

EIGHTH DAY

Friday 24 May 2013

DRAFT HANSARD

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EIGHTH DAY

Friday 24 May 2013

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

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

Sitting suspended at 10 a.m..

The Speaker, again took the Chair and invited the Member for Usino-Bundi, **Mr Anton Yagama** to say Prayers:

‘Papa God, mipela kam long yu long dispela moning. Mipela ol lida man ol pipol bilong yu makim long mipela makim ol pipol i stap long dispela kantri Papua New Guinea, Mipela kam bipo long yu bikos yu God bilong mipela, i nogat narapela God i stap long dispela graun mipela save worsipim, em yu tasol. Olsem na long dispela moning mipela kam bipo long sia king bilong yu long givim olgeta tingting, bel wari, hevi bilong dispela graun na ol pipel bilong yu i kam aninit long sia bilong yu, bai yu yet yu givim mipela tingting. Ol lida bilong Papua New Guinea, bai yu givim mipela gutpela tingting, gutpela bel na toktok na disisen mipela mekim bai ken kamap gutpela long stretim sindaun bilong ol pipel bilong yu insait long dispela kantri.

Papa God, mi prea bai spirit bilong yu ken guidim mipela olgeta.

Na mi prea bai yu givim stia long Spika bilong mipela, Prai Minista bilong mipela na olgeta Ministas bilong mipela na olgeta Memba bilong dispela Parliament, bai dispela Parliament iken wokim ol gutpela disisen we ol pipol bilong yu igat bel karai long en, Amen.’

MOTION BY LEAVE

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

Leave granted.

**SUSPENSION OF STANDING ORDERS –
REARRANGEMENT OF BUSINESS**

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

That so much of the *Standing Orders* be suspended as would prevent the Prime Minister to make a response to the Leader of Opposition's letter.

**STATEMENT BY PRIME MINISTER –
REFERRAL TO COMMITTEE ON PRIVILEGES**

Mr PETER O'NEILL (Ialibu-Pangia – Prime Minister) – Thank you Mr Speaker, I thank the Parliament for giving me this opportunity to make a few explanations in the interest of the country and all those who are concerned about what the Leader of Opposition stated yesterday.

Mr Speaker, before I commence, I want to state that the manner in which the Leader of Opposition has put issues forward to Parliament is a great concern to this nation and they are of public interest and it warrants debate but it must be done in a manner which is respecting the quorum of this Parliament. At times, we have seen that emotions run too high which does not reflect the issues that we want to highlight to the nation.

Mr Speaker, one of them is, after the Parliament meeting, the Members of the Opposition went and held a press conference, which they are regularly known to do so after the emotional outburst on the Floor of Parliament. So that's a normal trend that we continue to see. And in that statement, they said that there was a move within the Government ranks to replace the Speaker so that they can have a friendly Speaker in Parliament.

Mr Speaker, you can take it from the Government that you have the absolute confidence from the Government in the position that you have taken. We are going to work with you to reach this Parliament to a higher degree of accountability to the nation. We are not going to tolerate petty politics. We know that the Leader of Opposition has engaged with previous Speakers in such a manner trying to destabilise parliamentary proceedings. But we have to be mature and you have led us through this Parliament with maturity and I want to state it here clearly to the nation. There is no such move and discussions and not one single person in this Government has discussed with me on this particular matter.

I want to assure you that you have our utmost trust and confidence. Having said that, I want to talk about the letter that the Leader of Opposition tabled yesterday, and of course, his

so-called 'Attorney General' jumped on the band wagon by telling me that I was dishonest without verifying whether that letter originated from my Office.

02/08

This Kangaroo style of the Opposition continues to portrait to the nation is unbecoming of leaders, get your facts right and go out to the nation and tell the truth and not lies which are not verified.

Mr Speaker, in fact, I instructed my staff to work overtime to see where this letter originated from. Certainly this letter appears to be forged and the signature that I see now is not mine and the structure of the letter is not the way I write letters or my staff.

The letter was addressed to the Treasurer and then a copy was sent to Mr Gibson. Every letter that comes out from my Office either starts with, my Dear Minister or my Dear Secretary. That is how it is addressed to the respective heads of Government and Ministers of State. The content of the letter was a desperate ministerial and political directives when there was no such directive from my office.

Mr Speaker, we will refer this matter to the appropriate team that is investigating all these issues and we want them to come to the bottom of it. We welcome the Leader of Opposition's desire to find the truth and we support him for that. We are not trying to hide the truth but let's get our facts right before we go out there on a publicity and emotional drive to swing public emotion. We have a responsibility to the nation and that is to provide a stable environment for our country to continue to grow and develop. That's our responsibility so let us not lose sight of it.

Mr Speaker, these matters will be now referred to the appropriate authorities to investigate but before I sit down I also want this matter to be referred to the Privileges Committee. We will get to the bottom of this.

For the record of this Parliament and our country, there are a lot of people as I have mentioned yesterday, making a career out of these kinds of claims at the Finance Department and many other departments. Carrying false contracts and claims around using Government Ministers' name and even the Prime Ministers' name is a crime.

In fact, I was advised by the Finance Minister that they have also identified other letters that has been out there portraying that there are claims to be authorized for payments.

So we are going to refer the entire lot to the authorities that we have established now to investigate this and bring these culprits to face the full justice that they deserve.

Mr Speaker, we are determined and as I have mentioned yesterday, of course, there a little bit of black mailing and threats going on but that kind of intimidation will not stop me. That I will assure you and it gives me even further strength to say to the nation that we are on the right path. Nobody is 'Mr Perfect', but we will make sure that we bring justice and what we have committed to the nation will be delivered.

Whilst I still have the floor, I want to also inform this Parliament on the question by the Member for Nuku on the SABL issue. I have taken the advice from the Attorney-General and our Chief Secretary that we will write to the Commissioners and give them 30 days to produce the Final Report. If not, we will do everything possible to recover what they have been paid to. We will also refer them to the appropriate authorities to recover the monies and the fees that they have been paid; substantial amounts of money have been paid for this exercise. And it is a gross abuse of trust and I think it's only appropriate that we do everything possible to recover the funds that we have spent.

On the last note, I want to announce to the nation some very important negotiations that have been going on. These negotiations, I conferred with the Minister for Petroleum and Energy, both of us are engaged in this discussion but I want to inform the nation that an announcement is taking place as I speak, on the development of the Gulf Oil Project.

03/08

An exclusive arrangement of 60 days has been put in place to verify the data that InterOil has forwarded to its potential partner.

The ExxonMobil has been appointed as the present partner meaning to say that the current LNG Project will be extended further. This gives an huge opportunity for our country to sell gas at the market.

Mr Speaker, we have decided that the Government will give final approval on this issue and of course the Minister and his Department will have to carry out the due process that is needed to get the deal across the line. But it also gives us an unique opportunity to market our gas earlier than many other projects that are now being developed throughout the world.

We are all aware that our economy will double within a couple of years but I think this will triple the economy instead. It is very important that we have a stable environment for this to continue.

Mr Speaker, these are the announcements I wish to make. Thank you very much for giving me that opportunity.

**REFERRAL OF MATTER – PRIVILEGES COMMITTEE –
STATEMENT BY THE SPEAKER**

Mr SPEAKER – Honourable Members, I would also like to make an announcement relating to the matter that happened yesterday. I advise Parliament that in view of those proceedings yesterday, all documents and articles that are intended for tabling on the Floor of Parliament must first seek clearance from my Office and the Office of the Clerk before they are tabled here. That is to avoid abuse of Privilege of Parliament whilst we have the privilege to table documents.

The events of yesterday have indicated that we need to take more precautions and the process would be that all documents or articles that have to be tabled be first scrutinized through the Speaker and the Clerk's Offices prior to presentation on the Floor of Parliament.

I take note of the support given by the Prime Minister and thank you for doing the explanation. I have also taken note of your call in reference to the complaints to the Privileges Committee according to the *Standing Orders*. I must inform the Parliament whether I make the reference or not. So I wish to inform the Parliament that I now refer this matter to the Privileges Committee to handle.

Thank you.

QUESTIONS

Mr BIRE KIMISOPA – Mr Speaker, my questions are directed to the Minister for Agriculture and Livestock.

Mr Speaker, I wish to thank the Minister and the Government for intervening into the Coffee Industry. The Coffee Industry Corporation (CIC) Board was not able to convene board meetings, for almost two years and with the timely intervention of the Minister, I was told that they did convene the meeting in the last two weeks. So that is welcome news for the Coffee Industry Board.

Mr Speaker, the coffee industry in PNG is the lifeline of over three million people. The industry continues to provide foreign exchange revenues for the Government and provide direct and indirect employment for thousands of people as well as supporting socio-economic activities for thousands of families.

