

NINTH DAY

Tuesday 28 May 2013

DRAFT HANSARD

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NINTH DAY

Tuesday 28 May 2013

The Speaker, (Mr Theo Zurenuoc) took the Chair at 10 a.m., and invited the Member for Abau, **Sir Dr Puka Temu** to say the Prayers:

(...due to technical problems the Prayer was NOT recorded...)

QUESTIONS

Mr RONNY KNIGHT – Mr Speaker, my questions are directed to the Minister for Public Services.

Mr Speaker, in my district, former Open Members relied on the Provincial Public Servants in Manus. For example, the Provincial Administrator also works as a District Administrator while likewise the Provincial Treasurer is also the District Treasurer. We do not have a district administrator or district treasurer. Manus people have two Members of Parliament and not one Member. Why are we marginalized as such?

Mr Speaker, I am quite thrilled over the amount of money that is given by this Government to our district and provinces for development and services. However, I found that the huge amount of money is not going to be easy to spend, especially when we take into account the amount of red tape and delays propagated by our provincial public servants. The *Constitution* says in our case, one district one province only one provincial administrator or one district treasurer is to be enforced.

Mr Speaker, it took four months for the Provincial Supplies and Tenders Board to meet and decide on something. The Bible says we cannot serve two masters. We either serve one or the other and that is what is happening in this situation. Since, I was elected as the Member, I realized the Provincial Administrator spends 90 per cent of the time on province matters and only 10 per cent on the district matters.

Mr Speaker, many of you have not gone through the hardship that I face. I have only two staff in my office and LLG managers whom I cannot depend on. I cannot deliver what I have promised to deliver.

I have written to all the relevant Ministers and their reply is quite fruitful, I believe, the district administrator's position has been approved for Manus but until now I still have no chief adviser. My questions to the Minister are:

- (1) If the position has been approved, when will I have my District Administrator?
- (2) Can Manus have two districts so that we all are same?
- (3) If the *Constitution* does not allow one provincial administrator and one district administrator, can you immediately change the *Constitution* to allow for such cases to take effect?

Sir Dr PUKA TEMU – Mr Speaker, I acknowledge and commend the Honourable Member for Manus for his important questions.

Mr Speaker, I must say that very early on during the year, the Honourable Member approached me on the issue. As we all know and he has a right to say that Manus has a very special case. Therefore, with the request of the Honourable Member, I invited my Department through the Secretary and the intervention was made.

The position of the District Administrator for Manus to serve the Open Member for Manus was created by the Department. I have been advised through the Member and I have checked with the Department. The issue on the ground is that the current provincial administrator has advised the Open Member that that case cannot be legally effected until the *Organic Law on the Provincial Government and Local-level Governments* is amended to allow for it.

Mr Speaker, thus, whilst at the administrative level, the decision has been made and my Department is currently consulting the *Organic Law on the Provincial and Local-level Governments*. The reason why we went ahead to support the Open Member for Manus was to make sure that there was no conflict so far as the Provincial Administrator and the Deputy Administrator are concerned.

02/09

And the position that the Department took under my instruction was to create a separate position for the District Administrator. The current arrangement, which has been in existence for a long time is that the Deputy Provincial Administrator should be serving the Open Member while the Provincial Administrator should be serving the Regional or Provincial Member, the Governor. This is the current arrangement under the *Organic Law on the Provincial and the Local-level Government*, however, we saw fit and feel that it was right for us to create that position.

Mr Speaker, I am still seeking proper legal opinion but I agree that the *Organic Law* needs to be changed; the part of that is highlighted in the Bill, which is now on the Floor of Parliament, particularly the *Organic Law on the Provincial and Local-Level Governments*. But we need to critically look at the special case on Manus on the *Organic Law* provision and look at that provision to make the amendment as well.

The way I see, the future is to either create a District Administrator for Manus to serve the Open Member. We have done that through the Department of Public Services as an administrative intervention, or designate the Deputy Provincial Administrator to act as the District Administrator in the Open Electorate to serve the Manus Open Member, particularly, though the JDB process because as you can imagine there is only one single Public Service within the Manus Provincial Administration.

Therefore, the *Organic Law* provided specifically that there should be just one district and administrative structure.

Mr Speaker, I advise the Honourable Member that we have had also appointed the new acting Provincial Administrator and that should be immediately effective. Therefore, the new Provincial Acting Administrator needs, therefore, the administrative arrangement between the Department of Personnel Management and the Manus Provincial Administration. But I will continue to liaise with the Honourable Member to make sure that these requirements are complied with.

Mr HAVILA KAVO – Mr Speaker, I direct my question to the Minister for Public Services regarding the Districts of Kerema. If we look at the map, Kerema covers a large and

having one administrator to manage it is serious work. As a result, much of the concentration was on the coastline of Kerema District.

Mr Speaker, my administration is in the process of creating district administrators positions; one administrator will take care of the Highlands part of the province whilst the other takes the coastal part.

(1) Can your Department seriously have a look at that and appoint a district administrator for the mountainous part of the province?

Sir Dr PUKA TEMU – Mr Speaker, I thank the honourable Governor for Gulf for raising the issue of his district of Kerema.

Mr Speaker, I would strongly recommend that the Governor should take the holistic approach in reviewing his Provincial Administrative structure like other Governors have done to their provinces. The classical examples are New Ireland and Southern Highlands. They have taken the holistic approach and we have approved their request and the New Ireland has a new administrative structure in place. In addition, we are now currently working with the Governor of the Southern Highlands.

Therefore, Mr Speaker, I would strongly urge all the Governors including the Governor of Gulf to do the same in a holistic approach to address his Kerema district because one size doesn't fit all because each province and each district is different.

However, we will take on board the Governor's concern since the Kerema District is too big because of the terrain there which should be two districts. But, I strongly recommend, rather than just looking at it on its own, I recommend that we look at the whole Gulf administration as a package.

Mr Speaker, I do not see any reason why we cannot create two district administrators positions for Kerema.

03/09

The current structure will not allow DPM to appoint two District Administrators, but if the new structure is approved and allows for that arrangement to be structured within the new Organisational Structure than let it be so.

I request the Governor to put it in writing and get his Acting Personal Assistant to progress on the new Gulf Provincial Administration Structure so that my department can assess it and make recommendations accordingly. Thank you.

Mr JOHN SIMON – Mr Speaker, thank you for giving me this opportunity to ask my questions.

I direct my questions to the Minister for Trade, Commerce and Industry.

(1) What is the latest on the Corporate Societies of PNG and the K10 million, which was paid to a company based in East Sepik by Treasury Department?

(2) What is the latest on the K10 million, which was paid to Women in Business in East Sepik?

A lot of mothers in Maprik had the understanding that they would carry out the normal banking business and when they wanted to withdraw the money, they were advised to wait. And we were informed that the Minister has carried out an investigation into this matter because the Prime Minister is taking a tough stand on fighting corruption.

Mr RICHARD MARU – I thank the Member for Maprik for his questions.

Mr Speaker, in relation to these two questions, I can confirm that K6 million has been paid to a company in East Sepik. And K3 million was shifted off to the hotel development and another K3 million ended up in Australia.

I have requested the Department for an investigation but no one cooperated. Every one is saying there are no records. And so, I instructed my Secretary to personally go to Wewak on Wednesday to get first hand information.

Right now, the Chairman of the company is in hiding somewhere, but we will track him down and find out where the K6 million went to, and whoever is behind this will be brought to justice.

Now, in relation to the K10 million that went to Women in Business; the former Minister, Charles Abel referred the matter to the Sweep Team and it's still under investigation. It's very sad that a lot of matters are still with the Sweep Team for almost six to 12 months now.

Mr AMKAT MAI – I direct my questions to the Minister for Civil Aviation, and I want the Minister for Transport to take note.

(1) Does the Department of Civil Aviation have any plan to extend and upgrade the Vanimo Airport runway and eventually turning it into an International Airport?

(2) Could the Minister direct Air Nuigini Management to increase its current schedule of three flights into Vanimo to four or more because of the increase in business activities in Vanimo Airport?

(3) Could there be a special subsidy grant considered for freight charges for air and shipping transport into Vanimo Port and maybe to other far and distant ports throughout PNG?

Mr DAVIS STEVEN – Mr Speaker, starting with the third question in relation to the ports that falls' outside my jurisdiction, and I am sure that the Minister for Transport will deal with that.

As to the second question, Mr Speaker, Air Nuigini falls within the jurisdiction and responsibility of the Minister for State Enterprises, Honourable Ben Micah. But I will liaise with both Ministers to ensure that the Governor receives an appropriate answer to his questions.

Now with regards to the Vanimo Airport, I am glad that the Governor has raised this question, particularly at this point in time. I take this opportunity to inform this Parliament that the Vanimo Airport together with the other airports throughout the country are now receiving attention under a special Government-funded arrangement with the Asian Development Bank.

04/09

And the first batch of which, ended yesterday when we launched the commencement of the airport upgrade project for the Hoskins Airport. Many will recall from the media, that a similar ground breaking ceremony was done 2 weeks ago in Mount Hagen, under the same funding and now you will see an improvement to the Kagamuga Airport terminal.

I want to assure the Governor and the good people of Sandaun Province that the Vanimo Airport project will commence before the end of this year, and it falls into the second batch and a huge amount of money will be spent and details of this will be in writing and given to the Governor.

Mr Speaker, the end result is that the people of Sandaun should expect Fokker 100 service into that airport and as a result, people will enjoy better service in terms of air transport.

Mr GARRY JUFFA – I direct my questions to the Minister for Trade, Commerce and Industry and I want the Prime Minister to take note.

Firstly, I commend the Minister for his positive comments made at the recent Regional Meeting in respect of Trade Agreements and Trade in the region. My questions are as follows:

(1) Can the Minister please advice whether PNG has a country position in so far as International Trade is concerned?

(2) Can the Minister advice if the responsibility to negotiate trade whether bilateral or otherwise has been transferred to his Ministry?

(3) If so, will the Minister be able to advice us whether we are developing any strategies to develop a Trade Policy that will benefit the country as a whole?

(4) Are you also aware that the PACER PLUS and PICTA Trade Agreement that are being enforced upon the Pacific Islands, which PNG is included seek to modify our labour and migration laws so that multinational companies can come in here and bring their own manpower and basically create unemployment and poverty for our economy?

Mr RICHARD MARU – Thank you Mr Speaker, I will now respond to the question raised by the Governor.

Firstly, the Prime Minister has made a decision and by way of ministerial determination the functions were transferred. However, the trade functions continue to rest with the Department of Foreign Affairs.

In fact, tomorrow the formal handover and takeover of the trade function will be carried out.

I want to inform this Parliament that there has been a lot of resistance from the Department of Foreign Affairs for the change to happen. And so my question is, if you don't want the change pack up and go home.

Trade has not been a priority of successive Governments in the past but I commend the Prime Minister for making a firm decision to transfer the functions.

As a result, you have seen a lot of trade developments starting and now we are starting to have a voice in the international scene.

In relation to the way the reform is carried out; it's my intention to have a designated trade and investment function established by an *Act* of Parliament. And that is under way and a submission will be submitted for Cabinet's approval in the next few weeks. So that respective departments don't go and do their own trading negotiation but instead there must be trade negotiators; and the Minister for Trade should be the Chief negotiator for all matters in relation to trade. That's how all other countries are organized and we will bring this approach into our Ministry. Prime Minister is providing the leadership to go down that path.

In relation to PACER PLUS and PICTA Trade Agreement; my position has been expressed in the meeting in Fiji last week. And I am of the firm view that lets not rush this agreement upon ourselves but concentrate on the MSG trade arrangements.

In September, we gazetted the listing of goods and we are now trading between our four countries under duty free arrangements.

We will combine with the Fijians and go to Solomon Islands to try and entrance our position in that market.

05/09

In relation to your question on Indonesia, my position is simple, we cannot dictate to Indonesia on matters of international affairs. We must start to build the bridge with trade and work towards our overall aim of achieving trade relations.

Mr Garry Juffa – Point of Order! I did not ask any question on Indonesia.

Mr RICHARD MARU –In terms of where we are going in trade I expect to announce when trade is moving over and we will come up with a new organisation that will drive trade. It is my intention to bring to Government funding proposal for that office including the establishment of trade commissions for Papua New Guinea, both within the country and the Pacific.

Mr WILLIAM POWI – My questions are directed to the Minister for Forestry and are in relation to the East Pangia Timber Project in the Southern Highlands. As you are aware, the East Pangia Forestry Project is one of the 10 impact projects in the country.

The Southern Highlands Provincial Forestry Committee has complied with all your requirements and has dealt with the National Forest Authority. Eighteen months ago we were at the point of announcing the successful developer for this project but the only issue with the holdup of this project was the lack of social mapping studies undertaken by NFA. This has not been done and we are still waiting.

Other people have taken advantage of the non-compliance with the social mapping study and have taken the matter to Court.

My questions are;

- (1) Has the National Forest Authority given any thought to undertake the social mapping study to identify landowners of this project?
- (2) If yes, what is the status and if not, what is the NFA doing about it?
- (3) When is NFA likely to fast-track the progress of this project?

Mr PATRICK PRUAITCH – Thank you for your important questions relating to the East Pangia Forestry Project. I confirm that this is one of 10 projects under the previous Government that was identified to be developed with strong assistance from the current Prime Minister.

The process of allocation was done and we entered into a project agreement with Madang Timbers and that process has been completed, however, in 2010, there were talks on Carbon Trade and the landowners had a division among themselves. One group took out a restraining order to stop NFA in carrying out its tasks and even issuing a permit on this project.

The East Pangia Project was one of Forestry's first projects that was supposed to be engaged in full downstream processing. Because of the Court Order, the process for allocation was not complete. And since assuming office, I have gone back to review the 10 impact projects and because this particular project was not into its development stages I have requested NFA to institute legal proceedings to try and set aside the Court Order so that we can issue permits and allow the developer to develop the project.

06/09

Supplementary Question

Mr POWES PARKOP – Since the beginning of logging in the country, the Government has been collecting re-afforestation levy. And up to now, not much re-afforestation is going on.

- (1) How much money do we have in the trust account as re-afforestation levy?
- (2) When will real re-afforestation take place in the logging areas and non-logging areas?
- (3) Can a province or district like the Nation's Capital where no logging takes place, apply for re-afforestation levy if it is sitting idle in the trust account?

Mr PATRICK PRUAITCH – I thank the Governor of NCD for his question in relation to re-afforestation levy. At this stage, the laws says that the re-afforestation levy must go towards logging areas. It is not for all areas and NCD does not qualify for the levy. Re-afforestation simply is replanting of trees after those being cut down.

I want to assure the Governor that under Climate Change some funds have been secured from World Bank under the adaptation fund for places like Chimbu and NCD, those areas with savannah grassland will qualify as soon as this policy is in place.

Mr TOBIAS KULANG – My question to the Minister for National Planning is in relation to some challenges faced in the district.

Can the Minister inform us as to whether there is a plan in place to assist in developing District Headquarters?

While the Government is giving more to the districts, these districts do not have the capacity and utilities such as road, health, education, water and electricity to carry out some of the proposed plans. If these are in place we can have public servants working to achieve what we want them to achieve.

Mr CHARLES ABEL – Thank you, Mr Speaker, and the Member for Kundiawa for your question relating to the blueprint of developing infrastructure at the district level. It is a

good question and it is something that we are all struggling with as we are trying to deliver on the huge funding provided to the districts.

