes opening up additional 25 000 roads including important economic corridor.

18/02

The O'Neill-Dion Government in the 2013 Budget has allocated more than K50 million to commence work on some of the high priority economic corridors.

The Department of Works is already embarking on Gulf-Southern Highlands-Hela, Gulf-Morobe, East New Britain-West New Britain and Madang-Western Highlands corridors. The Gulf-Southern Highlands-Hela road corridor studies have been completed and are with the Department of Transport for declaration as National Highways and East-West New Britain link is almost completed.

Mr Speaker, despite the funds being used for road and bridge maintenance, the maintenance backlog still increases. As a rule of thumb, every K1 spent on road maintenance before they deteriorate, saves between K4 and K5 on rehabilitation of roads that are in poor condition. A review on road and bridge maintenance funding is underway.

Mr Speaker, other challenges my department faces in implementing its core mandate of up-keeping road network includes:

(1) Issues of landowner encroachment into the road corridor continue to be a major problem. The *Protection of Road Transport Act 2009* was developed in response to address this problem. It was designed to create specific offences; five years jail and K100 000 fine penalties concerning wide range of activities like damage encroachment and prevent lawful use of transport infrastructure, the unjustified claims for money and other compensation concerning land use for transport infrastructure.

Its use may be contemplated so as to ensure that the right of way is maintained. The law is already in operation and the law enforcing agencies must now start enforcing the new *Act* to deal with the deterrents.

(2) Contractor capacity is another major problem or issue affecting the timely implementation of projects. The Department of Works is increasing the size of the Works packages to attract major players with the required capacity and expertise to undertake survey and design contracts. We are regularly meeting our contractors to raise their performance and profile.

(3) Cumbersome procurement process. The process is too long and unreasonably lengthy and cannot facilitate a speedy procurement of critical projects on time; for example, Supply and Tenders Board and legal clearance.

Mr Speaker, finally, the task of improving the Department of Works' infrastructure project delivery performance is challenging but it has started including the establishment of the audits and complaints units to capture concerns from the public performance of contractors on site.

In this regard, both my secretary and I are visiting project sites to discuss issues with contractors. For example, I have made two visits to Enga and Southern Highlands Provinces and I intend to make other visits where we have given major contracts to some companies not performing as expected. There were delays and we are trying to push them along.

The Department knows that improvement will not be just by the Department alone but also by the support of our key stakeholders and development partners.

With the increase in the funding level for the first time for road maintenance in accordance with the Alotau Accord, and with the reforms currently taking place at the Department of Works, we look forward to stakeholders seeing measurable improvements in the delivery of road infrastructure projects in the country. The momentum that is set by this Government is to continue beyond 2016.

Thank you, Mr Speaker, and I now leave it to the Members to debate this important issue for our road because without roads, our country cannot move.

Mr SAM BASIL (Bulolo) – I move –

That the Parliament take note of the paper.

Mr Speaker, firstly, I thank the Minister for Works for his ministerial statement he delivered today. I would like to raise some issues on the operations of his Ministry and the Department given the nature of the geography and the terrain in this country.

19/02

Mr Speaker, Papua New Guinea covers large tracts of land, air and sea territory where we are faced with geographical dispersions and inhospitable terrain that makes it impossible to connect with all the people with one or more modes of transport.

For example, the people of Garaina, Telefomin, Karimui and Marawaka are within 100 km radius of their provincial capital and national highways but can only access them by air or by walking.

For the people of Middle Watut, their access is by road, air, sea and rivers or by walking. In some instances such as Esa'ala, Alotau and Samarai-Murua, they require sea and land transport.

Mr Speaker, recently, we have used the *Appropriation Acts* to impose high import duties on the importation of vehicles, especially secondhand vehicles. Certain sectors in the economy, including the National Government, wanted to impose higher taxes to discourage importation of more vehicles to reduce traffic congestions in the urban centres.

Owning vehicles is the dream of every enterprise in Papua New Guinea and on the other hand vehicles assist people in improving accessibility to government social and economic services.

Mr Speaker, we have to decide between ownership of vehicles, and whether too many on the road will assist in the socio-economic development in this country or cause road congestion. Urban centres are riddled with potholes and in many cases, worse than gravel roads in many rural electorates. I would say that it is not the issue of too many vehicles but shortage of properly constructed and well maintain roads infrastructure, especially in the urban areas.

Vehicles are needed to transport people to work, agriculture produces to market, trade store items to rural areas and delivering health and education services.

Mr Speaker, we are calling 2013, 'Year of Implementation,' and we need vehicles, especially in the rural areas, whether secondhand or not because people need to deliver or benefit from the socio-economic progress but at the same time impose higher taxes to reduce vehicles rather than us improving and increasing road capacity.

Mr Speaker, in the 1960s and 70s most of our town roads including NCD were sealed unlike many of the outer suburbs and country towns in Australia. This one, followed by extensive road networks, including tracks based on patrols by kiaps, patrol officers they called them in those days, throughout specified parts of the country. I may be patronizing the colonial Administration, however, it was a basic issue of needs and proper coordination, organizational structure, reporting and implementation.

Mr Speaker, at Independence, we inherited and utilized the Department of Works and Supply that was responsible for aerodromes, harbours and critical roads such as Kassam Pass, Daulo Pass as well as towns and city roads and associated infrastructure.

We then had the Plant and Transport Board, known as PTB, that catered for provision of heavy equipment, vehicles and machinery and its servicing and maintenance, construction of bridges, water supply and buildings and, et cetera.

The provinces and districts would coordinate construction of new roads with local labour and available equipment later supported by the Department of Works in graveling, grading, culverts, road widening, semi permanent bridges and wet crossings.

The Department of Works had a flying crew that consist of a supervisor, drivers and 10 to 15 labourers that did weekly routine inspections to fill and patch potholes, and clean and clear drains to avoid silting or to avoid water run-offs.

Mr Speaker, at the bottom end, we had the local-level government councils that connected village roads to hamlets and also built swing bridges across rivers for the people to sell agricultural produce or to attend school and aid post.

The LLG or local-level governments acquired dozers, graders, dump trucks, and tractors to continue improving ward roads and to ensure accessibility for the villagers and the rural people.

