

THIRD DAY

Thursday 16 May 2013

DRAFT HANSARD

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THIRD DAY

Thursday 16 May 2013

The Speaker, **Mr Thordore 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 10.30 a.m. and invited the Member for Morobe, Mr Kelly Naru to say prayers.

‘Lord God, heavenly Father, we thank you once again for giving us this day in which the leaders you have chosen in this honourable House can come to you and honor you and also deliberate on matters of importance for this nation Papua New Guinea.

Heavenly Father, we come to you in prayer and we realize that the Members of this Parliament and the people of this nation, we proclaim that we are a Christian nation but in fact our thoughts, our words and our actions have led us astray.

Heavenly Father, we have realized that the simple commandment, the two most important commandments that you have given us through the mouth of our Lord Jesus Christ that states that we suppose to love and honor you as God our Lord and we of course love others as we love ourselves.

These two most important commandments, this nation has departed greatly from them Lord our Father and so we pray this morning and we ask that you assist us through the guidance of your holy spirit to embrace these two most important commandments. That is to put you as Lord and God of this nation and also to love one and another so that this will assist us in our daily lives and in the deliberation of this honourable House.

Father we have realized that we have gone astray because the notion of love is not there. Lawlessness, injustice and all the problems that we face in this nation has comes about simply because we have not embraced the new commandments that our Lord Jesus Christ has left when he departed from this earth. And that is to love one and another and to embrace and love you Lord as our guidance and savior and our Father.

We once again, come back to you and ask you to fill us with the grace of your holy spirit to always remember these two most important commandments in our lives as leaders and in our

duties as servants to your people. Father, we ask for your blessing for the deliberations that will take place in this house today. Guide and bless our Speaker, the Prime Minister and his Government, Opposition Leader and his opposition bench and all the Members of this honourable House. Together we come to you in the prayer of our Lord Jesus Christ. Amen.’

QUESTIONS

Mr GARRY JUFFA – I direct my questions to the Minister for Correctional Services. I have a series of questions in relation to yesterday’s event; I realized that a question was asked but this is a separate question.

Mr Speaker, the CIS security and the maximum security is in great need of being reviewed. Prisoners are being fed three times a day. They have mobile phones and have access to internet. Some of us are asking that they be let out so that they can have sex with their wives.

02/03

(1) Are we sending prisoners to jail to be punished or rewarded? This is a state of a prison and they have become hotels for our prisoners.

(2) Can the Minister assure this Parliament and the people of Papua New Guinea that the CIS will conduct review to ensure that the prisoners are actually punished? For example, we were told that if some one has committed a crime and found to be guilty, he or she must perform a hard labour. I think this is not happening and they are not dealt with accordingly. In fact, they are on the phone talking to their relatives or friends, surfing the internet, playing games and waiting for their three meals per day.

In addition, we heard that all type of civil societies, NGOs and United Nations are talking about giving the prisoners a luxurious life in prison.

Mr JIM SIMATAB – Mr Speaker, I thank the Governor for Northern for his question. I have responded to a similar question yesterday but it’s an important question.

Mr Speaker, it is true all our jails are in bad condition because over the years we have not been maintaining them.

I wish also to inform this Parliament that we have employed an advisor and a consultant from United Kingdom to assist in reviewing our institutional structure, the *Constitution* and the *CIS Act* to improve some of our roles. The roles are particularly concerning the duty and performance of the officers. Furthermore, we are also addressing the issue of improving our security system and upgrading our standard of discipline and principals for our officer. I will bring this submission to the NEC for its deliberations.

Mr Garry Juffa – Point of Order! Mr Speaker, my questions are related to the punishments that are given to the prisoners. There are so many perks and privileges. What I want to know is can we do away with the perks and privileges so that they are actually punished.

Mr SPEAKER – Your Point of Order is in order and I ask the Minister to respond to the questions.

Mr JIM SIMARTAB – Mr Speaker, I was coming to his question but since he raised the Point of Order, I will answer his questions. Yes, that is true but the Commissioner CIS decided to give some relieve to the inmates. We have low risk and high-risk inmates and it is the Commissioner's role to grade them particularly, the low risk inmates are graded whether they cannot escape, they are not a treat to the security and the public. They can be given allowances or permission to visit their families and to attend to anything or problems they need to.

Mr Speaker, this is under the law and it depends on the grading of the prisoners and this relieve is granted by the Commissioner, especially, when due date for the prisoners are getting closer to be released, like if they have one to three months left to be served.

03/03

What is the status of the Foreign Policy of the Government and where will it seek assistance from?

Mr RIMBINK PATO – Mr Speaker, I want to thank the Governor of Southern Highlands for his important question. There has been a review of what the PNG Foreign Policy should be over the last 11 years. The Foreign Policy review commenced some 11 years ago by

different experts and some of them are well educated Papua New Guineans. The review process has now been completed.

I had an opportunity to look through the draft form and made some comments on it. Because of so much expectation by our people and in the international community in terms of where, who and what we are seeking to achieve in terms of connectivity to the rest of the world, it is my intention to bring that draft policy document to Cabinet for approval as a working progress before it is tabled in Parliament. It is in draft form and is subject to review.

Since Independence there was a policy introduced by Grand Chief, Sir Michael Somare that 'PNG so be a friend to all and enemy to none'. But in subsequent years there has been a different review on aspects of that policy to suit the changing circumstances in the leadership styles of different heads of Government of our country. So the new foreign policy we will have will be; 'What is the position of the O'Neill-Dion Government in terms of how we are going to position ourselves in the Pacific and World in our dealings?

So the answer to the honourable Member's question is, yes, there is a draft awaiting Cabinet deliberations and will be presented to the Parliament as working progress, so our people will know where we are heading to. And in due course we will have a permanent policy, which will deal with all of the aspects of what this country stands for.

I have discovered in the draft policy that some of the issues which should be covered have been left out, for example, issues of capacity building, investing in stronger economy and sources of funding in respect of the implementation of the different programs, goals and aspiration that were spelt out in the draft policy, which we have worked on for the last 11 years.

Mr SPEAKER – Honourable Minister, let me interrupt you.

I must remind the people in the Public Gallery to dress appropriately before entering the Chamber and it would be deemed as being disrespectful if you are not in proper attire.

Can the Security personnel advise that person who has just entered to leave the Public Gallery and come back when he is neatly dressed?

04/03

Mr RIMBINK PATO – Thank you Mr Speaker, I believe I have answered the question but in summary, there will be a unique policy of the O’Neill-Dion Government in terms of where we are today and how we want to purpose our connectivity with the rest of the world.

Mr AMKAT MAI – I direct my questions to the Minister for Foreign Affairs and I want the Minister for Trade and Commerce to take note.

In the last Government, there was an agreement between Sir Michael Somare and the President of Indonesia for the construction of a monument of friendship and cooperation at the no mans land at the Wutung border. To date, no direction has come from Waigani. I have been in touch with the Indonesian Consulate and our Foreign Affairs officials in Vanimo but no directives have come from the Government on the construction of the monument.

(1) When are you going to give directives for the construction of this very important monument?

(2) My second question relates to Papua New Guinea’s relations with the ASEAN nations. Can the Minister advise us on the Government’s position on joining the ASEAN? I know that many of the member countries do a lot of trade with Papua New Guinea and they are helping us with many big infrastructure developments in this country. It is about time Papua New Guinea become a member of the ASEAN so that we can meaningfully participate in the growing economies of the ASEAN nations.

Mr RIMBINK PATO – I thank the honourable Governor for his two very important questions.

On the first question, there is an official visit by our Prime Minister to Indonesia in June and I had the opportunity to discuss issues last night with His Excellency, the Foreign Minister of Indonesia who was in New York on some of the issues which we will cover in the bilateral discussions. And I believe that this is one matter that we can raise in trying to address in terms of the overall relationships Papua New Guinea has with Indonesia. There are so many issues that have come about in respect to which I have answered in the past that we have a good and constructive relationship with the Republic of Indonesia so we need to take a holistic approach to the development of people living on both sides of the border.

So in relation to this agreement to the building of the monument, whether it be built by the Indonesian Government or by us, it will be a joint exercise and it is a fact that I have to establish with the Department and if need be, it can be raised at the technical level. If there is no solution achieved there then I will take it up with my counterpart and obviously something will be resolved.

In relation to the next question on why we have not joined the ASEAN, the position has been there and the requirements and rules relating to the membership of different international organisations and some of those rules require each applicant member to observe or comply with. And in relation to the ASEAN group, there is a requirement that countries seeking membership of ASEAN must have an embassy in each of those countries. As you all know, Papua New Guinea does not have a diplomatic mission in each of the countries of the South-East Asian region.

05/03

We are taking very active steps to ensure that in the future we need to look to the Tiger Economies of Asia which includes Indonesia, China, India. And so steps are being taken and Indonesia, in that regard, is one of the key supporters for Papua New Guinea in trying to seek membership of ASEAN. It was Indonesia who also nominated and supported Papua New Guinea to achieve membership of APEC group which represents 60 percent of the world's economies.

So, we have to look at all of these things in terms of what the outcome for PNG will be? Whether or not we've carried out our international obligations and what the benefits we stand to gain from these. That's why we haven't gone full steam to seek membership because we haven't achieved some of our international obligations.

Mr GISUWAT SINIWAN – Thank you, Mr Speaker, my question is directed to the Minister for National Planning and Monitoring.

Five million kina is given to each open Member and that K5 million is given to the provincial governments to use as part of its budget. Could the Minister please explain to all the Open Members and Governors how that money is supposed to be used? Are the Governors supposed to use that money by themselves or are they supposed to discuss with the Open Members on how to disburse that money. For example, Morobe Province has nine Members of

Parliament and so we have K45 million to talk about. I want a clarification from the Minister with regard to the K45 million.

Mr CHARLES ABEL – Thank you Mr Speaker, and thank you to the Honourable Gisuwat Siniwin, Member for Nawaeb for his very important question.

We all know that the O'Neill-Dion Government has, for the first time, since Independence, appropriated large amounts of money going down to the provinces. And now, in 2013 in particular, also to provincial governments and it has created, for the first time, a slight issue in terms of how that funding is to be administered and appropriated.

We are familiar with the DSIP programme and how those monies are administered through the JDP and BPC. Because we now have that K5 million per district going down to the provincial governments, it now calls into the question in relation to the JPP, the equivalent body established under the Office of Rural Development in terms of administering the large amount of money, K5 million going down to the provincial governments.

So, just to clarify that, one of the reasons for establishing that structure with these large amounts of development funding is to make sure that there is coordination in terms of provincial and district programmes.

It is interesting to know that a lot of people do not know that in the JDP and BPC, the provincial governor is the deputy chairman down there. In the same way the JPP that is supposed to administer the DSIP the Open Members are supposed to be members of that particular committee.

It is designed in this way through the guidelines so that we can have our input and the development programme for the province is coordinated. Of course, it's being ironed out and we know that what many of our Governors are doing is appropriating that money through the provincial assembly process and through the PEC. So, there is a bit of misunderstanding there but at the end of the day it's all about cooperation.

We as political leaders are supposed to demonstrate leadership. We can have regulations and rules and so on, but at the end of the day it's all about getting on together for the sake of our people down there. The regulations that exist through the Office of Rural Development (ORD) are not law.

06/03

I am encouraging the Open Members and the Governors because it is a relatively new process and that we show some understanding and try to work together and cooperate.

Once again, the regulations under the ORD specify that we are supposed to sit in the JPP with the Regional Member as the chairman and then we can have our input there as to how the K5 million per district is appropriated. There is no law that states that the K5 million, for example, is necessarily spent in Nawae district –

Mr Sasindra Muthuel – Point of Order! The honourable Minister mentioned that the Governors are chairmen for JPP/BPC, but by law it is not the Governor but the chairman of the PEC who becomes the chairman for JPP/BPC.

Mr SPEAKER – Honourable Member, I think you are misleading Parliament, so please allow the Planning Minister to complete his statement.

Mr CHARLES ABEL – Mr Speaker, we can verify what the Governor has said but I do not believe that what he said is correct. Also, it would be inappropriate not to have the political head chairing that particular body.

The point here is that, JPP/BPC is to sit down and deliberate in terms of that money and with the input of the Open Members, they look at how to appropriate and divide that money. It may be, for example, in a particular year they jointly decide to spend the money in one region and then subsequently they then can move onto the others in terms of practical implementation or some other programme.

Mr Speaker, once again, it is all about leadership and cooperation but in terms of the existing guidelines, that is how it is structured.

I hope that answers the question of the good Member.

Thank you.

Mr KILA HAODA – Mr Speaker, my question is directed to the Minister for Works, Honourable Francis Awesa, and I would like the Ministers for Transport and Mining to take note.

The Goilala district is one of the most fertile areas in the Central Province. It is so close yet so far from the Capital. The Goilala district is in the province that surrounds the Capital of Papua New Guinea. It is far because of the lack of infrastructure developments like the poor state of roads leading into Tapini and Tolukuma.

As the Governor of this province, I would like to show some leadership to open up this area and bring development to this district.

Mr Speaker, the Goilala district has been isolated for a very long time now.

Mr SPEAKER – Honourable Governor, let me remind you to ask your question.

Mr KILA HAODA – I am just coming to it, I just want to elaborate on my question.

The district possesses some of the most rugged terrain in this country, and we acknowledged this very aspect and issue just yesterday. When there is no infrastructure, there is no development.

My Speaker, given the limited resources that are available to the Central Provincial Government, my questions are:

(1) Can the Minister for Works declare the Goilala Road known as Louis Mona Highway as a national road?

(2) Can this road also be linked up to the Tolukuma Gold Mine as this would have very important development opportunities for my people of Central Province?

Mr FRANCIS AWESA – Mr Speaker, I would like to thank the Governor of Central Province for his important questions.

Everybody knows that Goilala district is one of the most disadvantaged districts in the country like many others. I would like to start by saying that last year the Government allocated K10 million to the Goilala district for one of the access roads.

07/03

This year, I believe we have allocated some funds; I'm not sure at this point in time how much it was.

However I want to say that Goilala district is one of the important districts in the country and we will look at funding for the access road from Bereina up to Tolukuma.

Some initial request has been put through to my office by the Tolukuma mine and we are looking at that seriously. The cost estimates are up to about K78 million needs to be corrected. The feasibility cost and studies have to be rechecked by the Department of Works and if it is possible, I want to put this to Cabinet for possible funding next year.

Mr Speaker, as you are aware, the Tolukuma mine has been given priority for revitalization. This is one of the mines which has been losing a lot of money, but the Governments' interest is to make sure that the mine operates in a viable and commercially efficient manner.