One of the key impediments is the capacity at that level so it is a challenge that we are all taking on and we are trying to standardise these things but it all begins with your District Plans. And if you want to standardize it by getting your five-year plan in order that will be the basic tool for developing the districts and for many these are not being done.

Within that plan, you can prioritise on the assets because districts will have varying needs. In terms of particular assets, there are line agencies in place that can assist us in standardising those things, like rural development, works, transport and urbanisation.

07/09

From the Planning Department's perspective, we simply want to see that your plans are in place so we appropriate the funding. It is not necessarily the Department's function to go down to that level and sort out the details.

We want to only boost your capacity and this is subject to your requirements. At that level, we'll let you exercise your abilities to planning your district according to its particular needs. Funding is available and I encourage the Member to resource yourself and communicate with the particular agencies to assist you, to utilise those funding to get the work done.

Mr Speaker, it is also part of the exercise to bring back the Planning Department to what it should be doing. The Department has become a disbursement agency and it is getting too involved in battering down to details of programs and projects. It is not supposed to do that, planning is supposed to assist in creating programs in consultation with sectoral agencies and monitor those programs. We are losing that focus and this is also part of it and it comes down to the appropriate functions for agencies. Let us rely on some of those executing agencies who have the expertise to help us develop our District Plans.

Mr Speaker, each district is different so that's all I can advise the Member on but we are ready to help him through the agency under the Planning Department, which is the Office of Rural Development.

Mr RON GANARAFO – My questions are directed to the Works Minister. The first question relates to a bridge in the Ramu area that connects the Highway to Madang and Brahman station. This station is very important as it has a high school and a very busy community; Daulo and Goroka have LLG wards in that area.

And that was the only bridge that was connecting that part of the world, to Bundi, Gembogl, Kundiawa and the entire Highlands Provinces. In December, 2010, this bridge was washed away during the rain, but it seems the people of Brahman and the station have been forgotten because the bridge has since not been repaired.

(1) Can the Minister let us know when this bridge is likely to be fixed?

08/09

Mr Jim Kas – Point of Order! Before the Minister for Works answers the question, according to the Madang Provincial Government, that road was closed because the Bano Bridge is already there. It was built by the Chinese Government. Thankyou Mr Speaker.

Mr SPEAKER – Honourable Member, can you ask your question quickly and don't drag on.

Mr RON GANARAFO - The next question is in relation to another sector. There is talk about building a road from Malalaua in the Gulf Province connecting Kaintiba and onto Menyamya. That part of the road between Kaintiba and Eastern Highlands Province has a huge agriculture potential. Almost all of you have been on a plane, if you take a 50 minute flight from Goroka to Port Moresby after 25 minutes you are at Kaintiba.

Mr SPEAKER – Honourable Member, please ask your questions.

Mr RON GANARAFO - And from Kaintiba to Port Moresby is another 25 minutes. This means that half of the entire route covering some 500 000 hectares of land has agriculture potential

Mr Speaker, I am raising this question because a lot of you have been concerned about law and order, agriculture and other social issues in this country.

Mr SPEAKER – Honourable Member, you are making a statement rather than asking questions. Please refrain from making a statement.

Mr RON GANARAFO -We want to open up the hinterland starting with that part of the country then you have other places like Erave to Gulf and maybe from Porgera you can connect to Telefomin and these sort of things . I am just giving you an idea, Mr Speaker, so the Minister can answer.

(Laughter in the Chamber)

Mr FRANCIS AWESA – Mr Speaker, I want to thank the Honourable Member for Daulo for his two important two questions. Firstly, regarding the Brahman road, and the bridge, I would like to advise the Member that the bridge collapsed in 2010 as a result of rainfall and floods in that area. I would like to assure him that I will further discuss with the Department and look into ways to assist in the reconstruction of that bridge because I know that the Catholic Church in Brahman station depend on that bridge and they have provided very good services to our people in that area particularly in the areas of Education and Health Services. I want to assure him that I would look into this issue.

The second question is in regards to funds to connect the road from Marawaka in Eastern Highlands down to Kaintiba in Gulf Province. He is sincere in saying that the area has potential and the past Governments has not given attention to. There are potential areas such as Karamui and Marawaka connecting to the Gulf province, I want to assure the Member that I will also look into it and find ways to address it. I will also provide a detailed response in writing.

Mr JOE KOIM KOMUN – We all know that the Department of Works coordinates road construction and then transfers the responsibility of road maintenance to the National Roads Authority. My road from Kendeng to Kondopina connects Anglimp South Waghi to Dei Council

and North Waghi. Last year in October; the entire road section from Kendeng to Kondopina was washed away by the heavy rains just after it was built by COVEC, a subsidiary company to Cameron Construction.

09/09

When I was driving through the construction site, I have noticed that the road has not been done properly.

Therefore, I want the National Roads Authority to direct the two companies, COVEC and Cameron to check the road they have constructed because over the last few months it has rained and washed away the foundation.

Mr FRANCIS AWESA – Mr Speaker, I want to thank the Member for Anglimp-South Wahgi for his question.

I am not aware of the bridge that he is referring to but I assure him that both of us with my officers will try to come up with a solution to that.

In relation to the issue, I am not aware whether this portion of the road does come under the National Road Authority for maintenance, but I can assure the Member that I will check with the National Roads Authority Management, and inform him accordingly.

Mr TONY AIMO – I want to direct my question to the Minister for Community Development, Religion and Family Affairs.

I am now going to fund all my Corporate Societies from the K1 million that is allocated for Economic Sector. All the Corporate Societies can now register all the ILDs within my electorates.

But the problem is that in the ILD form there is one particular section that states that the clan members have to fill the names of all its members and also provide Birth Certificates. A Birth Certificate would cost about K25 per person for birth registration. Imagine if you have 2 000 clan members in a particular clan to register it would be a costly exercise but in this case it is first come first basis.

Can both of us agree on a certain fee so that I can pay to allow my clan members to get their Birth Certificates rather than collecting fees individually which costs a lot and put burden on them?

Mrs LOUJAYA TONI – I thank the Member for his important question, which is applicable to all our respective Open Members of the 89 districts.

Yes, in relation to Corporate Societies, I want the Minister for Trade, Commerce and Industry to take note because it also relates to his Ministry.

But where Birth Certificates are concerned, yes, at this time the price on achieving a Birth Certificate is K15. At the moment, the Department is considering of decentralising our Civil Registry down to the districts and we will be rolling out on that as one of our 3 priorities.

Therefore, at this time with consideration to the ILG requirements, yes, my officers are available to assist you with a blanket payment arrangement that can be discussed with them, drawing from our DSIP funds we can agree between K10 000 to K20 000.

10/09

That is an amount that is affordable for our people and we want to help and facilitate this and provide you with a calendar of when the decentralisation process can actually take place in your district with a facility there to process the Certificates.

Mr Speaker, with that our elected Members won't come to Port Moresby and collect them. But in the meantime, I assure you that we will discuss this and come up with a solution.

Mr GORDON WESLEY – I want to direct my questions to the Minister for Health and HIV/AIDS, Honourable Michael Malabag. I want the Prime Minister and all the relevant Ministers to take note.

Mr Speaker, first of all let me congratulate the Minister for Health and HIV/AIDS for being a first timer in Cabinet and in politics. I commend you for taking positive steps in upgrading major health centers throughout the country.

I have realized that it's a huge responsibility and would require more time and resources both from the National Government, private sector and donor agencies as partners in development.

Mr Speaker, while the Minister may have bright ideas in development of health facilities. I would like to draw to the attention of the Minister to some of the appealing status of Health Services in the rural areas.

Without proper investment of the nation's resources in healthcare for our people, PNG could face a gloomy future if the Government fails to deliver quality health care services and the nation will not produce healthy and educated children. It will have an adverse effect on the workforce.

Having shared the brief background, I now ask the following questions;

(1) Is the Minister aware that in Samarai District the Sub-Health Center does not have professional doctors, medicines and many basic items such as beds and mattresses, and mothers are giving birth on concrete or bare floors?

(2) Is he also aware that there is a shortage of professional medical doctors in the rural areas, and why are they going into private practice leaving the public hospitals and letting the country and people down?

(3) Can the Minister inform the Parliament when the salaries and wages of health workers will increase as this has become an outstanding issue?

(4) Can he inform the Parliament if he has any plans in hiring professional doctors from other countries who would voluntarily accept and serve within the same salary bracket as PNG doctors?

(5) In the light of the massive increase in the development in gas and oil in the country, will healthcare be made a priority in the 2014 National Budget?

It's shocking to state here that Samarai-Murua as a massive maritime electorate, has been without a professional doctor for many years.

Mr MICHAEL MALABAG – I thank the Member for Samarai-Murua for his questions. The five questions are quite straight forward but I would also mention here that during my

Ministerial Statement earlier in relation to seven major priority areas. Some of these questions were covered or answered in the Ministerial Statement that I made.

11/09

The Health Department and respective Provincial Governments have to move together and address all those issues. On the issue of shortage of doctors, it is definite that more are going into private practice simply because of the salaries they are receiving.

As we all know and from my knowledge as a former union leader, the units like the Doctor's Association, Nurses Association and the Health Workers Association that normally negotiate with the Department of Personnel Management and usually reach a 2-3 year agreement so I am sure the next line of negotiation is coming up soon and I hope this issue will be solved.

Because right now we have a lot of doctors going into private practice and also some of them are working in the public hospitals, this is extra work for them. Many of the patients wait because these doctors are away attending to their private work and this includes health workers right across the board.

Mr Speaker, these will be all taken care of as we go through the National Health Plan for 2011-2013. There is also a need for professional doctors as well as good CEOs for hospitals throughout, especially the Port Moresby General Hospital where a new CEO will soon be appointed. You have to concentrate on the type of people who will make a difference in the health sector and implement Government policies because a lot of money has been put into the Health Sector.

We need the right people to do what the Government wants and that is why we are going to recruit foreigners to come on short term measures. There must also be an investment in the health sector and this Government has made it clear and it shows in the Budget because we are trying to address the importance of health in the country.

We will do more, however it is incumbent upon us that we have to look after the welfare of our trained specialists' doctors, we have to ensure they are accommodated well because like most public servants there are doctors living in the settlements. The Health Department knows about what we are trying to do in respective major hospitals nationwide.

We have directed the Boards and the hospital managements to use the funding they receive to ensure they look into priority areas such as accommodation, transportation and other incentives to motivate staff.

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 – RE-ARRANGEMENT OF BUSINESS

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

That so much of the *Standing Orders* be suspended as would prevent Notice Nos. 66 and 67 of Government Business this day being called on forthwith.

12/09

CRIMINAL CODE (AMENDMENT) BILL 2013

First Reading

Bill presented by **Mr Kerenga Kua** and read a first time.

Second Reading

Leave granted for the Second Reading to be moved forthwith.

Mr KERENGA KUA (Sinasina-Yongomugl Attorney-General) – I move –

That the bill be now read a second time.

This Bill will amend the *Criminal Code* to drastically increase the penalty for a number of serious crimes. There is widespread community and international concern at the state of law and order in the country today.

There are now countless number of murders, rapes and brutal rapes of very young children. This lawlessness is resulting in torture, murder and cases of burning to death of helpless women wrongfully accused of sorcery. Increase in robberies using high powered weapons and grievous bodily harm have all be too prevalent.

The perpetrators of these crimes are becoming more daring daily and the law is simply not deterring these criminals. It is time we send a clear and unequivocal message to these people that if these crimes are committed they will feel the full force of the law. This Bill creates a new offence for any persons who intentionally kills another person because they believe they have practiced sorcery, that person will be guilty of wilful murder.

Recent cases of innocent young women brutally set on fire are subjected to violent assaults or interrogations and such criminals will no longer be tolerated under these proposed amendments. And to reflect the seriousness and the nature of this crime, the penalty for the offence arising from the belief in sorcery will have to be death.

If someone has taken the life of another person out of their belief in sorcery; they too will receive nothing less than the same penalty that they have given themselves. This is my considered view that will send a strong message to the community and serve as a deterrent to all those people who are involved in such crimes.

Mr Speaker, in these series of amendments I am also proposing an increased penalty for aggravated rape. This type of rape is sexual penetration accompanied in the following circumstances; where the offender is armed with a dangerous weapon, or the offender is acting in the company of more than one person and where the offender causes grievous bodily harm to a person before, after or during the course of the offence or where the victim is a child below 10 years.

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Mr Speaker, the penalties for these serious crimes will have to be there also. The rape of a woman and or children in these circumstances is unforgiveable, and has never been fully understood by those people who commit such crimes in the past and continue to do so today.

Mr Speaker, in addition, we will also address the crime of kidnapping and kidnapping for ransom. This crime is a new type of crime even though it has been in the books, but it has become a reality and increased in numbers these days which is alarming. Kidnapping for ransom is a very serious crime. The penalty for kidnapping in this amendment is proposed to be increased to 50 years imprisonment without parole and remission. By denying the offender remission or parole, the community can be assured that the offender has served their full sentence reflecting the true nature of this crime.

Mr Speaker, as well as that, we are also proposing in this amendment an increase in the penalty for the offense of stealing. It is proposed that the penalty for stealing be also increased. If an amount between K5 million and K9.99 million is stolen, the offender will be liable to a penalty of 50 years imprisonment without remission and parole. Also, if more than K10 million is stolen, the penalty shall be life imprisonment without remission and parole.

Mr Speaker, the penalty for the misappropriation of properties is also considered and recommended for increase in this amendment. Where the property value is over K10 million, the offender is liable for life imprisonment.

Mr Speaker, also, it is recommended that the penalty for robbery be increased from life imprisonment to death. It is regrettable that the crimes of robbery and stealing have increased dramatically in recent times. Therefore, these stronger penalties will reflect more closely the true nature of these crimes and serve as a much stronger deterrent. Stealing and robbery are completely different offences and therefore must carry different level penalties. They are impediments to social and economic developments of this country.

Mr Speaker, these harsh penalties are absolutely necessary. These penalties more closely reflect the feelings and expectations of our communities. The debates in the media clearly reflect that the majority of the people of this country are now prepared for more serious offences that we have always had in our law books. Any person that commits violent crimes against our women and children or rob their fellow countrymen of their properties and money must be made to feel

that there is a law to be respected. Such acts are not acceptable and this Government will not tolerate this sort of behaviour. These penalties will send a strong message to any offender that if you commit these sorts of crime then you can expect at the most to lose your own life, or to spend the rest of your life in prison.

Mr Speaker, we are not finished yet, the Bill will create important amendments to the *Criminal Code* to provide for a number of different means of implementing the death sentence.

The following crimes under the existing laws are also punishable by the death. They are; treason, piracy, attempted piracy with violence and willful murder. The new offences of willful murder of a person on accusation of sorcery and aggravated rape will both attract the death penalty as I have already alluded to.

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Mr Speaker, in addition and finally, the *Criminal Code* at present only provides for one way of implementing the death penalty, and that is by hanging. However, there are more modern and humane alternatives available and proposed to be included in these series of amendments. In order to reflect all the alternatives available, all the possible options in current usage internationally are now included in this proposed amendment.

These will include:

1. Death by hanging the offender by the neck until he or she is dead,
2. The administration of anesthetic followed by lethal injection,
3. Medical death through anesthetic administration and subsequent deprivation of oxygen,
4. Death by a firing squad, and
5. Death by electrocution.