Mr Speaker, we still have the same Department of Works, provincial and district Works Unit and local-level governments but what are we lacking that most of our roads are in a bad state?

It is the structure of how responsibilities are shared, resources allocated and which level of government is responsible or have we lost focus and trust in ourselves? I believe we have the engineers, the district officer, supervisor, draftsman, patrol officer, principal project officer or whatever titles we can use but we must know our responsibilities, functions and job descriptions supported with sufficient logistic and timely transfer of financial resources to build and maintain transport infrastructure.

20/02

Mr Speaker, it seems that we rely on the DSIP which was K10 million last term and another K10 million this year, but it has been almost six months and funds are still not released. Some of us have workers already on the ground. Am I going to blame the engineers and the district officials for not fixing the road or the National Government for not releasing the funds on time?

If funds are allocated in August and we proceed to tender then we might have the work started in November. And without knowing the status of the project implementation, funds may not be appropriated in the following year or costs would have increased with the passage of time resulting in the need for more variations.

Mr Speaker, in the Morobe Province, we have the biggest Department of Works facility, the National Roads Authority, the Provincial Works Unit, the Lae City Authority Engineering Division, and yet we see puddles caused by small cracks in the curbing of the road pavement before they develop into potholes. It is no wonder some have branded the city of Lae as the city of craters.

Mr Speaker, I sure politicians like Members of Parliament, members of Provincial Assemblies and councillors are targeted in the media or public forums if we cannot see the problem and fix it up.

In the last meeting of Parliament, I had asked the Minister for Works on the status of the roads of the Nadzab Airport, and this morning I asked again, as to what is happening. I have to question myself as to whether I am blind and cannot see the problem because people are asking questions regarding this issue.

Mr Speaker, this morning I had asked again why the work was not done properly and incomplete, with no offence to the honourable Works Minister. I had also asked

whether the principal was affiliated with the ruling party because that was the impression and question raised by the local community and the people of Morobe.

Mr SPEAKER – Deputy Leader for Opposition, I ask you to refrain from making references.

Mr SAM BASIL – Mr Speaker, I never mentioned any names.

Mr SPEAKER – I know but I must warn you not to make references.

Mr SAM BASIL – We are faced with the ‘contractor to work’ problem and ‘let it be, we fix it’ syndrome.

If the Works Department is really a government agency, its engineers, supervisors, foremen and fly-in crew can conduct regular inspection and clear blocked curbs and drains, fill cracks and potholes so that we should not have craters and so transport costs and vehicle accidents are minimised.

Mr Speaker, why are we allowing timber decking on bridges only to find it all gone and then engage a contractor at roughly K300 000 when a fly-in crew could have replaced individual timber decking at less than K100 a piece? Contractors with technical and financial capacities should be engaged for major re-design, construction and sealing of major civic works.

Mr Speaker, we must do away with the ‘let it get big syndrome’ and ‘job for the contractor’ syndrome and reactivate the Department of Works with qualified and experienced personnel who can plan for road construction, repair and maintenance using their own workforce vehicles and machineries and materials.

Mr Speaker, I travel from my village to Nadzab before flying into Port Moresby and I notice the potholes and the poor state of roads. It is no different in Goroka, Wewak, Alotau, Madang, Kokopo, Kundiawa and, et cetera. When I call the provincial or district administrator, provincial works engineer or Department of Works, I am told that the funds have not been released or that a contractor has been engaged to do the job.

Does the contractor have the capacity to complete the work or have we awarded work to our friends and cronies who do not have the machineries or the financial capacity to complete the work? Nevertheless, they get paid when they submit their claims.

Mr Francis Awesa – Point of Order! I think the Deputy Leader for Opposition is missing the point. If you were to look at Page 3 of my statement all these things are captured in there. We are trying to revitalise the Plant and Transport Division and that is what you are talking about.

I have already said that we are addressing that problem and next year –

Mr SPEAKER – Honourable Minister, allow the Deputy Leader for Opposition to complete his statement.

Mr SAM BASIL – Mr Speaker, as I have mentioned, sometimes we make upfront payments to contractors only to find out at the end that the work is not done properly. And this where the issue of variation comes in but by then, the money has been spent elsewhere so the contractor cannot complete the job. At times, the cost of materials may escalate while waiting for the funds to be released, and as a result, budget cost for the project may go overboard.

21/02

Whilst we are talking about capacity, release of funds or total amount paid and variations needed to have the work to standard and specifications, we see new potholes appearing and others are becoming bigger by the day.

Mr Speaker, the Minister for Works and the Prime Minister, Opposition Leader and all Members of Parliament may be accused of interfering with the daily operations of the public servants or becoming project implementers.

I want to tell my colleague Members that we all have the same questions to raise with the Minister for Works. The engineers, supervisors, foremen, district and the provincial administrators drive through the same road as the rest of us and obviously, we

have all seen the cracked potholes, landslips, flooding and even craters, so what is the next thing to do?

Mr Speaker, coming back to the Ministerial statement, we must take on the responsibility in addressing the problems we have. As per the existing ground rules, the responsibilities are as follows: Lae roads is the responsibility of the Department of Works and Lae city authority, the Okuk highway is under Department of Works, Wau Bulolo Highway is also under Department of Works, front roads are under provincial government and ward and feeder roads are under district administration. Access and hamlet roads come under local level governments.

Let's look at the problem of why we cannot build and maintain the roads and associated infrastructure to acceptable standards. We have all the personnel, despite titles such as engineers, supervisors, foremen, Works managers, district administrators, principle project officers and Works coordinators. Are we appointing our cronies in these positions such as school mates, financiers of our elections or political parties and wantoks who do not have the capacity and skill and just want the money, which result in a poor job done and the ever growing pot holes and incomplete projects?

We cannot pursue these people because they are our friends and still we go around in circles and quickly blame the public servants, who then blame politicians and then use the quick fix phrase "no money".

Mr Speaker, too often, I see public servants dreaming of the K10 million DSIP. What has happened to the respective provincial divisions submitting own plans and programs for budgetary appropriations?