I believe OK Tedi mine will take over the management over there, but in terms of Infrastructure, I want to state here that progress has been made to connect the highway connected to Tolukuma mine at the cost of K78 million.

I want to also state that the Louis Mona highway has not been considered yet, but it's also something that we can consider in light of the resource developments in that area.

Mr BIRE KIMISOPA - Mr Speaker, my series of questions are directed to the honourable Treasurer, Honourable Don Polye.

Mr Speaker, I refer to his media release on Wednesday, May 8, in the Post- Courier with the caption, 'no revise budget for 2013'.

Treasurer, you have categorically ruled out the supplementary budget for 2013.

Mr Speaker, I'm of the view that either budget 2013 is held together by very loose statements, that are fiscally irresponsible or that treasury is now embarking on creative accounting where the cost overruns are managed by shifting money from one vote to another or borrowing outside of the budget to maintain what is now our standard practice of fiscal thuggery.

Mr Speaker, in view of the prospects of revenue shortfall projected by Treasury in the order of K240 million or more for fiscal year 2013, and the fact that all major commodities are tending downwards; oil is down to about US\$96 per barrel from our estimate of US\$106, gold is down to about US\$1400 per ounce, from a budgeted forecast of US\$1700 per ounce and also nickel is not doing too well. My questions are:

(1) Will the Minister still maintain his position in so far as the supplementary budget is concerned?

In my view, a supplementary budget for 2013 to correct the fiscal imbalance in reported revenue is a morally responsible thing to do.

(2) Should revenue projections trend downwards putting at risk the projected revenue of K10.4 billion as per our budget 2013, will the Government now borrow more money above the 2.6 it is now borrowing, and if so, by how much?

(3) Considering that unaccounted oil and gas grants and other commitments, which are outstanding since 2009 as reported recently, how does the Government propose to pay for these commitments if they are not reflected in the 2013?

(4) Can the Government seriously consider establishing an infrastructure fund to underwrite infrastructure projects such as the one recently approved by NEC for the NCD road totaling roughly about K700 million for the next three years?

Mr Speaker, it is important to note that NCDC internal revenue in my view, stands approximately at K213 million per year and are capable of carrying their own cost.

08/03

Mr DON POLYE – Thank you, Member for Goroka, I think that is the kind of spirit that the Members of Parliament should have when asking questions about the country's economy and fiscal management of the O'Neill-Dion Government. We all have a duty to ensure that we are working within our policies especially within the fiscal policy of the government.

With regards to the supplementary budget, the Member has given us some background to when a supplementary budget occurs. There are two scenarios, when we have income revenues that are over and above the projections in the budget, there is a surplus so you can go for a supplementary budget. It is something that we have experienced in the last ten years when the Somare government was in office. I was the Deputy Prime Minister then. During that time we decided that there was a need for supplementary budget let alone the development of the program under the supplementary budget when there was a wind fall.

The second scenario is created when you have a down turn in commodity prices and revenues that leads to a deficit so you go into a supplementary budget to correct or realigned and adjust the budget so that the Parliament knows what we are doing.

The first scenario is when you will have a supplementary budget and the second scenario is speculated on by the Member for Goroka. At the moment, I predicted a K240 million. If I have foreseen shortfalls and if the down turn in commodity prices is against the projected prices and that continue within the next 12 months, then that is the amount of money we might run short of, and that is when the fiscal management of the budget becomes very important. What do we do to contain that diversity below our management level.

I think the media has not grasp very clearly what I have indicated. I said that on the income tax or the company tax and the GST, I would like to inform Parliament that we are performing exceptionally well. For instance, I am projecting a K240 million soft loan loss in export revenue, as a result of the commodity price down turn but I am also focused to the same tune of K200 million over and above the projections from the revenues that I am forcing for the next 12 months from the income tax, company tax as well as GST.

As I mentioned in my speech during the handing down of the budget the Minister for Public Service is supported by the Prime Minister and Deputy Prime Minister on the reform and what we need to do in the public service to save costs. We should cut all the wastage then we will save money in order to manage these deficit.

I am confident that currently we are not seeing any major issue on the deficit but it is being balanced out by the strength of the performance in the other areas of the revenue and with the Treasury managing it very well.

But if there is a need for any other announcement regarding the economic management of the O'Neill-Dion Government, we will advise the nation as we go along. We are well aware of what's happening in the Euro zone and American economy. We have also seen the growth of the Asian economy. We are in the pacific so how do we leverage ourselves because it is a very moderate turn around from the current economy.

I can give the assurance to the Speaker that there will be no supplementary budget because I do not see an immediate need for one. I can see that the down turns are balancing out over and above projections of revenue.

09/03

I see that we will have a minimal data sheet. But, the unexpected things happened like the world street financial melt down and the Euro dollar is in crisis and very moderate turning around of the economic condition. If sudden things happened then, of course, the Government will take the appropriate measures, and in fact, we are ready for it.

Mr Speaker, at this moment, it is very important that we keep it within our Medium Term Fiscal Strategy (MTFS) that talks about the fiscal management. We must be within our debt management strategy so that, we do not create extra burden on top of the K8 billion debt that we have. We must spend in the area like the Minister for National Planning and Monitoring was alluding to during question time.

We must spend in those areas that matter most and we will see growth in those sectors and a more stable macro-economy.

Mr Speaker, the honourable Member has raised a very important point but I also wish to inform him that we are confident about our budget and we are not cutting it from one line to the other as he might be suggesting. We have never done that and it will never happen. We are strict with the fiscal policy because that is where macro-economic stability lies. We have to see improvement through the vision of the young and new leaders and through learning from past experiences which we are not going to repeat.

Mr SPEAKER – Chair wishes to advise you to respond to the question and concentrate on that then giving a statement.

Mr DON POLYE – Mr Speaker, I take into account of what the Member said and I will respond accordingly. I have the facts to present especially the questions coming from the Opposition.

Referring to his question two, regarding the projection of K10.4 billion revenue, if there are down turns then we borrow to stabilize our economy. We have projected K2.5 billion deficit and not K6 billion as stated by the Opposition. We deliberately need K2.5 billion because of two very important reasons.

Firstly, the LNG Project is a transformation project that has facilitated most of the GDP growth in PNG. But had the construction pace gone down, we would expect unemployment down turn in GDP and we will experience growth decreasing.

Mr Speaker, the O'Neill-Dion Government has injected money to cushion-desk slow down on economic activities. The cushion-D unemployment that will be resulted from ceasing of the construction activities, therefore, we have put money through all your Members of Parliament, through the Governors, through LLG Presidents, through the Departments and through the people where we will generate activities to cushion any down-turn in all those areas.

Mr Speaker, what that has effectively achieved for the country is that the projected GDP that we projected in the budget of 4 per cent has been revised to 6 per cent GDP growth as I speak today. Thus, it has a very positive effect on the money to those areas. But, I wish to assure that, I do not know there will be significant additional deficit adding on top of K2.5 billion. I will be minimal that we will manage within our financing strategy and our financing strategy has been to raise money locally with the local financial markets.

Mr Speaker, we have already started market through the issuance of Treasury Bills, inscribed stocks and all we are doing is putting financing together, which is what we are confident to do.

I wish to inform this Parliament and Papua New Guinea that it is within our financial means and we are doing all we can. We have already raised K1 billion through our local financial markets, while the other component is worth K1.5 billion as well as other small components will be raised within the next few months.

Therefore, I am not seeking financial aid outside of the country to borrow and if it is going to be additional deficit, it is going to be minimal; until when it is exhausted, the internal raising of revenue within the domestic financial market, which is far small but we've got liquidity of K7 billion to K8 billion available. If worst comes to worst then the last resort is to issue the Sovereign Bonds to raise a little bit more whenever needs be.

10/03

On the third question regarding the oil, grants and MOA funds and et cetera, we have already built them into the budget, but if there are some additional then we have to address them within the budget appropriation.

I want all of you to work with me to achieve it. I cannot wait for the Prime Minister, Minister for Treasury or Minister for Petroleum and Energy to do it for me. No, each one of us has to sit down and discuss these issues as a group.

As in the case of Hela Province, the Prime Minister has invited the Governor, Anderson Agiru, and myself and we have had discussions and are on track to addressing it collectively as a very responsible Government would do.

So, it is not like you do not have money in the budget, the money is budgeted for and all we have to do is to manage what is there and address new issues coming up.

Mr Speaker, I also want to inform Parliament that there is a K350 million under the budget line, as I recall, that we included in the budget to address any unforeseen cost escalation induced by practical problems on the ground.

The question on infrastructure fund is a very responsible question and that can be tied in to answering the question on the supplementary budget. The Prime Minister was part of that when he was the Minister for Treasury in the Somare Government and I was part of the Government.

We established a Sovereign Wealth Fund, a new prudent concept. A lot of work has been done on this Sovereign Wealth Fund and we have come to a stage where about 90 per cent work has been completed. And this Parliament will be asked to include some additions which will reflect some of the changes that we have made to support this fund.

The windfall funds in the supplementary budget will be put into the Sovereign Wealth Fund that we have created and it will be spent onshore and invested offshore to address infrastructure development issues.

Mr Bire Kimisopa – Point of Order! My question was on establishment of infrastructure fund to cater for institutions such as NCDC who are capable of paying their own bills.

Is the Minister considering or prepared to establish such funds so that State Institutions such as NCDC do not have to go to the Government to borrow out from the budget?

Mr DON POLYE – The Point of Order is in order because I agree with what you are saying.

Mr SPEAKER – You are not suppose to be ruling. I must remind you I have made the ruling and it's in order.

Mr DON POLYE – Mr Speaker, I apologise. I meant to say that I totally agree with the Member. Let me explain. The infrastructure development fund and stabilization fund are both captured in the Sovereign Wealth Fund. Those funds will be used on NCD roads and other programs that the Government will need to address in partnership with investors. For us to create a new fund will be duplication of what we have already put and built into the Sovereign Wealth Fund. But I think its there and we will address that.

11/03

**ASIAN PACIFIC PARLIAMENTARIANS UNION (APPU) – 77TH COUNCIL
MEETING AND 43RD GENERAL ASSEMBLY – PAPER AND STATEMENT –
MOTION TO TAKE NOTE OF PAPER**

Mr JOHN SIMON (Maprik) – I seek leave of the Parliament to make a statement in connection with the report.

Leave granted.

Mr Speaker and honourable Members of this Ninth Parliament, I rise to present a report to Parliament on the 77th Council Meeting and the 43rd General Assembly of the Asian Pacific Parliamentarians Union which was held in Tokyo, Japan from the 25th to 27th March this year which I attended.

The Council Meeting and the General Assembly was held under the theme of ‘Aiming to Strengthen the Bonds between the Pacific Island countries and the countries in Asuia. The Council Meeting and the General Assembly was well attended by 13 member countries from the total of 21 member countries.

Mr Speaker, this report contains all the resolutions that was adopted by the Forty-Third General Assembly. These resolutions were adopted and signed amidst the show of gladness attainment amongst the delegates. The following are our resolutions:

(1) Resolving to encourage the member States of the APPU to support one and other during the economic crisis and work together as a cohesive economic area to reduce the cost of

goods across the entire region, and that was submitted by the Republic of Palau and was supported.

(2) In support of the International Civil Aviation Organisation and the United Nation Framework Convention on Climate Change (UNFCCC) in granting the observer status to the Republic of China, Taiwan.

(3) Encouraging the member attitudes of the APPU to support the Republic of Palau and other smaller island nations' airports to establish its fabric of communication infrastructures of the advancement of its national development.

Mr Speaker, on the outset, the Asia-Pacific Parliamentarians Union comprises of national legislatures of countries in Asia and Pacific and it was initially established as the Asia Parliamentarians Union. However, over the years, its scope and focus were shifted to include countries in the south-west Pacific following several amendments to the Union Charter. There are four basic objectives of the APPU and they including:

(1) Achieving and preserving freedom and democracy and securing peace and prosperity amongst the countries of the Asia-Pacific region.

(2) To foster matured understanding and unity among members countries and their citizens.

(3) To engage in the promotion of economic cooperation and exchanges of culture and technology for the common good on behalf of the member countries.

(4) To consider matters that are likely to have an impact peace and security in the region and implement decisions of the General Assembly.

Mr Deputy Speaker, Papua New Guinea gained membership in 1988 and since has become a loyally committed to advancing the work of the Asia-Pacific Parliamentarians Union. Successive Papua New Guinea governments and National Parliament has continued to maintain the constructive relationships within the Union. However, over the past five to seven years, there has been poor commitment in terms of attendance and participation at the annual APPU meetings. During that period, Papua New Guinea National Parliament was fully supported in terms of it's financial membership contribution. This has built a respectable reputation and confidence among the member countries of APPU.

Mr Deputy Speaker, Papua New Guinea national groups over the years have realised the value and in terms of its role, the APPU can play both in the regional and global levels. Through these associations, Papua New Guinea has gained support from the member countries

on a number of issues which had the potential of jeopardising relationship between member countries.

12/03

Through these relations PNG continues to draw international attention politically and in terms of resource endowment. It offers good prospects for investments, mostly from ASEAN.

Mr Deputy Speaker, with the theme, “Aiming to Strengthen the Bonds Between the Pacific Island Countries and Asian Countries”, the Asia Pacific Parliamentarians Union looked toward further strengthening the existing relationship between the member of Asia to the Pacific.

There were commendable propositions put forward by the member countries in support of the bonds to strengthen the cooperation.

These propositions range from social, economical, cultural and traditional technological bonds that both groups of countries should cooperate and develop over the years to come.

As developing countries the Pacific Island countries cannot look far for assistance to address their development needs when there is opportunity and options available just within the Asia Pacific region.

Globalisation has brought wonders to the world and this has exposed our vulnerabilities to the natural and manmade disasters. This is also through active participation at regional and global organizations that some of the impacts can be addressed.

Mr deputy Speaker, we are in a period where most of global affairs has eluded to the Asian Century. The rise of Asia is changing the world we are going to live in, hence this is defining futures of the 21st Century, the Asia Century.

These developments have profound implications for people everywhere. Asia will not only be the world’s largest producer of goods and services but it will also be the world’s largest consumer.

The APPU can be seen as an organization in the Asia Pacific Region where countries in the Pacific, including PNG, can become active players in the Asia Century. The opportunities for our development and progress are accessible through such organization and it only requires of us to foresee the advancement of values of the APPU.

^This means we in the Pacific need to enter a new phase of deeper and broader engagement of countries in the Asia.