Mr Speaker, with the actual method to be implemented on the day it is proposed will be decided by National Executive Council (NEC), depending on the mood of the country, the resources available and the overall circumstances prevailing at that time, as and when the occasion arises for it.

I, now commend these series of amendments in the form of this Bill to the Parliament.

Sir MICHAEL SOMARE (East Sepik) – Mr Speaker, while supporting the Bill, at the same time, I would like to highlight that, whether hanging is the only way in which we agree.

Mr Speaker, in our country when the Missionaries introduced the Bible to us, they said to us, 'Thou shall not kill'. Therefore, we should not hang anybody. There are better ways to carry out this penalty.

Thus, I believe that all the Members of Parliament must hold a seminar with our stakeholders, institutes, experts et cetera to further discuss this proposed Amendment Bill. I for one support this Bill because there should be other options besides hanging for the purpose of the Death Penalty. All of us have customs and have traditions that are governed by rules and taboos. Therefore, many of us will have opinions regarding the Death Penalty and how and why it should be carried out. That is why it is a must that discussions must be held between the Members of Parliament and other relevant stakeholders, institutions and experts. This is so that a better understanding can be reached in regards to the Death Penalty on how and why it should be carried out.

For instance, the Death Penalty should reflect the type of crime committed. When we punish our people for their crimes, we, as their leaders have a moral obligation towards them. The Death Penalty involves taking the life of an individual and thus presents a moral dilemma for us. I, as the Founding Father of this Nation was the one that instilled the Death Penalty to be carried out by hanging, but this Bill seeks other alternative and ways to carry out the purpose of the Death Penalty.

As in the case of willful murder of a person on accusation of sorcery, the Death Penalty should never be applied directly because it is not known whether a person had actually committed willful murder. Therefore, death by hanging or by a firing squad should portray to our people that such crimes where a life is taken will be dealt with in the most prejudice manner for it is unacceptable in our society.

And in the case of aggravated rape where no life is taken but the punishment is Death. The method to carry out the death penalty should be subtle in the means whereby the criminal should be put to sleep first before taking his life. The taking of another's life in most if not all societies around the world as punishment for crimes committed is an issue of great debate. Therefore, as leaders, we have a moral and or if not an ethical obligation as well, to consider the

implications and outcomes that will arise from the Death Penalty as punishment for certain crimes committed by our people.

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When we want to punish our people for their crimes, the punishment must reflect the crime committed. If the Death Penalty is to be carried out as punishment then we must carefully look at more reasonable alternatives to carry out punishment.

Therefore, I am in support for tougher penalties but the question is, when is it actually appropriate for the Death Penalty to be utilized and is the Death Penalty the only punishment deemed to address many of our country's law and order issues? The amendments suggested by the Attorney-General are good but are we sure that the Death Penalty is the only punishment for such crimes as kidnapping, kidnapping for ransom, misappropriation of property and stealing?

For instance, in the case of stealing, we could cut off the offender's hands or take out an eye instead of the Death Penalty. I am sure that we can find alternative punishments to suit crimes committed instead of using the Death Penalty. As for rapists, we can have them castrated to deter people from committing these crimes instead of the Death Penalty.

Therefore, a proper discussion and consultation should be held with our people, stakeholders, institutes, agencies and et cetera in regards to utilising the Death Penalty as punishment for crimes committed. This is because as legislators whatever we legislate will remain for all time unless it is amended again. Therefore, we do not want to be known as the leaders who became executioners or the hangman because we did not take time to consult with our people or other relevant parties if what we are doing is acceptable to them.

Mr Speaker, we must trend carefully and patiently regarding this issue. This issue is of great and very sensitive matters. Thus, there are other alternatives available as punishment besides the Death Penalty that will equally send out a message against crime.

Thank you, Mr Speaker.

Mr WILLIAM DUMA (Hagen – Minister for Petroleum and Energy) – I would like to give my support to the Attorney-General and Minister for Justice.

Mr Speaker, the issue of the Death Penalty is not a new issue. In fact, in the early 1950s and 1960s the Death Penalty was exercised, and there were a number of cases where some of our people were actually hung by the colonial administration at that time.

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Mr Speaker, the problem is basically due to our peoples' attitudes. Anybody with common sense would know that it is illegal to commit rape, rob and hijack cars. It is humiliating and depressing for someone who has purchased a vehicle with their hard earned savings only to be held up in public by criminals. All these issues have been happening time and time again since we gained independence.

One only needs to look at the Hansard Reports and archives and the continuous reports of our various Law Reform Commission Reports to come to the conclusion that these are not new issues. Therefore, as responsible leaders and Government, we must do something.

Mr Speaker, we need to be also careful and make sure that there are processes in place to ensure that innocent people are not falsely accused and sentenced to death. That is the dilemma that this Government will face, and we must make sure that only those who are really guilty will face the consequences of their action. As long as we have an effective system in place, I for one will support this.

Mr Speaker, it is about time we make these very important decisions. Nevertheless, one might argue that we are better off castrating an alleged rapist, or publicly flogging an alleged offender, like they do in Singapore, but the circumstances in this country are different. We are a country made up of many different tribes of people trying to live together as one.

Mr Speaker, therefore, the only solution and way for this country is the rule of law. If we then enforce these laws and in doing so, we will create a better future and foundation for our children and grandchildren.

Mr Speaker, thus, I stand to support this Bill.

Mr TOBIAS KULANG (Kundiawa-Gembogl) – Mr Speaker, I too fully the Minister for Justice and Attorney-General in strengthening our Country's laws with this Bill.

I, for one believe that stronger penalties to address law and orders issues and comprehensive infrastructure developments are the way forward for this country. Apart from that, the points raised by our Founding Father should also be taken into account. I have would like to add few remarks to this debate.

Firstly, we as leaders and legislators have not taken the time to find out and take into account what in the first place these crimes are committed before we start legislating.

Mr Speaker, from the outset I would like to say that I do support the Minister in his decisions to strengthen the laws with tougher penalties. But as for the Death Penalty to be used for punishment for crimes committed, I am not in support of that. This is because I believe that if such a law were to be in place it would create and make us look in the perspective of others as inhuman. As leaders, we must not create a society that does not value human lives. I for one believe that we should rule with a conscience.

We must not create a society where everything is governed by laws that the people eventually will not be able to independently think for themselves. Our people have the right of free will and expression so that they can question the decisions and actions that they do in order to better understand the consequences instead of the law dictating it for them.

Secondly, another factor that contributes to the lawlessness in the country is the fact that the manpower of our Police Force can in no way truly address the law and order issues in this country. If we where to fully strengthen the Police Force so that they can actually uphold the laws of this country and we find that there has not been any change in our law and order situations, then we can make changes to our existing laws. That is the reason why we should actually find out there is an increase in serious crimes in the country.

17/09

Mr Speaker, another point is our societies are disoriented and morale values are decaying. Where is the moral principle of this country, and the ability to tell what is right from wrong.

Mr Speaker, I think our country is not ready yet to introduce the death penalty. It is important that we backtrack and find out what is causing aggression, recklessness, lack of respect and lack of moral consciousness in the community.

Before in our forefathers times, the young were educated in the ways of our cultures and moral values. Today, I think we have to empower the church to do a stock take on that responsibility.

Our *Constitution* makes reference to our noble traditions but where is the formal definition of our noble traditions. We pay reference to the Christian principles but we have not yet formalized our noble traditions.

Mr Speaker, the foundations of our morale consciousness are shaky and that is why the attitudes of our communities reflect its condition.

Yes, we can legislate some laws to curb the increase of lawlessness but I view the introduction of the death penalty to be a rush.

This Parliament should bear responsibility on some of the issues like the economic devaluation and our children who are roaming the streets. Were they given a fair go in the last 36 years? Today, we want to introduce the death penalty too soon. Mr Speaker, this Parliament should seriously ask these questions before we introduce the death penalty.

Mr CAMILUS DANGIMA (Kerowagi) – Mr Speaker, I take this opportunity to join my colleagues to contribute with respect to this very important Bill.

Mr Speaker, for too long the citizens of this country, particularly our womenfolk and children have been victimized and left to suffer at the hands of criminals and barbaric individuals or groups of people within our society who have little or no respect at all for the rule of law and the sanctuary of human lives.

Constant reports of murder, rape and sorcery related violence throughout the country in recent times has signaled the need for this Government to take a bold stand and introduce reforms to our penal system so that perpetrators of such crimes are made to fully account for their deeds with the ultimate Death Penalty.

Mr Speaker, as is being reported in the Media there has been some objections in the certain quarters of the community at large particularly the churches to suggest to implement the death penalty. I am sure the Government appreciates the validity of the church objections from a purely doctrinal point of view, however enough is enough. We cannot allow the shameful actions that fitted into many of the crimes lately.

18/09

The public torturing and mutilation of victims is certainly becoming a common occurrence throughout the country. Therefore drastic measures need to be taken to quell this undesirable trend. As stated by the Minister for Justice and Attorney-General, we are not only talking here about the intention to implement the death sentence, but rather the need to significantly reduce the severity of punishments that should be mooted out to serious crimes offenders. I believe no reasonable law abiding citizen is seriously objecting to that.

What we must all appreciate is that these proposed legislative changes to the prescribed penalties being debated now including the Death Penalty are by no means considered to be the complete solution in addressing the upsurge in violent crimes. The Government is only doing its part as the Executive Arm which is deemed to best address the problem. What is needed is for all of us stakeholders to play our various roles in society but working together to achieve one ultimate objective which is to stop the senseless and barbaric crimes that have been committed and will continue to be committed if together as a nation we do not take such drastic measures which include these legislative changes as proposed here. Obviously the issue of the Death Penalty that some of us may not agree with and some of the arguments raised against its proposed implementation may have their own merits. However, it is my personal view that when we, as elected representatives are placed in the difficult position of having to satisfy the competing needs and demand of society, we must be allowed to make a decision in our deliberate judgements. I, for one, respect the argument raised by the churches in regard to the Government's intention to introduce the death penalty. Yes, we are a Christian country and the Ten Commandments do state in no uncertain terms that it is a sin to take the life of another. As we are warned in Genesis 9:6, New World Translation that anyone shedding man's blood by man will his own blood be shed., Out of fear of repercussions do we stand rooted in our faith and conviction to abide by our Christian principles whilst the defenceless and vulnerable especially our women and children continue to be slaughtered, tortured, raped and mutilated by animals. Are we so sure that we have not already broken the Ten Commandments on countless occasions before without the slightest feeling of remorse, or guilt as we now feel? How many times have we told a lie? How many times have we desired other people's property? How many times have we committed adultery? How many times have we not kept the Sabbath holy? After all, does it

not state in the Bible that you break one Commandment you break all? Mr Speaker, if we support the implementation of the Death Penalty, we as legislators are effectively condemning our souls to eternal death then I have no hesitation what so ever in surrendering my soul here just so our womenfolk and children can one day walk the streets freely and carry on with their daily lives without fear.

It is written in John 15:13 New World Translation that no one has loved greater than this that one should surrender his soul on behalf of his friends. In the same vein, for us as legislators, what greater expressions of love for our people can we give than to surrender our souls for safety and wellbeing?

Mr Speaker this proposed change to our Penal System are intended to protect and benefit the law abiding citizens of this country and not harm them. If we are to reject them here and now, I can assure this Honourable Parliament that the incidences of such unlawful and horrific killings of the defenceless, innocent and untried as reported in recent times will only continue to rise. I support the Bill.

19/09

Mr BIRE KIMISOPA (Goroka) – Mr Speaker, I rise to join my Parliamentary colleagues in commending the Attorney-General on the amendments within the *Criminal Code*.

Mr Speaker, I had the privilege of traveling to United Kingdom and also to the United States of America and witnessed an execution by lethal injection. This trip was sanctioned by the then Prime Minister Sir Michael Somare and his Cabinet. It was a fact-finding mission to establish whether our nation is prepared to go down that path or not.

Mr Speaker, we came back with the overwhelming view that this country was not ready. Not only that but the nations in the civilized world are moving away from the Death Penalty. That is not a solution in itself. That was made clear to us.

Mr Speaker, proposing the death penalty now for heinous crimes, I can understand the outburst and the sentiments expressed by our people in this country. Having said that, if you look at the imperial evidence right across the civilized world they are moving away from killing by lethal injection, hanging or electrocution.

Mr Speaker, my sincere view regarding the series of amendments proposed by the National Government is that we are responding to the public. In other words, please excuse my language it is probably a knee-jerk reaction.

The flip side of making legislation on this Floor of Parliament is that we must be able to implement it. We have had all these laws in our books for the last 37 years and yet, we have not implemented one of them.

Mr Speaker, another serious issue in this country is that Government cannot legislate morality. It is impossible. Morality belongs to God Almighty. That is why we choose to say Prayers on the Floor of Parliament every morning. This is not a time to take a pot shot at the church. They do a considerable amount of work in this country. Perhaps the issues of morality are better vested with them.

Mr Speaker, there is no point for us to open the cheque books for churches to build schools and hospitals. I think their important responsibility they have in this country is to advance this human ability and this appreciation of human life. We need to invite the churches. They need to be part and partial because mark my words we will not be able to solve sorcery or witchcraft in this country. Only God can do that.

We can legislate morality in the Parliament and we can tolerate each other for a short moment. You and I can have cereals for breakfast, chicken for lunch and cow for dinner but we cannot have the same things the next day because we are all different. I may choose to have tinned fish and you want to have ox and palm.

Yes we can legislate to a certain degree of tolerance but beyond that it is beyond our realm and we cannot do that. Only God can do that.

Mr Speaker, I am pleased that the Member for Kerowaghi quoted a few scriptures this morning. Only God can put a clean heart in us so that you and I can be able to love each other and have a sense of appreciation for mothers and daughters and females in general.

Changing laws will not achieve anything. When the issue is morality it is high time we invite them to come into the communities and deal with issues of sorcery and witchcraft. This issue of sorcery and witchcraft is beyond the realm of this Parliament and it is impossible.

Mr Speaker, having said that can I make a few suggestions in relation to the amendments to the *Criminal Code*.

20/09

That there must be a Death Certificate and a post mortem to confirm the cause of death, whether the person died of HIV/AIDS or Malaria. That is one of the things the Health officials in this country need to do. If there is anyone aggrieved because some person of importance had died, they should go to the hospital to conduct a post mortem. This confirms the cause of death and a death certificate is issued and published so that everyone who is affected by this death knows exactly what the cause of death is. This is to avoid all kinds of ideas to creep in.

Mr Speaker, another suggestion is whoever told the village courts in this country to indulge to start sorting out disputes of domestic violence and murder cases in the village. I served as a former Police and Justice Minister before and I can honestly tell this Parliament we haven't got the capacity to deal with some of these things. Some of the problems that we talk about in this country, the Police refer it back to the villages saying it's should be solved in a customary way. For instance, a fight over a pig results in the death of a person and this is a murder case and yet they refer it back to the village court. Whoever asked the village court to indulge in murder cases as serious as this? Perhaps we need to have a look at some of these things and the courts are also silent. The Police are not prepared to take these matters to the court so we have a problem on our own in terms of enforcement and implementing the very laws we enact on this Floor. Some of these laws are already in our books. The Ninth Parliament could go down in history like the previous Parliaments who were constantly changing laws. We are reacting to public opinion. We might as well take a grain of salt and start to understand some of the problems we have in this country.