This is included in the National Budget and the works progress, but right now we are all focused on the DSIP and the funds are not released.

Is the Department of Work also waiting for their own funds to fix the national highways and the roads, or is it the DSIP money that individual members will fork out.

Mr Speaker, the local level government, the district government, provincial government and the national departments should be implementing their programs and activities right now. But we seemed to be all stuck with the DSIP, and similarly, most of their programs are said to be contracted and yet tenders are not called, or we are still waiting for the right man before it is tendered?

Mr Speaker, if we are constructing a new LLG district road, the annual maintenance must be factored into the operation budget, as DSIP is not guaranteed funding.

We have seen in PNG political powers that certain districts don't get their money on time. For example, if there is a landslip in one of my areas in Watut and the DSIP funds are not released, how can the roads be reopened immediately for the traveling public and for the provision of government services?

Mr Speaker, Kumalu river flooding is a recurring problem on the Wau/Bulolo highway, which is a National function under Department of Works.

Being the local Member, what should I do when the department of Works in Lae could do nothing when we had a situation of closure of our towns from December 9 until March 2013? The district cannot process any cheques when dealing with an emergency situation and extra pressure is applied to public servants and myself as the local Member. The government system must be ready at any time to assess and remedy these situations.

The Okuk Highway stretch in Simbu province is a case in point and once threats are minimized work must start immediately. There has to be coordination from the Department of Works unit to plan and coordinate recurrent funding for maintenance and repair of infrastructure and national and provincial roads to ensure consistency. All staff must be trained and competent in technical administrative positions and be assured that their programs are funded annually

Mr Speaker, I must also propose what needs to be done at the National level as an alternate government.

22/02

We have the administrative structure from the National level right down to the Counsel level. All functions have been demarcated. It comes down to clearly identifying those responsibilities and to have the right people with necessary resources at all times to ensure road construction is done at an acceptable level.

We cannot talk about improving road infrastructure that is so paramount to the provision of government services as well as allowing the private sector to conduct businesses which the general population will benefit from. So once we start at the hamlet

and ward levels and apply that across the country, these roads will connect district responsibilities up to provincial government roads that will eventually connect to our well maintained national highways.

Mr Speaker, let us concentrate on fixing the small cracks and potholes instead of waiting for “the big potholes for the contractor to fix’ syndrome. I am not against engaging the private sector because they must be involved at a bigger level where we do not have the capacity such as required machinery or materials. We will still purchase materials and equipments and do business, but our public service attitude to let problems get out of hand must stop.

Mr Speaker, we must review the provision of high import duties on vehicles because we are burdening our own people and stopping progress in provinces and rural districts. Vehicles are needed to transport health and education materials and personnel as well as agriculture products to markets and trade stores for the majority of our rural people. We must revive the Plant and Transport Board to have plant and equipment on call for hire to get out to affected road work sites. Not all councils will have dozers and graders, rollers and dump trucks, so these can be hired from PTB.

The same applies to maintenance and servicing of this equipment because we cannot afford to have them lay idle.

Mr Speaker, we will reintroduce Department of Works with provincial and district works units to restructure and cater for positions of fly-in crews, being the engineers, supervisors, foremen with vehicles to conduct weekly routine inspections on all roads under their jurisdiction. They should undertake remedial works and if it requires other resources these are reported for substantial works to be under taken.

Mr Speaker, as an alternate government, we will amend the *Public Service (Management) Act* and *Public Service General Orders* that the public servants must submit a weekly activity report that will be compiled at monthly and quarterly intervals on their implementation of the budget and public projects.

Mr Speaker, further for the public investment program, we must also ensure that the ten per cent of the total project funds must be budgeted for and transferred into the recurrent budget so that we do not only construct roads or build classrooms without any recurrent funding for its annual maintenance.

Furthermore, we will do away with the so-called 'closure of accounts' system that has stuffed up funds for up to 3 to 4 months. Is the Government using an account system and financial management system that is separate from the private sector? Unlike the business sector, they account for fixed assets, depreciation and so forth whilst the government keeps an income and expenditure statement that does not need three months to finalise.

Mr Speaker, even with the closure of the accounts for 3 to 4 months, the Auditor-General's report indicates that over 80 percent of the government agencies have no up-to-date financial statements and annual reports. So where is all this leading to?

Mr Speaker, in conclusion, what is outlined here is a set of problems and issues that need answers at all levels of government. I commend the Minister for identifying the issues. We must work to get the system up and running for our people. We have to cut out the 'let it get big and contract it out' syndrome' and refocus on building capacity. We must resource our agencies and making appointments of qualified and experienced staff with financial and logistical resources to find solutions.

Mr Speaker, in taking one small step in our own backyard which is the local-level government or the district, the system will tend to cater for the big problem we may have because everything starts small including potholes. We must start at the lower level so that we will see the changes in the transport and social infrastructure of our country. Thank you.

23/02

Mr WERA MORI (Chuave) – Mr Speaker, thank you for giving me the opportunity to contribute.

Mr Speaker, I thank the O'Neill-Dion Government for taking the bull by the horn. For so long we have seen problems arising and we have always been advocates for 'bandaid' approaches to fix those problems.

In this case, I must commend the Minister for Works for his ministerial statement as to how we can fix roads in the country.

No one in this country or on the Floor of this honourable Parliament will deny that public transport infrastructure is most significant to development.

Mr Speaker, having said that, I would like to highlight some of the things that the Minister has attributed in his statement and I think it is worth noting. First being the revival of the Plant and Transport Board.

In the past we had divisions such as the PWD, and these divisions looked after the road between Chuave and Kundiawa. Whenever problems in these areas arose they used to come and fix them – now they no longer exist, so it would be good if we could bring them back.

My second point, which is of utmost importance, and I must support the Minister, is that we must retain engineers that graduate from our universities who are working in the Department of Works. If we have to look after them and improve their terms and conditions, we must do so. There is no point in training them at the expense of the State, only to lose them to the private sector.

The third point that I wish to stress is that of Lae City. Lae is recognized as the industrial hub of Papua New Guinea. It is sad to hear that people have branded Lae as a pothole city.

