

TENTH DAY

Wednesday 29 May 2013

DRAFT HANSARD

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TENTH DAY

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The Speaker, (**Mr Theo Zurenuoc**) took the Chair and invited the Minister for Finance, **Mr James Marape** to say Prayers,

‘Tenkyu Papa God yu stap long Heven. Long nem bilong Yaisu na true Holi Spirit inspiration mipela kam bek long yu long askim yu long marimari na blessing na save, taim mipela ol lidas sindaun long haus Paliment long toktok long raunim Kantri.

Tenkyu long karim Spika kam wantaim gutpela tingting na helt, tenkyu long gutpela helt na laip bilong Prim Minista na lidasip bilong em wantaim Deputi Prim Minista na Ministas. Mipela tok tenkyu long ol Mebas bilong dispela Haus wantaim Oposisen Lida na tem bilong en. Tenkyu long givim mipela tingting na pasin long sanap long wok olsem lida bilong yu. Papa God mipela no stap stret tasol yu makim mipela long kamap lidas.

But in the weakness as we are you have allowed us to be leaders and we would like to say thank you for the honour and privileges you restored on us. As we rise and stand we acknowledge your lordship over this country, Amen’.

QUESTIONS

Mr BOB DADAE – Thank you, Mr Speaker, for giving me this opportunity to ask my questions.

I wish to direct my questions to the Minister for Internal Security, but since he is not present. I reserve my right to ask him in the next Question Time.

Mr SPEAKER – You may do so.

Mr SASINDRA MUTHUVEL – I wish to direct my questions to the Minister for Public Service and I want the Ministers for Finance and Treasury to take note. Before I ask my questions I would like to just give a short brief.

Mr Speaker, the National Economic Fiscal Commission released a Report in April 2013, titled 2011 Provincial Expenditure Review with a tender analysis from 2007 to 2011. This report shows the trend in which provinces have been spending their funds in 2007 to

2011, send to them by the National Government and for many of the provinces. It also shows how provinces have been spending their internally generated revenue.

My questions are based on the revelation in this report that the administration cost has increased from K47 million in 2007 to K107 million in 2011; a K60 million increase which is almost 128 per cent increase in just five years.

This is a huge increase which I know can be controlled and even avoided so that the funds are safe and used for most essentials areas of service to serve our people. A large portion of the administration costs consist of salaries, wages and overtime payments for public servants. We also have individuals that are not working but still being paid because the positions they occupy are funded positions in their respective Organizational Structure.

My questions are:

(1) Can the Minister tell this Parliament, if any action has been taken in the past, as a result of the findings of the report by DPM to eradicate the non performing public servants from the payroll to save cost?

(2) If nothing has been done, what does the Minister intend to do to control this wastage of public funds because it's a burden on our Budget?

Sir PUKA TEMU – I thank the Honourable Governor of West New Britain for asking these questions in relation to salaries and wages for Public Servants.

Mr Speaker, I cannot agree more with the honourable Governor, unfortunately, what over the years, administrations at the provincial level recruit at their pleasure.

02/10

Therefore, there is no control from Waigani. The National Economic Fiscal Commission Report is very clear. But I must also add and remind the Parliament through this question once again that over the last 30 years, the number of public servants have increased from 60 000 to 100 000, therefore, it associated in the Wages Bill. We have to also note that on the key priorities set by the O'Neill-Dion Government; Health, Education, Law and Order and Infrastructure, particularly the three top sectors where we need to deploy big numbers of teachers, medical health workers, police officers and other disciplinary forces as well.

Mr Speaker, we are trying to look at what would be the appropriate ratio in terms of Wages verses Recurrent Cost verses Development Funds. In my opinion, the best ratios are below 40 per cent of the wages. Insofar as, Provincial or local-level government is concerned, 50 per cent must remain for Recurrent Expenditure, but if we go beyond 50 per

cent than we are over recruiting in terms of personnel. But in the debate that followed my presentation, the Honourable Member for Goroka, and Chairman of the Select Committee on Public Service, alluded to how we can improve efficiency in the process.

We have allocated K14 million for those officers that have been recognised to be retrenched. I would urge all Governors to work with my department to identify those individual public servants that have been recognised to be retrenched and put them off the payroll.

One or two provinces have already indicated to me that they have identified the public servants. Honourable Tony Aimo has done that and we are processing their final entitlements.

There are a lot of public servants on casual basis; they were employed by provincial administrators without getting due approval. Therefore, the number of casual employees have increased rapidly over the years when my secretary transferred the powers down to the provincial administrators and departmental heads. After realising this we put a stop to recruitment.

As I have said earlier, all Governors must work with your Provincial Administrators and organise your holistic Provincial Administration Structure and let me know so that we can approve them.