Mr Speaker, of all the problems in this country, the Governments can do only a little bit. The Government doesn't have a silver bullet to solve all the problems in this country and amending the *Criminal Code* is no exception. We have to realise that we need to mobilise community. The church has played a pivotal role in helping us arrest this deplorable situation we have in this country.

Mr Speaker, I want to speak on the theft of public and private property. If we are going to make the law tougher for theft then I think we need to define the word stealing, because it appears to me that the definition is narrow and perhaps in the due course of this Parliament we need to expand the definition. I am saying this because there are so many crimes committed against the State, for instance tax evasions of more than K5 million or K10 million. Do we hang

these people as well or sentence them to life? These are some of the things that we need to seriously look at in this country and while we are trying to amend the *Criminal Code*, may I also suggest and it will be good for this Parliament, why don't we make a concerted effort, Attorney-General, and lift the gag order on the Finance Inquiry. It goes a long way, so that we build confidence with our people and they know we are serious and that we are not only making laws but implementing laws as well. We owe it to ourselves and to our people to do that.

Mr Speaker, finally we need to make an amendment to the *Judicial Conduct Act*, if we are going to arrest those who steal money from the State or from private citizens, especially K5 million and above. Most of our people will run to court as is the case. They get a Court Order or court injunction and the list goes on. We hardly prosecute anyone in this country. So I put it to Parliament; what kind of wisdom is this when we are making amendments to the *Criminal Code*, yet we can't look at some of the gaps we have in the administration of justice in this country. Perhaps we should amend the *Judicial Conduct Act* and restrain our citizens from running to the Court House getting Stay Order, Ex Parte Orders and Court Injunctions. I think that will go a long way.

Mr MARK MAIPAKAI (Kikori – Minister for Labour and Industrial Relations) – Thank you, Mr Speaker. I commend the colleague Minister who initiated the whole process. The fact of the matter is we have a death penalty in this country and it is a law. What is lacking is the implementation.

21/09

The law says that you have to hang the culprits convicted for serious crimes that attract the death penalty. I was a team leader that toured America at the expense of the State to find some means on how to come up with regulations to carry out the Death Penalty. We have about 10 people on death-row. How are we going to carry out this measure despite the law saying we have to hang them? I will share some experiences as the team leader that went on a fact finding mission. The Member for Goroka was correct but that is the perception of the western culture. These people are well off and come from a different social scenario. We have a diverse culture

and we are trying to unite to a common understanding and also our country is known for payback and compensation, so how do we carry these out?

I totally agree with the death penalty as the maximum penalty for those serious crimes listed but what we must understand is that less than one per cent of people with such behaviour are out there. Why are we worried about carrying out these penalties? How would you feel, if you were held up or watch helplessly when your wife, mother, sister or daughter is being dragged away?

Don't listen to crap from foreign media, they have their problems and we have our own. We must make a stand to address our problems. We visited Houston and the USA is a world leader but they still carry out the death penalty so why are we afraid to do that. We viewed several possibilities such as death by hanging, gas chamber, electrocution (electric chair), and in Singapore, they have the firing squad.

The problem with hanging is in the calculation of weight and that might affect the securing of the person being hanged. It is inhumane to see a person partially dead while hanging. The gas chamber has the person secured in a chair in a room where gas is released and the person inhales this gas and slowly suffocates to death. Electrocution is done through the electric chair. The person is seated in an electric chair and live electricity flows through until the person dies.

Houston County in America has opted for the lethal injection which is a humane way of carrying out the death penalty. What they do is put morphine over the nostrils and have the person inhale it so they become unconscious than they inject them with the lethal injection and they are left to die. It is carried out in a secluded area where you do not see the executioner.

After the injection is administered the medical staff from the jail checks the pulse to confirm the inmate dead and they wheel him or her out of the room. That is considered a very humane way of carrying out the death penalty and my view would be to go down that path. The chemicals might be expensive but in terms of infrastructure there is not much needed to carry out the penalty. We only need a little cubicle to carry out that particular exercise.

22/09

As echoed by the Grand Chief, in Singapore they usually notify the inmate on Tuesday, and on Thursday and Friday he is given his best meal and on Saturday they carry out the

execution. These are some of the regulations that we have to install as we work on the specifications. Sometimes our judges will have cultural implications on handing down decisions so we had the opportunity to check on those as well and there will be people who will come forward to preside over varying cases. But my strongest view is that, we have had enough of the serious crimes in our societies, so let's take this as a stepping stone and instil discipline for the next 20 years.

After 20 years, if our citizens are free to walk the streets at night and they are not harassed and afraid then we might look into repealing some of the laws that we are making now, because there is only a minority out there that this law will apply and it's not that we agree for the death penalty and everyone will be executed tomorrow.

This is a law that we have to be guided on. If we go out of this we have to pay with the penalty that is agreed upon. My view is that we as a Government have a lot to invest and the reason behind that trip was; I felt that if we bring law and order under control we will have increased investments and more jobs will be created and by that time those thugs will be employed and will have no time for such crimes.

Let's discipline ourselves and bring the investment we need, create employment and have the life that we want and maybe the citizens will become more civilised in their approach. I support this Bill and let's not waste time.

Mr PETER O'NEILL (Ialibu-Pangia – Prime Minister) – Thank you, Mr Speaker. I wish to say a few words on this very important Bill. I stand here in support of the Attorney General and this bill because it is a very important legislation that is part of an overall package that we are putting forward as a nation to try and respond to some of the issues relating to the increase in lawlessness.

This is not a new issue, it has been around for quite a long time and many previous Parliaments have had the opportunity to debate these issues, but, unfortunately, it was regarded as being too hard to debate on. They did not believe that it could be brought forward for Parliament to debate on.

Mr Speaker, I know that emotions are running high around the country but we all agree here that almost 95-99 per cent of the population support the measures that we have taken

because they are law-abiding citizens of this country. The Government has had careful thought on this issue and we are certain and clear and are not rushing into this Bill. We are mindful of the debates that are going on within the community, especially from the churches and many other NGOs. I understand where they are coming from and the morality issues that they are debating on.

Mr Speaker, we are not the only country who is going to have the death penalty; we already have that law in existence. It is an established that law has already being practiced in this country and there are about 10 people who are awaiting the death penalty to be implemented.

23/09

What we are trying to do here is to give the mechanism for that law to be implemented. It is not trying to set up a new law; the law is already in existence.

So I want to say that when you look at the few observations, there about 60 other countries around the world who continue to practice capital punishment in their countries, for instance, United States of America who are one of the leading democratic countries in the world and Japan, one of the most advanced countries in the world. Of course in our region, we have Singapore, Malaysia, Indonesia and the list goes on. They still practice capital punishment as a deterrent to the hideous crimes that we are talking about.

Mr Speaker, we feel that the Death Penalty is the end game for all the issues that we have but let me stress here that just because one is sentenced to death does not mean that he immediately gets hanged tomorrow morning. Of course, the due processes of appeals and clemency issues will proceed under a very competent and independent Judiciary we have in our country. In fact, recently, Cabinet has increased the number of judges from 23 to 40 recently so I want to say that the Judiciary will continue to play the role that they are playing today like appeals and clemency processes so that every person sentenced under this particular law will be given the opportunity to defend themselves and have the final opportunity to see whether they are innocent or not.

But when you look at this issue, I also want to say that there are very few criminals within our society who are now holding the country to a ransom. And it is no individual person or government's fault. We all understand and appreciate that our systems weak and we are all trying

our best to rebuild those system. Our law enforcement system has virtually collapsed and we have an aging and decreasing population of Police personnel and we have not done any recruitment in the last 10 years except for last year and this year.

Mr Speaker, we have a prison system that is virtually collapsing in front of our eyes. It is becoming like a holiday camp in Bomana Prison. We hear stories about people who serving time for murder, rape or hard core criminals being allowed to have access to mobile phones and going in and out of prison at will. These are the horror stories that the community or every other law abiding citizen do not want to hear, and it is the responsibility of this Parliament to give confidence and stability to our community so that they have a right to have meaningful life. That is what, we, as leaders should protect.

Mr Speaker, I also want to say that the changes that we are proposing in trying to implement the law in a dignified manner with less painful solution to the problem. That is why we are trying to give that flexibility to the Judiciary so that when they had to carry out the judgements and the implementation of this law, it is done in a most humane possible manner. So we are now putting this before the Parliament to consider.

Mr Speaker, these are just one of the matters that we need to address but when you look at the death penalty, penalty to aggravated rape and kidnapping, these are very serious crimes and they are no laughing matter. What about the rights of the innocent victims who go through this process? We talk about the rights of culprits but what about the rights of those who are victims of these crimes?

24/09

They have every right to live in this country, they have every right to live in a safe society and they also have expectations of their Government, Parliament and leaders to do the right thing to protect them. And that is what we are trying to do here.

Mr Speaker, I think that the onus is on this Government and this Parliament to hear our people's cry. We are not here just trying to satisfy a few sections of our community but for the majority of our people. There are lot of crimes out there that go unreported and I think that this is a very strong deterrent to those who are involved in these crimes.

Mr Speaker, I think that it is timely that we do this. We cannot just say this is too difficult and keep on deferring the issue. Of course, this Parliament can review those legislations in the future but right now, we need to take a proactive stance. The people are talking about corruption issues but we are bringing in some very tough laws about corruption. Now, why do we fear to implement or pass those laws in Parliament? Are we condoning corruption and agreeing that this should continue? It is about time that the Members should stand up for what they have been preaching as leaders of our community. We must stand up to what our people are demanding.

So, some of the laws that are proposed here and recommended to the Parliament are the top end of the other maximum possible penalties. In between that, the judges have the discretion. If somebody is found to have been corrupt, they can jail them for one or two years but it is up to the judge to make that determination but we are giving the judges the opportunity to impose life imprisonment to those who commit crimes that warrants such severe punishment.

Mr Speaker, I want to stress here again that this Parliament is being looked upon by our people now to come up with solutions. Apart from the law, we have to come up with solutions like increasing the number of Police personnel and their capacity to go out there and investigate and prosecute law breakers. We are also now talking with our development partners like Queensland Police in Australia and even Fiji for that matter so that while we are building capacity, we can have an arrangement whereby we have experienced and capable Police personnel coming in and filling in the gaps that we are now experiencing in the law enforcement in the country.

We are also now working with the CIS Minister and his Department and other government officials to try in securing the prison system by isolating the worst offenders or hard core prisoners who are serving maximum terms away from those who have opportunity to reform themselves. Currently, they are all serving time together so obviously, out of fear, those who can be reformed are not being able to because they join the gangs within the prison.

Mr Speaker, so the onus is with the Government, and I hope that the Parliament and the Members listen to our people and let us give them the peace of mind that they truly deserve.

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

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

Bill read a second time.

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In Committee

Bill, by leave, taken as a whole.

Mr KERENGA KUA (Sinasiona-Yonggamugl – Minister for Justice and Attorney-General) – I move –

That the following amendments be made:

Page 3, *Clause 9* – Execution of Sentence of Death (Amendment to *Section 614*).

In *Clause 9*, after *subclause 1(d)*, insert the following new subclause “***1(e) electrocution***”.

Amendments agreed to.

Bill, as amended, agreed to.

Bill, reported with amendments, report adopted.

Third Reading

Mr KERENGA KUA (Sinasiona-Yonggamugl – Minister for Justice and Attorney-General) – I move –

That the Bill be now read a third time.

Mr Speaker, I think the Prime Minister has very competently summarised the debate when he responded towards the end of the debate during the second reading but I must say that

watching from where I am sitting, the debate has defined what I considered to be coming from those who are philosophical, biblical scholars and so on to those who are pragmatic. What we have is a real problem on our hands crying for solutions and yet, we have allowed ourselves to be entangled in the normal debate and procrastinations ignoring the reality in where we live.

Mr Speaker, I suppose those people opposed this Bill in its presentation do not live within the confines of a security firm in this country wherever their current residences may be. And I wonder whether they should be necessarily be living within the confines of a security firm or should they be reclaiming the rights and freedom that is rightfully and by nature, theirs right from the beginning that they were born so that they can run free in the country side as they came within the confines of a city or be limited to the parameters of their section.

26/09

It goes down to that simple question. If they live within the confines of a security fence, I wonder why they find it necessary to indulge in this colourful debate which is not helping us to resolve the issues that we have on hand.

They speak about deterrent; they say that this penalty has not demonstrated itself to be a deterrent world over. But to that point, I raise this question, if it weren't a deterrent, we have a population of seven million people so theoretically, why aren't there 3.5 million murderers because we should have the freedom to kill every person next to us? In its bare logic and essence, realistically speaking, because there is no deterrent, we should be free to kill everybody around us, so from seven million people, we will end up with 3.5 million people. You pick up your shotgun again and take another shot, you then reduce your number by half again because there is no deterrent so yet again, you halve it again right down to the last man standing.

But why is it that there are still seven million people still alive and breathing today? Because there is a deterrent, there are such laws like this in the law books. So because they cannot win in this front, they go to the Bible and talk about the 10 Commandments in the Old Testament but that's old law.

(Laughter in the Chamber)

Mr KERENGA KUA – Old Testament by its very name tells us that it is old law. You will find ‘Thou shall not kill’ in the 10 Commandments and that’s old law. After several thousand years of its application, even God found it necessary to reform it with a new law in the New Testament. So in the New Testament in Romans 6:23, he says ‘For the punishment of sin is death’. So after continuous application of that old law in the Old Testament for several thousand years, even God found it necessary to reform it.

So we can argue this way and that way forever quoting the Bible, but Bible is not entirely clear and this much, I can concede to that. You ask the preachers, even they are divided and none of us are preachers in here so we should not profess to be one. No one should tell me that I am wrong in the quotation of the Bible because I am equally as competent or incompetent as they are.

(Laughter in the Chamber)

Mr KERENGA KUA – So none of us should be quoting the Bible to each other on the Floor of this Parliament. But as far as I can see based on commonsense, the New Testament states that death shall be visited upon those who sin. That is the new law and let us not quote the Old Testament.

Mr Speaker, we move on to the issues of morality, the legislation of morality. This is a very grey area. I would rather we deal with the pragmatics or problems for what they are and let us not indulge in that grey mucky world of definitions. Where do morality, ethics biblical theology and the law begin and start? Where does one begin and where does it stop and for the other to begin. That is a mucky debate and you are obfuscating the debate and confusing the people.

Treat it for what it is. You got a law and order problem out there and as you drive out of this Parliament, you are always conscious about your security aspects of your life. That is our reality. How can we say that we are not faced with such a security crisis when our country is disintegrating at the seams while we have the luxury to indulge in this kind of theatrics? Let us not talk about the morals; we have a practical problem so let us face it for what it is.

Mr Speaker, at the end of the day, with this kind of legislative reform, our seven million people are crying to claim what is theirs; their country, their freedom to roam freely in this country, be respected for who they are and be given back their dignity as a people. You cannot please everybody but to the widest extent possible within your means as a Government, you have try and understand what the majority of your people want to the widest extent possible within your means as a Government.

27/09

You have to try and understand what the majority of your people want and that is what you deliver. You don't try to think and be distracted by the minority because those are the people who jump to and fro in argument. They engage in selective arguments and paralyse actions.

Our country has moved so far away from a stable and peaceful country; we are thousands of miles away. We need to now take that one small step ahead. As Mao Tse Tung said, 'a journey of a thousand mile necessarily involves one step forward.'