Mr Speaker, I was visiting Lae near Busu River recently and realized that the gravel taken from that river is unsuitable for road maintenance. I am sure now that the Works engineers are now listening and to fix the roads in Lae, they must quarry the gravel outside of Lae City, probably from Bulolo.

I am saying this because these are sediments that have been sent upstream and they can easily be converted into clay when they are wet. This is one of the conditions that we must push for. If it is going to inflate the costs of fixing the roads in Lae, so be it, We must use the right gravel from Bulolo that contains high silica content that can withstand long term weathering.

Mr Speaker, I must commend the initiative taken by the Works Department to do serious geo-technical studies along the Daulo problematic section and of course the Chimbu section. The problem that we have in Chimbu is one of hydrology, and would like to be taken seriously when I say that we must address this issue, otherwise we will be fixing roads only to lose them two or three years down the line and face the same problems continuously.

It is important that the *Public Transport Infrastructure Protection Act* was passed. We must now invoke on the *Act* to protect our national highway. We must protect the 40 meter corridor, which the State has the right to do. No one should be claiming the compensation along the Chimbu segment of the Okuk Highway because the 40 meter corridor and section of the road was acquired by the State. This is very important because we cannot allow the people to hold the State to ransom.

Mr Speaker, I wish to highlight some issues concerning the Okuk Highway, especially the Chimbu section of the highway, where we have faced a lot of problems. Why is it that we constantly face problems with the Chimbu section of the Highlands Highway?

I would like to inform this Parliament that, firstly, the segment of the Highlands Highway that runs through Chimbu is analyzed by a very weak geology of mudstone, which is made of silt and clay. It readily converts to clay when it rains. Unfortunately, it is caught up in the collusion zone of two tectonic plates that are colliding to form the central mountain region of Papua New Guinea. Consequently, we have a lot of faults running through the Chimbu province. Unfortunately, within that section of the road, if you go 100 meters on both sides of the highway border between Mingende to Mangiro, there are 70 000 people depending on every square piece of land. In Chimbu, one square meter of land is far more important than one square meter of land in Eastern Highlands or Western Highlands or anywhere in this country because we have the highest population density.

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Mr Speaker, in past years, we used to control the flow or volume of traffic through the establishment of weighing stations in Lae and in Goroka at Wara Kefamo.

But these stations are no longer in operation and we still need to move a high volume of cargo across to the Western half of the Highlands to expedite the developments of our extractive resources in Hela, Southern Highlands and Porgera, which is fine. But as a consequence of that, what is happening is that it has become the triggering mechanism for landslips simply because it is not only confined to what

naturally occurs. We are subjected to global warming induced weather patterns, where you have prolonged wet seasons and prolonged dry seasons.

Mr Speaker, when there is a prolonged dry season the land cracks. And what happens is that where we normally have isolated land slips, we now have cracks inter-linking with each other. When the wet season appears it then rains for months and the rain water does not irrigate or disperse into one specific area. It goes back into those cracks. Once the water goes into the cracks it reduces the underlying stress and strength of the soil and once big trucks pass through, it triggers the landslips. In Chimbu, you can not exceed the angle and repose to 45 degrees to have landslips by movement, slopes less than 10 degrees are moving under mass movement.

Mr Speaker, this problem of hydrology is the biggest problem in Chimbu and I want the Works engineers to take note. When they go out there to do the scoping and design of the road, they must first of all find out how they will lower the water table. In that way it can control the problem of hydrology so that the people of Chimbu, who have limited land space to live on, must not lose their land completely through landslips.

When there is an earthquake, it is not confined to the 40-meter corridor but extends beyond the 40-meter corridor. So one way out of that is, I want the Government to acquire the landslips areas and invoke an *Act* to protect the public roads and allow the engineers to construct extensive drainages to save these portion of the roads in Chimbu.

If we do not consider some of these fundamental problems and spend millions of kina to fix the roads, we will still face this problem again two or three years down the line.

What will happen is that Government will end up spending more money, and what they are not realizing is that we the people of Chimbu will lose more land and this will create more social pressure. Whilst debating on this issue, through your Chair, Mr Speaker, I want all the Members of this Parliament to visit Chimbu Province and will know what I am talking about. We are continuously losing land as I speak.

Mr Speaker, something serious must be done to address this. We can mitigate this movement especially along the Chimbu segment of the Okuk Highway. This is so significant and we will not only have stability on the roads but our people who depend on the very land for survival at least can be relieved.

It is very true and I am not embarrassed to say this but what goes to Hela, Southern Highlands or Pogera will not put food on the table for the people of Chimbu everyday. They live and survive by cultivating the little land they have. that is used as service access points by road to the rich resource operations of this country.

25/02

The National Highway is significant to this country but the scarcity of land we have in Chimbu is also very important.

I want to conclude by commending the Minister because he has now brought some long lasting solutions. I urge the Government to also take note of the points I raised, especially in relation to the hydrological problem in Chimbu and to change the source of gravel in Lae city so that we don't have craters after three or six months after the sealing of the roads.

Mr JAMES MARABE (Tari-Pori – Minister for Finance) – Mr Speaker, let me commend the Minister for Works for coming up with a paper that shows that as a Minister he has been working very hard. He has now got his department focused in the right direction to ensure that we attend to what has been a chronic problem over time. As I am reading through his statement, he alludes to some very key important statistics that we need to take note of in terms of number of kilometres of roads that we need to maintain and classify whether they are national, provincial or districts roads. It is close to over 30 000 kilometres of roads that we need to attend to as a Government.

Mr Speaker, he puts a figure of K1 billion as money needed to spend right now to attend to those roads that we have not maintained over time. We know that many of the underlying issues have led to our current state of our roads in this country without really discussing in retrospect all the many prevalent situations we have and the causes. Both the Deputy Leader of the Opposition and the Member for Chuave have highlighted these issues in their debates.

Mr Speaker, I think the summation of all the issues contained is adequately captured by the Minister in his ministerial statement. So let us all join together and commend him because he has come out and identified the current deficiencies and

putting out the road map forward in as far as how we, the O'Neill-Dion Government, seeks to address the current state of depletion in our key infrastructure assets.