Once the final structure is approved everybody will be unattached and all their positions will be advertised and they will have to apply for their positions. Once their application is considered, the Wages Bill is determined and unsuccessful ones are retrenched. If we don't go through this process then everybody will still be on the payroll. And so I urge everyone to arrange their provincial administration this year and start afresh in the New Year.

Most of the public servants who are suppose to be retrenched are still on the payroll that's why we came up with this idea. And once they are identified, we will allocate separate funds for retrenchment and they can get their full entitlement.

03/10

Mr Speaker, the other issue is about Department of Treasury controlling the payroll system. I have written to the Treasurer to transfer the powers to the Department of Public Services, because personnel matters are managed by DPM. Once we sort that out we will be able to clean the payroll because there are too many ghost names listed in the payroll. I want the Treasury Department to work with the Public Service Department to fix up the payroll system.

Mr TITUS PHILEMON – Mr Speaker, I wish to direct my questions to the Minister for Housing and Urban Development. I want the Minister for Lands and Physical Planning to take note.

Mr Speaker, my questions concerns my people of Alotau town especially those legal tenants who have occupied National Housing Corporation houses. And this also applies to the rest of the country as well. Most of them have already purchased the properties but still awaiting their titles.

My questions are:

(1) Can you reliably inform these people through the Parliament of the latest of the release of the titles as they have been waiting since the purchase of their houses through the National Housing Ownership Scheme?

(2) Why has the process taken so long?

(3) Are you aware that such delay may also encourage dubious deals for other persons than their legal tenants to have possession to titles illegally as such as been done already in the past in Port Moresby and other parts of the country?

(4) If you are in the process of doing something to release the titles than can you assure them when their titles will be received especially to my people of Alotau town?

Mr PAUL ISIKIEL – I want to thank the Governor for Milne Bay for his good questions.

On the first question in relation to the release of titles to the legal tenants, let me put on record that Housing Commission over the years, under the regime of the then Mekere Government, there were two types of schemes established; one was a give away scheme and it was calculated at K4 000 per house. To date, no money has been paid to the National Housing Corporation account by those who benefited from the scheme. And the amount adds up to K16 million up until now. And that's one of the hold up in releasing of titles to the legal tenants.

We have already setup a Ministerial Committee to look into some of the main matters concerning housing and that's one of the agendas on the list.

But we will seek help from the Government to bail us out of that so that we can release the titles to those concerned people because they have waited for too long.

04/10

To ask the Government to pay this amount so that we can be able to process and give the title away to the people that have been promised and have been waiting for so long.

The other issue is to do with Public Servants living in institutional houses; a lot of them entered into sale agreement and arranged for their pays to be deducted to NHC account. But when their deduction commenced they somehow used the wrong code number and the money went into the wrong account. And we found out that about K36 million hiding somewhere in Finance Department. But at the meantime we are working on it until such time once we get this money back than we will process the title.

To conclude my plan now is to build more houses for our people so that they can buy them from NHC. Therefore, I am working very closely with Lands Department so that they can identify more undeveloped land so that we can build more houses for our people to buy at a reasonable price.

But I want to assure the Parliament that I will present a detailed ministerial statement in the next sitting on this matter.

Mrs DELLILAH GORE – Thank you Mr Speaker, in 2007, Oro Province was hit by cyclone Guba. And the Government has set up an authority called Oro Restoration Authority

Mr SPEAKER – Which Minister are you directing your question to?

Mrs DELLILAH GORE – My apology my question goes to the Minister for National Planning.

Mr Speaker, the whole province was declared state of emergency when cyclone Guba hit the province. To date nothing constructive have been done by this established authority in the Province.

When this authority was established Government has allocated huge amount of funds to restore the province when this natural disaster occurred. The people of Oro Province have not seen any infrastructure such as bridges, roads, hospitals and et cetera. Yet we heard that huge amounts have been allocated to the authority.

My questions are:

- (1) Can you inform the people of Oro and the Parliament where exactly is the money?
- (2) Do you have any plans to revive and review this Oro Restoration Authority so that people of Oro can benefit from this current Government?

(3) If these funds have been misappropriated than can you investigate and bring to justice those people concern?

Mr CHARLES ABLE – I thank the Vice Minister, Honourable Dellilah Gore, Member for Sohe for her questions, which is probably more appropriately directed to the Deputy Prime Minister, who is responsible for the Provincial Local-level Government Affairs, which accommodates Disaster office, but I thank her for her question and -

05/10

I know that the Oro Province is still suffering from the effects of Cyclone Guba, in particular relating to its infrastructure. I know some of the bridges have been washed away.

We also know that a restoration authority was established for the very purpose of addressing that issue. We know that some significant amount of money has been appropriated to travel to Popondetta later today to address the CIMC Forum over there. I am not able to travel there because of the Parliament sitting; I cannot do so. However, the meeting is continuing. I did try to accumulate some of the information, particularly relating to the development money that has gone to the Oro Province, in particular the Oro Restoration Authority.