Mr Deputy Speaker, with that I would like to say a few things that we experienced when we attended the APPU and other international gatherings with other Pacific country nations within the Pacific PNG is seen as a big brother in the Pacific. But there are some things I would like to say in this country and what I would like to emphasise on, which we have to do.

One is stability, from which I thank the O'Neill-Dion Government which we have. For Papua New Guinea to be seen in the Pacific as a big brother and as an active player for other Pacific countries to look upon we need to encourage stability and I am pleased to say that we have done so.

The next thing is the government, including Member and the bureaucracy; we have to exercise transparency and accountability. We have stability but if we don't have transparency and accountability we can't move anywhere. We have to have these things as well.

Now that next thing is law and order. We can have stability but if we are not accountable and transparent and if we don't have a good law and order situation in this country no Pacific Island country will respect us. Yes they look upon us. They would like to deal with us, they'd like to come with us but we need to have these things in the country to attract them.

Let me conclude by expressing some concerns the delegation encountered during this important meeting. These concerns are related to the knowledge and understanding and administrative arrangements of international travels that Members of Parliament are involved with facilitated by the National Parliament.

The PNG National Parliament is a member to various regional and international parliamentary organizations. The APPU is one of them.

From this APPU experience and from my side, what I see is this; this is mainly due to a lack of consistency in attending annual meetings and related activities to such regional and international parliamentary organizations.

To make matters more appalling is the administrative arrangements involved in organizing and attending such meetings. Frankly speaking, the traveling allowances and the manner in which accommodation allowance is calculated and organized are not to the expectations on the Members of Parliament, mandated political leaders for that matter.

I, Mr Deputy Speaker venture to suggest that there is an urgent need for the salaries and Remuneration Commission to review the existing overseas traveling allowance for members of Parliament.

Mr Deputy Speaker, traveling as a political leader, a representative of the government and the people of this country, to such as meeting one starts to expect efficiency, affordability, and accessibility to services.

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This includes proper calculations of travel allowances, bookings and accommodation payments to be made in advance. One cannot allow a Member of Parliament to do his or her own bookings and handle his or her accommodation payments during such trips except for their travel allowances.

I believe that with your vision to restore, reform and modernise this Parliament that these are some of the issues that are worth considering and finding solutions to. I also believe that improvements in these areas will only increase the capacity and drive for Members of Parliament to attend and participate in the activities of the inter-parliamentary organisation.

Mr Speaker, finally, as the host of this year's APPU meetings the Government of Japan through its national group has requested support for her bid to host the 2020 Olympics and Paralympic Games. All member countries of APPU have been requested to offer their support in this bid.

I would, therefore, like to take this opportunity to extend the request from the Japanese Government to the PNG Government in supporting the bid to host the Olympic and Paralympic Games in 2020. Let us make it our responsibility to support the Japanese Government and its people when they are in need.

Mr Assistant Speaker, lastly, it would be remiss of me not to acknowledge the support and guidance provided to me by my members of the delegation.

I now commend this Report to Parliament.

Debate (on motion by Mr James Marape) adjourned.

**THIRTY-FIRST AFRICA, CARRIBEAN AND PACIFIC PARLIAMENTARY
ASSEMBLY (ACPPA) AND THE INTER-SESSIONAL MEETINGS OF
ACP-EU JOINT PARLIAMENTARY ASSEMBLY – REPORT –
PAPER AND STATEMENT – MOTION TO
TAKE NOTE OF PAPER**

Mr TONY AIMO (Ambunti-Drekikir) – Mr Assistant Speaker, I ask leave of the Parliament to make a statement in connection with the Paper.

Leave granted.

Mr Assistant Speaker and honourable Members of the Ninth Assembly, these meetings, I hasten to add, were concurrently held from 19 to 22 of March in Brussels in Belgium. In attendance, were Members of Parliaments from ACP States and the EU States.

Mr Assistant Speaker, for the benefit of some of our colleague Members of Parliament the ACP/EU is a joint parliamentary assembly, which comprises of elected members from the Parliaments of Africa, Caribbean and Pacific States and colleagues from the European Union Assembly.

Under the Cotonou Partnership Arrangement, the joint ACP/EU joint parliamentary assembly holds four assembly meetings in a calendar year. These assemblies are held alternatively between the ACP and EU in accordance with the rules of procedures of the joint ACP/EU Cotonou Partnership Agreement.

Mr Assistant Speaker, you may recall that in 2008 Papua New Guinea successfully hosted the Sixteenth ACP/EU joint Parliamentary Assembly here in the National Capital District under my chairmanship. I am, therefore, thankful and indeed honoured and privileged to once again represent Papua New Guinea at this important parliamentary assembly.

As your delegate, my immediate task was revive and restore Papua New Guinea's credibility and pride that was forced to be in abeyance during the Eighth Parliament. Erratic and mediocre adherence was accepted as half hearted way of PNG fulfilling its commitments and obligation prescribed under the Cotonou Partnership Agreement.

Consequently, the information gap between then and now was such that I felt like a novice having to keep up with the sequence of events that had transpired during PNG's long absence.

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However, with your support, Mr Deputy Speaker, I am confident that together we stand to improve our attendance hence, performance.

Mr Deputy Speaker, at the recent Brussels meeting, I was appalled and indeed embarrassed to learn that among the small Pacific states, PNG has yet to ratify the Revised Cotonou Partnership Agreement. I am however glad to acknowledge that upon my return PNG has since ratified this Agreement and that the Secretary General of the ACP group of states was promptly advised by the Department of Foreign Affairs and Trade accordingly .It was equally disappointing and indeed appalling to know that PNG's lack of absorption and capacity has resulted in Euro 130 million earmarked under the 10th European Development Fund for 2008 to 2013 period being reduced to Euro104 million, in fact a reduction of Euro 26 million which is equivalent to K72.8 million .

Mr Speaker and honorable colleagues of this Parliament, I believe this was attributed to PNG's inability to comply with the stringent requirements imposed by the EDF. I am therefore concerned that unless PNG officials from National Planning and Finance quickly learn to comply with EDF's stringent requirements, the prospect of PNG's returning unspent funds from EDF will be dire and inevitable. You will no doubt agree that the reduction of Euro 26 million will have significant negative impact on the total amount earmarked for PNG under 11th EDF for period 2014 to 2020.

Mr Speaker, as I said in my introduction, the 31st Africa and Caribbean-Pacific Parliamentary Assembly and the intercessional meeting of the ACP-EU joint Parliamentary assemble were held in preparation for the ACP-EU Joint Parliamentary Assembly scheduled to be held in June this year in Brussels. These meetings were conducted by three committees, namely committee on Political Affairs, committee on Economic Development, Finance and Trade and committee on Social Affairs and Environment of which PNG is a member.

Membership of each committee is based on rotational sequence of two years in accordance with procedures of the ACP-EU joint Parliamentary Assembly. Consistent with the

procedures, PNG will serve as a member of the committee on Social Affairs and Environment over the next two years. With your indulgence, I would like to confirm that I represented PNG on the committee on Political Affairs during the seventh Parliamentary Assembly.

With great pride and humility, I welcome the honour and privilege of once again representing Papua New Guinea as your delegate to the ACP-EU Joint Parliamentary Assembly and to serve PNG's interest in Committee on Social Affairs and Environment with its taxing challenges.

Like two other committees, the committee on Social Affairs and Environment considered the minutes of the meeting held in Paramaribo in Surinam in November 2012.

The draft report of the committee on Social Affairs and Environment together with Part A draft motion for the resolution will be in one of my next report.

Mr Speaker whilst in Brussels and with the assistance of the PNG Embassy in Brussels, I held a series of meetings with the representatives of the European Commission, Parliament and private sector.

My meetings with these potential development partners were primarily exploratory in nature. Though I seized the opportunity to secure some assistance for the existing situation of Wewak port and surrounding beaches, I explained that there was erosion and flooding of beaches and shoreline due to constant sea attack.

I further explained that Wewak town is potentially one of the many casualties of climate change unless a sea defense is erected. Incidentally, Sir, the Wewak sea defense project proposal was considered and approved by NEC decision No. 262 of 2010.

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consulting firm, a world authority, I hasten to add, in the construction of sea Defence and Dykes.

It is to be noted that Royal Haskoning DHV has a total of 100 years in this field which has offices around the globe including United Kingdom, Europe, Africa, Asia, the Caribbeans and the Middle East supported by three thousand nine hundred professionals.

The Construction of this project was scheduled to commence in latter part of 2012 but sadly it never got off the ground due to political impasse. The feasibility study report done by Royal Haskoning DHV is appended as Annex II of my report.

Through you Sir, may I urge the appropriate Ministries especially the Ministries of Works and Transport, Forests and Climate Change and National Planning and Implementation to carefully evaluate the report. It is to be noted that once successfully completed the Wewak project would be exemplary as climate change project.

It would, I believe, has a good prospect of being replicated by Papua New Guinea coastal provinces and many pacific neighbors.

Honorable Deputy Speaker, whilst in Brussels I took the liberty again with the assistance of PNG Charge d Affairs of PNG Embassy explore the possibility of PNG entering into an infrastructure agreement with the European Investment Bank. Initial reaction from the EIB, was quite promising and some what encouragingly positive.

Since I have no mandate to committee the government, I decided to leave the matter in the capable hands of PNG Charge d Affairs. It is my hope that ensuring parliamentary discussions between the Charge d Affairs and the bank officials may lead us to negotiations fully sanction by the Executive Government.

In the meantime, Mr Speaker, through your good office I would like to urge the relevant ministries to embrace the concept of establishing an Infrastructure Fund with the European investment bank (EIB) by asking positive steps to realizing the concept.

Finally I commend my report this honourable House.

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

**PERFORMANCE OF DEPARTMENT OF TRANSPORT -
FIRST QUARTER OF 2013 – MINISTERIAL STATEMENT –
MOTION TO TAKE NOTE OF THE PAPER.**

Mr ANO PALA (Rigo – Minister for Transport) – Mr Speaker, I rise to present my Ministerial Statement under Transport Department.

Mr Speaker, this is a statement to provide an update on the performance of the Department of Transport which is responsible for the Development of the Policies for the three Modes of Transportation, the Aviation, Maritime and Land Transport.

Mr Speaker, consistent with the Prime Minister's Declaration of 2013 as the Year of Implementation and the outcomes of the minister's Forum and Performance Agreements in February 2013, I would like to make this Statement on my Department's performance on the three Impact projects which are:

- (1) National Transport Strategy Formulation
- (2) Road Transportation Services Quality Improvements and
- (3) Transport Subsidy Framework Establishment.

Mr Speaker, the development of the National Transport Strategy is well advanced after wide consultations were undertaken with the main key Stakeholders and Donor Partners in the last two years. It provides a comprehensive strategic framework and a realistic Medium Term Transport Plan for the transport sector. It provides both policy guidance and an investment plan and supports objectives in the Medium Term Development Plan (MTDP) and reframes inspirational targets within a reality of the available funding.

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Mr Speaker, within the framework of the National Transport Strategy (NTS), one key initiative is to the improvement of Road Transport Services within the Lands Transport sub-sector to support the provision of services to our many users who use Public transport services in our provinces and cities and to ensure these services are reliable, affordable and most importantly, safe to use. This is will lead to the establishment of the Road Traffic Authority, which will combine the existing roles of the Land Transport Division, the National Land Transport Board and the National Road Safety Council.

The third impact project is the establishment of a Transport Subsidy Framework with the objective of providing transport services to our rural population. This is being developed under a consolidated approach and most likely as Community Services Obligations, given that the services provide no commercial attraction to the private sector especially in many remote areas of the country.

Mr Speaker, in the interest of this Parliament, I will be providing a more detailed statement regarding the National Transport Strategy in the July Session of Parliament with a view to a formal launch after the Meeting.

The National Transport Strategy

Mr Speaker, the National Strategy is a landmark document, in that it provides the most comprehensive review and assessment of the transport sector since independence and harts a way forward for the network and systems that carry the lifeblood of the nation through its integration between the National and Sub-national Government's plans.

Our previous document for the transport sector was the National Transport Development Plan (2006-2010) whose focus was to upgrade and maintain our transport infrastructures and to fill in missing transport links in our transport system. That plan also highlighted that the greatest risk to improving our social and economic well-being was inadequate funding to upgrade and maintain our transport infrastructures. It is with sadness that I observe that PNG did not deliver those plans.

Mr Speaker, one of the weaknesses in previous plans has been a lack of awareness, a lack of knowledge about the plan and what it is supposed to do. Awareness is something we can act on now and my Department has developed an Awareness Strategy for the National Transport Strategy. The objective for the Awareness Strategy is to promote understanding and generate enthusiasm for the NTS as a way of setting the scene for successful implementation.

For the first time the key strategy for the Transport Sector will be available in electronic form. This will enable broader penetration of the strategy across the nation as it will facilitate more cost effective distribution with potential users and also our stakeholders and partners to be able to download the relevant documents from the internet.

Mr Speaker, a detailed action timeline for the next tow months to the launch date has already been prepared and is being implemented. The awareness strategy has started with the preparation of publicity materials.

The first major even will be the launch of the NTS on 12th July 2013, following its presentation to the Members of this House, thus, confirming our delivery of this first impact project in 2013.

Improving Road Transport Services.

Mr Speaker, the NTS has identified transport sector agencies' objectives in the Medium Term Development Plan (MTDP) and reframes inspirational targets within a reality of the available funding.

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It has identified improvements to the transport sector agencies and one of the key improvements identified is the establishment of the new Road Traffic Authority to combine the current fragmented roles of the Land Transport Division within my department, the National Transport Board and the National Roads Safety Council.

Through this amalgamation the regulatory and service functions of the Land Transport agencies will be improved and duplication of responsibilities with respect to enforcement, safety and standards will be avoided and dissatisfaction by road users will be communicated to the responsible units under this new road traffic authority.

Beyond these, there are number of associated agencies with a direct involvement such as the Independent Consumer and Competition Commission in price and competition regulation, the Motor Vehicle Insurance Ltd in managing vehicle registration and insurance and the PNG Royal Constabulary in ensuring compliance with road rules.

The National Transport Strategy already examines the nation's institutional frameworks for such reforms and provides guidance to ensure they are suited to both existing and emerging demands of the sector.

Mr Speaker, the majority of our rural people continue to be deprived of the much needed transport services in all the three modes of transportation even after 37 years of independence and as such National Governments intervention is of significant national importance.

Subsidized shipping and air services need to be designed and delivered if the Government is serious about addressing the challenge of achieving the millennium development goals.