Mr Speaker, let me also confirm that the Minister for Transport, who takes carriage of the policy issues in as far as identifying key policy issues on transport. He will also be making a subsequent statement to consolidate on the current statement that the Minister for Works has presented.

Mr Speaker, when we quantify the volume of money needed to really make wholesale injection into ensuring that our roads are maintained, not to mention new roads that needs to be constructed, K1 billion in one go is so staggering. But on record, let us appreciate the fact on the interventions we are making as a Government in focusing on trying to kick-start work on our key infrastructures.

Mr Speaker, from making reference to what the Minister has mentioned and to re-echo what the National Government has done this year, Lae city roads again is receiving K100 million on top of the appropriation we made for the Lae to Nadzab road as part of our Highlands Highway interventions we are making this year. Port Moresby roads will receive some attention this year, and we are at the moment in the process of dispersing close to half a billion kina worth of contracts. This year we allocated in the Budget, K100 million for the Port Moresby city roads.

Mr Speaker, let me put on record that the National Government is committed to ensuring that our roads are rejuvenated.

What the Minister for Works has done now is point out the current state of existing infrastructures and the government's intentions to put in place to ensure; for instance, if we do not free up the current Highlands Highway problems, we will continue to face them and it will recur over time. He mentioned that the National Government has correctly identified Baiyer to Madang road as one of the key interventions that we will undertake. The Minister has also correctly identified the Kaintiba to Lae road as an alternative access road from the highlands to the coast. We have also correctly identified the Kikori to Erave that will run along the LNG route into Southern Highlands and Hela.

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We have correctly identified the East to West New Britain Road, and as you all know, this year we are putting small appropriations into current maintenance of existing highways like Buluminski Highway, Hiritano Highway and Magi Highway.

So these are indications of the Government's commitments into ensuring that we try as much as possible to handle maintenance work on current work and approach new work within the perspective of ensuring that our roads are connected, maintained and upgraded.

Mr Speaker, let me mention to the Parliament, you just can't get K1 billion in an annual budget and throw all of it into the road sector. We have competing needs from the education sector. And if we put education sector current asset maintenance alone, the figure is staggering. You will have to find another K1 billion.

Currently all you Members are asking us, where is the money for education sector maintenance, this also goes for the health sector and the law and order sector.

Our state of assets over last 30 years, and I sympathise with those who were running government since Independence, had budget limitations. Our resource envelope was not such that we can adequately address our infrastructure and key assets we have in the country.

They were operating from much smaller budgets and most of the budget was consumed by recurrent expenditure. Recurrent expenditure consumed up to 60 or 70 per cent of the total budgets we've had since 1975.

But as we move and progress as a nation and as the budget continues to expand, as a responsible government, we are now identifying what areas we need to prioritise as far as funding is concerned.

You now have a classical case where the Minister for Works has come here and identified where the problems are, where the roads are, what our key assets are and what we will do as government in this year's budget, next year's budget and over the next five years. And hopefully that should set the pace and direction of how the National Government will approach road construction and maintenance.

Mr Speaker, looking into the future we know what the problem is. The 2014 and 2015 budget will address some of these aspects, but how do we maximize what we have today to address what problems we can solve within the budget ability of this year?

The National Government would have easily parked the K890 million given to districts, and we could easily addressed K1 billion worth of road maintenance work in this year's budget. But we chose to differ.

Mr Speaker, there are many reasons why we chose to differ. Firstly, for a start, we have too many structural impediments in our system that was becoming cumbersome and a bottleneck into the National Government reaching out to the periphery, where the people are, where the population is and where the roads are. And so we said, let's change the modus operandi. Let's shift from a Waigani based capital disbursement to a district based capital disbursement programme. And so we said, let's park the money into districts and provinces. And so you have close to K1.5 billion of infrastructure money given straight to districts and provinces.

I note, Mr Speaker, the inferences by the good Deputy Opposition Leader, that some districts have not yet received money. Let me correct that. All districts would have by now received a minimum of K1 million into all district accounts.

Some districts may have received more. For example, I visited Sohe last week in my capacity as Finance Minister to open the Sohe District Treasury and they received an additional K1 million. As Finance Minister empowered by *Section 3* of the *Public Finances Management Act*, I have got to ensure that I manage the economy and cash flow correctly.

Based on current outlook in as far as our cash flow is concerned, some districts will receive ahead of others, but let me assure this Parliament that by the time this fiscal year terminates, every district would have received their appropriations in budget.

That is the assurance I give. The mechanism of delivering that money is something that we will discuss as we go along.

27/02

The assurance goes to every member of this Parliament that K10 million worth of entitlement for every district and province will be disbursed and there is no two ways about it.

The fact of the matter is that K890 million goes to all the districts and of that, a minimum of 30 per cent is meant for roads and bridges. Every one of us should work together and start to work a kilometre at a time, ticking off your feeder district roads, and leave the worry of the national infrastructure to Minister Francis Awesa and Minister Ano Pala and the Prime Minister.

If you all were to start on your feeder roads in five years time, there would be an intricate network of roads linking this nation all over the place. Minister Awesa has already made his statement and Minister Ano Pala will also make his statement tomorrow. They both have a comprehensive policy that talks about linking all these roads together. Therefore, in the next five or ten years, every district in this country could be linked to each other through our transport networks and infrastructures.

Whilst the future is ahead of us, this Government has taken stock of the deficiencies that we have and the neglect over time. Therefore, we are putting into place measures to address these issues, but I would like to ask Members of Parliament that, when funding for the districts and provinces are disbursed, we want those district and provincial roads to be addressed in your capacity as chairman of the provincial and district priority committees.

The National Government's priority this year is fixed and by the end of this year if you do not see capital works in Port Moresby city, Nadzab road in Lae, major towns like Mt Hagen and Goroka then you can assume that this Government has not delivered. We cannot deliver every project this year but we will definitely attempt to deliver some projects this year while some are parked for next year and the following year and hence forth. Therefore, if we all can work together and systematically disburse and meet our priority roads that were planned in the Works and Transport Departments then I can assure this Parliament that this Government can deliver at least some level of change by the time we are ready to face the National Elections in 2017.