Now I am taking that one small step forward in the confines of my Department. The Member for Kundiawa-Gembogl ought to go back and deal with the law and order issues in his district. That is one small step he can take within his means and ability and is supported by K10 million. This Government to give him the means and ability to take that one small step. He will probably end up taking four million steps. He and the Member for Goroka are so empowered to do so now. Both of them in aggregate can take 20 million steps. They are so empowered and resourced. But we must take that one small step forward and I am doing my bit now.

It takes a whole of government approach. All of the Open Members, all of the Governors and Ministers must go back to your departments and do a stock-take. What is it that you can do within your powers to help take that step from where you are standing so that collectively, we have a country that is beautiful and free for everybody to live and enjoy and most of all be proud of.

Thank you.

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

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

Bill read a third time.

SORCERY (REPEAL) BILL 2013

First Reading

Bill presented by **Mr Kerenga Kua** and read a first time.

Second Reading

Leave granted to move the second reading forthwith.

Mr KERENGA KUA (Sinasiona-Yonggamugl – Minister for Justice and Attorney-General) – I move –

That the Bill be now read a third time.

Mr Speaker, this Sorcery (Repeal) Bill 2013 is in its entirety. The *Sorcery Act* belongs to another era.

The *Sorcery Act* distinguishes between innocent and forbidden sorcery. The theme of the legislation has in the past continuously forced the Courts to water down the seriousness of a crime in trying to distinguish what is innocent and what is not.

Mr Speaker, sorcery is no longer an excuse for continuing a crime. Anyone who commits a crime in the name of sorcery must be dealt with by the law.

Mr Speaker, any criminal act committed in the name of sorcery is unacceptable and will now be dealt with under the *Criminal Code Act*. The killing of innocent women and the weak and the defenceless and sometimes men under the veil of sorcery will no longer be available under this proposed repeal.

Mr Speaker, the repeal of the *Sorcery Act* should tell a strong message that this Government is tough on crime and sorcery is no longer an excuse for committing violent crime.

I commit this Bill to Parliament.

28/09

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

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

Bill read a second time.

Third Reading

Leave granted to move the third reading forthwith.

Mr KERENGA KUA (Sinasiona-Yonggamugl – Minister for Justice and Attorney-General) – I move –

That the Bill be now read a third time.

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

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

Bill read a third time.

MOTION BY LEAVE

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

Leave granted.

**SPECIAL PARLIAMENTARY COMMITTEE ON HIV AND AIDS –
APPOINTMENT OF CHAIRMAN**

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

That Mr Daniel Mona be appointed Chairman of Parliamentary Select Committee on HIV and AIDS Advocacy.

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

29/09

**DEPARTMENT OF FINANCE – FIRST QUARTER ACTIVITY REPORT ON
BUDGET EXECUTION AND REFORMS IN DELIVERING
GOVERNMENT POLICIES – MINISTERIAL STATEMENT –
MOTION TO TAKE NOTE OF PAPER**

Mr JAMES MARAPE (Tari-Pori – Minister for Finance) – I rise to present a Ministerial Statement on how we have been managing the Finance Department especially as far as our First Quarter Report is concerned.

Mr Speaker, today, marks an occasion of an extension of commitment of this Parliament together with those of this Government in the Year of Implementation.

Mr Speaker, before I progress in the implementation of the 2013 Budget, I would like to thank the Members of this Ninth Parliament for supporting this Government in this initiative. That support has been toward the vital legislation. I am referring to the most recent amendments in particularly to the *Public Finance (Management) Act, Section 39b and 47b*.

Mr Speaker, to this occasion I rise as Minister responsible for financial matters of the State as well as the Government Business Leader to briefly take stock and give account of what accomplishments we have made as a Government and directing the course of financial

management and implementing the major commitments of the Government during the first quarter of the year.

Mr Speaker, for the benefit of this Parliament and the people of Papua New Guinea allow me to repeat what I previously said and announced that this year is the Year of Implementation.

We kick started implementing the Governments policies in 2012 with commitments to invest in Free Health Care, Improve Transport Infrastructure, Increase Support to Agriculture, Increase Law and Order Programs, Free Education and other Government commitments in the form of impact projects and other tangible projects.

Mr Speaker the above commitments were visibly displayed in the funding for PSIP, DSIP and LLG SIP at the distribution of of the 2013 Budget.

Mr Speaker, the implementation process is co-joined with the Department of National Planning and Monitoring with the corresponding inputs by the Department of Treasury and Finance.

The coordinated efforts result in insurance of necessary guidelines and chartered accounts and financial instructions to streamline implementation.

Therefore, planning in the Department of Implementation and Rural Development will continue to scrutinize project proposals emanating from the provinces and districts in pursuit of the National Development Plan and the Medium Term Development Plan towards our Vision 2050 aspirations.

Mr Speaker, additionally the Planning Department and the Department of Implementation and Rural Development will continue carrying out ongoing reviews of development plans and monitoring of projects implementation to ensure that the political social and economic policies together with our basic Government services are delivered accordingly and within the Budget.

Mr Speaker, on the other hand under the guidance of the Treasurer and the Department of Finance under my Ministry will ensure a coordinated effort to ensure Fiscal Policy Management aspect of the Development Budget through timely releases and remittance of funds designated purposes projects and programs.

Mr Speaker, to initiate the implementation of the release of development funds to provinces and districts to date are as follows;

PSIP warrants we have released so far is K178 500 million which, is about 40 percent of the total PSIP allocation.

DSIP warrants we have released K183 million which, is about 20.5 percent of the DSIP allocation so far.

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The LLG Service Improvement Fundings we have so far released K29.4 million which is about 19.9 percent of this year's appropriation.

As is apparent from the Budget and fund distribution, the Government's intention to decentralize financial decisions for service delivery, building capacity and enhancing our financial process a far down as district and Local Level Government levels is clear.

It is, therefore, vital that the projects and districts including LLGs put into proper use these sums of money that have been released for development.

Mr Speaker, our countrywide perspective on the other hand reveals first quarter release funds to sectoral categories of Government on the basis of priorities are as follows;

Education appropriation we have warranted out K576 298, 824 which is about 44.4 percent of the appropriation so far. Health, we have released K509 611, 709 which is about 49.9 percent. Infrastructure Sector we have released K616. 208 203, which is about 48.4 percent so far. The Economic Sector we have released K229. 720 339 which is about 52.5 percent.

The Law and Order Sector we have released K362.453 308 which is about 46 percent so far and the,

Administration Sector we have released K500 million which is about 77 percent.

To the Provinces we have released K979.06 million which is about 28 percent.

Mr Speaker, all in all so far progressively as we speak K8.3 billion has been released which is about 56 percent of the total Budget.

Mr Speaker, it is evident from the size and magnitude of fund distribution and disbursement that improving and enhancing current Public Finance Management Framework has become a priority.

The review of the *Public Finance (Management) Act* and its areas of application commenced by the Ministry and Department of Finance recommends a number of amendments.

Mr Speaker, the opportunity to design and enforce punitive measures in the current Public Finance Reform is now at hand. This falls in line with the war against corruption. At this juncture, let me commend the amendments to some of the Criminal Laws made this morning. We have increased the penalties for misappropriation and stealing of monies into the maximum highest penalty that one can give in this land. For K10 million and above we have called for life imprisonment.

Mr Speaker, from the *Public Finance (Management) Act* in perspective we are making amendments and one of that is the amendment that was certified on the 15 April 2013 to increase threshold from provincial supplies to K5 million.

Mr Speaker, this is a historic intervention enabling expediency and effective procurement at all levels of Government. The increase threshold will significantly reduce the volume of application that will otherwise be referred to Central Supplies Tenders Board through the Provincial Supplies Tenders Board to expedite procurement.

Mr Speaker, this is a proactive approach we have taken in arresting generation and rise of corrupt practices in the system through the installation of the integral financial management informative systems.

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Mr Speaker, let me say that this system is the one that help us pick out the excessive payments to one or two law firms as recently raised. On this issue of payments made, this system helped me pick out the payment and as I have said against my instruction and as of December 2012, I think the public has been advised that we have already put in place discipline measures for one or two officers who are at the head of the organisation and we are currently conducting investigations to ascertain what really transpired in the Department.

Mr Speaker, the country has over 300 local level governments and 6 000 wards. In line with the Government's policy to decentralise financial operations and management, the Ministry and the Departments in 2004 spent over K150 million to establish fully functioning district financial offices around the country. This commission of the District Finance Office Rollout program has now commissioned over 59 out of the 86 district treasuries nationwide with full banking and postal services. The most recent being rolled out in Oro province for Sohe and

Ijivitari District Finance Offices and Aitape Lumi in Sanaun Province. This year we will see seven other roll outs in East New Britain, Western Highlands, Chimbu and Jiwaka,.

Mr Speaker, from 2013 onwards, the O’Neill–Dion Government Budget Implementation Policy is to remit funds for impact projects such as free education, free health services, transport infrastructure improvements, agriculture, law and order advancement direct to district accounts of the 86 districts. For this reason, the Finance Department is poised to support accounting and management of local level government DSIP funds including funds for agriculture development programmes, special support grants, and district support grants.

Mr Speaker, the intervention is to apply sound financial management in control of provinces in the use of these funds. In the capacity of good governance and in the time of the Government to make drastic change in promoting good governance, all public funds in the districts require emphasis being exerted now by the Department of Finance .

First, there is a collection of revenue target into consolidated Revenue funds. These cash receipts in revenue enables availability of cash for remittance to State Institutions, Government arms, provinces and districts or local level governments and establishments across the nation to extend programmes and service delivery.

Mr Speaker, just to mention a few of such developments, PGAS enhancement now include electronic cash receipts system and automatic transfer into Waigani public accounts into the Bank of Papua New Guinea by 19 Provincial Financial Officers. This will improve our accountability of revenue collection in provinces and districts. Out of the 19 installed sites, 16 are fully functioning and more sites are being installed, the target is for 86 sites.

Mr Speaker, the *Public Finance (Management) Act, Section 9*, requires the State to establish audit committees to oversee good governance, prudent management of governance assets, transparency and accountability of public finance and propriety in practises and reporting.

Mr Speaker, since the inception of the program in 2007, today we have established 31 audit committees of which, nine are provincial audit committees. Further extensions are expected this year in government departments and in a few provincial governments.

Mr Speaker, a five year partnership in capacity building program with the Australian Government commenced in 2010, with a total budget resource support of K5 million. To date the Government of PNG has received K2 million from Australian Government towards the program;

however there was no budget support in the last financial year because the PNG Government failed to make its K1 million counterpart funding. The O'Neill-Dion Government will continue this important governance program for Institutional and Capacity Building as agreed between the Australian and PNG Government in 2009. We hope to receive this support in the 2014 Budget.

Mr Speaker, apart from the public sector audit program, also co-partnered by the Australian Government is the governance of Statutory Bodies to receive direct grants through the State through annual budget provisions.

As the Minister of Finance I would like to inform this Parliament on the continuous excellent work undertaken by the Ministry of Treasury and the Department of Treasury on the Public Expenditure Review and Rationalization program known also as Project Nine under the current Government Public Expenditure and Financial Management Program.

Mr Speaker, PERR is spearheaded by the Department of Finance and also forms part of the Financial Framework Review program of Government's Public Finance Management and includes reviews of all public bodies receiving direct annual grants from the State.

32/09

Mr Speaker, Project Nine or PERR is also aimed at strengthening the financial management and performance of statutory bodies in compliance with public finance laws. The Government will continue to embrace PERR reviews.

Mr Speaker, finally the latest reform policy is the continued enhancement of financial management systems toward effective and efficient execution of Government's annual Budgets and related accountability. The IFMS is now completed in its design, configuration and piloting at the Department of National Planning and Monitoring and Treasury Department and Finance Department. The IFMS configuration for business use and roll out to Government agencies in the National Capital District and later to provinces and district is planned to commence by the middle of this year. This will involve four key agencies; one new development in this reform process is the introduction of electronic payslip viewing and print by employees.

Mr Speaker, the Department of Finance disburses these funds then accounts for them. At the end of each financial year, the Ministry of Finance through the Department of Finance collates and puts together all accounts and reports upon them to Parliament in the form of public

accounts depicting the Government's Budget execution for the financial year. The process completes the annual financial management and budgetary cycle. The Ministry will bid to avoid deficits and make every effort to ensure that no funds under the control of Ministry of Department of Finance will be remitted and expanded outside the *Annual Appropriation Act* for the relevant fiscal year.

Mr Speaker, the Ministry would also ensure the receipts of revenue funds are collected and remitted on timely basis into the consolidated revenue fund.

Lastly thank you, Mr Speaker, the Prime Minister, Deputy Prime Minister, and Ministers of Government, Members of the Opposition, and their Leader for giving time for us Finance to address this Parliament our work so far.

Mr Speaker, in light of the recent issues that emerged in relation to payments, let me also address this Parliament that at the Department of Finance we are a pay office. We receive submissions from the Government and all quarters and in the instance of court orders there are claims against the State that amounts into millions of kinas and all these submissions come to us.

Let me take this opportunity to inform this Parliament that we are trying as much as possible to stick to the Budget. We have made an appeal in March this year in a public advertisement that all areas of claims be channelled back to respective Departments instead of everyone fronting up at Vulipindi House expecting a payment. The Department of Finance is the last end of the chain when every claim against the State is being properly vetted through respective originating Departments. In the instance of court orders, it will go through the office of the Attorney-General where the State Solicitor will give the clearance to begin chain of process, finally ending at the Department of Finance to remit the funds out.

As of last year and also in March this year we have stopped all claims fronting up to the Department of Finance. Let us all stick to simple principles, submit from within what is appropriated for in the Budget. In doing so, we will maintain focus and stay on course to complete this year in line with the Budget appropriations. I appeal to everyone in this Parliament, to every Department, every statutory bodies and those who submit to seek funding from the Department of Finance. Submissions should be done in line with what is budgeted for and it will be allocated funding. If you submit outside of budget there is no funding. We are on course and expending within course. In regards to the issues that were raised by the Opposition

Leader last week, we have taken remedial measures and it exposes some of the deficiencies which we have in our own system up there and we have taken to task to address those deficiencies we are working to correct them. But the most important assurance I can give Members of this Parliament is that as far as 2013 Budget is concerned, we are on course to expend those budget and we hope to conclude our present report on the second quarter well in line with what we presented thus far. Thankyou Mr Speaker.

33/09

Sir PUKA TEMU (Abau- Minister for Public Services) – Thank you, Mr Speaker. Firstly, let me commend the Honourable Minister for Finance for presenting the First Quarter Activity Report to Parliament. The 2013 Budget is the biggest budget ever delivered in this country. The Minister and his team have undertaken enormous responsibilities to ensure that funds were released to the rural sector through proper warranty. We know the difficulties faced because of no proper infrastructure and management capacity in place.

I highly commend the Minister for Finance for the efforts in managing this enormous budget. He is the Minister responsible for funding the priority programs of the Government including the LNG projects. This is my third term in Parliament and for the first time I have seen a Minister who is right on top of the issue. His leadership in this important area was demonstrated recently when the Minister took immediate action to remedy an issue reported in the newspaper by the Finance Secretary.

This is a signal to the rest of the public servants in the country that the O’Neill-Dion Government is serious. While we have provided for the biggest resource envelope, this country has ever seen, it is also incumbent on the Ministry that I lead, the Public Service Ministry.