My questions are:

(1) What is the Government's plan for increased export of coffees for the coffee industry who's export volume has peaked at 1.2 million bags but on average has been exporting approximately nine hundred thousand bags over the last 20 years.

(2) In the phase of a possible change rate appreciation, from as low as .4, .6 and .7 against the US\$dollar in the next couple of years as a consequence of the revenue inflows from the LNG project, what package of assistance is the Government considering to curve the so-called Dutch Disease to ensure that our coffee can still be bought even when the exchange rate moves up.

(3) How do we maintain the quality of coffee given these investments of a massive small holders account for 70 per cent of total production of coffee in PNG while the plantation sector accounts for less than 30 per cent of the total production?

(4) Given the Government's social intervention into free education and the current depressed price of K5.00 per kilo for green beans Y grade and K2.00 for Arabica Green bean robusta, what measures will the Government take to maintain the grower sector when there is really no incentives at all?

04/08

Mr Speaker, the recent intervention into the coffee industry has not made improvement. We are still facing issues pertaining to reliability of suppliers. Our exporters are also losing money. There are ongoing issues of incompetence and capacity. Customs and quarantine officials are operating out of Lae Wharf, therefore, shipments are delayed or missed, which results in millions of kina being lost.

(5) What will the Government do immediately to arrest the deplorable situation?

(6) Can the Government impose severe penalties for delayed shipments?

Mr TOMMY TOMSCOLL - Mr Speaker, I thank the Member for Goroka for his questions. The questions appear to be in two parts so I will answer the first three questions together and provide a separate answer for the fourth questions.

Mr Speaker, it is estimated that 400 000 households in PNG produce coffee. This converts to about three million people. Coffee means employment, income and business to the three million people. When coffee production stops and we stop exporting, three million people will be out of employment. They will be out of business and they will have no income. Coffee revenue to the country in the past five years has been steady at an average of around 520 000 000 which represents about 6 per cent of the gross domestic product for

Papua New Guinea. Sixty per cent of that income, which is about 320 million goes directly to the growers and 40 per cent, which amounts to about 208 million goes to service providers such as transportation providers and market managements, the tradestore owners and the chain of suppliers and services providers existing in the production of coffee.

Production of Coffee in 2010 netted about 883 000 bags. In 2012, it increased to 1.4 million bags but in 2013 we are expecting that to decline.

Mr Speaker, up to May 2012, the production reached 335 000 bags which is about 45 000 bags less for the same period last year. The problems faced by the coffee growers are the same problems faced by the cocoa and coconut growers, the vegetable farmers and everyone else involved in the sector. The problems lie mainly with accessibility to markets because of bad road conditions and landowner issues. We cannot expand the production because we cannot plant any more trees. The problems also relate to the appreciation of the kina because coffee is sold at US dollars rates and when the kina appreciates the margin decreases. Coffee farmers face a lot of problems at the ports because the turn-a-round time at the ports are very long. Containers have to wait, but the O'Neill-Dion Government has recognized the challenges and the problems.

Very recently, the Government has authorized a review of the functions and expenditures into the industry. The review will examine the functional relationship between the Private Sector, the Coffee Board and the Government.

It will identify new and appropriate business models that should be adopted in business. It will examine the research and development approach we use in our sector. It will look and review the extension functions that are currently at the district level. So how can the Boards be in tune with the districts and with the farmers.

It will also consider the re-establishment of the Commodity Stabilization Fund. This is one of the issues that the review will look at. It will also look at the possibility of introducing a pricing formula for all our cash crops so that our farmers have confidence in the price that producers take –

05/08

Mr Daniel Mona – Point of Order! Mr Speaker, the honourable Members of Parliament want to ask questions so the Minister should just concentrate on answering the question rather than making a Ministerial Statement.

Mr SPEAKER – Honourable Member for Goilala, that is a good point of order. Honourable Minister, please shorten your answers.

Mr TOMMY TOMSCOL – Mr Speaker, the answers to the questions lie in the review that the Government will do.

That review will look at the issues of price stabilization, the price formula and it will look at the opportunity to introduce input subsidies. Until that review is done the Government will announce a new Agriculture Plan and Policy for the country in Parliament.

This review and a change of policy are well overdue.

Mr RONNY KNIGHT – Mr Speaker, I direct my questions to the Minister for Defence and I would like the Minister for Fisheries, Minister for Foreign Affairs and Immigration and the Minister for Internal Security to take note.

06/08

Mr Speaker, in this Parliament we are at war right now. We are facing a foreign invasion of illegal fishing vessels from motorized canoes to millions of dollars of Purse-Seiners plundering our fish stocks.

Mr Speaker, the Papua New Guinea Defence Force has several patrol boats, two landing crafts and some aircrafts on hand. Unmanned drones are quite reasonable and expensive these days. The National Fisheries Authority and the Police also have several insured patrol boats available.

Mr Speaker, let's bring this battle to our invaders and be proactive and use what we have on the ground to protect the resources that we have.

Confiscating vessels and fines will be lucrative; my questions to the Minister are;

(1) Can we anchor patrol boats in strategic positions in our islands as a deterrent to intercept illegal fishermen and fishing vessels?

(2) Can the Minister and those relevant Ministers with the stakeholders take the lead to group assets together in an ongoing way to defend our nation from this invasion?

As we have an army, navy and air component in our force, these personnel are trained and equipped to defend our country and they are already being paid. This could be a way to structure our Force and streamline it and engage capability.

(3) Can an ongoing operation or training program be instituted to take on these foreign intruders? If so, when?

Mr FABIAN POK – Mr Speaker, I thank the Member for Manus for his series of questions. It is a fact, that with prolonged use over the years, our PNGDF patrol boats which were purchased in the late 1980's, are not sea worthy but we are still using them. As a result, they can only be out in the seas less than a week at a time so it is very difficult. But I am pleased to say that the Prime Minister has instructed me to look at buying patrol boats to assist us in this work.

Also in relation to the aircraft, we have only two Casa planes but they are grounded and undergoing major repairs. However, I want to inform the Parliament and the honourable Member that I have talked with the Prime Minister and the Minister for Fisheries and I am pleased to say that the Prime Minister has directed the Minister for Fisheries to find some money within his department and purchase small aircraft like the ones manufactured in New Zealand specifically for such operations. This aircraft can be in the air for 10 hours at a time and can land and take-off on a 400-metre strip. It can be fitted with surveillance cameras and connected to the Patrol of the Defence Force, Fisheries Department and Customs so they we can work together.

The O'Neill-Dion Government is very serious about illegal logging, fishing and smuggling in the country so we are looking at such aircraft capable of landing in outer islands where they can be refueled to continue their surveillance. This aircraft can also fly very low like a helicopter and can be able to monitor the fishing vessels effectively.

The Minister for Fisheries has already written to the NFA Fisheries Board to look at funding such aircraft so that our Defence Force can use them but its surveillance will be linked to the new patrol boats that the Department of Fisheries, Customs and the Defence Force are trying to purchase.

I agree that this will minimize illegal fishing, smuggling and border incursions and the only way is to monitor these activities by smaller aircrafts with a capacity for short landing and take-off but a longer flight time. We are able to afford this and I want to thank the Prime Minister for his support. So once we buy some patrol boats, it will complement our surveillance work.

07/08

We are working and communicating together with the Departments of Police, Fisheries, Customs and the Border Patrol personnel so that surveillance can cover areas and

monitor activities such as illegal fishing, people, gun and drug smuggling and we hope this light aircraft will help border security personnel to do their jobs.

In the next few months, some of the problems we face at the borders should cease and I feel we are on the right track. We will look into some of the problems as well but I want to say here that we are losing a lot of money from illegal fishing alone.

Supplementary Question

Mr BOB DADAE – The Minister, mentioned about a small aircraft, which is useful for coastal and island patrols, but what about the hinterlands, like my electorate in Morobe Province?

I want to suggest if the Minister could look at purchasing a Twin Otter, aircraft. This aircraft can take off from a small airstrip and does not need much landing and take-off space, and has sufficient load and passenger capacity.

It can be used also during disasters and other emergencies around the country.

Mr FABIAN POK – I thank the Member for his question, the suggestion for a Twin Otter is good but this aircraft which is sometimes called a caravan, can land within 400metres and take-off anywhere in the country. It can also cater for disaster and emergency purposes anywhere in the country.

Mr KILA HAODA –Mr Speaker, I take this opportunity to say thank you on behalf of my people of Central Province.

My questions are directed to the Minister for Agriculture Honourable Tommy Tomscoll.

Mr Speaker, rice is the staple food for most Papua New Guineans and is one important commodity worldwide but while the demand for rice is increasing, its supply is decreasing.

If we continue to import rice, its price will increase and our people will not be self-sufficient to meet its own domestic demand for rice consumption. The biggest agricultural project the Government can give to my people of Central Province is the proposed Central Province Commercial Rice Project.