A subsidized franchise shipping scheme is currently being designed to provide waterway transport to remote and disadvantaged communities to maximize their opportunities provided by such services. There are two franchise routes in operation and these are:

1. Local level small workboats that provide carriage of passengers, agricultural produce to markets and transportation of essential supplies to and between villages to sustain livelihood and social networks of PNG local communities; and

2. Coastal schedule passenger services provided by Rabaul Shipping and Lutheran Shipping.

In Aviation, the recent introduction of Travel Air into the domestic routes commenced from such franchise and new players offering such services to the rural areas will be encouraged.

Mr Speaker, PNG highly dispersed population presents challenges for the provision of transport infrastructure services to support economic development. The growth associated with development of mineral and petroleum resources like the recent LNG projects provides both opportunities and challenges for our nation and the Government is already looking at initiatives to diversify the economy.

The transport sector has a key role in taking advantage of the opportunities that has been presented and broadening our economic base is the way forward.

The Government is faced with transport infrastructure that has deteriorated to the point where it threatens our opportunities for social and economic growth. The decline in infrastructure and transport related services are also impacting on safety and security is being compromised resulting in accidents. Sadly, places that previously were accessible are now losing their connections.

At the same time our rapidly expanding population increased awareness and growing expectations regarding law and order, health and education services are driving demand for a more extensive transport system. Our people also want to participate in the economic growth which is driving calls for access to markets and associated wealth this will bring.

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Mr Speaker, in this regard, the Government has a Jetty Program under which every maritime district in the country will have a jetty to encourage commercial activities with the district and to encourage service delivery to the people or the district. The Government also has a Coastal Vessel Program with a funding support of K20 million under the management of ORD. Under this program, each maritime district will receive a work boat or vessel to sort out economic activities within the region.

Mr Speaker the National Transport Strategy when finalised will comprehensively address major ports and port services throughout the country including the Port Moresby, Lae, Kimbe pier inlets and Kavieng and Wewak ports. It will address safety and security issues and the rising cost of doing business. Re-location of Port Moresby wharf to elsewhere to free up valuable seafront land for other important commercial activities will be addressed.

The two main international airports of Lae and Port Moresby urgently needs to be upgraded to meet the demands of the South Pacific Games in 2015 and possibly APEC in 2018. This will also be comprehensively addressed in the main policy document.

Mr Speaker, the railway system is also being addressed in the main policy statement because it is an important transport system whose time has arrived to help move our people and the economy forward.

Mr Speaker, in conclusion, the O'Neill-Dion Government is finally responding to the PNG rural communities' call. We have already increased financial support for transport infrastructure and service delivery through provincial and local-level governments. Its focus is on distant realisation and increased economy means greater responsibility must be taken by the non-government agency and this reflected in the roles and responsibility of transport agencies. The National Transport Strategy provides the information and the policies from which all agencies of government can take direction from.

Mr Speaker, the goals of the National Transport Strategy will to restore the following National Transport Network:

- Fully funded maintenance as far as possible from user charges;
- Develop new infrastructure to a economically viable, socially desirable and within the financial constraints;
- To strengthen the capacity of the government transport sector agencies; and
- To develop capacity and capability of PNG nationals and the national enterprises in the provision of transport infrastructure facilities and being 95 per cent of Papua New Guinea population within easy reach of all-weather transport access.

Mr Speaker, the National Transport is key commitment under the Alotau Accord and is being finalised for me to deliver at the next meeting of Parliament. This will lead to the delivery of other impact projects outlined above.

I now commend the Ministerial statement to this Parliament.

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

19/03

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

That the Parliament take note of the Paper.

Thank you, Mr Speaker, at the outset I wish to congratulate the Minister for Transport and his new Secretary for the presentation of this very important paper. As echoed by the honourable Governor for Central in his question to the Minister for Works.

The Minister for Works said, no loads, no development, and all of us couldn't agree more with him.

The Minister for Transport, the person responsible for policies on transport networks in the country has outlined three important strategies where he's taken the bull by the horn. It's about time, the nation, as small as it is and as rugged as it is and as many of our rural communities isolated because we cannot access them through road transportation or in maritime provinces, by the provision of government trawlers as was done previously. And also in remote areas where airstrips need to be provided and maintained, I think it's about time for the nation to start dialing up the important need for re-looking a new policy direction for transport infrastructure in those three sub-sectors which the Minister has highlighted.

Some of us, including yourself, our electorates are out there in the rural communities. Some of us do not have access to road, power and even communication infrastructure. But, more importantly transport infrastructure, including maritime, air and land transport.

Mr Speaker, it has always been my strong belief that if the nation, with its economic boom and now led by the honourable Prime Minister with bigger investments in Transport infrastructure will grow.

Yesterday the honourable Works Minister informed the nation what the K1 billion in this year's budget is focused on. And many of us we very happy that the highways and feeder roads that were once neglected, in previous budgets, even when they were brought on the Floor of Parliament We did not allow funds for those important infrastructure which many nations around the world thrive on.

Economic and social advancement is based on widespread public infrastructure. And the nations in the Asian economies are thriving because big countries like China are covered by

enormous road networks and power is generated throughout the big land mass while our land mass is so small.

These nations are now showcasing and reaping the benefits because they have invested heavily in public infrastructure.

And so it is no mistake that under the leadership of Prime Minister Peter O'Neill and Minister in charge of the portfolio, Honourable Ano Pala has now got the right focus. I think it is time for us to translate that policy, once it is presented in July, as he has made a commitment to do so, translate it on the Floor of this Parliament by another enormous funding allocation under the appropriation acts. \

It is about time we cover our small land mass and open up the country with roads. Our people will pick up the rest. They are very good farmers out there. They are very good fishermen out there and there are very good tourist destinations out there, all over our beautiful country. And if we can pour the right volume of money or funds, now that there is an economic boom we need to look at what the honourable Member for Goroka was talking about. Dedicated and affirmed by the Treasurer, dedicated infrastructure and development funds from the Sovereign Wealth Fund, even through the budget, we must make sure that we know the kilometers of roads that we have and the number of wharves and jetties and airports and airstrips, we can actually calculate the actual costs of new development and also the cost of maintenance of these important infrastructure.

20/03

In my part of the country, I always worry about the next bridge to be washed away or the next PMV that will be stranded on the road due to culverts being washed away.

Therefore, whenever there is flooding in my electorate, I ring up the Secretary for Works to send his engineers to go out and assess the damage. We must look after these infrastructures as they are big capital investments. Therefore, every time it rains the engineers from the Works Departments must go out to assess damages to these important infrastructures because at the end of the day our people are the ones who will suffer.

The writing is on the wall and from global experience that when nations are linked and more accessible through transport infrastructure they are then prosperous. When our transport infrastructures are developed then all other developments will follow suit. The Government is

only responsible for strategic investments and I am very happy that the Minister for Transport has taken the lead by introducing another five-year transport development strategy.

I am also happy that there are many options that we are considering looking into. For example, the Minister mentioned the consideration of bringing a railway system into the country. And it is about time this country looks at the option of using a railway system. I know that the initial capital is very high but a railway system can cater for mass transportation of goods, services and people. For example, if we were to put a railway from the Gulf Province going through the Central Province and all the way to Alotau, you can image the enormous volumes of goods, services and people the railway will cater for.

This would mean that more people would do more farming, agricultural projects, banking, businesses and, et cetera. This would ensure that our little people will become more self-reliant and able to earn money to put into their pockets every day. There must K20 in every citizen's pocket every day and that is the challenge that some of us as leaders have.

We must allow economic prosperity to trickle down to our people. Sir Mekere once said that, we are nobody because it is GDP. We are talking about very high GDP like 4, 6 and 8 per cent and at one time PNG had a double digit GDP. That is at the top level while our people are still suffering.

Many of my people's garden produce cannot reach the markets yet due to the lack of transport infrastructure. For example, my people of the Amazon Bay still do not have access to roads because I have not built any yet. It takes them eight hours by sea on their double hull canoes to reach Port Moresby and by the time they arrive all their bananas are ripe and sago salted from the sea voyage. Therefore, most return home with nothing to show for their hard work.

Therefore, we must remove such hardships faced by our people throughout the country and I am glad that the Minister's statement focus is on rural communities and that 95 per cent of our rural communities must have access to transport infrastructure. This is in fact; a wonderful and honourable vision and this Parliament must support the Minister.

The Budget must support the policy. The policy is well prescribed but the nation has failed when the Budget is not aligned with the policies. This nation through its bureaucracy and political leadership has developed some of the best policies in this region. No nation has ever developed a 40 year vision only PNG, and now Malaysia is talking about their 20 year vision. No

nation has developed a consistent medium term development strategy and the strategic development plan. No nation has ever done such policies but this country has gone through this experience but our failure has been that, when we debate the Budget, we do not attach the money value to the policy that we proudly pronounce and launch.

Mr Speaker, you are the head of the legislature and your input in the appropriation act is very important. The Prime Minister is taking the leadership and the key Ministers for Works, Transport and Civil Aviation are now aligned. Therefore, the nation must now have a strategic transport policy so that we can build this nation.

Mr Speaker, there is technology available so that we do not have to have all our roads sealed. There are chemicals that mix well with muddy soil and with proper drainage system such a road can withstand extreme weather conditions.

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Mr Speaker, we need to bring in the technology that is at our disposal now and harness implore our civil engineers who have been well trained at the University of Technology .

We train them with our taxpayer's money, but the private sector is employing these professionals. We are not giving them the right tools to dispense the knowledge and the skills they acquired very proudly from the University of Technology.

Mr Speaker, it's about time we continue to raise the bar. The Minister's for Transport and Works have raised the bar and I think the only thing that the Parliament need to do is to provide the budget support.

Mr Speaker, I remember when I was a bureaucrat, the kina was devalued in 1994.the cost of purchasing medical supplies for the whole of Papua New Guinea was K24 million .This was to supply hospitals, aifd posts and health centers through out the country.

Mr Speaker, after the kina was devalued, the budget for medical supplies was only K18 million-. The budget had always been K24million but during that year it dropped by K6million. It became a trend for bureaucrats to visit the Finance and Treasury Secretary and say no if you give us only K18 million, we are going to have some aid posts short of medical supplies and medicine

Mr Speaker, similar argument with infrastructures. If there's no road, then there is no development, business, or agriculture and we will not achieve our dreams.

Mr Speaker, and this honorable House led by Prime Minister we all owe this country; it's a small land mass country.

Mr Speaker, I strongly recommend that during this time of economic boom, leadership should focus on two-priority public infrastructures, open up the country with roads and cover the country with electricity and the rest our people will pick it up, I think we have too many priorities and we are diluting the little resource envelope that we have.

Mr Speaker, we need to support the Minister's for Transport, Civil Aviation, and Works because nations are built on, as I always say the three 'I's Infrastructure, Institution and Innovation.

Nations will move if they are built on wide spread infrastructure, strong institutions and innovativeness.

Mr Speaker, today with the debate on infrastructure, I know we have the Prime Minister's support but come November, we must make sure that the Appropriation Bill in July.

If we don't, the future politicians will stand on the Floor of this Parliament and continue echoing the same sentiments that I echo on this day. I commend the Minister and his Secretary and all his staff.

At the Caucus meeting, the Minister was talking about building human resources, let's build the skills, let's train the engineers and lets bring the institutional processes. You know our experience in this nation, Mr Speaker, is the interference by politics of Institutions of State. It's very easy to pull down what has been built over time but hard to rebuild.

Mr Speaker, you know the old Works Department and the how many governments have put their fingers in and destroyed and dismantled it. Let's support the commitment by the Minister for Works and let's bring the PTV back. Those are important infrastructure because you know some of our districts, we don't have the private sector to go and move all the bulldozers to Loupom, Mailu or Nunumai where there is no road. I cannot afford to tender because nobody is bidding.

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It is too remote. It takes 12 hours to hire a Defense Force barge from Port Moresby at a cost of K50,000 in order to load the bulldozers for a project that cost K500 thousand. Do you

think anybody will be interested to go there? These responsibilities must rest with the national government.

We always talk about the provincial and the feeder roads. I recommend that all roads must be declared national roads and be taken care of by national government. Roads are important and must come under national function.

The Governor of Central Province asked the Minister to declare the Goilala road as a national road because the Honourable Member for Goilala cannot maintain that road with his current funds? The former Member also spent all his DSIP on the same roads, rather than health and education.

Due to the numerous landslide in the area, the Road Constructor was there for 12 months, continuous building the road. In doing so, the former Member spent all his DSIP funds. I therefore, urge the Minister to declare the Goilala road a national road so that it becomes a national responsibility and can be funded through the World Bank, ADB or AusAid and maintained by the government.

I strongly support the Minister and urge the government to focus on opening up the nation with quality roads and provide power supply to every district and village throughout PNG, we can elevate the living standards of our people. We will not be far away from the medium term development goals of 2015 assessments.

Mr GARRY JUFFA (Northern) – Thank you I would like to enter debate and commend the Minister for his thorough presentation. These are very important areas of development that needs attention.

I think the Minister for public service has been explicit in pointing out the importance of infrastructure, roads and et cetra, but I am concerned about the procurement process by which we secure companies to build these infrastructure.

Over the years, we have allowed a purported system to exist where by we are paying more above and beyond for the development of this infrastructure. For instance, a road that is supposed to cost K10 million ends up costing K60 million because the purported system. I am talking about bridges and buildings as well.

The Central Supply and Tenders Board is the premier institution that is supposed to screen and ensure that there is a proper transparent process in the procurement of services. We

are supposed to select creditable companies, have a review and monitoring mechanism in place. Inspectors that go to inspect these infrastructures to ensure proper materials are being used; safety standards are used whether regional or international are abided by. I gave an example few days ago when I used the awarding of a company in Oro Province. A company that operates out of a settlement and operated by a man namely Cowboy who has absolutely no experience at all but he is out there patching potholes at the Girua airport runway with a little wheelbarrow.

He was awarded a K200 thousand contract. But this guy has absolutely no road works experience so how was he given the contract? This is just one example but there are so many examples out there. There is also an example in West New Britain where a hospital contract was given to -

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If we do not make a concerted effort to sort out the Central Supplies and Tenders Board, which is the primer procumbent system of the National Government and this country, then we are going to continue to have problems. For example, when we allocate K500 million and only K100 million worth of work is done, where does the K400 million go? So, let's be serious about this issue of awarding of contracts.