Mr Speaker, we have concluded all the regional workshops now and I know that the Office of Rural Development as well as the Department of Finance and Treasury and the Ombudsman Commission have also held workshops. I think, all bureaucrats are shaken up because they now know the expectations of the Government.

The Minister has already announced in his report that he has dispatched over K8 million for funding. I know honourable Members will now have funds to continue to deliver the much needed goods and services to our people.

Mr Speaker, I think, there will be a lot of support for the Government in my electorate of Abau because of the type of leadership provided by the Minister. As the implementation processes are taking place, I am sure there will be media exposure with a lot of excitement. We need to maintain that. The delivery of goods and services is so important as well as timely availability of funds.

Mr Speaker, the Prime Minister, in his inaugural statement announced the top five priorities of his government. He also outlined the Budget accordingly. Minister for Treasury and the Minister for Finance are, therefore, managing this Budget according to the policy directions set by the Prime Minister. I have rarely seen these in this country and I must commend all the Ministers responsible for the smart management of the policies and their Ministries.

Mr Speaker, I commend the establishment of the audit committees. I think that is a very good initiative. This is an outstanding issue that has been discussed over the years. I am happy that 31 audit committees have been established including the 9 provincial audit committees.

34/09

Mr Speaker, with a lot of funding now directed to the rural sector particularly, the districts and the LLGs, I think, we really need to dial up the establishment of provincial audits from 9 to 22 and at the same time provide K1 million counterpart funding to the Australian Government so that this important project is continued throughout the country. The audit committee is now important because our ordinary people are speaking the languages of JDP meetings, health and education sectors as well as law and order issues. So, I want to emphasis here that our people are speaking our vocabulary and therefore, the accountability is so critical.

I think, we can demonstrate the same commitment and trust by expending the audit committee program throughout the country. We should not just establish internal audit committee but outsource on a quarterly basis for example; tender for a private audit company to go out and do independent audit checks twice a year. Maybe we should put together, 89 districts and tender for a proper audit to be done.

We did demand for an audit committee to be undertaken in the last Parliament and Mr Speaker mentioned that as well when he was the Minister for Education. So there is a need for an independent auditing to be done and at the same time, internal audit committees to be established

to make ensure good governance. This is because there are a lot issues on corruption followed by mismanagement and misappropriation. I think, we can focus a lot more on expanding the audit committees throughout the country,

The second issues I want to raise Mr Speaker, is on Provincial and District Treasurers. I know that the Leader of the Government Business wants the functions of the provincial and district treasuries remain with Waigani as part of the good governance. I hope our leaders have accepted that but we know that politics is also involved in it.

Mr Speaker, some people have gone through elections and have tied friendships with the losing MPs, as 60 per cent have lost but their friends are still within the bureaucrats, and therefore, are playing petty politics. So with that we have to relook at our current position. As Minister for Public Service, I would also support that District and Provincial Treasurers Report directly to District Administrator and the Provincial Administrator.

We should establish a strong inspection team here at Waigani who will work along side with the audit committees which we will be expending throughout the country. Therefore, we should have a system of sending Finance Inspectors on a regular basis with the Standard Officers and Public Service Officers. At the same time, we know that there is a policy, law, guidelines and efficient financial instruction in place. The bottom line is, we must deliver services efficiently.

The Prime Minister has announced that this is a year of implementation and therefore, the speedy way in which, the Minister is releasing the funds must also be commensurate with the way in which funds are drawn down at the district level. For example: guidelines need to be reviewed on levels of delegation of district administrators. While we have increased the ceiling of JDP to approve up to K500 000, we have not commensurate the District Administrator Authority of its delegated power because it is still below K50 000.

35/09

In Abau, the District Administrator pays K200 for fuel. He would then come and look for the District Treasurer and the Provincial Treasurer to sign and reimburse his money. But many times, these people are not available and the DA returns. In doing so, he pays another K200, so he spends K400. This is inefficient for those travelling long distances via air transport and sea

transport. I am lucky because I am closer to my district office so in the name of good governance we should stop long neck process and shorten the process. I think, the Audit Committee is the way forward as well as Financial Inspectors from Waigani. District Treasurers and the Provincial Treasurers are answerable to the District and the Provincial Administrators.

Mr Speaker, I hope the Minister for Finance will accept these recommendations because we want to implement K8 million instead of having it in the trust account at the district level. At the end of the day Members can say that they have already drawn down a benchmark of 85 per cent at the implementation level. This is a very good score card insofar as the release and the drawn down at the district level is concerned.

Mr Speaker, I request the Leader of the Government Business to relook at the issue of District Authority Bill which will be tabled in Parliament. We will be creating a position for a Chief Executive Officer of a District. The Chief Executive Officer manages every personnel as mentioned by the Prime Minister. All the public servants including Finance, Police and CIS officials in the district must come under the control of the District Authority.

For us to do that effectively, I think it is time we forego some of our concerns. For instance, the story of an eagle where the mother had to push the baby eagle out in order for it to learn to fly. We need to do that and let the baby eagle out in order for it to learn how to maneuver to fly. So that's what is happening right now? We, at Waigani are too scared to let go. I think there is sufficient institutional process and there are enough laws in the country for everybody to be held accountable for.

Mr Speaker, our people are realizing the importance of Prime Minister's continuous announcement of fighting corruption within the system. So when the JDP meetings are held and the report is made to the public, people will know where the money is going to and will have the ability to report.

Mr Speaker, this is the Year of Implementation and I have been working so hard with my team. I brought the Waigani departmental heads around the country to conduct workshops with the District and the Provincial Administrators and the Treasurers so that Waigani connects with the districts and the provinces.

Now, that the Southern Region workshop is completed, I am moving everybody to Abau. The Departmental Heads must communicate and establish relationships so that the public

servants here at Waigani do not just sit in their air condition office but go and manage their personnel on the ground. Many public servants out there ring our department offices but ringing is not good enough so we should start walking around. The MDWA is one of the best theories globally. So I am moving those at Waigani to help the District Administrators. With that concept we have a good model in place. For example in East New Britain, with the political and administrative stability, they have now undertaken some of the smartest re-organisation that I have ever seen.

36/09

You do not have to go overseas to see whether these new system is working instead you send your officers to East New Britain Province. I think, two districts are doing very well. We need to now learn from each other and exchange ideas as well. By doing this, we will be building a Public Service culture throughout the country. It is also a uniting factor for a much traditionally and divided country

Mr Speaker, I praise the Prime Minister. We will be watching the commodity prices because there is a lot of assurance that we can deliver the Budget. The Finance Minister has already released K8 million in less than half a year which is really good. Our people will be proud to see improved classrooms and teachers houses which will enable teachers to come and work in the rural settings as well. The road works will now be fixed which will enable people to bring their produces to the market.

This is a great opportunity for our country and I believe if we continue the trend for the next five years, Papua New Guinea will become the envy of many nations in our region.

Mr Speaker, this is a wonderful opportunity and before I conclude let me talk about equitable distribution. I strongly recommend that we now come back to relook at the process of Public Investment Program (PIP). As we are preparing for the 2014 Budget, I think the issue of equity can be better addressed if we can manage a very prudent PIP program. I recommend that we have a two-year PIP Program so that we can have in place advanced two-year planning. All the proposed projects whether it is national, district or provincial must be properly designed, costed and forwarded to PIP for funding in the next Budget.

Mr Speaker, unlike the experience of NADP, some districts and provinces receive more than others so in that way we can respond to the much disadvantaged electorates in the country, so that we can also give them more support than other districts who have infrastructure. Teleformin for instance, must receive the budget support because the people out there still do not have access all the other services compared to the people of Moresby North-East Electorate. By doing that, we are bringing equity which is constitutionally guaranteed.

Mr Speaker, we must let go the past, for instance, a Member receives more than other Members because of his friendship with the Prime Minister, Finance Minister or Treasury Minister. This must stop. We must bring in equality. In that way, we can manage the process so that at the end of the day, everyone would have received equally. So when the Finance Minister brings the Report in March next year, the report can say that everybody received an equal distribution.

Mr BIRE KIMISOPA (Goroka) – Thank you, Mr Speaker. I also commend the Finance Minister for his excellent statement.

Mr Speaker, the Prime Minister and his Government ought to be commended in terms of every Minister making an effort to present a report to this Parliament. We have not been able to see that in successive governments and I am pretty confident the Government is doing what it is supposed to be doing.

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I have five points to make. My first suggestion is that I did mention about the accounting cycle and I think it is something that seriously needs to be addressed because we cannot operate on a standard 12 months calendar from January to December, and somewhere between October and November, all Government services will be closed including the Accounts. As a result, the money will be held in the Consolidated Revenue.

Mr Speaker, this is an opportunity because we are talking about implementing services to our people. We need to seriously look at the accounting calendar. Is it appropriate for us to operate on the present calendar from January to December and also forgo two or three months of the year? That is unacceptable in this country and given the vast resources that we have and the

budget that we are appropriating this financial year, Mr Speaker, I think, it is critical that we revisit that question.

The Department of Finance and Treasury need to embark on a study, and determine exactly what the pitfalls of the present system are? Should we offer or opt for another accounting cycle similar to the ones the Australian's are using; from June to July. Perhaps we can look at that. I am saying this because we have an ambitious Public Expenditure Program for the next 12 months. If we are going to operate for eight to nine months at a time, then some of our projects will be delayed and once they are delayed they are subject to all kinds of variations.

Mr Speaker, I also suggest that we look at the way Appropriations are framed for the government agencies. If they are to do certain projects and if it costs K100 million over the next five years but are asking for K20 million now, and if they are going to use only K10 million and the other K10 million is pulled back into Consolidated Revenue, can we do away with that process and instead have that locked in? Instead of sending it to Consolidated Revenue we just keep the money because it is sanctioned by Parliament. It means that the line agency is entitled to certain appropriation so why don't we leave them alone for the duration of the term of Parliament.

Mr Speaker, the line agency that have a budget appropriation of K100 million, it knows for sure that if it is receiving K20 million this year, it will receive another K20 million next year. Even if the money is not there, this is an agenda under the Public Works project that it must implement. So I think this is the time to look at the way we make appropriations.

Mr Speaker, too often, the appropriation after 12 months if the line agencies are not using it, it is retrieved and they have to start the whole process of preparing submissions again. I note with deep interest the audit committee and I think that is a good suggestion. That is something we need to expand on. Insofar, as the Audit Committee is concerned, I am more interested in the standards. Are we getting the value for money at the district level? Are we just listening to a conversation with the Member for Middle Fly because he was building an hospital for K8 million last year but all of a sudden it was jerked up to K25 million. So how did that project of K8 million increase to K25 million.

Mr Speaker, the Audit Committee needs to be tightened up. Asset management for instance; how many trucks and earthmoving equipments would be bought by a Member of

Parliament by the time their term is up? I am still struggling to collect all the equipment bought by the previous Member for Goroka Open. He spent approximately, K14 million on those equipments but I do not know where they are.

These are some of the questions buried in the Audit Committee. Perhaps, we need a procurement authority or an asset management sub-committee solely responsible for tracking government assets, whether it is a computer or a freezer, a D6 or an excavator, it is public money and property. So we need to have a system in place to track and monitor this equipment. An appropriate agency within the Finance Department should be in charge of that.

Mr Speaker, point four is the integrity of the Parliamentary Appropriations. I did mention that some time ago, in light of the National Development Bank issue. I think the Government graciously gave them K130 million in 2012 by way of parliamentary appropriation. But they ended up receiving K70 million and were still short by K60 million. That may be an isolated or one-off issue but that is too common with most government agencies in this country.

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After appropriating the fund, it is diverted elsewhere. I think that is something we need to do to bring some integrity back into Parliamentary Appropriation.

Mr Speaker, Parliamentary Appropriations are law. It means that if a certain amount of money is designated this financial year, but was not received in full, it is must received in the next year.

Finally, Mr Speaker, my point five is in regards to the template for the DSIP. I think we have a standard template and as a Member of an urban electorate, I am faced with all kinds of problems. State Institutions occupy certain areas in Goroka and all kinds of ethnic groups are coming into the town. The situation in Goroka is quite different from the Rural Electorate. So perhaps in 2014 and beyond there must be a one-off grant for the 19 electorates in this country who are classified under urban or towns. The situation on the ground is not the same as the rural electorates.

I have water problems and to fix that problem, I need another Southern Cross, a couple of 20 thousand litre of tanks and a budget for such an expenditure would be approximately K20-

K30 million. With the influx of people coming into Goroka for job search, there are problems with sewerage space, water supply, sanitation and garbage. We have so many problems.

So we should change the template in 2014. The people of Goroka should get a one-off grant to build the capacity of the local authorities on the ground so that we can build our own capacity to collect internal revenue to sustain the operations of the local council in the town. The people of Goroka are grateful for K10 million.

Maybe next year, the Government should give us a one-off grant with outside multi-lateral assistance so that we can beef up the town and cities in the country. Our internal revenue should be able assist us with utilities and services in the cities. Otherwise we will cue up like NCDC and ask the Government to bail us out by way of National Government Budget.

Mr GARRY JUFFA (Northern) - I would like to join my fellow Members of Parliament in commending the Minister for his Report. I also commend the Government for their effort to keep us updated and abreast on what is happening.

The Minister's accessibility is something I am grateful for and I appreciate it. He is just a phone call away whenever I want to discuss issues of importance with him and that is the same for the Minister for Planning and the Prime Minister as well as many other Ministers present here today. I think it is important that we have accessibility.

To add on the wisdom that has been put forward by Dr Puka Temu and Member for Goroka, I would like to say that this is an opportunity for us to review. After this year's implementation program we have to review what happened this year. What went wrong and how can we improve and make better. I would like to suggest that the Minister and his team look at that situation so that we will review what has happened throughout the year.

We can then consult with the Members of the challenges and difficulties they face. Maybe from there we can develop a better strategy so that when we have another year of implementation we can do it better this time.

Mr Speaker, I would like to propose that we should consider a year of rehabilitation as well and that is to rehabilitate the machinery that is expected to deliver the goods and services to our people. That machinery is the Public Service which is broken down. Since 1976, we have been pushing that same machine. Everyone else is driving a turbo SUV, the latest state of the art.

So we need to review that machine. For instance, public servants are receiving K7.00 housing allowance per fortnight. That is an example of what needs to be reviewed.

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We come here and we sometimes abuse our public servants for not working; for not doing what they are supposed to do and for not being at their office and so forth.

But, let's consider what we are doing for them. What have we done? What type of system do they work in so that they can deliver? Many of them are living in settlements and villages. They don't have running water. They don't even have electricity to iron their shirts. And they have to catch several different buses before they come to work and then they have to rush off quickly because they live in a dangerous part of town so they need to be home early to protect their families and so forth. So the amount of time given to anything productive is significantly reduced.

I'd like to thank the Prime Minister for giving us the opportunity to review the Public Service. It's my ambition and I am sure it is that of others here too that we should corporatise this machine. We want to streamline it. Make it more efficient. We want to pay our public servants reasonably well enough.

A country is made up of the Public Service and the Private Sector. The private sector's agenda is to generate profit, we all know that. The public sector's agenda is supposedly to build an economy.

So, if you look at these two situations you can say that the public service agenda is the greater agenda because it impacts on an economy and on a whole lot of people who live in that economy. But who gets paid more? Who gets remunerated more? It's those in the corporate sector, and the Public Service is unable to attract the best.