This is a partnership between Central Province and Naime Investment Limited. My questions are;

(1) Can the Minister tell us why Papua New Guinea cannot engage in large scale rice farming?

(2) Can the Minister explain why he stopped the Central Province rice project?

(3) Can the Provincial Government continue with the proposed project?

(4) Can the Minister make an undertaking that he will reconsider this project and support the efforts of the people of Central Province?

08/08

(5) Can the Minister give assurance that he will work with my government to deliver this project and assist me to secure the necessary approvals?

(6) Can the Minister explain why Naime Investment Ltd cannot join a Public / Private Partnership with Central Provincial Government to develop this project?

(7) Can Naime Investment Ltd and Central Provincial Government enter into discussions to develop the Central Province Commercial Rice Project?

Mr TOMMY TOMSCOLL –Mr Speaker, I want to thank the Governor for his questions. I made the decision to discontinue the project on October 12, 2012, and after this decision, a lot of things were said and most of what was said also misconstrued my decision.

Rice is food and food security is now at the centre of world discussions and is becoming the agenda at many of our forums as we move into the future.

The food price since 2007-2008 has been volatile meaning that it has not been stable. In 2007, the food prices hiked around the world and in 2009, it dropped till now and it is going up again. It will become a major concern, not for all the countries but for Papua New Guinea; a country that relies on imported food.

If the food price hikes, it will affect our economy and it will also affect the health of our people. I want to say that it was timely for Papua New Guinea to look at large industrial agro-projects that would self-sufficiently provide our own people with food.

Secondly, we can also export food around the world where there is short supply and a huge demand. I stopped this particular project last year because I considered the fact that the project did not follow the normal Government project formalities as stipulated by the various acts under the law.

I want to clarify here that the process of doing a project and I want Members of Parliament to take note as they would also like to carry out big projects in their areas and must apply these processes.

Mr Speaker, the lawful process in developing an agro-forest project would include complying with the following Acts; *Environment, Forestry, Land, Customary Land, Incorporated Land Group Acts*. And if you are seeking concessions, then you would have to comply with other relevant laws that may come under different Ministers and Departments.

Mr Speaker, at no point in time did I say they cannot plant rice. I said for us to go back and start the process and do it properly, but I support the development of large agro-development projects in the country because this would bring direct investments to our local people, most of whom rely on agriculture. The process of developing large scale projects as to follow the various laws. And under the *Environment Act* you have to firstly advise the state by applying to the Secretary of the Department of Environment and if it is granted you will then have to go onto the next step.

09/08

You then have to enter into investigating the biodiversity of animals and plants for the proposed project area than you have to report it back as an Environmental Inception Report.

If this is granted then you plan on how to manage the environment in that proposed area and by way of an environmental management plan or an environmental impact study. You also need to comply with the *Forestry Act* and one of the requirements under this act states that if you want to be involved in an agro-forestry project you must firstly register as a participant in the forestry industry. And the registration fees for national companies are K475 and K500 for foreign companies.

Mr Speaker, after paying the registration you then see the managing director for PNG Forest and advise him of the land area that you wish to utilise for this project. The director will then inform you whether he has issued any logging or other permits for the area that you wish to develop or if the land is available.

Agro-forestry activities include clearing the forest, logging and then planting, so it requires you to make an application for a forest clearing authority permit and that permit must be accompanied by a K50 000 fee. When that is done, you will make your final submission for the permit to be granted. You must ensure that you have a letter of approval from the Department and the Ministry of Agriculture and livestock.

It is also another requirement under the *Forestry Act* that such a letter of approval must be granted. You also have to comply with the *Land Act* and the *Customary Land Act*,

because you are going to convert the customary land into a SABL. And in converting this you must carry out a land survey to mark out the area that you want to bring into the SABL.

Mr Speaker, this must be done in collaboration with the officers from the Department of Lands so that it can be done easily and efficiently because you will have to carry out social mapping as required by the *Incorporated Land Group Act* so that all the clans that belong and own that land are recorded. All these things have to be done before it is submitted.

If it is granted, the Registrar of Titles of Papua New Guinea will grant you an SABL. Apart from that, you have to always consult with the Department of Agriculture to carry out a land use survey study so that we know if your proposed crop can grow in that area or not.

Mr Speaker, considering those I directed on October 12, 2012, the discontinuation of negotiation for the preparation of a Deed of Agreement with the state. I said you cannot enter into an agreement by signing a Deed of Agreement without having done those investigations and complying with the requirements of law. I want to go back to answer the first question; Papua New Guinea must start taking steps to go into agro –industrial crop farming because annually the world has a shortage in rice by 10 million tonnes. In the next 25 years, the rice farms in the world will lose about 20 million hectares.

Therefore, the demand and the market for rice is available and we can grow rice with modern technology and the new improved variety of rice crops.

10/08

Mr Speaker, in relation to the third question, the Central Provincial Government can continue with the project but they have to comply with the laws of this country. They have to produce those documents, scope it and outline the source of funding and submit it to the government through the correct process for approval.

In relation to question four, there is no need for me to reconsider the position because I have never in the past terminated the project but I have stopped the project so that it does not enter into negotiations for a deed of agreement to be signed. I wanted the project components to be revisited and done correctly in consultation with all the stakeholders involved and in line with the interests of the people of this country and the government. And of course, we also have to be fair to the investor.

Mr Speaker, on question five, I want to assure the Governor that if he wants us to do it again, we will follow the procedures and my Department is committed to assist and provide guidance but let us do it properly and correctly.

The answer to question six is that the lead partner of this project is the Central Provincial Government. The other partner to the project is Naime Investments Limited and I don't see any reason why this company and the Central Provincial Government should go into a public private partnership. There is nothing criminal about them going into a partnership as long as they follow the laws and do it correctly.

Mr Speaker, Naime Rice Limited and the Central Provincial Government can start negotiations. It is open so let us start to negotiate. My Department's door is open but we will follow the procedures and not just talk but bring this project from what is a concept to reality so that Papua New Guinea can be self-sufficient in the future for providing rice for its people because it is a staple food for the majority of the people who live in poverty and for many of our people.

Mr KEN FAIRWEATHER – Mr Speaker, I direct my question to the Minister for Agriculture. First of all, I would like to thank the Minister for Agriculture for his two very good responses to the questions this morning.

My question is very simple. My district is the third biggest copra producer in Papua New Guinea. In the budget last year, the Government allocated K12 million to Kopa Industry Koparesen (KIK) for freight subsidy for copra growers. When was the fund given to KIK because none of us including the National Planning Minister have seen any toea.

Mr TOMMY TOMSCOLL – Mr Speaker, I want to thank the Member who is also a copra grower himself.

The government allocated K7 million for freight subsidy to our copra farmers but that money is yet to be paid and you will be informed when it is paid.

I have written to the Members and their Governors advising them that we will appropriate the K7 million equally based on how many farmers they have in their provinces and how much copra is being produced. There are 17 copra producing provinces in the country and some produce more while others produce less.

And it will be unfair on those provinces that produce more copra by giving more money to those who produce less copra. So I must be fair to all and pay accordingly.

Mr WILLIAM POWI – Thank you Mr Speaker, the Minister that I wanted to direct my questions to is not present so I wish to reserve my right again.

Mr DE KEWANU – I direct my question to the Minister for Communications and Information.

11/08

I believe that Digicel has coverage throughout the country to enable us to communicate with our people in the rural areas. This is because they have many towers throughout the country.

When I went to Mendi and sent a message through Radio Southern Highlands, I was informed by many of my people that they did not receive the message. This shows that the *NBC* does not have transmitters in my electorate as well as the other electorates in the Province. Similarly, I could not tune into one of PNG Christian Broadcasting network.

I want to ask the Minister that one of our laws talks about community service obligations where companies like Digicel give back to the people and in this instance, they should give access to their towers by allowing non-profitable organisations like *NBC* and PNG Christian Broadcasting network to install their transmitters. They can piggyback on their towers so there is coverage for these organisations.

We listen to *Kundu FM* only in Mendi Town but the rest of the province has no coverage. So whilst we have this law under the Community Service Obligation, can Digicel allow these other organisations to install their transmitters on Digicel towers or other companies that are likely to operate in the future?

Mr JIM MIRINGTORO – Mr Speaker, I thank the Member for Mendi for raising a very important question. In fact, the same question was raised many times on this Floor of Parliament.

The Member asked whether there is a law regulating other non-profitable service providers to use those towers. I am not sure but when I looked at the National Information Communications Agency (NICTA) regulations, I found out that there was no law covering this arrangement at this point in time so I went and met with the CEO of Digicel, but he was uncooperative because they have spent their own money to build the towers.