If we are very serious about the report presented by Minister for Transport then Central Supplies and Tenders Board must be reviewed and audited, and if necessary, get rid of all of them and let's bring in a professional firm that can sit down and do the procumbent process properly, so that reputable construction firms are selected and we can get quality work with consideration to safety and people can be satisfied in getting what they want and we as leaders are doing what we are suppose to do.

Mr JOHN PUNDARI (Kombiam-Abum – Minister for Environment and Conservation) – Thank you, Mr Speaker, I just want to make a very short contribution to this debate on the very important statement brought on by the Minister for Transport. I believe the Minister for Works yesterday delivered his statement in relation to the importance of the roads in the country.

Mr Speaker, I do not have to stand here and repeat some of the good remarks made by the Minister for Public Service and others as well. But the fact of the matter is that a nation is built on good infrastructure.

Mr Speaker, I grew up in Chimbu Province and attended Gone Community School when we gained Independence on 16 September, 1975. At that time, the Member for Kerowaghi was a young man.

The point I am trying get across is that we all grew up alongside the Highlands Highway. During those years soon after we gained Independence, the Highlands Highway was one of the best infrastructures in the country, and today we see it as one of the major economic lifeline of the country.

Mr Speaker, I just do not know where we got everything wrong. During those times when you travelled up the Highlands Highway, it was encouraging to see the Works maintenance team doing maintenance on the road especially along Eastern Highlands, Chimbu or Western Highlands without fail. But all of a sudden, we get up and put the blame on the Works Department by saying, Works can not do the job anymore so forget the plant transport division because they do not have the capacity and the money, so give the contracts to private firms.

Mr Speaker, as a leader of this country, I have travelled up and down the Highlands Highway and it saddens me to see this road. I have shed tears because of its deteriorating state. Every leader in this country states in no uncertain terms that this highway is an important economic lifeline.

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When you see the state and condition of it, I was so embarrassed myself as a leader that you could feel those painful tears.

In the successive governments we had over the years, everybody comes in and states the importance of that road infrastructure but yet we do so little or if you allocate money for that important highway, maybe K100 million here, K30 million over there and K50 million somewhere along the long Highlands Highway, what do you get out from contractor? You get piecemeal out of it. All of a sudden two weeks or a month down the line, you see potholes everywhere and the need for maintenance again. It is a question of where we have gone wrong.

Maybe when we are debating the importance of infrastructure, the fact that nations are built on good infrastructure, can we learn from some of our mistakes from the past and maybe some of the things we did better in the past in keeping, ensuring and maintaining the quality of some of our roads or infrastructures for that matter. Maybe we need to re-visit and humble ourselves and say yes, we have gone wrong there so maybe we should see the right thing.

Minister for Works, I think it is about time through you Mr Speaker to reconsider bringing back and re-capacitating our Works Department throughout the country.

Mr Speaker, we have produced great engineers in this country; surveyors and civil engineers for that matter.

Mr Speaker, is it that our people cannot operate excavators that we are outsourcing contractors? Is it that our people cannot operate graders and rollers that we are outsourcing contractors? Well, in certain cases, we might need contractors to bid for and participate in building infrastructures. But we can save a hell lot of money doing a whole lot more in so far as infrastructures are concerned in this country, if we re-build our Works Department. Let us go back to those years when the Works Department were in the forefront undertaking maintenance in the country.

Mr Speaker, I also wish to join and support the statement made by the Governor of Oro. When we diverted our attentions away and brought in contractors, look at all these corruption that has come in. we had a few more for ourselves. We are all participants and part-takers of all these.

Mr Speaker, I think it is about time that we did the right thing. This Government for the first time, I think is giving attention and seeing the real need for infrastructure as a way of building a country and that is indeed in the right direction.

But I also believe that going forward and going into the future, building great infrastructures already and living them out there in the cold and rain, and in the weather that we have here in this country without an effective and efficient maintenance system, the future is not there for the infrastructure that we will build. The Departments of Transport and Works respectively must now be capacitated and habilitated.

Water Rise is an example and it is a place where they kept all the machineries that undertook maintenance on the Highlands Highway. There were certain strategic sites that the Works Department used to have these capacities to enable it to ensure that the important lifeline or road

infrastructure was well-maintained all the time. Now if you go there, everything is rundown but we got to revive it; spend a billion kina and build the capacity. Get our engineers out from the University of Technology in Lae capacitate it, resource it and let's keep well maintained infrastructure going forward and going into the future.

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Calling on the Defence Force Civil Engineering Division as the Governor of Oro and others here on the Floor of Parliament have stated is another way forward.

In my own electorate, my road was identified as one project under the ADB funded programme and when they advertised it, no one wanted to come to my district because it was a remote rural electorate. Yet here on the Floor of Parliament we all agreed that we need all of these infrastructures for the purposes of ensuring that the bulk of our population that live in the rural communities are served by good road infrastructure.

When you went out there and advertised, none of the contractors wanted to come to my district. And if they wanted to come, they wanted to come at a higher price and I believe you have your own examples.

I believe this is where, most probably our Defense Civil Engineering has to go and if we had a well capacitated Works and Supply Division in my province, I would have that problem anymore.

The Government wouldn't have to spend a hell of a lot more money on top of what was budgeted for because here were contractors who didn't want to go but who would go if there was more money.

You see what I'm talking about. We've got to do the right thing. And the right thing to do is to believe in ourselves, it is to believe in the agencies of government that provides those kinds of services and build that capacity. Save some money and build our infrastructure in the country and that is, I believe the only way forward, as a country we will always have to acknowledge that good infrastructure is the only way to building a country.

Debate (on motion by Mr James Marape) adjourned

**DEPARTMENT OF NATIONAL PLANNING QUARTERLY REPORT –
MINISTERIAL STATEMENT – PAPER NOTED**

Mr CHARLES ABEL (Alotau – Minister for National Planning) – Thank you, Mr Speaker, I rise this afternoon in Parliament to make a statement in relation to the Department of National Planning and Monitoring.

And I just want to inform the House that it is my intention in this session, obviously it will have to be next week, to present another three reports to Parliament, as is part of the role and functions of National Planning.

Those will relate to the PNG Church Partnership, the National Agriculture Development Plan or the NADP and also to present a report, for the first time, on the outcomes of the CIMC consultative process. That is also something that National Planning is responsible for and a very important dialogue process that we have with the civil society in Papua New Guinea.

Today, Mr Speaker, it gives me great pleasure to present the quarterly report in terms of this very important department and the associated agencies of the Department of Rural Development and the National Statistics Office in meeting the objectives of the O’Neill-Dion Government.

I thank the Prime Minister for making the directions that these reports be made by Ministers in the interest of accountability and to demonstrate the seriousness of our government in getting down to work in this year of implementation.

I would also like to thank the Deputy Prime Minister and all the leaders of the coalition for the great collective effort so far in this government of unity and reconciliation.

The role of the Department of National Planning and Monitoring, is Mr Speaker, this department is one of the so-called central agencies along with Treasury, Finance and of course, the Department of Prime Minister and NEC. And it has a supposed role of setting a long term development path and designing investment programme that set us on that path and monitoring the adherence to these programmes.

On of the first questions, Mr Speaker, we have asked ourselves, particularly in the light of the much publicized abuses at Planning, ‘what is the role and relevance of this department and how does it fit into the kind of lean and efficient machine that we often dream of the public service.

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Is that superfluous? Is it performing its role as it should be and doing so adding value to government decisions and outputs?

Mr Speaker, in fact, we should ask this question of all government departments and agencies. One of the first things that I have done as Minister is to examine the mandate of this department and to instruct an immediate return to its intended role. As things stand and by prime ministerial determination and implication, this role is to develop long term plans, which it has in fact done so far. These are; 2030 Development Strategic Plan and the subsequent Medium Term Development Plans and also to design policies and a development budget through public investment programmes with a longer outlook than an annual outlook to achieve those very plans. Its role is also to monitor and report on the outcomes of these programmes and provide a central coordinating function within the government for these activities.

Mr Speaker, the department over the last 10 years, unfortunately, has evolved into a clearing house for large sums of government funds, fielding thousands of individual submissions and dispersing these funds by political direction and to friends and cronies. There have been very little if any reports against the millions that have gone through this clearing house. This is obviously not the role of the Department of Planning and obviously, this is not how public investment programmes should be designed.

Mr Speaker, one of the outcomes as we return to a planning and monitoring function, and as I said, I will be presenting three reports in this session of Parliament to get back to that role of reporting is the realisation that PIP Funds should not be parked in large pools at a central agency for bidding purposes by all and sundry. This in fact is wonderfully conducive to corruption and all manner of schemes. Development funds must and should be appropriated to the relevant executing agencies against clearly articulated programmes and outcomes.

Development funds should never be given to private companies or individuals as it has happened on many occasions such that it becomes the norm. DNPM must then monitor and report the outcomes of these programmes and bring it to Parliament so that we can see what has happened. We have already have begun this process under this Government.

Mr Speaker, in terms of the functions in question, I have also commenced a review into the central agency process in terms of where DNPM fits in as we move into the concept of an integrated budget rather than a separate recurrent and development budget.

There is no doubt in all of us that we need to do long term plans and that we need a centrally coordinating function and a reporting role to this end. This is the job of the department and government restructuring must recognise and support this role and if we are to respect these functions then legislation is required to re-enforce these roles.

Mr Speaker, on the 4th of February, 2013, at the leaders' summit, I and the secretary committed the Department to implementing as many of us have done, three key priorities identified that are consistent with and fully reflective of the priorities of the Alotau Accord, the Strategic Development Plan 2030 and Vision 2050.

Mr Speaker, these three priorities in terms of the Department of Planning were:

- (1) To develop a comprehensive hall of government responsibility matrix to monitor the progress of major government and private sector programmes against national plans and policies;
- (2) To review the Strategic Long Term Development Plan and the MTDP, and
- (3) To effectively implement the 2030 Work Plan for the Department.

Mr Speaker, in terms of the critical activity matrix, the department has established this matrix which attempts to list the critical activities of our government from a macro perspective as a tool against which to help us maintain focus on those activities. It would also monitor the progress of these activities and flag the problems as they arise.

As the staff of the department engaged in the various committees and meetings, whether it be the Infrastructure Monitoring Committee, the Sovereign Wealth Fund Committee, Expenditure Implementation Committee, and et cetera, one the responsibilities is to continually update this matrix.

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Mr Speaker, I have presented this matrix at several meetings, so many of us are familiar with the elements of it and how it reflects to the *Alotau Accord* and the five priority sectors, as we spoke about in the election, and in our plans now with infrastructure, education, health, law and order and the economy .

Mr Speaker, there are 13 subsequent activities and they have associated sub-activities and milestones that will be developed through the matrix.

These activities are, Mr Speaker, firstly, the Strategic Development Plan and the current Medium Term Development Plan review, aligning it to the political cycle. At the moment,

there's disjointedness because political cycle comes in the middle of the MTDP, and that currently gives problems in terms of ownership of that plan and alignment with the Alotau Accord.

Number two is the financing question of the current budget and the five-year outlook, and the Treasurer spoke about some of the issues today.

Number three is an important one and that is the procurement process and the different modalities in which we translate the money into the budget into the outcomes that we want and we have been saying again and again, money is there, money is being warranted.

The question is, why is the Government machinery as it now stands largely failing to deliver? We are talking about Works yesterday and Transport today, and the issues of revisiting some of successful ways we used to deliver in the past. But today as we have it, we don't seem to be doing it in the efficiency that we would like.

Number four is the National Priority Infrastructure program that we are concentrating very heavily including the Pacific Games. These are the high level ones; Highlands highway, Lae port, Port Moresby port, Nadzab airport, Port Moresby airport, Port Moresby General Hospital and Angau hospital.

Number five is the PNG LNG project and in relation to the revenues that will come from there, the Sovereign Wealth Fund to ensure that those revenues are properly protected and utilized.

Number six is the access to basic education and health, and in the first instance our approach on this one in terms of accessibility is making it fee free.

Number seven which is in relation to law and order is the Police modernization, the continuation of the activities of the Task Force Sweep and the establishment of Independent Commission Against Corruption (ICAC). Number eight is the Public Service Reforms, which some of which are already underway and we have legislation before us in the session of Parliament.

Number nine, which needs more attention, is land mobilization. Everything comes back to land. Our people are the majority owners and they need to be able to register their land and be engaged in development.

Number ten is the State-owned Enterprises restructure and rehabilitation.

Number eleven is something we talk about and are very serious about provincial and district empowerment giving them more funding and enabling them at that level to take care of everything down there.

Number twelve is support and empowerment of small medium enterprise.

Number thirteen is what we are talking about, that is better monitoring and reporting against how we are going in terms of the current MTDP, reporting on the Public Investment Program, reporting against the statistics in terms of child mortality, literacy, maternal mortality and access to water. Where are these information and statistics? That is one of the reason why we are introducing this biometric electronic ID system, to give us more timely information in terms of population, Common Roll and building up a data base that we can respond to with our Public investment Programs.

Number fourteen, Mr Speaker, I would actually add on, is our Parliamentary and Legislative agendas because for me it is important. Laws must support our reforms. We need legislation behind it and that of course is spoken of in the *Alotau Accord* in terms of the legislation we need to address.

Mr Speaker, each activity is critical and needs to be kept abreast of through the respective and responsible agencies. These red flags should be dealt with and responsible Ministers and various oncoming sessions will present their reports against the departments and will highlight some of these sub-activities under each of these particular headings and we should be able to flag issues there.

This is what this matrix is talking about and I give some examples here. We talked about the drop in the commodity prices in particular gold lately, so what are the revenue impacts of that and how are we responding to them and that will affect financing in this heading. We talk about making sure that the China Exim Bank negotiations are being pursued, as we cost our projects and again, this should be flagged under financing.

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Under procurement for instance, we talked about the establishment of the Infrastructure Development Authority because we know that the current procurement system of Department of Works is not really in a position to get the major infrastructure projects completed in a timely

manner especially with the bottle necks. So how is that also progressing in terms of reporting through this matrix?

Under procurement, other example is the negotiation lately, with the Australian Prime Minister, and in terms of the Australian aid Program. How can we better deliver on this program? The Prime Minister said, we focus on that program more, so let us get them to deliver the particular projects directly rather than spreading it all over the place and after 37 years we are not really sure what happened.

The Prime Minister told us to sort out the Lae to Madang road and Angau Hospital as they build the Port Moresby General Hospital. In line with that the AusAid are now responding to Prime Minister's requests to build the headquarters for the lower courts in Port Moresby, so the designing will commence.

Under the minor infrastructure project the Lae Port is very important and we have issues regarding the Landowner engaging in businesses. This has to be flagged and dealt with so that the Constructor can continue. This project should not be delayed or disrupted.