So we are left with three types of public servants; there is the nomad. He is transiting through the public service. He will sit and fill up applications and try to look for work elsewhere. He is just there temporarily.

And then you have the dole recipient who has treated our public service like the dole system. They turn up late, they have long lunches from which they don't even come back

sometimes, and they are not interested in moving on. They just want to collect their pay and attend to their own personal issues. And that is the greater bulk of the public service by the way.

Then you have the nationalist. He turns up on time, he dedicates himself, he may live in terrible conditions but day-in-day-out he will come to work because he believes and he hopes that one day things will change. And he is doing the best he can out of sense of nationalism because he loves his country. But nationalism does not put food on the table, it doesn't feed your children; it doesn't improve your living standards and so eventually they become disillusioned and they move on or they join that group of dole recipients.

So, that is the machinery that we Members are expected to work with when we are trying to implement and when we are trying to deliver goods and services to our people. And how can we do that when this machine has broken down. How can we do that when this machine is outdated? That's why I am looking forward very much to the review of this public service. We must corporatise it, streamline it and make it more efficient.

Next also is the Government's bureaucratic system. This is a system that appears to have been designed to fail. Or perhaps we just haven't upgraded that system. If you want to do the right thing in this country, it is so difficult. It is so cumbersome and so bureaucratic and I know that many of my fellow Members here are agreeing already. Just try to do the right thing. But, if you want to do the wrong thing, it's just a phone call away.

In other countries, it's the other way around. If you want to do the right thing, it is quite easy and if you want to do the wrong thing, it is very difficult. So, we've got to change things here.

We've got to make it easier to do the right thing here and impossible or difficult to do the wrong thing. And it is all about the kind of system we have.

Now, the Minister spoke about revenue. Minister, I can tell you as a former revenue collector, we are collecting about 30 per cent of what is due to this country. That's a fact.

It's because of the revenue collection strategies that we have in place. Those revenue collection strategies do not favour Papua New Guinea or the Papua New Guinean economy. They don't.

For example, let's look at the real estate industry.

Mr Speaker, for instance, look at the most high value properties in Papua New Guinea; let's say in Port Moresby, where they are mainly concentrated. Who owns most of that real estate? Where is that money going? Are they paying taxes? I can tell you, they are not paying taxes or if they are, they are paying very minimal taxes. What little they can get away with.

And as for the money, it is all going offshore, thanks largely to our poor banking laws. Our banking laws do not sufficiently insulate this economy. There is substantial capital flight.

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Much of the money generated in this economy is going off shore to fund other economies and benefit other people. So we have to review that as well and look at the taxation systems. For instance, the Internal Revenue Commission.

Mr Speaker, is the Minister aware that IRC is using a strategy called self assessment? This is a strategy that has worked in many developed nations but will not work in Papua New Guinea. Self assessment means a person should come voluntarily to pay up his tax. Are we kidding in this country? Tell me who comes voluntarily to pay up their tax. What about the resource industries like the forestry and fisheries sectors and the mining industries? Are they paying the exact amount of tax that they are supposed to pay? What about the huge tax holidays that they are enjoying?

Mr Speaker, for instance, we have the fifth largest gold mine in the world which has not paid certain type of tax for the last 25 years. Are we going to review that? So if we are going to look at the taxation strategies, let us look at reviewing tax holidays. Let us put in place and address tax regime that can collect tax due for this country's economy.

Mr Speaker, taxation is the fundamental building block of any economy. That is why Australia has 36 000 officers in the Australian Tax Office and only 30 000 soldiers. Look at what we are doing in Papua New Guinea insofar as tax is concerned. We have asked them to come and voluntarily pay their tax. For instance, we are not auditing the number of companies in PNG that is why they are not paying tax. We have done away with the audit regime when that regime brought in substantial amount of money into our country. So why do we suppress it? Our tax dues were collected via the audits.

If you read the *Income Tax Act*, it is the most powerful piece of legislation in this country. With the *Income Tax Act*, you can go and demand information at any time because you do not need a search warrant to do that. That *Act* was designed to protect the economy of this country but we are not utilizing that *Act*, instead we are asking them to come forward and pay. So I can guarantee you that most of them will not turn up to pay.

Mr Speaker, I would also like to look at economic empowerment. How do we economically empower people? Let us shift from royalty collectors to resource developers. For instance, why can't the provinces form business arms that can be responsible for all the exploration licenses? So let us set aside some funding for that.

Mr Speaker, there was a Member of Parliament who said that we did not have the money to do that. That is not true. We have the money to do it. Let us carry out exploration activities in our own provinces and if we find something then let us find a developer. Let us bargain for a good return for our people and make them become developers rather than royalty collectors.

If we don't make a move, we will remain where we are. While the bigger portion of our resources is taken away by the developers, we will be left behind with a smaller portion to entertain our people with. Such notion should be removed. We are the resource owners and we must develop our own resources to benefit our people and our growing economy.

Mr Speaker, the current trend is not benefiting our resource owners. For instance, it is like being chased out of our own house, shivering in a cold, rainy night, we find ourselves glancing through the window, and what do we see? We see them enjoying their dinner in our very own home. That is something for every one of us to think about.

Mr Speaker, I also want to comment on the procurement system mentioned by the Member for Goroka. Our procurement system needs substantial and significant overhaul. It is true that we can allocate funding into any districts but if the procurement system is not right, then we will see a substantial loss to perverted and fraudulent means. We are spending K50 million on a project that is worth K10 million. So where is the extra K40 million going to?

Mr Speaker, those are some considerations that I am putting forward. This is the Ninth Parliament and we are already into the ninth month.

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So, nine months is over, we are already out and not being carried around by our mothers in their wombs. We are now mature and we should not be seeking assistance from others. We must help ourselves too. If there are things we can do, we must do them.

Thank you, very much.

Mr WERA MORI (Chauve) – Thank you, Mr Speaker for giving me this opportunity to join in on this discussion. I will make it short and precise.

At the outset, I must commend Prime Minister Peter O’Neill and his Government. For the first time, our people are seeing the impact of the authority of the State.

Mr Speaker, I’ve been hearing what the honourable Governor for Oro is saying but I want to put on record and state that in the past people have been saying we are seeing our resources being developed and exploited but we are not seeing the impact of that. And on this note this Government led by Prime Minister Peter O’Neill and his deputy, Leo Dion and his hardworking Ministers have done a great job to change that around.

Mr Speaker, despite the falling commodity prices where our Budget has basically projected on, the Government is doing very well to bring in prudent management and to spend the money wisely.

I must commend the Treasury Minister, the Finance Minister and his National Planning Minister for a well coordinated effort to spend K8 billion up to the end of May, simply because we all know that the later part of the year in November and December you know that not much activities are taking place and I think this is a step in the right direction.

Expenditure must be sent in areas where it will return tangible development and on this note the Government must be commended for it.

We must not live under false pretence. We must not base our focus on rhetoric and emotions but take on practical approaches to situations and as national leaders, we must be of relevance in all situations.

The Government must not be scared, it must not hesitate. I’d like to encourage the Government of Prime Minister Peter O’Neill not to be scared to mobilize resources and spend money where we know that it is going to bring in tangible development.

If we are to bring in funds and invest in areas where it will bring back returns, then let it be so. We must not be scared.

I am very happy to see the Government spending and focusing on areas where it matters most and that is in public transport infrastructure. Without those essential expenditure nothing will happen and I'd like to commend the Government for its focus in this particular area.

Mr Speaker, since the Governor for Oro had made some remarks on the mining industry so I must do the same because about 70 percent of the revenue the nation generates comes from the mining industry.

But we must not forget mines must operate on a profit so that it can return dividends and other benefits to the country. It is calculated on unit cost and if we want these mines to be taken over by Papua New Guineans there is nothing wrong with that. There is nothing stopping Papua New Guineans from venturing into the mining industry but don't forget, these are high risk ventures. You must be prepared to spend money, even up to K10 million for the project and if you cannot you must be prepared to walk away from it.

But you tell me, as a developing nation are we able to afford that? Are we able to afford these risks? And this is where the Government is doing very well.

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It is managing the situations. The Government has not failed to manage it. This is one thing that we must all be aware of because if we push the cost beyond the cost of production then I'm afraid we are going to have the mines close. If we have the mines closed where will the bulk of our revenue come from?

I am sure that LNG gas will come into production next year but, Mr Speaker we need both the LNG and the mining industry.

Today as I speak we are experiencing a fall in gold production in Hidden Valley because we predicted a higher production of gold, we are actually producing more silver, than gold.

Despite the fact that we are experiencing this shortfall in government revenue, the way the Government is spending the money and the way it is focusing and putting money is making a huge impact.

I want to thank the Minister for Finance in advance because next week he will be coming to Chuave to roll-out our District Treasury and I am happy to meet him because he will be representing the national Government. You have just have to blame yourself if nothing is happening in your electorate. You cannot blame anyone. The Government has given us enough money.

I wish to invite you to Chuave to see for yourselves the impact you have made from the K2 million grants. I want this to be recorded and that I am thankful to the Prime Minister, Peter O'Neill.

Every Member must now take responsibility to effectively manage whatever resources given to us by the Government and it is our responsibility to make sure that projects are done and services are delivered.

That's why, Mr Speaker, sometimes when we criticize foreign companies we must bear in mind that they did not come here on their own intention. Whether it be the developer of Porgera Mine, Lihir Mine or Ok Tedi Mine, they came here to operate under our laws. It is our responsibility to look after them and don't forget, we need them just as much as they need us.

We must be able to manage whatever that has been earned from the exploitation of our resources wisely. And for the first time we are seeing effective and prudent management being practiced by this Government under the leadership of Prime Minister Peter O'Neill.

Mr DOUGLAS TOMURIESA (Kiriwina-Goodenough) – Thank you Mr Speaker, I commend the Prime Minister, especially at this time when we are debating the presentation by the Minister for Finance Honourable James Marape.

I also wish to reiterate what the Governor for Oro has mentioned about the accessibility to some of our Ministers and also Prime Minister, we wish to say thank you for your creation of an avenue to allow easier access to these offices.

The Minister for Finance, James Marape and the Minister for Planning Charles Abel are now easily accessible. In the past I know that there is a lot of difficulties when politics is in play. And it was very hard for some Members to have access to certain Ministers and a lot of time is wasted when we hear people talking about kitchen cabinet and so forth.

But in this 9th Parliament which, I am privileged to be a Member of, and I know certain brother Members of mine also feel the same way.

On this note, I'd like to participate in this debate. For the first time the people of Papua New Guinea are beginning to see tangible developments, they are even beginning to see that the government has an arm in the districts, especially in my district. I come from a very remote district.

There are two islands, which are separated by hundreds of miles in between.

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And so for me to travel from one island to the other is a very big challenge and the only way I can do this is by 40 horsepower outboard motor or by sea transport.

I'd like to commend the Government. You have made it easy for us with the funds that we continue to receive every Parliament meeting that we attend. If we are not here, it is deposited into our DSIP accounts and so I'd like to commend the Minister for Finance and the Government for doing a tremendous job for us and our people. We would like to see more of that. You have our support, and the support of the backbenchers and middle bench as well.

The Finance Department continues to give very good budgets, year in, year out, but we need to have a proper post mortem of where we have gone wrong and what we can do to improve on certain things.

I believe what the Governor of Oro has said about conducting post mortems and it should be seriously looked at because around this time we are beginning to receive a lot of funds. Every year Open Members will receive K10 million.

The question here is that there are a lot of incomplete projects left by the former Members and also on the question of manpower out in the districts. I am feeling the pinch.

A lot of projects have been funded in the past but when some of us went in to take over as new Members, there were no records on the expenditures. The Human Resource on the ground is either non-existent or unqualified.

And so it is good to have lots of money going to the districts but we need to equip the districts. We need to give the right human resources on the ground. We need to have people who are educated enough to know how to handle these funds. These funds, when they arrive at the district level, Members only go in for JDP&BPC but it is the District Administrator and the

District Treasurer who have the papers in their hands. So, human resources is something that we have to look at very seriously.

On the note of our institutes in the country at the moment, the University of Technology and University of Papua New Guinea and other higher learning institutions in the country are almost run down. Some weeks ago, a Member of Parliament mentioned our graduates not meeting the standards of industrial requirements.

How can we boost the moral of our students so that they can study to that level in order to graduate lecturers who are qualified enough to reach our human resources? We have to seriously look at this area.

One of the things that really concern me is that I continue to hear and see people, especially Members of Parliament talking about the same roads being rehabilitated every year and yet we in remote areas are still waiting for funds to have wharves and roads built. We are still awaiting funds for the same roads and bridges from previous years. Who can go back and look at the Budget and tell us that in the last 37 years, we spent so much on the same highway, road, wharf or bridge because it is constantly carried away washed by floods.

44/09

It brings me to the question of standards. The other time the Minister for Works talked about the bridge in Madang that needs to be rebuilt. How many times have qualified people in our country or even departmental heads for that matter sat down and seriously looked at reviewing the standards and designs that we have in terms of our road constructions. Maybe we are still using the same designs that we adopted from Australia back in 1975. We need to go back and revisit these areas.

What about the geo-tech surveyors who do all the testing for us? Are we still using the same standards that we've been using since 1975?

The effects of Climate Change in our country need to be taken into account when we upgrade and review our standard of design. We need to take a look at these things and seriously consider where we stand in today's development.

Other nations are moving so far ahead of us. They are 30, 40 or even 50 years in front of us and we are chasing behind. Is it because we continue to get their rubbish and work on their rubbish without developing our own standards so that we meet their requirements.

In this way we don't spend so much funds in repeating the same mistakes over and over again. The NCD Governor was talking about his roads the other time. He said, I do not know what's wrong with the roads, and I've seen the road up at Five Mile. It is a typical example. The Government just spent so much money, I don't know, but maybe K30 million was spent on this road and now it needs fixing again because the engineers have done something wrong. We now have to spend more money on the same road. We have to spend more money fixing up something that needs reviewing and it is long overdue that certain of our practices must be reviewed.

Health is doing a review, other areas like Public Services and Education are doing reviews, but what about our standards for our road constructions? We need to review that in order for us to avoid spending so much money repairing the same road.

Thank you, very much, Mr Speaker.

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

Motion – That the Parliament take note of the paper – agreed to.

**DEPARTMENT OF CORRECTIONAL SERVICES – CURRENT STATUS
ON CORRECTIONAL SERVICE AND IT'S DEVELOPMENT PROGRAM
UPDATE – MINISTERIAL STATEMENT –
MOTION TO TAKE NOTE OF PAPER**

Mr JIM SIMATAB (Wewak – Minister for Correctional Institutions) – Thank you, Mr Speaker.

Mr Speaker, I rise to present to the Members of this Honourable Parliament my statement of performance by the Department of Correctional Services over the first quarter of this year.

In particular I wish to provide a brief summary to the Parliament of my department's efforts in implementing the three performance delivery programmes identified at the Leaders' Forum in February this year.

The three impact project programs are, Jail Infrastructure Rehabilitation and Development, Community Correctional Centres or District Rural Lockup, and Prison or Correctional Industries Programme.

Mr Speaker, over the first eight months of my Ministry, I have also become aware of significant institutional and legislative challenges facing the Department, which would continue to impeach its smooth operations if not addressed adequately. I will outline the specific issues and policy actions required to resolve them at the end of my statement.