However, we are currently having discussions with NICTA to amend laws in the *NICTA Act* for collocation where a first service provider who goes into an area must allow other service providers as well as non-profit organisations to use the towers. This law will come into effect when NICTA conducts a public inquiry and I want the Members of Parliament to put their view on the papers.

So to answer the Member's question, I want to simply say that there is no law at the moment but we are looking at it under the law of collocation.

Mr GISUWAT SINIWIN – Thank you, Mr Speaker, for recognising the people of Nawae.

I direct my question to the Minister for Health in relation to the Laloki Psychiatric Hospital. This is the only major referral hospital for mental and psychotic patients. Psychotic patients need proper care and attention that is different from other illnesses.

Currently, Laloki is very full with mentally ill patients, with some coming from the prisons. My son is in Ward 6(2) and it is very crowded. Attention must be given to this hospital because this illness is different from other illness. We need good facilities and qualified doctors because mental patients can be very aggressive depending on the mental stage they are in.

12/08

Mr Speaker, before I ask my questions, I wish to take this time to say thank you to the Prime Minister of Papua New Guinea and those Ministers who have had assisted me by sending a jet plane to fly my child and the family for treatment in Port Moresby General Hospital in ward 6.

(1) Can the Minister tell this Parliament and the people of PNG about his plans on the Laloki Psychiatric Hospital?

(2) Is there any provincial hospital to cater for people suffering from mental illness?

Mr Speaker, I want the Minister for Health to respond to these questions in detail for the benefit of all Papua New Guineans.

Mr MICHAEL MALABAG – Mr Speaker, I thank the Member for Nawae for his questions. Mr Speaker, as we all know Laloki Psychiatric Hospital deals only with chronic mental disorders and forensic patients.

Mr Speaker, this hospital has been deteriorated over the years. This was also clearly highlighted during the Public Accounts Committee (PAC) hearing. I am not blaming the Health Department but what I can say here is that the Department's role is basically to look after the funding of the Hospital and releasing them when the Hospital Management is ready to use the funds.

Mr Speaker, up until now, K2.5 million has already been released and that funding goes to the staff housing which is currently in progress. In addition, our requests for funding under the 2013 Development Budget were not approved. However, the Department has allocated K1 million from the K20 million Appropriation Budget appropriation. This is for the provincial hospitals right throughout the country.

Mr Speaker, in regard to the plans for the Laloki Psychiatric Hospital, one of the problems is that the institute is not declared as a public hospital. As a result, the money or the funding does not go directly to the hospital but it goes to the Health Department. Thus, after the PAC inquiry, it would be declared as another public hospital under the *Public Hospital Act*, so that, it is appropriated the funding it deserves to maintain itself. So, the hospital in the long run will be prepared and upgraded and declared as a special psychiatric hospital.

Mr Speaker, some of my other plans are already in progress. We are going to establish a new directorate which will be directly under the Minister for Health. I will ensure that I will cater for the right management. Most of our hospitals are facing problems that concerns management issues. We must have the right management at all levels within the hospital and the Health Department.

Mr Speaker, with good management comes better treatment of mental illnesses, promotion of good mental health care and better management of the mental disorder, with of course, appropriate rehabilitation programs. And to conclude, I would like to say that I will also liaise with our mental health specialist, Dr Uma Ambi to ensure that all mental health requirements are adequately addressed throughout PNG.

MOTON BY LEAVE

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

Leave granted.

**SUSPENSION OF STANDING ORDERS –
REARRANGEMENT OF BUSINESS**

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

That so much of the Standing Orders be suspended as would prevent the Notice No: 38 being called on forthwith.

13/08

DISCHARGE OF ORDER OF THE DAY

Order of the Day No. 38, by leave withdrawn.

MOTION BY LEAVE

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

Leave granted.

**SUSPENSION OF STANDING ORDERS –
REARRANGEMENT OF BUSINESS**

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

That so much of the Standing Orders be suspended as would prevent Notice No: 62 being called on forthwith.

INCOME TAX (AMENDMENT) ACT 2013

First Reading

Bill presented by **Mr Peter O’Neill** and read a first time.

Second Reading

Leave granted to move the second reading forthwith.

Mr PETER O'NEILL (Ialibu – Pangia-Prime Minister and Acting Minister for Police)-I move –

That the Bill be now read a second time.

Mr Speaker, I present this Bill on behalf of the Treasurer who is representing our country at the Extractive Initiative Transparency International meeting today, where he is presenting a speech on this issue.

Mr Speaker, this Bill is to extend the tax credit scheme to include infrastructure projects of national importance, which the NEC is going to approve.

Mr Speaker, the eligible tax payers will be able to claim a reduction in their income tax liability when they spend money on national infrastructure projects approved by NEC. The NEC has already identified some infrastructure projects that include some prominent buildings within Waigani for our office spaces to be occupied by the government officers. We are spending almost K200 million a year in Port Moresby alone for rent.

I think it is important that we reduce that cost only if the Government can have their own office building and we are planning to do that. Mr Speaker, we are doing this to fund some major road infrastructures in the country, particularly, on the Highlands Highway and where all other project areas are now located. Mr Speaker, this is not limited to the resources company only, but it is extended to other project developers in the country where they operate from. We are trying to get the project of national significance to be approved under this scheme.

I commend this Bill to Parliament.

MESSAGE FROM THE GOVERNOR-GENERAL

A message from His Excellency the Governor-General was announced, dated 23rd May 2013, recommending the expenditure of public moneys in accordance with *Section 210 of the Constitution* insofar as the Bill relates to and provide for such expenditure.

Third Reading

Leave granted to move the third reading forthwith.

14/08

Motion (by **Mr Peter O'Neill**) proposed –

That the Bill be now read a third time.

Sir JULIUS CHAN (New Ireland) – Mr Speaker, I support the Prime Minister and the Treasurer. Mr Speaker, if you are going to get the tax credit scheme to build projects in one particular area, it should be confined to those profits received from that particular area. Otherwise, we can just end up building up Port Moresby and Lae and the areas in which we should be spending all our time on improving lives will miss out.

Mr Speaker, I am supporting the Prime Minister and the Treasurer to lock it in from that particular area, so if you want to build up Port Moresby, get those profit making companies to get the tax credits and support this project in Port Moresby or in Lae. Of course, there may be some sort of sharing necessary but that proportion of sharing should not rob those areas that needed most. Too often the resource areas that are producing well are missing out. A classical example is Western Province and Misima. They missed out on a lot of things.

Unfortunately, what you build in Port Moresby will last for a long, long time. What they missed out in provinces on some of their resources will die or will not last. Misima Mine did not last. All mining projects will die.

Mr Speaker, all I ask the Prime Minister to do is to use his discretion without limiting his powers to do what is for the nation, which is to confine the profits to one area. This is so that the people of Southern Highlands will get their wealth first. They must get all the development first. If you cannot do it, as I told the Minister for Finance, if you cannot help Koroba-Lake Kopiago or Tari-Pori, how can you fix Papua New Guinea. Do not be afraid. You have to go ahead and fix them. You have no one to apologise to, they produce the wealth. You have to make sure that they have to be looked after first.

Lastly, let us not forget those areas that produced the wealth because they need the development more than places like Port Moresby and elsewhere.

Bill, by leave read a third time.

GRIEVANCE DEBATE

Question proposed –

That the grievance be noted.

Mr JOHN PUNDARI (Kompam-Ambum – Minister for Environment and Conservation) – Mr Speaker, my grievance is regarding an announcement you made today in the Chamber and I believe that announcement is right and is correct in every sense.

Mr Speaker, I raised a Point of Order on the Floor of Parliament yesterday when the Leader of Opposition raised a series of questions to the Prime Minister and asked leave of Parliament to table a letter purportedly signed by the Prime Minister.

Mr Speaker, I was convinced that the letter, if leave was sought in Parliament to be tabled here, then someone was unable to put that letter out in the public media. I believe that using the protection of this supreme House that we all honourable Members represent, one decided to use this privilege to seek leave of Parliament to table a letter, which he would not be able to do or present to the media.

15/08

Mr Speaker, we respect the freedom of speech and the right of one's choice on the Floor of our Parliament or out in the public arena. Given sincere respect to what we call and see our House as the supreme body and makes the decision and respects the freedom of choice and freedom of speech, I believe that we ought to ensure that we conduct ourselves with sincere integrity, credibility and reputation as leaders respecting the supreme House as we so see it.

Mr Speaker, let me also state, after saying what I just said, it could be on one particular day if we just let loose of everything and allow everyone to come on the Floor of this Parliament, by the mandate that we have from our people, and say whatever we want to say and do whatever we want to do.