We also have issues concerning the PNG LNG projects. In terms of our landowner expectations which is always an ongoing issues, at the moment there is a particular issue, and the Prime Minister is in consultation with the Governor, the Minister and the Operator. So these activities can be flagged as critical activities rolls on.

As mentioned, there are other Ministers who are concerned with their priority projects and they also need to be monitored. I believe in terms of monitoring, the Chief Secretary and his department will be involved.

The second activity that we are committed to is the review of the Strategic Development Plan and Medium Term Development Plan, This review has commenced and the department is chairing it. There was a recent NEC decision, N0: 26/2012. I know we do not want to talk about this because we are tired of meetings and reviews but it is important in terms of prioritising the Alotau Accord. I also mentioned to ensure that the MTDP is currently realigned its current political time frame.

We should also have proper reporting framework in place. We should be able to know when the statistics should be out and what format to be used or report against in order to give us those statistics, what are the outputs in terms of health and education and what are the milestones and the statistics.

Mr Speaker, I would like to see the Development Strategic Plan 2030 adjusted to be more strategic so that it better recognizes our competitive strengths, in terms of an intact environment, small population, fertile soil and huge marine resources, tuna in particular and talks about addressing the underlying issues in terms of sustainability. These include population, food and energy security and environmentally friendly and founded economies. This is the way of the future.

We need to invest time and money into some of the longer term strategic initiatives to lay the long term future. Population is a classic example and we are developing a policy this year. We are consumed with how to feed, cloth, educate our children and maintain law and order because we cannot keep up with the numbers. Instead of looking at the cause we are obsessed with short term resources exploitation. In doing so, we are damaging the environment which is the basis of our future economy.

We are in a changing world with over population, global warming and climate change, I think the world is ready to give huge value and money and recognition to those that take the bold steps to be a part of a solution to these crisis.

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Mr Speaker, the Department is trying to look at increasing our utilization of more dynamic modalities for service delivery. Improving the partnership between State, civil society and the private sector, for example in areas where they can deliver better than Government like the tax credit scheme for infrastructure, Church health and education services. Where they are delivering better than us, we should expand and support them more. The NGO family planning and women health have been doing a good job. Under certain aid programs, there are very good examples we can see, and we have mentioned one with AusAID, but the one we have been using is the JICA Bridge Program.

If they can use our aid money and directly deliver quality bridges in Bougainville and on time and money not wasted, then why don't we pursue further those kinds of modalities? We want to capacitate our companies and use our systems, but if the systems are not delivering then what is the point. The most important thing is we get the output at the end of the day so people can bring their copra and cocoa to the markets and that is what we are after. So it is all about looking at different ways of delivery not just trying to constantly force ourselves through this

process year after year using Government modalities. Maybe there are better ways to deliver things.

Mr Speaker, better use of the donor funds is part of the exercise as well and we want to maximize the benefits that our aid programs can deliver. In that regard, we had our first effective donor consultation in April to reinvigorate the Departments engagement on aid effectiveness and in ensuring the best form of aid delivery that maximizes the comparative advantage of each donor.

To improve donor partnerships and ensure that they are fully aligned to the priorities of the O'Neill-Dion Government, the Department is in the process of drafting an Aid Policy, which will be submitted to NEC later on this year.

The Australian Government is reducing the number of technical advisors and as agreed to work on 3 major infrastructure projects like the Lae Madang Highway, PRL Stadium and lower Courts Headquarters within the existing program. As an example of this direct deliveries such as the JICA bridge program is also an example of a successful program and modality. As we examine such programs as the IDGs for the gas producing areas, we need to partner with the main developers who have the capacity and presence so we can deliver the infrastructure and services that we are supposed to with that money. Landowners of course should be involved as an integral partner as well.

It's about partnerships in development, Mr Speaker, and a very important partner is the subnational governments. Their empowerment is a critical activity and this has seen record funding as well as changes to the procurement authority and to the laws in terms of the public service to make it more responsive. Our Government will support the development of provincial and district integrated plans that align with our overall long term plans and is committed to supporting them with the means to do Government functions at subnational level.

Mr Speaker, the Department hosted a planners conference to revitalize and strengthen our relationship and dialogue with provinces and districts to collaborate, share, regroup and discuss ideas. We wanted to share the longer term strategic planning of the O'Neill-Dion 5- year investment outlook and how National Departments and Provincial Governments can collaborate to improve service delivery, economic opportunities and living standards over the next 5 years.

The DIRD has been conducting a series of workshops on informing particularly the provinces and district about the revised guidelines on DSIP/PSIP and the increased responsibility they have under the PFMA.

On the funding for 2013, Mr Speaker, in May, K1.445 billion or 25 per cent of the total development budget of K5.8 billion has been released.

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In terms of K3.8 billion, actually 37 per cent of the tax component has been warranted or released. Quite a significant amount of this money is still not yet used and this is a concern because it is May and we need to get on with business.

Mr Speaker, as I said in terms of funding, this Government is committed and it is raising the money and appropriated the budget. The money has been warranted out to the executing agencies and we all need to get down and make it happen. Another thing that I always say is, it is team work and the Prime Minister is leading from the front. He is everywhere and everyday he is getting right down there grabbing hold of critical public servants so we all need to do the same whether it is in our roles at the national level or down at the district level. If we can all do our part as some of the speakers were saying yesterday, if we all do our little bit of the jigsaw, we will get this country moving.

I am committing my Department to this course, there are many good staffs in there and we have some changes lately not to do with anything like regionalism but it was just part of the exercise to get the government moving by cleaning it up and to get down to business. It is being led from the front by the Prime Minister.

So we are committed and we want to be part of this team and I think we can all put our hands together and work for better Papua New Guinea.

Mr SAM BASIL (Bulolo) – I move –

That the Parliament take note of the paper.

Mr Speaker, I commend the Minister for giving us the quarterly report in his Ministry. He has outlined many issues that we all as Members of Parliament should take note and help him along the way.

Mr Speaker, I will only point out on the 13 subsequent activities that he mentioned in his speech particularly on point 11 regarding district empowerment.

Mr Speaker, since the introduction of the DSIP funds, I as a local Member in my district find it very hard to synchronise my plans and services with the provincial government. There are lots of duplications and problems in terms of trying to address issues that the province has its own agendas.

Mr Speaker, I believe that when the *District Authority Act* is brought before Parliament for us to vote on, I know we will all support but can we look at bringing some of those functions because in my district the health function comes directly under the provincial government including, airstrips and education, and most of these infrastructures are very rundown that when people come out in the media, they think that it is the responsibility of the local Members. Sure it is but it cannot be sustained only from the DSIP funds because we don't know what will the outlook of the economy will be.

This year we received K10 million but if we want to fund the key infrastructures in our districts, its got to be done with the provincial government or else if we pass the *District Authority Act*, we must look at stripping some of those functions from the provincial government and bring it down to the district level because I know that if I have that funding directly from the Health Department in the Recurrent Budget, I can walking into my district hospital with my district administrator and address those issues on the ground and it also applies to the airstrips because most of them are closed.

In my district, I am trying my best to work with the trade store owners as they always keep the airstrips open by paying people to cut the grass because they want their store goods to come in. so they take ownership and I try my best to work with them but it will only be a short term measure because my provincial government is not concentrating on such infrastructures and I don't know where all the money from the Civil Aviation and Transport Department is spent. Even with education, we have problems with teachers trying to get to schools when the school year starts. They also have problems at the provincial headquarters during holidays because of cash flow problems so they start their holidays three or four weeks late. The question is what happened to all the money that the National Government has allocated during the budget because it is being budgeted and appropriated but it does not show in the provincial government.

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I believe that when we bring the District Authority forward we have to bring some of those functions with it, otherwise we will still have a mismatch in our districts.

Mr Speaker, I commend the Minister for introducing the electronic identification system. I believe that when you say electronic identification system we might be counting people, identifying people, where they live or where they come from so we may effectively address the population.

We may also effectively control vagrancy or movement of people but Mr Speaker, I would like to bring us back. On the second of August when we changed the government. O'Neill-Namah Government was in place. I was the Minister for National Planning.

The Minister is a good Minister. I would like to stress this so that the Minister can get this working again. I called onto the Secretary for National Planning and also the Director of National Statistics Office, Mr Joe Aka and we sat down together and we said. 'What have we got to do about data?

If you can look back, last week, in the Post Courier, Treasury Secretary Tosali, fronted up at the Public Accounts Committee and said, we don't have the data of the money he is spending.

So, Mr Speaker, it is very important that this country must invest a lot into data collection and we've worked out a formula. We called regional workshops. We went to Alotau and the National Planning Department paid for all the local level government managers and even interested presidents attended. All their airfares were paid for with their meals and accommodation in which we spent thousands of kina.

Mr Speaker, We went to Madang for the Momase Region, Rabaul for the New Guinea Islands Region and Mt Hagen for the Highlands Region. We covered the four regions of the country. And we've interacted with all the local level government managers throughout the country.

We told them that we were going to directly fund them K500 000 and they were very happy. But that K500 000 must have a string attached to it.

So, back to the NSO we pulled out all the recommendations that were on the selves and we came out with the village or ward record book. Now it will work this way. The village record book represents 4000 ward areas in Papua New Guinea.

It will cost roughly between K3 million to K4 million to print those, pack them, prepay TNT from NSO to the provincial capital where district managers come in pick them and take them to their district head offices. From there, LLG managers come in have a one day workshop, pick up the books, go to their LLG call all the councilors have a workshop with them and then the councilors take the books to their ward areas in October or November.

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Mr Speaker, by the first of January I urge the Minister as we spend thousands of kina to do that. Currently, K500, 000 has been dispatched into the LLGs now and I will tell you what will happen to that money. The LLG presidents are now prioritising their elections with that money. Therefore, if we continue to put that K500, 000 into LLGs, most of those LLG managers will challenge you in 2017. That is because that money is supposed to be given under some conditions so that they are qualified in the following year. I am not criticising the Minister but we have done some hard work and spent thousands of kina.

Therefore, Minister, can we re-introduce the system as the ward councilors and their committees are the best recorders. In their ward record books, they can record the number of coffee trees in that area, how many people have got STDs, how many men and women have died, the nearest school and road and et cetera. All these information and data, not only the ID of people, can be as well. Thus, when the NSO Office picks up the records in February then by June or July, we should know our population figures and the process repeats itself.

I had brought the figure of 7.1 million from Jiwaka to the Prime Minister and he said that he did not believe the figure. I am also surprised that Jiwaka had spent K60 million and it is still there. Therefore, I really think that the NSO Office should be cleaned up and that we should go back and use the ward councilors to record for us.

Therefore, can Minister go back and use the ward councilors as they are the best people on the ground.

Thank you.

Mr BIRE KIMISOPA (Goroka) – Thank you, Mr Speaker, I would like to congratulate the Minister for National Planning. The Paper he presented was well articulated and he has covered basically everything that is deserving from the National Planning Office.

I have a few comments to make with regard to National Planning and, Mr Speaker, if I may do so, I would like to make a suggestion in terms of the way forward.

Mr Speaker, if I may say on the outset, there is quite a few impediments between the National Planning and the country as a whole. The National Planning Office is too big in Waigani and too remote from the country. That is why those of us outside of Waigani are having difficulty in communicating with officers in the National Planning Office. For instance, some years back, I spoke to a National Planning staff regarding a rural power project for the Daulo electorate from Watabung. I had informed the office that the Highlands Highway runs through Watabung linking Eastern Highlands and Simbu. To my surprise, the officer I spoke to did not know where Watabung was located and asked if it was a rural electorate and when I informed him that it was, he then said that it did not qualify for electricity funding. Then I said, the power runs through there as the rural electorate has got health services there as well.

It appears to me that some of our bureaucrats in National Planning do not know the country. They just sit in the office and they do not really know about the country and who is living where or whether we have bridges, power supplies or schools.

I think that the National Planning, as big as it is, is just too remote. You can then imagine the difficulty that those of us whose electorates are outside of Port Moresby face. We try to get in touch with the National Planning Office by flying down to the capital and sleeping in hotels just to communicate with the officers. Sometimes it even costs us a Big Rooster Packs just to get into the National Planning Office.

Mr Speaker, these are some of the problems but I am impressed that the Minister is on top of these issues. Also, if we are going to go forward, I am suggesting that in the future we should establish a National Planning Authority that reports directly to the Prime Minister with four officers who will be based in the Highlands, New Guinea Islands, Southern and Momase.

These officers will be on the ground and they should be also equipped with all the experts like surveyors, architects, accountant and, et cetera.

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Few suggested to me their interest in my rural power and to build classrooms and the cost involved .If we are going to move forward and cut cost, Mr Speaker, it appears to me that the logical thing to do is to establish an authority where we will have four officers in the country.

This office will be linked to facility, knowledge and skills required by all our LLG's, the provincial governments as well as the local members who will have access to that office so it makes our job a lot more easier and it cuts down on our cost.

If we can do that, I think most of the programs and proposal entering the Office of National Planning will be worth screening and putting forward for possible funding.

Mr Speaker, I think that would be the way forward. I must also commend the Minister for taking charge of a Department that is riddled with corruption.

In order to get funding from the Office of National Planning, you have to pay money for the release of funds.

I don't know where else you can do that; this is the only Office of Government where it's so difficult to get in. I walked into National Planning in the last couple of weeks and the door was shut and no one was there to assist me. As a Member of Parliament, I was embarrassed to see how things were when I walked in.

Mr Speaker, I suggest we break up this office and make it an authority that reports directly to the Prime Minister because National Planning is so important.

Those of us in the rural electorate or in urban electorate like mine, we'd like to think that we can get a fair hearing from the Prime Minister. You must have an office that is equipped with all the expertise. You talk about census, feasibility study and economic impact survey; all this things can be done in the provinces. We must have at least four officers. I think that's the way forward.

This is so that the National Planning Office is closer to our people.

Mr ANDERSON AGIRU (Hela)- Thank you Mr Speaker, I'll be succinct.

I want to comment the Minister for National Planning. In the past we have been planning to fail.

Today The O'Neill-Dion Government has come up with policies, which will grow our rural outback, shifting resources from Waigani to our rural electorates. Although those funds may not be much it will make a difference in our provinces and in our electorates. Today we have got very goods plans, for instance the PNG SDP.

The Minister for Planning has outlined some to the key areas that he wants to focus on in the next few years.