Whilst speaking about the districts, the provincial governments for the first time are receiving direct capital injections as development grants. I would also like to commend a few provincial governments who have started to work now and in so far as the procurement process is concerned, one of the first legislative amendments that the

National Government made was to lift the ceiling of provincial supplies and tenders board from K3 million to K5 million.

You have been empowered to access funding in districts and provinces so that you can start your work plans. Yesterday, one or two of us Members of Parliament had exchanges going on saying that a road was not sealed in a little town somewhere. For goodness sake, you do not need K100 million to seal a road in a little town. You need around K5 million to K10 million and that money is within your control, so what are you doing with that money?

Mr Speaker, that money was firstly allocated to the districts and provinces. You can start work with K5 million first and then you can come to the Planning Minister and ask for another K5 million because you have already done a K5 million work.

The amendment to the *Public Finances (Management) Act* has gone already and now you have access to K5 million worth of contracts in your respective places. Start the K5 million worth of work and if your provincial treasurer and or administrator are giving you problems the law that Sir Dr Puka Temu will bring in place starts the process of your administrations being aligned to the districts and to the provinces.

I am also looking at make sure that your district treasurers are aligned to your agendas, which I hope is development focused so that you can start to deliver. Let me at this point of time assure the nation through amendments that we will bring into pace later on, for contractors who continue to partner the system of government and know loop holes in the system and contractors who come and walk away with money, your time is running out fast.

We will amend the *Public Finances (Management) Act* and let me ask every one of you Members of this Parliament sitting here that as you start to disburse contracts, please for goodness sake, don't pay 100 per cent upfront to a contractor, whether it is for classrooms, an aid post, houses or a little road.

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I suggest that if you know the cost of the project then pay the contractor ten percent at first. When he starts to mobilize and he is on the ground, give him the next

forty percent and as he gradually completes the job, pay him the rest until the job is all done. That's the way it's supposed to be.

Laws and systems are in place, yet we exacerbate the problem by ensuring that we abuse the laws that we are in place. If we are serious about these things, when the Works Minister says to us, K1 billion is needed to maintain existing roads, as Planning Minister and Finance Minister, we scratch our heads and think of how to get K1 billion in a fiscal budget year and address maintenance of roads, classrooms, health, law and order sector and at the same time give DSIP and PSIP to you.

So let me appeal to this honourable Parliament, since a big chunk of development fund has now come straight to districts and provinces. We are now mending legislations that is congruent with National Government emphasis on policy to ensure that you are empowered to make it work in your districts and provinces.

Please let us get there and ensure that we start to do those works. We will kick-off those structural impediments that we have, whether it's a procurement process, finance or the public service. As responsible Ministers, we are trying to address those impediments so that you are freed up and you have access. As far as funding is concerned, you will have quantum funding direct to your district and provinces.

Let me encourage you, whilst the Minister for Works addresses the national assets we have and the new assets that he wants to do, as far as our infrastructure plans are concerned, let me ask us sitting here today, please, let us get the little district roads worked out .

Let us follow the simple processes we have in place. Give the contractors ten percent upfront then give him 40 percent later to start work. If he is successful give him the balance. Maintain ten percent for the completion, until the contractor submits the completion report with the Works representative on the ground. That's the way it's supposed to be. Then you can give him a new contract. We are now amending the *Public Finances (Management) Act* to ensure that contractors who do not deliver are held accountable for not delivering projects that they have signed up for.

Mr Speaker, having spoken long, let me commend the Minister for Works.

He has identified where the deficiencies and problems are and has spelt out exactly how many kilometers we need to finance and meet.

I know he is structuring some financing and as government we are also structuring some financing outside of budget to ensure that we advance some of those development needs today and not defer for five to six years down the line.

The Highlands Highway, Port Moresby and Lae city funding structure are being put in place. Other districts, please bear with us, we feel that Port Moresby, Highlands Highway and Lae city intervention can be imputers for continuous growth elsewhere.

So that is where we are targeting, but we will definitely come to your areas as we progress in the life of this Parliament and so bear with us. Hopefully by 2017, we will have reduced the number of kilometers and see some light at the end of the tunnel.

Mr Speaker, we ask this Parliament to join all of us to work together.

Mr PAIAS WINGTI (Western Highlands Provincial) - Thank you, Mr Speaker.

I thank the Minister for giving us a brief on what he proposes to do.

Mr Speaker, I think these are very important things. Infrastructure itself whether roads, airports or wharves, it is very important for the country. The cost of doing business in Papua New Guinea comes down to efficient transport system. If the Government doesn't get the priority right, you will all wasting your time.

Mr Speaker, there are four or five important things here which the Government has to prioritise, the first is law and order, which I want to compliment the Prime Minister, In a statement today, I heard that he had discussions with the Governor of Queensland.

We are going to have 150 PNG policemen with their families going to Australia to work with the Australian Police Force. In return, there will be 150 policemen from Australia coming to be based in Papua New Guinea. I compliment the Government on this very important initiative. That's the number one priority in Papua New Guinea.

29/02

There must be peace and harmony in this country because without peace and harmony, the Minister for Works, your highways will not be on course because the landowners on the side will be demanding compensation. And you will be wasting a lot of funds on infrastructure when trying to resolve problems.

Mr SPEAKER – Honourable Governor, let me interrupt you.

Honourable Member for Manus, it is disrespectful to walk in front of another Member who has the Floor. You should remain seated until the honourable Governor has finished speaking. Thank you.

Mr PAIAS WINGTI – Mr Speaker, we have to get the law and order situation right, and I believe the Government is on the right track. We should not be listening to anybody and should ensure to amend the section of the constitution on the enhancement program that was done during the Howard Government.

Mr Speaker, we have come to a stage in PNG where we are not able to manage ourselves. There is lack of discipline, moral standards and ethical standards in the governments as well as the respective departments. Unless we get these things right, the man below you cannot follow you unless you set the standards. We cannot blame the people but rather come back to the core of good governance.

Mr Speaker, you can have all the money and resources but if we do not get the governance right where there is honesty, transparency in managing good government, nothing else will happen. It must start here in this Parliament then to the Department and everyone else down the line.