One day you could find a letter that you might not want . And before you realize it, by the fact that the Parliament has given leave of the paper to be tabled in Parliament, it becomes a public document. And without knowing it, somebody's name is already tarnished. At the end of the day, what is tabled here on the Floor of Parliament does not stand when it does not have merit and someone's character is already defamed.

Mr Speaker, just because we don't want to go to the media because we are in fear of being sued for damages, we take this rare privilege and run to Parliament and proclaim that we are

Mr Clean. We say, accept this paper that I am tabling for public consumption.

Mr Speaker, I don't think it's fair and I don't think we, as leaders, should run rings around this supreme House, whose integrity has to be protected, and use it for purposes of our own hand in defaming the characters of others.

Mr Speaker, you have made the correct ruling. And I believe my point of order yesterday, which you ruled out of order, is in order.

Mr Speaker, if anyone thinks that he's got facts, the relevant authorities are there that deal with issues and concerns of investigations, et cetera. You've got the Ombudsman, the SWEEP team, and the police fraud squad. You just have to pass it to them and if you are so eager that the public out there should know, don't be a coward and run onto the Floor of Parliament. Get out there, call that media and tell the world.

Why is it that you come and undermine the people's House with rubbish? I don't think that's the correct way here on the Floor of this Parliament, Mr Speaker. It is just not right and the precedents must be right if we want to protect the decorum of this House,

There is no other way. No one should behave like a coward on the Floor of this Parliament. Only cowards will come and seek the protection of this honourable House. If you are man enough, reflect your facts out there and call the open media and wave it and flag it.

Mr Speaker, I am so embarrassed of the way we have conducted ourselves in that manner; just like a thief.

Mr Speaker, today the Prime Minister himself made a personal explanation about the letter. How could the Prime Minister write to the Treasurer and then just below it he says, 'dear sir. When he writes to me, he addresses me as 'my dear minister', and not 'dear sir' and then attentions it to a secretary of a different department. . That's not the way my Prime Minister writes to me.

Here he writes to Treasury and then he attentions it to the Secretary of the Department of Finance, Come on, how absurd can it be?

We have made ourselves look so stupid, Mr Speaker. The Speaker's ruling is right in that we should authenticate documents through his office, and ensure they have merits and facts before they come onto the Floor of this honourable Parliament.

16/08

Do not make us a laughing stock, Mr Speaker. That was all I was trying to protect yesterday. I was not trying to protect anyone for that matter. And Mr Speaker, on the same token, you and I have the same privilege of sitting here on this Floor of Parliament by the mandate of our people.

There are people out there who would have contested the elections and lost. They do not have the opportunity of sitting here in the Chamber. They do not have the right and privilege that you and I have to air our voice and be able to defend themselves.

So, Mr Speaker, with due respect to the people out there, ourselves as members of parliament and the dignity of this House, you made the right decision and the right precedence. Let us stand on it and let's move forward with it.

Mr WERA MORI (Chuave) – I wish to begin by airing my grievances on several issues that are of national importance. But before I do that, I would like to congratulate the Minister for Housing for introducing a housing scheme and I think he must be commended.

May I begin Mr Speaker, I wish to draw the attention of this House to seven months ago when there were so many concerns raised on the Floor of Parliament on how the 2012 Elections was conducted.

Post mortems were done on the elections by many groups including NGOs and external observers who concluded that there were still many anomalies that derailed what could have been a successful outcome.

Mr Speaker, despite enormous security costs, instances of multiple voting and other election related violence were still high especially in remote communities in the Highlands. There was a public outcry on the need to address these problems in the future.

Mr Speaker it was a great relief when the O'Neill-Dion Government advocated for the use of the electronic voter registration and voting systems. This I believe led to the engagement of the Chinese IT company Huawei Technologies.

In a presentation on Wednesday of this week, it was very obvious that the system designed was only a central data bank that has no attribute that would assist the PNG Electoral Commission in their endeavour to address election related corruption.

It is good to finger print and photograph each voter registered as a biometric component of the data bank. However, Mr Speaker, what is now required is that the contractor must built in mechanisms that will, not only electronically register every vote and

have them counted, but must also prevent or reject multiple voting through the registration and usage of finger prints.

Mr Speaker, all voters registered must be linked to their respective council wards to avoid people abusing electronic ID cards to vote in other places where they are not eligible to vote. And it is very important this must be addressed otherwise it will not solve the problem and we are still going to see gun totting warlords take over polling booths in remote and isolated places. Having said that, Huawei has done an excellent job that would establish a sound data bank but serious steps must now be taken to address what I have just raised so that the people of Papua New Guinea will see a fair and violence free election in the future. Therefore Mr Speaker, in order to address this, all voters must be uplinked to their respective council wards. And I advocate for an electronic counting based on the finger print that are now biometrically registered. It is only fair that the National Government must direct Huawei to take on board this quality control measures in what I have raised, even if it means we have to increase the cost.

This brings through the second issue of quality control.

17/08

On the front page of *The National* newspaper of this week, there was a photograph showing the collapse of the new road opening up the Sir Hubert Murray Highway between 5 Mile and Erima Bridge here in the National Capital District.

This section of the road is only 1.5 kilometres and cost K30 million. What this basically means is that for every metre of road the cost will be K20 000.

What is appalling, Mr Speaker, is that there is total absence of quality control and this is my grievance that I would like to highlight here.

What it reflects is very poor engineering professionalism and Hebou Construction, the company that built this road, must explain how they could have overlooked this factor. In spite of the huge fees paid, Hebou Construction and NCDC engineers have failed to undertake proper geotechnical studies to mitigate the massive co-alluvial material that were eroding off the western ridge.

Mr Powes Parkop – Point of Order! Although, I respect the opinion of the learned Member for Chuave, we have instituted an independent audit to inquire into what the cause of the crack on that new road is. And I would prefer that, and it is up to your ruling, the independent audit is conducted and completed before we can comment on it.

Mr SPEAKER – Honourable Governor, you can resume your seat. I don't see any reason why he should not continue. I think it's the people's House and we need to discuss freely here so I will allow you to go ahead and express your grievances.

Mr WERA MORI – Thank you, Mr Speaker, what they had failed to do was to mitigate the massive co-alluvial material that were eroding off the western ridge of 5 Mile ridges and being deposited on the lower part of the plains under the activities of rainwater discharges or what is known as mass movements.

Mr Speaker, what is unacceptable is the fact the Hebou Construction decided to rely on a retention wall constructed as a perimeter fence to Ponderosa Hotel which was built by non-engineers. And this is totally unacceptable. This fence had no engineering features or studies done on how much load it could support.

I would prefer the engineers from the NCDC listen to this. Ponderosa Hotel had the perimeter fence for security purposes and also to retain soil and other co-alluvial material that were building up.

Mr Speaker, Hebou Construction took the easy option and relied on this fence as the retention wall for the excess material they were dumping and compacting during the road constructions.

This is totally unacceptable as it amounts to professional negligence. The engineers involved must be subjected to the PNG Society of Professional Engineers and must be disciplined. For the part of Hebou Constructions, they must not only repair the road but also compensate all landlords in the vicinity of that road construction at their own cost.

Mr Speaker, it shows the lack of quality control measures by project supervising engineers and also NCD engineers who would have tasked Hebou Constructions to undertake vigorous geotechnical studies and have them incorporated in their road designs. We have a situation where, probably lazy and incompetent engineers decided to rely on the retention wall build with no engineering features or studies on them.

Mr Speaker, the dumping and compaction of material on a sloping gradient are definitely moved under gravity exerting pressure on those retention walls which unfortunately ruptured and cracked under massive load that was dumped by Hebou Constructions.

There is no stability problems to the underlying bedrock because it is comprised of very integrated and highly siliceous Port Moresby chart beds.

Why is it that the public is paying a lot of money and only to get poor and sub-standards?

18/08

Mr CAMILLUS DANGIMA (Kerowagi) – Thank you Mr Speaker, for giving me this opportunity to speak.

My grievance debate is on the Highlands highway, especially the Simbu section between Chuave and Kerowagi.

I have realized that funds have been made available for certain parts of the Highlands highway, such as Lae up to Goroka, Kudjip and all the way to Southern Highlands where the extracting of gas and oil is happening.

But for my province of Chimbu, there are hardly any funds available for immediate maintenance of that section of the highway, starting from Chuave to Kundiawa to avoid landslips from occurring.

A survey was carried out by SMEC in 1979, and they recommended that, that portion of the Highway should be closed for good but it's been ignored and it's still in use for the last 20 years or so.

And now, we are experiencing a lot of landslips every time when there is heavy rainfall. Reports and surveys have been conducted to re-route that portion of the highway, but to date nothing has been done. But yet we say surveys will be conducted but how long do we continue to carry out surveys.

We must understand that there is a province called Chimbu and to follow on what my colleague Member for Chuave has alluded to earlier, every inch of that soil is needed by the Chimbis.