Mr Speaker, the priorities of Government as already been set. I think we have enough money, the excuses that we have no money is something of the past. Therefore this is about honesty at all levels of Government whether as Governor, as Members of Parliament and as Ministers of Cabinet. If we can be honest in our expenditure, we will make a difference. So much has been said in the past few weeks about landowner commitments. When Members of Parliament are giving money to individuals without following the tendering and procurement process that is when Government is not discharging its obligations.

Monies are allocated, but spending is not monitored. Our expenditure is wasted and those funds, that is a challenge before us.

Minister for National Planning has come up with very good plans. Now we need to make it work. One such focus should be how we can work to put money in the pockets of our people. I see agriculture as one of the basic things that will help our people work their land to earn an income so that they can afford health and education services for themselves.

I also think yesterday the good Minister for Works came up with very good plans for transport infrastructure. The Minister for Environment and Conservation also debated today concerning the transport and infrastructure development in our country. On the back of those critical infrastructures like roads, our people will naturally live, work and make good use of the infrastructure we have.

36/03

Building of roads should enable the supply of electricity and communication. If we spend our money well, the PNG Strategic Development Plan should now look at the 20 years timeframe but with five years intervals.

Five years from today, our GDP should be something like K20 billion. Therefore, to grow the economy, we must first create backbones for instance, funding the highlands highway. That is the backbone of the main artery of Papua New Guinea's life blood.

If we look at the economic returns of each expenditure, we will realize that the only way to make more money for our people is to invest in activities where income will be generated.. Therefore, I think the Minister for Planning has very good plans here, so let us prioritise our expenditure for the next four years.

Mr O'Neill comes from a rural outback and he is now doing many good things in Ialibu-Pangia that can be replicated anywhere in Papua New Guinea. Therefore, our challenge today is not about putting shopping list in our budget but rather identify priorities with funding so that we can make a difference and people can be able to fend for themselves.

Agriculture must be one of these priorities. I do not want my people from Southern Highlands or Hela to come continuously to check the money tree. If we were give enough money in the various agreements, let us put them into those tangible developments so that the people can stay at home.

Ministers should not encourage their people with few handouts because when they come to Port Moresby they continue to beg and then criticize the Members of Parliament in the media. That is not the way I negotiated the PNG LNG projects.

Papua New Guinea will continue to grow. Leaders will come and go but our people's destiny must be save now. Thank you Minister for Planning, you have good plans so I will help you to build that from Hela.

Mr De KEWANU (Mendi) – Thank you Mr Speaker for recognizing the people of Mendi. As the representative of my people, I would like to contribute to this very important debate on planning.

Very good ministerial statements were presented yesterday consecutively from the Ministries of Works, Transport and Planning. I would like to congratulate each one of them for putting out the O'Neill-Dion Governments package for the next five years and beyond.

Infrastructure is the key and the backbone for development anywhere in the world. I think the government has the right frame of mind with the right plan and I would like to commend the Minister for Planning for coming up with a quarterly report unlike in the past, such quarterly reports of a Minister for Planning is released. The Minister has concerns for the people of Papua New Guinea.

Infrastructure will open the economic corridors of this nation and we would like to see the 9th Parliament achieve that. In terms of accountability I am not sure.

38/03

I want to see a road from point A to point B come to reality; engage qualified engineers to check and see that quality materials are used. As the Member for Chuave has mentioned about Lae road regarding the kind of gravel poured on the road was questionable. This is the 9th Parliament and we as leaders of this country must seriously consider making some changes and move this nation forward. I thank the Prime Minister, Peter O'Neill for taking a bold stand in your leadership therefore, I urged all of us here to support in whatever ways we can. Only then our people will realize the difference done.

And that's all I can contribute, thank you.

Mr MARK MAIPAKAI (Kikori-Minister for Labour and Industrial Relations) – Thank you Mr Speaker, I also want to add to the debate but, first of all I commend the hard working Minister for putting the country on the road map.

I have been here for the last 11 years, and for the first time I have seen under this Government through the speech of Works Minister yesterday, the extension of the Highlands Highway to the Gulf and through to Madang Province will ease some of the burdens of the Highlands Highway.

The amount of impact on economic growth this portion of the road connections will make. And standing here today, I know that my village is included on the program which, was brought before Parliament. That program basically covers all the rural districts and our people in those districts will benefit a lot from it.

Mr Speaker, most part of my life, I worked with the private sector and I do not know much about being a public servant. And it's my third term in Parliament and observing how this Government is transforming is of high regard therefore, I salute the Prime Minister for doing a fantastic job. Knowing him, he has vast experiences in management.

With that I just want to contribute few ideas on the finance side on how we can contribute meaningfully to move this country forward and bring development into this country. We must work hard to bring change. It's the revenue against cost so you set the target where you want to raise the profit to. Let's assume we are running a company and that is the way this country should run but again we admit the failures of our bureaucracy. Some of our departmental heads are not to that level that you want them to participate in the activities of the Government. With

the policy interventions we can transform those systems and put the right people in there if not bring people from abroad to replace them.

My second point is that we must never borrow from other countries. We are blessed with natural resources. We have to maximize our revenue flows from economic sectors. One example is the Fisheries sector; they must come up with a plan stating how much fish stock we have to help the economy.

39/03

This fish stock will help grow the economy by two per cent over the next five years. This is so much fish I have to harvest that is locked into the planning books.

If Pari has a target to grow their economy by 20 per cent for the next 20 years, you got to task your economic growth figures alongside the revenue generating areas. The Minister for Mining must be tasked if these are the amount of resources we have, and this is how much you have to grow the economy. This is your target, the percentage of growth your country wants to achieve.

In Forestry, have you fully maximised your capacity to growth the economy by five percent through timber resources. If he hasn't done it, he has to come with a plan. So every economic ministry must be given a percentage to grow their economy and that is amalgamated into the National Plan. I have not heard anything like that. What the Governor for Hela has said is true. I am shamed because my province carries two pipelines of gas and oil but there is no electricity, communication lines and district office in Kikori and yet, we come here and proudly say that the nation is growing by so much percentage. So many millions of kina has gone to landowner's pocket but there is nothing to show on the ground. They are never scrutinised by anybody but when we make mistakes, we referred to the Ombudsman and police prosecute us.

There is no reporting system for the landowners who receive millions of kina and they are not subjected to anybody. If you give them K10 million today, he walks off and goes on a honeymoon somewhere in overseas. We have government system like JDP, LLG and the provincial government system and this is where the money should be parked and the landowners should come through this proper process of procurement to get the project funds and do actual work and the Works Department to verify their work and pay them accordingly.

Unless otherwise, if this country does not have a plan to maximise economy of the resources we have and give in set targets to various economic sectors to grow, we will never achieve our dream. Nothing is impossible and we can do it. It is just that we have never got our heads together and for the first time with the intellectual capacity of the Members we have, I believe we can do it and we are making a difference.

I think through the Prime Minister that is the task we now have to give to every economic Minister and tell them that this is the plan in which we have to grow our economy for the next 20 years. How can you growth that percentage in your ministry or sector. We must set targets for our economic ministries so in the next 10 years, we will be the economic hub of the Pacific and Asia.

Thank you, this is my little contribution.

Mr JOHN PUNDARI (Kompiam-Ambum – Minister for Environment and Conservation)
– Thank you Mr Speaker for giving me another opportunity to make some input to what is a very important statement delivered by the Minister for National Planning. Let me go in record by thanking him.

I say this because maybe this is the first time I sat in the Chamber and heard the Minister for Planning giving serious considerations and thoughts to how we consider protecting our environment in so far as resource development plans are concerned. I want to acknowledge that and place on record my sincere appreciation.

Mr Speaker, let me inform this Parliament the fact that Papua New Guinea sits amongst a global community with a landmass of just one per cent or less compared to the bigger landmass of the planet that we live in.

40/03

Mr Speaker, this is very significant for a country with a small land mass compared to a country with a bigger land mass. Papua New Guinea may be a small village or considered to be an insignificant island in the part of the Pacific Region. In so far as its biodiversity is concerned, we contain 7 to about 9 per cent of the total global biodiversity.

Mr Speaker, that is unique and as leaders and as a people we have proud about that.

Mr Speaker, the fourth goal of our *constitution* is very clear, and it says, I might not be able to quote it word for word but in the way that I understand it is very clear in that it says something like, ‘We the people of Papua New Guinea should endeavor to use our environment or our natural resources for the collective good of every citizen’.

Mr Speaker, the fourth goal further challenges us, especially, mandated leaders like us Members of Parliament to ensure that we replenish that environment for our future generation. I would like to think that it challenges us to protect that environment for our use today and for our future generation. I also believe that it is the reason why you have an agency of government called the Department of Environment and Conservation that is tasked with the responsibility to ensure that we protect that environment and also to ensure that we replenish that environment for our future generation.

Mr Speaker, no here on this Floor of Parliament or those of us sitting in the Public Gallery will deny the fact that you and I and all of us put together are an integral part of our environment.

Mr Speaker, you cannot plan resource development outside of the fact that you need to take into serious consideration issues of the environment and its protection.

Mr Speaker, we should not just protect the environment only for today but for the future generation as well as they must also concern us as responsible leaders.

Mr Speaker, looking at the Minister for Planning’s statement, it says here where I underlined it for my note taking and I quote, ‘instead of looking at the cause we are observed with short term resource exploitation. In doing so we are damaging the environment which is the basis of the future economy’. Minister for Planning, I want to thank you for giving serious thought as how we consider the environment alongside our development plans.

Mr Speaker, I have said on this Floor of Parliament once before and I believe that I should say it again. I took a trip to Australia which is not far from Papua New Guinea and a neighbouring country.

Mr Speaker, Australia just by protecting the Great Barrier Reef which extends to their north and our south of the country it generates about AUS\$ 5 billion into the general economy of Australia.

Mr Speaker, I watch the *National Geographic Channel* and I watch all the beauty about the environment and its biodiversity, and all that information that comes on it. While in Papua

New Guinea we might not have lions, giraffes and elephants that we try to portray for our people to see at the Adventure Park about 14 km or 14 miles out of the city of Port Moresby at the Nature Wild Life near the Pacific Adventist University.

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Whilst we might not have lions, giraffes, or elephants here but, Papua New Guinea boasts some form of biodiversity that are found nowhere else in the world, even in our closest neighbor Australia.

Rare great species of our Birds of Paradise, some of which are found nowhere else are found in Papua New Guinea.

Mr SPEAKER - Honorable Minister, you are digressing from the question at hand. I must remind you of Standing Orders, you seem to be digressing and speaking on environmental issues you should be talking about planning.

Mr JOHN PUNDARI - Mr Speaker I am not digressing from the statement presented on the Floor of Parliament, didn't you hear the Minister for planning was loud and clear to your ears and to mine and it is written and is before me?

Mr SPEAKER - You are carrying on too long.

Mr JOHN PUNDARI - The statement before you is concerning importance of protecting the Environment that contains your biodiversity that you and I and all of us should be proud of.

Mr Speaker I am not going away from the statement, I'm talking about the importance and the interest of protecting that unique and great biodiversity we have alongside our development in our resource sector. I believe I understood the Minister for Planning so correctly Mr Speaker, that I am so passionate about it as Minister for Environment and Conservation.

(Laughter in the Chamber)

Mr JOHN PUNDARI - Mr Speaker, look at the greater value that can come with it and the Minister for Planning is not wrong.

Mr Speaker, I stand alongside the Minister for Planning and looking at this great plan of protecting the environment as we think of developing our country the Department of Environment and Conservation has embarked on developing policies that will ensure that we have environmentally friendly development of our resource sector.

Mr Speaker, when a mineral investment occurs in our country, or any investment for that matter in the resource sector, there is always a footprint and that's the sacrifice we make. You cannot allow for a mining investment to occur in the country without having sacrificing that environment, that all of us understand.

There will always be that footprint. And in fact that as a result of that footprint you will have endangered species affected whether it be in flora or the fauna biodiversity for that matter.

How do we compensate for that Mr Speaker, and ensure that we do protect and replenish that environment or that biodiversity for our future generation?

That is the reason why when looking at this great statement on the Floor of Parliament gives me the challenges as Minister for Environment and Conservation to ensure that I align myself in having those right policies and plans in place so that environmentally friendly better managed practices occurs as a result of resource investments in the country.

Mr Speaker, already without having to filter, a finalized National Protected area policy or biodiversity off set policy for that matter through NEC, we are already negotiating with investor who have sought permits from our Department to invest whether in the gas, oil, mineral or agriculture for that matter to look at how best they can be able to participate in a biodiversity offsets.

42/03

Mr Speaker in acknowledging the statement made by the Minister for Planning, I just want to say that it is important and we need to plan well insofar as protecting and replenishing that environment in that biodiversity.

Mr Speaker, I would want to say that we can also plan for our demise and for greater prosperity and realities for a better life of our people. We have been independent for 37 years

now, and this country has always enjoyed a department that planned and guided us through our aspirations for developments.

Mr Speaker where are we now. Here is a statement that has come before the floor of Parliament and the Minister for Planning has been praised for bringing the same thing. We can have great policies and plans for our country. We can come on the floor of this Parliament and be colorful about all the things we wanted to achieve and do for our country. But at the end if we do not translate those plans and policies for our people, it all means nothing.

I believe it all meant nothing in the past. Since independence our plans have achieved nothing at the end of the day insofar as the translating and making a better life for our people. The unique thing about this government is that whilst we are planning and thinking about changing the lives of our people and ensuring that our country is different, we should all realize the process of our budgets and that there is practical realities on the ground. That is the way it should be. We can borrow so much money to realize some of our plans.

I do not know how much our national debts are today? Probably between K7 – K8 billion. If I want back and looked at the reasons why we borrowed those money, and the realities of the borrowed fund on the ground, is there really anything to show for it.

Mr Speaker when I spoke about the highlands highway, I said that I had tears seeing the deteriorated state of the highway. But Mr Speaker, it is music to my ear as I hear that we will do road works maintenance on the highlands highway. Four lanes from Nadzab to Lae is a major achievement and four lanes out of Goroka and towards Mt Hagen is another major achievement.

Mr Speaker, four lanes from Mt Hagen to Southern Highlands, is it reality or am I dreaming. We have to appreciate the O'Neill-Dion government and thank them sincerely. I do not see a four lane road on the highlands highway. It would have been another failed plan wouldn't it. But this government is not talking about that.

43/03

Mr Speaker, as Ministers of this Government to deliver on our plans, to deliver on the moneys that we are borrowing, to deliver on the budget that we are presenting on this Floor of Parliament.