Minister for Works has some very good priorities here. You all know that 60 to 70 per cent of the GDP comes from the Highlands region. I know you are a Highlander and the Prime Minister is also a Highlander so do not be ashamed to say you are going to fix the Highlands Highway. That is the number one road in Papua New Guinea. In terms of generating income and getting PNG moving, there is no other road except the Highlands Highway.

Mr Speaker, when I was the Prime Minister, I did not have a lot of money but I tell you the Highlands Highway never closed. I made sure that in every section of the region, there were managers. One time we lost a bridge at Markham. We had to organize for another bridge, so I had to ring the guys in London to bring a bridge here to ensure that the highway was still open.

Mr Speaker, the Minister for Works needs to prioritize those roads. For instance you should say this is the number one road, this is the number two road and this is the number three road based on what the income returns are.

Now that there is oil and gas, you are talking like you have the money. But when these resources are gone, you need to invest in areas that will grow the economy of this country. So you should list the roads and prioritise them.

Mr Speaker, we must control our people and tell them not to demand compensation. Sometimes the Members of Parliament likes a bit of glory so they go at the back and tell them to put in their claims so that they can give them money. Where does it start? You cannot set double standards.

30/02

As elected Members and leaders, we have to tell our people that this is wrong. Half of the money is used to pay compensation claims and that is why there is nothing left for contractors to maintain the roads.

Mr Speaker, correcting the mindset of the Papua New Guineans is the role of leaders, bureaucracy and Members of Parliament. Our people are only followers. If we take a bold stand, they will fall in line, but because we've been paying compensation, they are used to it now. I feel sorry for all Members because with the K10 million you would want to fix sections of roads, but somewhere along the road, there are people stopping you from doing so unless they are paid some form of compensation. And yet, you are not fixing the roads for yourself but for them. It is another major hindrance.

Mr Speaker, fortunately this Government is stable so let us make some firm decisions in our electorates, provinces and at the national levels. I see that the country has got very limited time. Therefore, we have to get the mindset of Papua New Guineans right. As leaders, we must lead by example and if we do it, the people will follow and if we don't, the people won't do it either.

In the process, I see that the Government has done the good thing by giving back the money to the district to benefit the people. Now, we have to sort out the obstacles. What are the things that are stopping the Members running their districts? I would

suggest that an obstacle would be district administrators, managers and treasurers on the ground.

I have three Members in Parliament from my province and they could not get the work done because the little treasurer sits around to give excuses; for instance, 'I cannot do this because I have to comply with this and that'. And who does he report to? He reports to Waigani and not to my administrator. How can I act on the district administrator or treasurer?

Mr Speaker, I told the Minister, and if the young Minister says it will be done, I believe it will be done because I am used to that. But when it is not done, it is a different story. I realize that times have changed so I have more patience now. If you are a Minister and you say that it will be done, you must realize that you are talking to another leader, so it has to be done. If you cannot then don't say you can. Another good policy is learning to say no. I am always used to saying no. And I move around freely because I keep the people away from me. The people of Western Highlands never follow me.

When you say no, it is healthy and the best policy because you can enjoy whatever you want to do and go wherever you want to. Saying no is the best policy, young guy,

Mr SPEAKER – Honourable Governor, can you withdraw the term 'guys'? There are only honourable Members in this Chamber,

Mr PIUS WINGTI – Mr Speaker, I withdraw the word. You've got to be firm to say no to your tribes, family, men and women and the people around you. If you do not say no, you will be coming up with another claim to the Minister for Planning and Monitoring and the Minister for Finance because you want more money.

The Government is under pressure and therefore, the deficit goes up and when that happens, all the good things we have achieved go down very fast. We must live within the budget; nobody can go down and ask the Minister for more money because the Government has given us K10 million. You've got to know how to manage that and you cannot keep asking them because you are going to make quick money outside of the

budget. I am petty sure that you will not be strong enough to say no and you will ruin this young nation, Papua New Guinea.

31/02

There was a false concept of price of oil and gas increasing. You could not forecast that the gold and oil price will drop and it has dropped now and we have to readjust our budget. We can not base our planning on current trends. It requires all of us to work together and get it right.

In relation to infrastructure, cost of doing business, law and order, security cost, I thank the Prime Minister, Peter O'Neill, for engaging the Australian Police. When the enhancement program began, I remember after having few cups of coffee, I could not go to sleep so around one o'clock in the morning, I drove towards FoodWorld and drove up towards NBC and noticed the torch lights. There were two Australian Police Officers chasing somebody at 2 a.m.. That's how disciplined and committed these Australians are to their work. And I believe their presence will help this country, therefore, we must not be ashamed of it. Look at Singapore; Lee Kwan Wu let the British run Singapore for a good long number of years because he knew the weaknesses of the Chinese as being corrupt and so he said, look, I better get somebody else to run the system for me. He got it right, didn't he? We should not be ashamed of that and we better get it right here for this young country.

So today, Minister for Works, your department is very important but before you come up with all these ideas, you better screen all your Works managers who ask for bribes and commissions. So you better fix that by getting right personnel who are honest and transparent as Works managers. The Minister for Finance just told us that K5 million has been allocated and so I want a good Works manager to control the program and certify that the work is done and is of good quality before payment is made. I don't' want

Mr SPEAKER – Honourable Governor, you have used an unparliamentary word, so please withdraw it.

Mr PAIAS WINGTI – Mr Speaker, I withdraw that.

The Works managers in each province are very key guys. They have got to be transparent and honest and not succumb to bribery and make corrupt deals. We are going to use the tender boards now because six roads went on tender and so we hope your Works manager, which we are going to use, is the right guy.

The Hagen town roads are falling apart again and I do not know who certified these roads. So while you are at it, you must ensure to employ the right staff; a good secretary and deputy secretary who will allow the system to run, but if you do not fix that and come up here and announce all the good ideas and what to do, you are going to be a frustrated minister. This happens in all the departments, but you are on the right track. Law and order should also be addressed.

32/02

In the next Budget, I urge the Minister for Treasury to inject a lot of money into agriculture because employment figures are increasing.