Therefore, I strongly emphasise here that we must consider that portion of the highway critically and take immediate action right now rather than ignore it all the time.

All the natural resource-rich provinces pass through my province and put too much pressure on that portion of the road. Does the Government realise that Simbu people are being badly affected one way or another? And when they try to complain, you engage the Police and Defense personnel. Can we seriously address this major problem once and for all please and no later than that?

Once a landslip occurs, we just add gravel on top, realizing that the real problem is there beneath the soil. One classic example is at the 5-Mile road.

My big concern here is people living along that portion of the Highway are badly affected. Their food gardens are destroyed every time there is a landslip.

Considering that, I wanted to ask the question to the Ministers for Transport and Works but they will not give me the answer that I want. Therefore, now is the right time for me to seriously talk about it rather than waiting.

Just recently a landslip occurred at my place and when the police went there to stop my people from raising their concern by blocking the road, I offered myself to be shot first because 1500 people were displaced and 46 000 hectares of land was being pushed away into the river system.

The Government is not addressing the problem on that portion of road that is affected by landslips. Yet they engage law enforcers to threaten the innocent people living along the highway and by force they open up the road all the time.

Mr Speaker, we are human beings like any one of you here and we cannot be sacrificed at the expense of making money for the country. We need every bit of our land to survive and I want the Government to take serious note on this matter, which must be considered next year. Thank you, Mr Speaker.

Mr ANTON YAGAMA (Usino-Bundi) – Thank you, Mr Speaker, for giving the people of Usino-Bundi a voice in this honourable Parliament.

19/08

My grievance is on the quality of balanced reporting by the media fraternity in this country. This is a concern shared by most Members of Parliament and the public as well.

In this country we enjoy the freedom of speech but this freedom does not authorize any media personnel or reporter the right to do bias reporting bordering on defamation of character and sensationalism.

Last Friday, *The National* newspaper reporter Jane Safihao reported on the decision handed down by the resident Judge of Madang on the Court of disputed Returns for the Usino-Bundi electorate. In that report, the journalist concentrated solely on the petitioner who is not a leader but a failed politician who never did anything for the people of Usino-Bundi when he was given an opportunity from 2002 and 2007.

Mr Speaker, this journalist did not report on the other components of that same decision made by the judge which are crucial. The other component of the decision is that I

am still the Member for Usino-Bundi and the grounds on which the petitioner relied on were all thrown out and the cost was awarded to the first respondent.

This has caused confusion and uncertainty to the people of Usino-Bundi and such reporting showcases biased reporting. Reporters must write balanced articles and represent both sides, especially when the events are brought before the courts or disputed.

In this instance, there was no mention of the duly elected Member for the people of Usino-Bundi. The report centralised on the recount but the decision was not on the recount. The reporters have a duty to the country and those who purposely do biased reporting should be accountable for their actions. This particular journalist must be sanctioned immediately as this is not the first time she has done that especially with national leaders.

PNG does not need this type of low grade reporting as many of the Members have raised their concerns on the quality of reporting. After all, these journalists are reporting for their own country and for their own leaders, so why are they reporting negatively on their leaders? In this way they are supporting criminal elements to prosper.

The Journalism fraternity must now have matured reporters and editors who must now ensure that only balanced are published. I know that many of the reporters do not know the amount of damage they cause to the people of this country when they do not check their facts before their articles are published.

It is about time they engage in serious investigative journalism and not report on what they see alone. They must research what they are going to put out for the public. Too many stories appear in the media by journalists who are paid money. I hope journalists become more responsible and report accurately and fairly.

Mr SASINDRAN MUTHUVEL – Thank you, I would like to contribute to this debate on the importance of agriculture in this country.

20/08

So much has been said during Question Time this morning and I admire and want to commend the Minister for Agriculture who has had an in-depth knowledge of his department. It is quite amazing that he has all these knowledge with facts and figures of most of the crops that were discussed today.

Mr Speaker, I have said a lot of things relating to agriculture but is the Government really focusing on this industry or not? What is the real focus because we are all under the LNG fever, we cannot deny that the LNG will propel this country forward but what is the real

future in regards to food security. The LNG is a non-renewable energy that will be gone tomorrow.

What are we going to do for the future of this country? Are we really going to promote sustainable agriculture by creating large-scale agricultural industries? This is the right time when we all have to invest much needed technology and funds into agriculture as we have not yet exported a single cubic of gas, considering the amount of funds allocated, but at whose expense?

Which Province is catering for all these expenses and funding for the millions impacted into the LNG project in the country? It is time that we look into the fair distribution of these resources because all the agricultural provinces, which have been generating revenue need attention to really develop their agricultural industries. I am happy to also hear Governor Anderson Agiru highly recommending the introduction of agriculture into his province as part of the economy and sustainability of the province.

In spite of giving so much revenue to the national purse, the roads in many of the provinces are not good enough to allow for transportation of agricultural products to available markets. There are no funds to maintain these roads so if we maintain these roads, we can increase the revenue generated from agriculture.

Mr Speaker, the Minister for Agriculture this morning mentioned that the Government should look into subsidising agriculture and many countries are doing this. Many developing countries are giving 50-70 per cent subsidies for fertilisers, weedicides and herbicides in order to increase the production. As an example, an oil palm block yield for a hectare is about 27 tonnes of fresh fruit compared to small growers who can only get 10-12 tonnes and it's due to poor cultivation practice and lack of affordability to buy fertilisers, weedicides or herbicides. This is the thing now that the government has to support by way of subsidy to the farmers so that they can also increase their productivity and engage in the industry.

This will create employment opportunities. It is time we look into small-scale production and decentralising bigger industries into rural areas whereby we can introduce the technology to the rural people. Instead of them selling the direct raw material, they can sell another finished product like coconut oil instead of just copra.

This will add value to the product and create additional income, and these technologies are available. Having been born in India, a country where 70 per cent of its people rely on agriculture and also process almost every agricultural product that grows there. We should look at those technologies.

21/08

Mr Speaker, imagine if a youth who doesn't have a job is introduced to this technology on how to extract oil from the product, it won't look as complicated as opposed to how big companies see it as rocket science.

Therefore, I urge the Ministry of Commerce and Industry to encourage our small growers to practice downstream processing rather than exporting raw materials overseas all the time. For instances, agricultural produce such as copra, cocoa and oil palm can be manufactured here rather than exporting overseas. It's about time we really support this downstream processing in rural industries if we want to sustain our economy.

With that there are other bottlenecks such as the Tax Credit Scheme. This morning there was an amendment made to that Bill, and I support Governor Sir Julius Chan's comment that this scheme should be considered at both the national and provincial level rather than one location only.

I say this because those big company directors have direct access at the national level. They come down to Port Moresby and communicate directly with the Ministers concerned without consulting the respective Governors at the provincial level. These changes have to be aligned with the priorities of the Provincial Government, but instead the companies go to senior ministers for approval.

Mr Speaker, that must be stopped. I thank the Minister for Planning, Honourable Charles Abel, for telling the General Manager when he visited our province. He told him to consult the provincial priorities committees before getting any approval. I thank him for that because they have to respect the local leaders because we know what is good for our province and know our provincial priorities.

With that, I also want to thank the Prime Minister for agreeing to visit West New Britain, not that I am on this side of the Floor, but when I was on the other side he asked me to send the invitation for his visit. It's really a great initiative taken by him because he visits all the provinces personally and he is kind of getting first-hand information from each province and not restricting to one province only. When he visits, we will show case what we have in our province and discuss what potential we have to contribute to the economy of this country.

In Government systems there are a lot of bottlenecks when it comes to provincial level, and I find it hard to address those issues. As an example, it took almost six weeks to appoint an acting CEO for Kimbe General Hospital.

And the other issue is law and order problems; just recently, I had to use medical evacuation procedures to transport an injured person. It could have been avoided only if I had the basic medical equipment at Kimbe General Hospital.

22/08

Mr JIM KAS (Madang) – Thank you, Mr Speaker. I have two points to contribute to this debate.

Mr Speaker, my first point is in regards to time management and the second is in regards to the Organic Law on the Integrity of Political Parties and Candidates (OLIPAC)

Firstly, I would like to thank the O’Neill-Dion Government for having confidence in the Speaker by appointing him. I would like to therefore commend the Speaker for taking the opportunity to do away with the ‘*PNG Time*’. For the last nine months the Speaker has been on time in this Parliament in wanting to do away with the concept of ‘*PNG Time*’. Therefore, I would like to take this time to thank you for taking the lead.

I would like to also challenge the Government Whip in this regard. The Government Whip has to pull up his socks by chasing up 40 Members every morning when Parliament is sitting to convene here before the Speaker walks in. If the Government Whip is unable to do this then I can do the job for him.