I wish to highlight here that governments in the past has ever have the confidence of putting back into the rural communities in this country. We have always said that the bulk of our

population is in the rural communities. The Minister for Public Servants rightly stated that the 95 per cent, while others say 85 per cent of our population live in the rural community of our country.

Which government has ever had the confidence to park the money where bulk of my population is? Which government will ever come and say we will make our work plans since we have a district authority in place, so that, our teachers deliver, our health work and that we see tangible reality translating the lives of our people? This is a realistic Government and not a preaching government. I am glad that I am part of this Government with a great leader who is leading his team.

Mr Speaker, I thank the Minister for Planning and Monitoring and the challenge is on us; every Member of Parliament to deliver on our plans. The Budget is before us and let make sure that it does translate the lives of our people. I think, talking policy and plans are meaningless and mean nothing. I know all that, we have that great plans and we come on the Floor of Parliament; we say it, we deliver it because we know that we will achieve it.

Mr CAMILLUS DANGIMA (Kerowagi) – Mr Speaker, I take this opportunity to thank the Minister for Planning and Monitoring for giving us his quarterly report and his subsequent report and the reports that will be coming later as he always asked being a leader.

44/03

We are talking big here and making money right now from nonrenewable resources. The planning must be structured to go to the districts level right now. And identify how we are going to equip the districts to help the simple people in the villages to become a happy, wealthy and wise men or women in the village. Why are we talking big? For once I use to travel in a taxi from Kundiawa all the way to Salt Normane, the remotest district in the Chimbu Province, and now, a landcruiser cannot go to that remote part of the province.

Is it different from the money that we got when we were under Australia? I am sure we are using a lot of money right now but yet we can not deliver. What is the problem? In the 70s and 80s, I use to drive up to Mount William in a taxi.

We have lots of money right now but how are we using it? The planning must now be structured because the policy framework has been established but how soon can we reach it?

Right now we have got a lot of money going to the districts and provinces and I want the districts and provinces to be responsible. And with the money we got let's plan and do it properly. If we go short of funds then we can always ask the Department of National Planning for more funds. Identify how you are going to help a simple man back in the village to become wealthy, happy and a wise person. If you make that person strong and once he has money in his pocket then he can look after his own school fees, health problems and anything else. We are not empowering our simple people in the villages to survive on their own by having enough money to meet their daily needs and wants. Most of the money is spent around Port Moresby. I know that is true because I lived all my life back in the village.

I want a tangible and workable solution to this program. When you set up plans it must come from the district and it must start from bottom-up and be serious about it. If you put bottle necks on top then we are unable to get there. Therefore, I want the Minister to allocate funds to the districts rather than provinces because services are needed badly at the district levels and not provinces.

I commend the Government for taking a bold stand by recognising the real needs of the simple people in the district level.

Mr FRANCIS POTAPE (Komo-Margarima) – Thank you Mr Speaker, I want to join in the debate on the ministerial statement presented by the Minister for National Planning. I congratulate him because he is one of the Ministers who is working very hard likewise, to Minister for Works and Transport. And this reflects the image of the Prime Minister and the style of leadership that he is providing and the Ministers are living up to it and I commend all the Ministers for their hard work.

I want to basically say that those of us who have been Ministers in the past governments must not describe the pervious governments. It's about time we stand on what we are doing and move on. And we need to stop talking too much and I totally support what the Member for Kerowagi has said. Learn from where we have gone wrong and this Parliament should not be a place of just talking but action. In this Parliament, it's unique because we have most of the former Prime Ministers are all here.

It is also unique in the sense that most of the Members of Parliament are new. You have come to this Parliament to make a change. It is also unique that the number in the opposition is decreasing and the number in the Government is increasing so we want to stabilize this government.

I want to call on Members of Parliament not to put pressure on the Ministers. The Ministers for Finance and Planning are new Ministers and many others likewise. In the past government and the last term of Parliament I can say, every Department were functioning efficiently but many Members of Parliament were putting pressure on Ministers. Leave the Ministers alone, and if you need assistance from the Minister you should consult the Minister through writing.

There is a saying that, 'to be successful you must plan for 80 percent of your time and 20 percent must be implementation'. I believe this country spends 20 percent of time planning and 80 percent implementing, therefore we don't achieve our goals. If the past Governments had planned properly, all the resource centers such as Kutubu, Moro, Hides, OkTedi, Lihir and Misima should be striving centers for commerce and business today but that is not the case.

In addition, there are hard working people in the Department of Finance and National Planning. However I see that many of them are recent graduates from Universities who don't have much experience. Some have never faced the hardship faced by the people in the rural districts such as Kopiago or Menyama, yet they make decisions for them. We need data. By the time we conclude this Parliament, we should know exactly how many people are living in each district in this country.

We cannot and make decisions based on assumptions. Many developed and developing countries know their statistics and data. We cannot continue attributing our lack of updated data to geography and lack of infrastructure.

I also call on this Parliament to enact the five-year development plan for every district into law. This will ensure that when this Parliament ends; the plans will be passed to the upcoming Member allowing him to build up from where his predecessor has left. I see that as a big gap. The National Planning Minister must have copies of every District's five year development plan and copies must be submitted all other relevant departments.

Furthermore, the Office of Rural Development plays a very important function. The officers from that office need to go out to remote areas and work with the District administrators and Treasurers. They must provide advice and ensure that the funds are implemented for its purpose. They should be the ones providing reports on the Members performance in his districts. They must do the proper auditing of each district. They should be able to rate the districts in terms of development such as roads, and by the number public servants in that district.

46/03

Some of us don't have it since independence and we still don't have it. This is where the National Planning, Finance with other offices together with ORD need to get out there and compile all the relevant data so that we can hand down our annual budgets and when the Prime Minister and the Ministers make decisions, they are based on these relevant data.

When we talk about giving development based on regions, I want to stress here in we have seven provinces now in the Highlands with 43 per cent of the population of Papua New Guinea. I think it is about time we split up the Highlands region into two regions. It is too big and if we are to make funding allocations in terms of regions, then the Highlands region should be divided into two because we have huge population and the topography is wide and complex. Otherwise, if we are developing based on provinces and districts then it is fine but in terms of regions, that is the dilemma we are facing right now.

With these few remarks, I want to thank the National Planning Minister. I want us to plan 80 per cent of our time and if we do this then 20 per cent of implementation will be very easy because we can do it. If we just do it without any planning then we will have a lot of problems where every governments and Ministers will be talking about it all the time.

Mr JOHN SIMON (Maprik) – Thank Mr Speaker, I would like to join in the debate but first and foremost, I would like to thank the Minister for National Planning for a very comprehensive and good report. I would not be really telling a grandfather's legend but will make brief remarks.

What I really want to talk about relates to one of activities which the Minister has outlined. It is on Activity 12 regarding SME support and empowerment. Actually we all know that 85 per cent of our population lives in the rural areas so we have a dual economy in Papua New Guinea.

What I see here is like the empowerment. We talk a lot about empowerment; empowering our people in the rural population and how do we do that. One of the things I have seen is that in the budget, the government talked about the K80 million that was allocated to small to medium enterprise and I believe this money should be with the NDB by now. What I also see is how do we empower the rural population because not all the provinces in this country in mining industry. Only five per cent of the provinces are involved in this industry while most of our provinces are involved in agricultural activities.

The government's allocation that will go into NDB, what I would like to suggest is if we should allocate that money to each province or district so that people have access to it so then we can really empower our people in the rural areas to get into business activities. Otherwise, we talk about it here but we are not really empowering them by giving them the capital to start their businesses.

We can all talk about the K10 million to each districts but it will all depend on next year's cash flow whether the economy will be better or not. It all depends on cash flow and assumptions but can we do something constructive now that we have the money? The Government talked about the K700 million for roads in NCD where K400 million is from loan. I wish to support the Governor for Oro and say that the K400 million obtained from loan should be put into each district to assist them with the road infrastructure.

47/03

The only way we can empower people back in the village is to give them good access to roads so that they can bring their agricultural produce to the markets. And that is the biggest problem we are having, otherwise we will never ever empower people in the rural sector through other means.

We had this problem since independence and we have talked about it, but our roads are still not good, not up to the standard that we can bring a lot of cash crop into town.

I also see that we can fix the roads in NCD because Port Moresby is like the center of Papua New Guinea and what you see in Port Moresby, reflects Papua New Guinea. But what I also see that there are better ways you can improve the road system in Port Moresby.

The National Road Safety Council conduct road checks frequently in the city, checking buses and taxis. However, some buses and taxis despite paying a fine for breaking traffic rules

they are seen are on the road the next day. If we get rid of those buses and taxis, I think there will be more spaces on our streets and will help us to focus more on the rural transport sector.

The other problem we are having in our main cities is, when we focus on developing our main cities like Port Moresby or Lae leaving the rural sector behind, we are bringing our people back into the main cities and town.

They come here because of good roads and living conditions but then many issues arise such as law and order problems, so why don't we create these same infrastructures in the rural area and to attract our people back to the rural sector.

And I'd like to commend the Minister for National Planning in mentioning the Small Medium Entrepreneurs support and empowerment. If we can really empower little industries back in our rural sectors or our districts by setting up little cottage industries, we keep our people back in the village and districts so that they don't migrate into towns and cities.

They consider coming into towns and cities because there are good roads. Imagine they carry their cocoa bags for 5km, hiring youths to help carry them. Some even break up big coffee bags to help share the load. This, they find very difficult; they would rather hang around on the streets of Port Moresby.

When we have the money we should give more money to our districts for infrastructure especially, roads.

Our economy is based on agriculture, that's where most of the districts are based on.

With that, I would like to commend the Minister for a good report.

Finally, I want to add one thing on the Ministers report and that is about the funds that are moving out and we need to implement.

Take Maprik district for instance, I have problem with my District Treasurer, he cant prepare a bank reconciliation and I cant sack him because the Finance Department has to do it.

I had this problem for the last five months as a result I can't do my acquittals. I'm waiting for my District Treasurer to prepare my bank reconciliation. I have consulted my Provincial Treasurer and I asked him to sack the District Treasurer, but the he has not done anything.

I don't know whether I will have access to my funds and time is running out so that's the problem I am having in the district. Thank you

Mr FRANCIS AWESA (Imbonggu-Minister for Works) - Thank you Mr Speaker I too would like to contribute to this debate.

First of all I commend the Minister for Planning and the Minister for Transport before him.

I would like to speak on the issue of planning. I know that when we want to build a house, we usually select a good piece of land for building with good building materials so that it lasts. This is similar to planning; we prepare the materials and select the land to build a house for the family to reside in. But when we construct the house insects may start attacking the building materials and the house eventually collapses and then we make another plan to construct another house.

Likewise, we have been talking about planning for the last 30 years since independence, but the choice of land and building materials were not good. Why am I saying that?

48/03

We are always talking about money and not the maintenance component of the infrastructure that is to be built. Another thing is that we have not noted the Reports of the Public Accounts Committee which were tabled in Parliament. I read through one of the reports yesterday and discovered that many departments have misappropriated a lot of money. Billions have been wasted through misuse and abuse in the system.

Over the last 30 years all the public accounts committee reports have been collecting dusts in Parliament. Nobody has supported to revealed errors made in the system. So even if we have good ideas and planning we must correct these errors in system first before we can achieve our goals. Some of these relates to the trust accounts so tell me how many trust accounts do we have in the system and I want to know that before the end of the year. I also want to know who the signatory of the trust account is. If we are really serious about addressing this issue we must look at the public accounts committee reports that were already tabled in Parliament.

If we talk about building a new house, we must ensure the location is clear and trees are cut prior to building. Likewise we should be talking about these issues and addressing the public service instead of talking about money only. I think the core problem is addressing the public service and the politicians in the systems who have abused public moneys.

I proposed to Parliament to debate the issues tabled by Public Account Committee and come up with a resolution to prosecute those people involved. Otherwise we are wasting our time. Papua New Guinea is a forgiving country. We always forgive, forget and move on but we cannot do this here. We have to address this problem once and for all if we are serious.

I proposed to Parliament to take the Public Account Committee Reports very seriously. We have to address these problems. We cannot continue to forgive, forget and move on. We have very good ideas and planning but unless we address these issues we won't go wrong. It is similar to building a house using the same materials that cannot last because the materials are not good. However, regardless of the condition of the materials we continue to use them and realise that we need to build again. So we must address these issues for long term benefit.

For the first time, the Works Ministry has an Audits and Compliance Section. This section allows any individuals to report contractors who are not carrying out their work accordingly so that we can take remedial actions.

The other concern that I also wish to mention is that when we give three to six months contracts to contractors.

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Mr Speaker, we have allowed so many contractors to carry out maintenance within two or three months but they have not done a good maintenance. We still have problems with roads maintenance. We must now stop allowing the contractors to collect the money for the defect periods. In the past we have noticed that when they collect the money they runaway and leaving the road not properly maintained.

Therefore, such practice must be eased forthwith as from this year on wards. Thus, when we agreed for a 12 months defect period, the money must be remained within the performance bond account in the bank until the both parties are satisfied that the road maintenance is done properly and without defect. If there is defect within the span of time, they must immediately attend to fix that defect of the road.

Another point I wish to suggest is reviving the so called the 'Department of Works and Supplies' (DWS). It is sad but it is revitalizing of such extinct services that the Department of Works used to provide before independence period. This is a real scenario and many people in

those days who are still living would want to see this DWS revitalized with its utility and heavy machines colored with yellow.

Mr Speaker, we have already identified 89 districts and 45 districts critically need support in this sector. Out of 89 districts, 45 districts will have to repave the PTP/D (Plants and Transport Pool/Division) as it was in the early independence period and I will revive it gradually.

It should be revived so that some of the districts should started building their access roads to link with the main centers and to maintain the roads. Having stated that, I wish to advise this Parliament and the people of Papua New Guinean that we will not get anywhere. We have to empower our rural areas because that is where more than 80 per cent of our people live.

In addition, I will be making a submission to the Cabinet for its support and if it is approved, this will be a major shift in the policy in the way we are addressing infrastructure requirements in the rural districts.

Mr Speaker, through Chair, we have to look at this situation with the Public Accounts Committee (PAC), because it is a very important function of the Parliamentary system, which we were not given enough attention. I think we should have time to consider all these reports to find out where is this misuse/abuse of funds. We must critically address this issue because we might be wasting time and money to talking about plans and we will be stagnant.

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

That the question be now put.

Motion – That the paper be now noted – agreed to.

ADJOURNMENT

Motion (by **Mr Patrick Pruaitch**) agreed to –

That the Parliament do now adjourn.

The Parliament adjourned at 4:42 p.m..