Agriculture is the only sector in any economy that can absorb an increasing population in terms of employment. The next biggest sector would be the tourism sector. If you look at Fiji, they only have 700 000 people but everyday big jets fly tourists from the United States. We can only achieve this if we have peace and harmony in this country.

I talked to the Department of Tourism in Hagen and told them that we are just a little container on a big ship called Papua New Guinea. You try to promote tourism here but the image is not known. How are you going bring in tourists when they don't know Hagen? Papua New Guinea does not have a good image and that is a reality. We cannot pretend so we have to guard it.

Therefore, the biggest sectors for employment in Papua New Guinea are Tourism and Agriculture. Let's get the infrastructures and law and order right. We can do education and health but we are sitting on a time bomb because our population is booming. The Government has to be decisive and tackle those problems.

All the Ministers should not think about their petty interests but think about three or four big things and support the Prime Minister then this country will change.

Mr KELLY NARU (Morobe) – Mr Speaker, I also want to debate on the Ministerial statement presented by the Minister for Works. Before I do, I wish to take this opportunity to congratulate through the Chair our new Clerk of Parliament, Mr Vela Konivaro. I know he is a competent, capable and professional person and I have no doubt he will discharge his duties and responsibilities to the Parliament diligently. I also take this opportunity to thank the outgoing Clerk, Mr Don Pandan, and also the Acting Clerk, Mr Simon Ila, for their jobs respective to this Parliament.

Mr Speaker, I have three points to contribute to this statement presented by the Minister for Works. Firstly, I note from the statement all the good things about roads, funding and their progress right throughout the nation but it concerns me that there is not one mention in this report on the huge amount of money spent on NCD roads. We only have to walk out of this Parliament to notice that NCD has consumed a huge chunk of this country's money and I am informed it is in the vicinity of K500 to K600 million for the current road works in NCD. Where is the report for that in this Ministerial statement? When will this Parliament be informed of the current NCD road works and how much was used? It seems that priority is to road projects in NCD, but what about the other centres? You have only mentioned K100 million for the Lae city roads but I need more than that to fix up my roads.

33/02

Mr Speaker, this report is incomplete because it does not address and state the progress and the amount of funds that are used for NCD roads.

I am sure other Members here are concerned because they too need money for their roads in their districts. And it is obvious and we all know that a large chunk of money is spent on NCD roads, but where does this show in this report. Is there a separate specialized system for NCD roads? Are they given special priority? If that is the case then I am concerned.

Mr Speaker, my second concern is that this report will need to address interim specific measures that will need to be used to address problems associated with roads. We have long term measures but what is needed now is immediate relief measure to alleviate the problems faced on the roads and the highways.

For example, I drove on the Highlands highway from Watabung to Kerowagi over the weekend, and it is in a very, very bad state. What we need now is immediate funding assistance to at least do partial grading to smoothen the surface of the road so that the traveling public can have some comfort when traveling up and down the highway, whilst awaiting the long-term measures that this Government is going to put in place.

I urge the Minister to make it a priority it is costing big businesses to repair their trucks and trailers from damages caused the deteriorating state of the Highlands highway.

And so, Mr Speaker, I urge the Minister to release some funds to immediately address the very bad state of the Highlands highway and other roads in this country which need to be at least maintained to a level where it is comfortable for the traveling public.

My third point in this debate, Mr Speaker, is in relation to the Lae City roads. This is a subject that I am very passionate about and I want to raise on this Floor of Parliament that I want the Lae City roads projects to get off the ground.

We know you have allocated K100 million. In January this year, I wrote to the honourable Prime Minister and thanked him for the Government's contribution, and that we were ready, willing and waiting to implement that project.

The Prime Minister wrote back to me on 11 February and said that there are two operational apparatuses that we need to put in place so that work on the Lae City roads can progress. A copy of the letter was furnished to you, honourable Minister as well as to the Ministers for Works, Finance, Planning and other relevant ministries.

Firstly, the Prime Minister stated that we have to have a project management team that will comprise departments and agencies of the National Government as well as departments and agencies from the provincial government so that we can commence work on the Lae Roads.

Secondly, the Prime Minister directed that a trust account be set up to be jointly monitored by the National Government, the provincial government and the line agencies concerned to implement the commencement of the Lae City Roads

Mr Speaker, I don't know why the political leadership or the bureaucratic leadership is dragging their feet on this matter. If we have to have 2013 as the "Year of Implementation", we are now in the fifth month of the year and it appears, if this trend is going to continue, that the year of implementation is going to be the year of non-implementation or lack of implementation. We have to get off our backside and start implementing.

Mr Speaker, I am appealing to the Minister for Works, and my team is ready from the provincial administration of Morobe. The Works provincial team and the National Works Department is ready in Morobe.

We need to have the same kind of alertness from the National Governments end, so that together we can cooperate and get the Lae roads project up and running.

Otherwise this K100 million will be in the books, but when it comes to implementation we will probably have to carry it over to next year. All in all, I would like to commend the Minister for Works for a good report touching on many other roads and projects throughout this country.

Keep up your good work, but please kick the backsides of your bureaucracy too, so that the year of implementation becomes a real year of implementation as opposed to the year of lack of implementation. Thank you, Mr speaker.

Motion (by **Charles Abel**) agreed to-

That the question be now put

CONSTITUTIONAL AMENDMENT (APPOINTMENT OF CERTAIN OFFICES) LAW 2013

First Reading

Bill presented by **Mr Puka Temu** and read a first time.

Ordered - That the proposed Law now stands referred to the Permanent Paraliamentary Committee on Constitutional Laws, Acts and Subordinate Legislation.

**ORGANIC LAW ON PROVINCIAL GOVERNMENT AND LOCAL LEVEL
GOVERNMENT (AMMENDMENT) LAW 2013**

First Reading

Bill presented by **Mr Puka Temu** and read a first time.

Ordered - That the proposed Law stands referred to the Permanent Parliamentary Committee on Constitutional Laws, Acts and Subordinate Legislation.

ADJOURNMENT

Motion (by **James Marabe**) agreed to-

That the Parliament do now adjourn.

The Parliament adjourned at 4.10 p.m..