Mr Solan Mirisim – Point of Order! The Government Whip is up-to-date with current technology and does not need to go chasing Members. I use the mobile phone and text Members as early as 6 a.m. in the morning.

Mr KELLY NARU – Point of Order! For the last nine months you have not been doing your job –

Mr SPEAKER – Governor, allow the Government Whip to complete his Point of Order.

Mr Solan Mirisim – Maybe it is because you are in the Opposition and that is why you have no idea.

Mr SPEAKER – Your Point of Order is in order. Thank you, for your clarification. Governor you may continue.

Mr KELLY NARU – Thank you, now I know that there is a Government Whip.

I would to see that you assist the Speaker more by doing your part to have the numbers here ready before he walks into the Chamber. This is because the Speaker has for the past 9 months been doing his job. It reflects badly on you when he has to suspend Parliament to wait for you and the Members of Government. Thus, my first point is that, the Government Whip must do his job properly. This is because we Members of Parliament always tell the Public Servants to be on time for work when in fact we are a disgrace to the nation when we do not practice what we preach.

My second point is that, this Government is here because of the OLIPAC. Therefore, let us not abuse it.

Mr Speaker, when Members of Parliament are crossing over the Floor of Parliament or within respective political parties, I would like to implore to the Members to comply with the OLIPAC. I believe that certain sections of the OLIPAC are being abused or are not being complied with. I apologise for making this statement but it is the truth.

Mr Speaker, because of this, we either have to do away with it or institute a new OLIPAC. With that, Parliament must seriously think to legislate to reduce the number of political parties. This trend of mushrooming political parties during election time must stop. Why do we have to have a hundred political parties for 7 million people? I mean, the number of political parties is almost one hundred if you check the records since 1977.

Do we really need a hundred or a lot more political parties during elections? In my opinion, I believe that Parliament should legislate the number of political parties. And if it means instituting a figure as a minimum number to give recognition to political parties, then I think the minimum number of five is too small. The minimum number should be between 15 and 20 in order to reduce the number and strengthen them to create policies and convincing our people to vote on policies instead of the normal trend that we have been doing.

These are some of my thoughts that I wanted to share with the Parliament so that we can strengthen the political party system in Papua New Guinea. Otherwise, we will still see Members crossing over from the Opposition to the Government, and jumping from one political party to another.

Therefore, I believe that we really have to address this issue about Members movements and we really must look at the OLIPAC law seriously to address this issue.

Thank you, Mr Speaker.

23/07

Mr JOE SUNGI (Nuku) – Thank you, Mr Speaker, for recognising the people of Nuku for this will be the first time I will be talking during Grievance Debate.

Mr Speaker, I just came back from an international conference and I also believe many of us have also attended international conferences as well. Nevertheless, it is an embarrassment to learn that countries are rated based on the Human Development Index. Currently, we are ranked at 153 and as representatives of our people, we must take it very seriously.

Just for your information, Norway is ranked first, Australia is second and New Zealand is fifth in the Pacific Region. As for Papua New Guinea we are ranked at 153. Therefore, I am raising this issue because we have to take it into account seriously. It does not matter if we can build all the infrastructures and provide the essential services needed by our people and regardless of a good planning system in place, all it boils down to is how our country's human development is progressing.

This Human Development Index is in terms of meeting standards of education and health standards. It is about time that we as leaders know actually what we are here for and to address issues affecting our people. Many of us do not even know about such figures and thus, we will not know what we will measure at the end of five years. As a government, we have a responsibility to measure the performance of our national standard against the world standard.

Mr Speaker, this issue is very serious because when we are compared with other countries in terms of the indicators (indexes), we are listed way down on the list. The Vision 2050 that we have all accepted as our main development platform for the next 40 years has committed this country to jump from the rank of 153 to 50th position in the year 2050.

Mr Speaker, the question now is, are we actually going to achieve this? Have we started to measure it?

Mr Speaker, therefore, this is a challenge for all of us. Thus, the Department of National Planning must work with our provincial and local governments' reporting and monitoring services or the National Monitoring Authority to actually cascade the level of indicators from the National down to Provincial, District and LLG and Ward levels. We should actually know what our indicators, otherwise, our plans will not show any results.

Mr Speaker, we will have a colourful Budget next year and onwards. We look to have a promising future under the leadership of the Prime Minister and this Government.

Mr Speaker, I have been stressing the importance of us to understand on what we are basically going to report on. For instance, do our Public Servants know what they are going to work against in terms of their targets?

Mr Speaker, we must be serious about addressing this issue. We must be able to measure our own indicators for our health sector in terms of maternal mortality and infant mortality. These are the concerns that the Human Development Index is measuring. The Index is not based on a country's economy but simple indicators concerning health and education.

Mr Speaker, I am raising this matter because I consider it as a National Issue, and as leaders we must know what we are going to be measured against. We have a reason to exist.

Mr Speaker, if we do not have a reason to exist and build all kinds of fancy infrastructure but at the end of the day are the indicators for our health and education sectors are stagnant or are they dropping.

Mr Speaker, I do not know if the Department of Planning or the rest of for that matter have made an improvement for our Human Development Index from 153, or have we dropped. Therefore, that is how we are measured in those terms. Apart from that, the Millennium Development Goals will expire in 2015. These are the goals that we all should be aiming for.

Mr Speaker, I am very passionate about this and if the Prime Minister and all the Ministers attend these conferences, you all must know what you are talking about. It is embarrassing for some of us to sit at these conferences and find out that we have been listed far below against other countries. For instance, in the Pacific Region we are placed second last while Solomon Islands is the last. Therefore, we have to take this matter very seriously. We must take this matter seriously and know what we are measuring and what indicators should be used.

Mr Speaker, with that, I thank you for giving this opportunity for me to share my concern and regarding this matter which, is a national concern. Therefore, we as leaders must know what we will be measured against so that our people at the end of the day will hold us accountable in terms of what we have achieved individually, and as a country as a whole.

Thank you.

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Mr POWES PARKOP (National Capital District) – Mr Speaker, it was not my intention to contribute to the Grievance Debate today but the honourable Member for Chuave compelled me to contribute.

Mr Speaker, I feel that it is only proper that I should give a bit of explanation because the honourable Member has made a professional analysis of what has happened there. Therefore, it casts implications on our engineers and contractors. I am not trying to defend them because they are not here to defend themselves.

Therefore, as the Governor for NCD, I feel compelled that I should say something to assure everyone that the concern raised by the honourable Member is a genuine one. I myself am also concerned as the Governor of our City. I do not clearly understand the cause that led to that crack happening and was not detected by the engineers and contractors.

Nevertheless, I would like to assure the Parliament, the Prime Minister and our people that, we have already begun an independent investigation. And it is going to be done by a very professional and competent engineering firm. They are going to give their findings and we have given them a specific deadline and we should be able to get from the finding what was the cause, and who was responsible.

Therefore, I believe that from this investigation, we will know who should pay for the cost of repairing that particular portion of that road. Until such time when that report comes out, I suggest that we can express our concern but let us not pass judgement too early.

Mr Speaker, having said that, I would like to assure the Prime Minister because this was a government funded project and was managed by NCDC. I too would be disappointed if our engineers were responsible. I know as well as those who live around that area that, there is a water mains pipe that runs through that road. This should have been also considered in terms of the scoping, design and construction of the road. I am not an engineer or a geologist like our learned Member from Chuave, but I would like to assure our Prime Minister, the Parliament and our people that every day I talk to our engineers. I get on them when things are not right in our City.

We are spending a lot of public money in our City and up to now in terms of road construction together with the National Government, we have spent nearly K450 million in last four or five years. That is a lot of money and that National Government has already committed more to build and improve the infrastructures of the City in order to showcase our nation and people to the world.

Therefore, I once again, want to assure you, Mr Speaker, the Government and Prime Minister that we will ensure that all these money is subject to proper scrutiny by our engineers.

Mr Speaker, as I have said before, every day I speak to our engineers both in respect to big and minor problems like potholes. I myself do not understand why we continue to have potholes in the City and for that matter around the country as well. If you were to go down to Brisbane for example, they must be living on another planet. This is because their roads do not have potholes. The differences I think are in terms of designing and roadside drainage systems.

Therefore, unfortunately, we do not spend enough money to build proper roadside drainages. Nevertheless, this year we have parked money in the NCDC Budget at about K20 million plus to do drainage in the City so that we do not have these potholes recurring. As the Governor of our city, I wake up every day and check our roads from potholes to all these types of major problems. I am not an engineer but I talk to our engineers about the concern that as Members of Parliament and leaders of our people about public funding expenditure. I will continue to do that and I want to assure the Government and the Prime Minister in particular that we will ensure there is proper engineering supervision.