However, Mr Speaker, before I present my Department's performance report, I would like to take this opportunity to say a few words about the events that have occupied our attention over the last three months.

As you have heard through the media, the escapes from Beon, Buimo and Bomana jails over the last three months involve a total of 96 inmates. This would be the largest number of detainees ever to escape in a single year since our first jail was established 63 years ago. Sadly, as Minister, I cannot assure anyone at this point in time that another jail outbreak will not occur.

Mr Speaker, I will consult with the Prime Minister should that eventuate. I am only saying this; I might probably hand over my job.

45/09

But this in turn has no connection to a call in the *Sunday Chronicle* of last weekend advocating for my resignation as a State Minister.

Mr Speaker, I wish to inform Members of Parliament that I knew as early as December 2012 that a jail break was imminent at Boram, Beon and Bomana. I passed this piece of intelligence to the Department for its verification and for it to take steps in beefing up security at these jails.

Action was only taken at Boram Jail where six detainees who were ring leaders at the jail were transferred in late December to Buieibi Jail in Southern Highlands. This action greatly reduced the threat of another jail breakout in Wewak.

Mr Speaker, I have informed the Parliament last week on the allegations of improper conduct of custodial officers at the Bomana Correctional Institution. Since then I have received a copies of two investigations carried out over the last 12 months into the management of the Bomana Jail. After my study of the reports I will immediately seek advice from the Attorney-General and the Police Commissioner to determine if the officers implicated can be prosecuted.

Mr Speaker, as Minister responsible I will take this opportunity to also thank my colleague Ministers, the Minister for Police and Defence, the Police Commissioner and the Defence Force Commander for deploying their men and women to assist in the search and recapture of the escapees. With this timely assistance the community at large in Madang, Lae and Port Moresby would now feel safe given that the majority of the escapees were detainees serving time for various crimes of willful murders, armed robberies and rapes.

I now move onto Jail Infrastructure Rehabilitation and Development.

Mr Speaker, of all the constraints being faced by a the Papua New Guinea Correctional Services today the most pressing is the poor state of our provincial jail infrastructure. As you are well aware all our Correctional Institutions were built under the Australian Administration with relatively poor maintenance over the years.

The facilities are no longer suitable for our present day detainee containment needs. The perimeter fencing of all our major jails for instance require immediate replacement by modern fencing material that cannot be readily cut by implements such as bolt cutters.

Mr Speaker, the following are some hard facts about our Correctional Institutions today. As of 15 May, 2013 there were 3838 detainees confined to 19 jail establishments with 1117 held on remand. Of the convicted, 14 are on death row and 64 are on life sentences.

The total bed capacity of the 19 jails is 4366, while these may seem sufficient, six of the jails are overcrowded, for instance, Beikut in Buka has 100 more detainees, an increase of 204 per cent. Giligili in Milne Bay has 112 more detainees, an 83 per cent more increase, Ningerum in Western Province has 29 more detainees, a 96 percent increase, Buimo has 143 more detainees, which is a 32 per cent increase, Lorengau has 18 more detainees, 36 per cent increase and Kavieng has 64 more detainees which is 30 per cent over capacity.

Detainee statistics to date show that 95 per cent, and I repeat, 95 per cent of our prisoners are illiterate and cannot read or write. I wish to ask, what does this say about Papua New Guinea and its development goals?

International custodial standards require one correctional officer per detainee. Our prison ratio is one warder to three detainees at the moment.

Mr Speaker, our detainee rehabilitation programmes have also stagnated because the required facilities in our jails are either inadequate or not available.

The refurbishment and redevelopment of our jails facilities commenced in earnest in 2007 when Papua New Guinea-Australian Law and Justice Sector Partnership Programme was launched.

Over the last five years the joint PALCEP and PNG Government funded jail Redevelopment Program has covered four major jails.

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A summary of their status is given before and the four major jails as you can see are Baisu in Western Highlands, Beikut in Autonomous Region of Bougainville, Buimo in Lae and Borumi in East Sepik Province.

You can see the supervising contractor there and the status of their work. Baisu is near completion by 80 per cent, Beikut is completed, Buimo Jail has 18 staff houses completed and Boram has started but is incomplete.

Mr Speaker, the development of Baisu Jail commenced in February 2011 and should have been completed in October 2012. The supervising contractor extended the completion date by three months to January, 2013. However, the contractor did not deliver the project as rescheduled; instead the contractor sought approval of the Department for a further three months extension to the end of April 2013. The Department granted the extension but approved the full payment for the remaining balance in the performance bond to the contractor.

Technically, Mr Speaker, the Baisu project is seven months behind schedule and the various payments to the contractor in January should never have been made.

The Department is now worse off because it is also paying the supervising contractor a service fee of K80 000 per month for the next three months extension as granted. The

Department can also cover it by applying for liquidator damages of K2000 per day as stipulated in the agreement.

Mr Speaker, the situation surrounding the Boram Jail Redevelopment is even more serious. The contractor, JJW Constructions from Port Moresby ceased its supervision of the project in May 2012 when the proprietor entered the National Elections for the seat of Rigo.

The Department paid the company over K4 million including the mobilization fee of K2 million but the contractor failed to obtain a bank guarantee for the project as per the contract and has not continued the work on site since mid 2012.

So CSTB is currently seeking advice from the State-Solicitor to terminate JJW Construction's contract and to re-tender after SMEC, which is supervising the whole project.

The immediate task now is for the Department to try to recoup the monies paid to this company and to institute criminal proceedings where applicable.

I now move on to establishment of new jails.

Mr Speaker, during 2013 three new provincial jails will be designed for construction in 2014 onwards, in New Ireland, Sandaun and Manus provinces. The planning and consultation with the administration of the three provinces are well-advanced and the CSTB has selected a consultant to work with the Department on the three projects. The construction of these jails would cost a total of K200 million over the next three years or so.

Mr Speaker, I would like to thank the honourable Governors of New Ireland, Manus and Sandaun for their continued support and interest in these projects which, will generate much opportunity for our local work force and provide services to the local communities.

On the same token, Mr Speaker, I would like to extend my gratitude to many Governors who have supported their provincial jails in 2013 and as Minister for Correctional Services I do believe that our institutions are an integral part of State assets in a province and therefore should be utilized in a manner that benefits everyone.

Mr Speaker, my final point is on the Government's quest for a high security prison that is more effective than the current Maximum Security Unit (MSU) at Bomana Jail. The Prime Minister has expressed a desire for a well fortified jail establishment on an isolated island in PNG where dangerous convicts can be held.

The Member for Manus has indicated his interest to pursue such a project in his province. The advice I have received from the Department suggests that, in fact, given the vast open sea, geography and culture of the Manus islanders makes the province the best choice for a well fortified prison infrastructure in PNG.

The Department has an advanced plan to build a new low risk jail on a 30 hectare land also in Manus in 2014 for an estimated cost of about K65 million.

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It is estimated that to incorporate a 30 men maximum security facility at the new jail would require an additional K100 million.

Community Correctional Centres.

Mr Speaker, establishment of Community Correctional Centres (CCC) or District Rural Lock-Ups (DRLU) is a priority programme of the current National Government. The thrust of the CCC is in line with the O'Neill-Dion Government focus on rural areas, which is to deliver timely services to the majority of our people who live there to engage their participation in Government led activities.

Mr Speaker, CCC or a Rural Lock-Up is declared by the Minister by the notice in a National Gazette that can be used for the reception and safe custody of low risk detainees with one or twelve month conviction.

The objective is to promote the involvement of the rural communities in the process of transformation or correction of detainees to become law abiding citizens.

Mr Speaker, currently there are 44 Gazetted Rural Lock-Ups in the country none are operational. I am saying 44 because of the previously recorded figure under the Australian Administration. Of these locations, 21 have been identified by the Department for refurbishment and construction while the 19 of the locations are being targeted in 2013.

Many of our leaders in this Parliament including the Prime Minister and yourself have included the Development Plan on the need to establish and rehabilitate a CCC or a Rural -Lock Up in their districts.

Mr Speaker, this is most commendable and I do look forward to working with you to ensuring that such facilities are successfully established in your districts during the life of this Parliament.

Honourable Members, may I take this opportunity to inform you that the development of CCC or Rural Lock Up in your district provides an excellent opportunity of forging a long term partnership between your administration and the PNG Correctional Services. Any Open Member who wishes to establish this facility must advance K50 000.00 from the Department together with their DSIP Law and Order Grant to meet the cost feasibility study of the proposed site.

Mr Speaker, the feasibility studies are essential as it would enable the Department to firstly, to reach conclusions on the physical suitability of the site for a new facility or reopening and old one. Secondly, to enable, a designed plan of construction or refurbishment after the Commissioner approves the surrounding environment has been suitable in terms of its safety and security.

Mr Speaker, it is important to stress here that not every district is qualified for a CCC or DRLU. The Department cannot support Community Correctional Centres or Rural Lock -Up located within a 50 kilometre away from a provincial jail. There are also districts in PNG that are accessible only by air. In such circumstance, the development of CCC or a RLU is recommended.

Mr Speaker, a maximum staffing requirement of the CCC or a RLU is between five to seven Correctional Officers providing security over 25 to 50 detainees depending of its capacity and location.

The cost of construction a brand new CCC or a RLU is estimated to a range between K5 million to K10 million for a 25 to 40 beds detainee capacity and K12 million to K15 million for a 40 to 50 detainee capacity beds.

Mr Speaker, this Government is very committed to this program by mobilising CCC or a RLU in PNG. In the 2013 Budget, it approved a K2 million funding to fast-track the feasibility and design plan for these facilities and so far, K500 000 has been realised to the Department for this purpose.

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It is anticipated that the Department's Development Budget would substantially increase as the construction pace or plan projects commence in 2014 onwards.

Mr Speaker, the development stages of 19 selected Community Correctional Centres (CCC) under the Department's votes is listed below and as you can see.

In Ambunti 99 per cent has been completed and probably we should open it up next month and Moreguina 95 per cent completed and I must inform the Minister for Public Services that we needed another K1.5 million to entirely finish the construction. As for Laiagam, the honourable Member has allocated funds to construct his and Balimo, and the list goes on.

Mr Speaker, the CCC at Ambunti and Moreguina were built by CSTB, which is the approved contractors using the funds allocated by the PNG Government. The work on the Ambunti facility is near completion and will be handed over to the Department in June 2013. The Moreguina facility was being completed by the contractor JGW Contractors, which went to do the work in Wewak facility in August 2012 but the completion report, was disputed by the Department and remain unresolved.

The Department has terminated the contractor and we will retender for completion of the project.

Mr Speaker, the CCC at Balimo and Laiagam were constructed and funded exclusively by the respective District Administrators through their Member of Parliament. Therefore, we wish to congratulate the previous and the current leaders of Middle Fly and Laiagam Districts for their foresight and commitment to establish these facilities. The Balimo facility is ready for commissioning pending the resolution of the landownership over the site. The Laiagam facility has the staff houses completed but we are still awaiting detainees' dormitories to be built. I also wish to assure the leaders of the two districts that the Department stands prepared to assist them in reviewing the statues of their facilities and to help complete their construction pace.

Mr Speaker, the CCC in Menyamya, Gumine, Finchhafen, Misima and former establishments erected some years are now being reviewed by the Department with the support of the current Members of Parliament from these Electorates. The review process entails the determination of refurbishment costs of each facility. The Department has estimated that it will

need approximately K1.5 million to refurbish and operational lies each of these facilities from 2014 onwards.

Mr Speaker, the development cost of a new Community Correctional Centre or Rural Lock Up varies by locations and the sizes of the facilities. The total estimated construction costs of the CCC identified above in the feasibility and design pace would be around K75 million to K120 million.

The Leaders Forum in February 2013 estimated that the Development Budget for Community Correctional Centres or Rural Lock Ups over 2013 and 3016 would be within the vicinity of K60 million.

Mr Speaker, as you would appreciate from the above cost estimates, the development of CCC is a significantly high expenditure then the establishment costs of other public utilities in many districts.

I, therefore, wish to caution honourable Members of Parliament that they must weigh the relative value of this facility against other law and order initiative such as strengthening law and order awareness program in their districts, improving their village courts, discouraging juvenile criminal activities and use of illicit drugs and use of alcohol abuses in village communities. Furthermore, should a leader commit a district to establish a Community Correctional Centre facility, the success of the facility in enhancing law and order in their area will depend on the existence of other support services in the districts. For instance, Correctional Officers to be deployed would require decent housing with running water, sound sewerage system and to attract good officers with families, the location should also have access to schools and health centres and reliable electricity or power supplies.

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These are the challenges facing us in mobilising human resources towards effective service delivery in the rural areas.

Mr Speaker, the Correctional Industry is an exciting new program under the Ten Years' Correctional Services Strategic Plan, which will become a main pillar of Rehabilitation of Detainees in PNG. This program will provide detainees with meaningful work that meets community expectation provide the opportunity for associated vocational training, education,

opportunities that assist offenders to obtain employment post-relief, contribute to the good order and effective management of Corrective Services facility and assist in reducing the cost of operating Correctional Services facility.

Mr Speaker, today it costs K25 to feed one detainee per day. In one year, it costs the Department K9 000.00 to feed that one person. Our current total bill is K33 million in a year. This expenditure can be half through the detainees growing their own food in jails. So, the opportunity to achieve this to vigorous Correctional Industry's programme is huge and this is being driven by an ongoing exercise by policy and institutional reform with support of AusAID and Australian Government.

Mr Speaker, it shall be my privilege to table before this Parliament this policy reform and relative legislative changes to the *Correctional Services Act, 1995*.

Why a legislative reform? The *Correctional Services Act, 1995* was amended in 2010 to transfer authority to appoint Deputy Commissioners and Assistant Commissioners from the Head of State from the advice of the Commissioner. When *Section 17* of the *Act* was amended to provide for this change, the relevant Sections of the Correctional Service Regulation of 1995 were not amended to facilitate the appointment of an appropriate section and promotion board to effect the appointment of officers to the Commission rank. Hence, presently the Commissioner has no legal powers to permanently appoint his deputies or the assistant commissioners.

Mr Speaker, after consulting the Attorney-General on this matter, I have instructed the Department to undertake a major institutional and legislative review of the function of the organisation under the current *Act* and to determine how the new initiatives such CCC and the Correctional Industry's programme will be institutionalised under a new and modern institutional structure. Such a structure must also allow for innovation such as use of finger printing in tracing detainees, use of known little weapons such tsar gas, et cetera and the future possibility of separating and privatising function of the containment and the rehabilitation of detainees.

In conclusion, Mr Speaker, I do wish to stretch before this Parliament that the Ministry that I head politically has a very important function in the Law and Justice Sector of our country. The PNG Correctional Service has a long history and has played a puppetry role in the maintenance of law and order and the promotion of our justice in our communities. However, it is an aging Force and suffered from a continuous mismanagement of its resources financially

human at all levels and there is wide evidence of systematic corruption amongst the custodian Correctional Officers, plus the overcrowding in some of our jails establishment for serious tread of this establishment.

Mr Speaker, our current ratio of one Correction Officer to three detainees is not in according with the international standards. Like our sister organisation in PNG like the Police force, we urgently need more men power and financial resources to adequately perform our rolls in detainee containment and rehabilitation.

Mr Speaker, thank you very much.

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

ADJOURNMENT

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

That the Parliament do now adjourn.

The Parliament adjournment at 3.25 p.m..