I have already held talks with the Association of Engineers and asked them to voluntarily assist us by doing independent audits of road constructions before we certify it. This is because we have to admit that our engineers may have collaborated with construction companies to certify road projects. Some of our roads in the City that have been already built do not seem to be worthy of being certified in the place by our engineers. Maybe it is because when the work is done the engineers will also get paid by these construction companies.

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I have already held talks with the association of engineers and asked them to voluntarily assist us by doing independent audits of road constructions before we certify that the work has been completed and they are going to be paid.

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But, Mr Speaker, I am not here to have a go at our engineers. My job is that if an engineer certifies it, I authorize payment, I do not stop payment.

I am not an engineer so I am not in a position to ask you why this is certified when nothing is being done on this road. We rely on our professionals and if our professionals are compromising themselves, it is a legitimate concern. I am equally of that concern and so I speak to our engineers, including the city manager to make sure that public funds are not squandered.

I also talk to our contractors. Believe me Mr Speaker, I have the numbers of all the CEOs of all the major contractors in the city. If I see that our roads or any other construction is not being done, I call them directly rather than going through second or third parties, I go to the boss at the top.

I don't say this publicly because these are things that we have to manage between the government agencies, departments and our partners in the private sector. But I want to give you this assurance so that people know that we are not just sitting back and allowing contractors to do as they please.

Importantly, with the National Government expending a lot of money in our city, I want to assure, the Parliament and the Prime Minister, and our people that we are going to ensure that the jobs are done to the highest professional standards.

Mr Speaker, my three colleagues and I in NCD, more than anybody else, want these investments to have a lasting solution to basic problems in the city. I can't understand why potholes keep on recurring but if we can't do it, maybe we should get professional engineers elsewhere to come and supervise them.

However, all those options are open and we will continue to do our best but on the point of 5-Mile roads, I am equally disappointed and I have expressed my disappointment to the city manager and engineers and also to the contracting party.

We have agreed that an independent audit should take place. It might be that the Member for Chuave is right, that it is the contractors fault, or it might be that it is also because of poor supervision on our part. I will not deny that but let's wait for that investigation to take place and once it is concluded, whoever is responsible, it might even be EDA Ranu's responsibility because we asked Eda Ranu to cap the water main that was running through the new road. They should have shut it down and if it is Eda Ranu's fault, they should pay for it.

This is why I intervened through a point of order so we could have it subject to a professional independent audit and they can tell us who is responsible.

Mr Speaker, the way I see it is just contributing to the wider debate that is going on this morning in terms of our grievances I just want to take issue with the point raised by the Governor of Central in respect to rice.

While the Minister gave a good explanation, the problem with this explanation is this.

Mr SPEAKER – Your time is up. I will just give you one minute to sum up.

Mr POWES PARKOP – Alright, the problem with this explanation is that the Minister should be proactive. He should not just wait for the Governor of Central and whatever company they are dealing with to develop that rice estate down in Bereina.

If that is not working right, we should be proactive to come up with a solution to that problem of importing rice all the time. It is costing us K900 million to K1 billion every year to import rice. We can grow rice in this country. We don't have to listen to Trukai. Let's start growing our own rice for our people to eat, so they don't have to buy Trukai.

And more importantly, the rice import goes down. This is what the project down in Bereina is all about. So, the Minister should not just say follow all these procedures. If you listen to what the Minister is saying, we will never do anything in this country.

Let's be proactive. Rice is a big problem. Food security is a big problem. China has a policy not to export rice but we can export rice to China if we start producing surplus here in Papua New Guinea.

Across in Indonesia they are growing rice. We have the same geographical makeup, climate and everything else but Trukai is telling us we can't grow rice here because they have a monopoly and that is a concern that some of us have.

Why can't we allow us to grow rice in areas such as the Sepik Plain, Karimui, Markham and so if in Bereina they want to grow rice, give them the opportunity?

Mrs DELILAH GORE (Sohe) – Thank you, Mr Speaker. I want to join the debate and my concern is health services in my district.

Mr Speaker, Sohe district is a very rural district and I have districts that are at the border of Morobe, Central and are very remote.

Mr Speaker, my concern is that the medical supplies have not been reaching these very remote districts for the last six months of this year.

We have heard so much of our Minister's charismatic talking and since I did not have time to ask him during Question Time, I will raise this grievance. My grievance is the Department of Health gave the contract for the supply of medicine to a private contractor. This contractor is supposed to deliver medicines and for the last five years Oro Province for that matter has not been receiving any medicine.

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Can you imagine a scenario of somebody being sick, or a child about to die but they cannot reach Popondetta in time especially when all the bridges are washed off and the road network is in a poor state? How can these remote people survive without medicine?

I want to ask this Parliament, in cases like this where the Health Department gives contracts for the supply of medicine instead of the Area Health Stores, which supplies medicine to Lae and Popondetta, what do the contractors do? Previously, from my knowledge, the Area Health Supply store in Lae supplied medicine to the Department of Health. The provincial health offices then monitor how these supplies get to health centers and aid posts.

When this method changed to the current arrangement, health offices just sit there without knowing how the medicine is getting to the health centres and aid posts.

I have asked the Health Minister because there is a case in point where I came to Kokoda and found there is no medicine. When I inquired with the other districts they gave me the same story. So, from January until now, they have not had any medicines at all.

So I went to the provincial health office and asked them what they are doing with the medicine and why our health facilities have no medicine.

Mr Speaker, I was told that since the Health Department changed its methods by supplying medicine through their Area Store to the contractors, medicines haven't been reaching health centres.

So, I don't know how many of you are aware of this issue but this is the scenario in Oro Province, especially in my district.

So I really have a very serious grievance here. What is happening is that mothers are dying and children are dying and what are we doing about it?

I heard the Member for Nuku talking about the rating that we have for health and education services, I think this is really true because my district is really missing out on receiving medicine on time.

I think the Minister and the government should review the arrangement where they have awarded the contract to a private contractor to supply medicine. I think it is not working. We should go back to the original arrangement where the Department of Health monitors the supply of medicine. When we went to the provincial health office they look through their stocks because they had checklists there. They check and confirmed that they didn't deliver because of no transport. They are right there to tell us what is happening. But for now, they don't know because it is now the responsibility of the contractor. They have no records showing who is receiving medicine and who is not receiving medicine.

Mr ANDERSON AGIRU (Hela) Thank you, Mr Speaker, over the last two weeks, many ministerial quarterly reports have been tabled and many personable debates have been heard.

Mr Speaker, a lot of those debates and statements highlighted major disconnections between every sector of our economy.

What is heartening for me was the fact that those ministers have identified the disconnections and the Government led by Prime Minister Peter O'Neill is embarking on a tumultuous challenge of connecting all of those disconnects.

I think it will take time. Our people have to be patient. We cannot expect miracles overnight. Papua New Guinea has a large population growing at three per cent per year, one

of the highest in the world. Our social indicators prove that we are lagging way behind. Therefore the need to meet those challenges are enormous.

Mr Speaker, we have made a start. We have the resources and we have identified the problems. I think it is time we buckle up, tighten our expenditure and walk the hard road to rebuilding our country.

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Mr Speaker, not long ago, 29 days yesterday, I gave an ultimatum to our government and the developer of PNG LNG ExxonMobil to honour their commitments to my province and my people. I did not ask for a penny more than what we agreed to.

Mr Speaker, I wish to report that enormous progress has been made under the leadership of the Prime Minister. ExxonMobil has come back strongly to accept some of the responsibility.

Many times in Papua New Guinea resource developers, at the cost of not developing or not doing what they agreed to do in the various agreements, walk away leaving the problems for our people and government to sort out and therefore there is no checks and balances. That will not happen in the Hela Province, where the footprint of the PNG LNG is under my watch.

Mr Speaker, the Prime Minister has also identified the challenges and identified the problems which occurred in various government agencies. Yes, many millions of kina has been paid, it has been paid to individuals, to fund their gambling habits, extravagant lifestyles such as chasing after women with very lower moral standards. That is not the role of government. That is not the role of State, therefore, it is a challenge I am putting on every minister who is responsible, whether it be in Finance, Planning, or Petroleum. Your challenge is to make sure that the development kina belonging to my people goes to where it belongs. You have no right of discretion under those agreements to spend money at your leisure, paying money to individuals is not the State discharging its obligations under these agreements.

Therefore my friends, if we want to move this country forward, we've got to do the things right, those basic things such as making sure the tendering and procurement processes are complied with.

My people are guilty of stealing their own money and those ministers and departments who facilitate that are also guilty of stealing my people's money therefore we've

got to correct this. And I am grateful that the Prime Minister has identified those problems and he is providing leadership to address them.

Motion – That grievances be noted – agreed to.

ADJOURNMENT

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

That the Parliament do now adjourn.

That Parliament adjourned at 5:00 p.m.