To me it is apparent that provinces such as Oro have been neglected over the years. Having said that I believe and from what I've seen so far, and I still want to verify it, I have seen that at least K20 million has gone to the Oro Restoration Authority under the ambit of education rehabilitation. I sense that this information is not complete and I am still getting that together.

But it all comes back to some of the things we will speak about today when I present my report in relation to government reporting and the roles that the agencies who are supposed to be reporting are playing or not playing.

It comes down to accountability but why don't we have those reports readily available to us? Where have these significant amounts of money gone to? What is the outcome of some of the investigations?

I commit to the Member that we are now gathering this information together so I'll be able to give her and the people of Oro a more detailed information about what has actually happened with this money. But one thing I want to know first of all is how much has gone down there and for what purpose. And then I want the report from the Restoration Authority through the Deputy Prime Minister as to exactly how that money was spent.

Can we have some people start producing some of those reports and account for some of these funding? It is not for us to bring to the Floor of Parliament two or three years later. It is ridiculous.

One of the functions of Planning we are doing now is we are coming back to these functions and we are determined to start producing timely information reports against these large amounts of money that are going to these various agencies. Suffice to say, Mr Speaker, that money has gone down there and it has been spent somewhere. The money has gone to Oro, I know that much. The question is, where exactly has it gone to and why isn't Oro restored, or at least somewhere toward restoration.

I can say that we are working with the Member and the Governor. He is very determined, he was going to welcome me down there and we were going to make sure that some of the warrants in this year's budget are facilitated because we know that in 2013 there is K10 million was allocated for Special Development Grant for three of our least developed provinces, being Gulf, Manus and Oro and we are making sure that that money is going down there. And the good Governor is trying his best to get the public service in order down there so that this money translates into some of our programs.

And we at Planning, we sit back and we demand the reports and we monitor. That's our job. We get our hands off the money, we set the systems in place, we give the money and we central agencies then follow up on it. And agencies like Oro Restoration Authority must tell us what has happened to that money so we can account for it to the public.

But I am sure the Deputy Prime Minister will be able to give us a bit of detail and I also will, as I accumulate the information over the next couple of days, give out that information.

Thank you, Mr Speaker.

Mr NIXON MANGAPE – Thank you, Mr Speaker, for recognizing Lagaip-Porgera. My question is directed to the Minister for Works and Implementation.

The government has allocated K250 million for the Laiagam-Porgera road sealing.

I have driven up and down the highway many times and have not seen any geotechnical engineer on the ground. All the contactors are Chinese, and don't even know English or Tok Pisin.

From past experience from Mt Hagen to Laiagam, the government spent a lot of money but the road has deteriorated. So while the Laiagam-Porgera road construction is in progress, can the Minister, you assign a geotechnical engineer to test the material which they will use to seal the Laiagam Progera road.

Thank you, Mr Speaker.

06/10

Mr FRANCIS AWESA – Mr Speaker, to answer the honourable Member's question, firstly I wish to thank him for the important issue he has raised.

I must say that I am not aware of this technical information not being disbursed or if we had received them. It is an important function in all major infrastructure construction in the country and I wish to, on behalf of the government give an assurance that this is one area we will look at.

I also want to take time to find out whether these surveys were done by the Works Department or by the contractor and I will get back to him at a later date. That is part of the answer.

The other part I wish to talk about is the contractors who are not fluent in Tok Pisin or English. That is a concern that I share as well. There is a communication problem between the village people and the contractors. These are some of the issues arising and we are trying to get the contractors to recruit engineers and other professionals who know English to allow for easier communication and a smooth flow of work.

I wish to assure the honourable Member that this is an issue that was raised by people in Porgera and Mendi during my visit there because the same contractor is also working there, we are trying to address this by talking to contractors concerned.

Supplementary Question

Mr ROBERT GANIM – I think when we visited those areas we were accompanied by my governor where we passed the stretch of road between Wabag and Laiagam and you saw for yourself the poor state of the road. The contractor which was awarded the contract to construct that road has not completed that road.

What do you think, Minister, are we going to leave this stretch of road unfinished while you drive up to Laiagam and Porgera or are you going to complete the part of road between Wabag and Laiagam also?

Mr FRANCIS AWESA – I thank the Member for his Supplementary Question. It is an important question that I wish to reply to at this time in Parliament.

I am aware that the same contractor or others who have worked on that stretch of the road have been paid before I became Minister but 16 kilometres, which happens to be the most critical part of the highway to Porgera Mine, was not done and I have seen that myself.

I wish to assure Parliament that the same contractor is also working from Laiagam to Porgera section of the road. So, in time we will get the contractors to return and complete that stretch of the road.

The other contractor mentioned by the honourable Member was in fact involved and was paid even though the job has not been done. The current contractor has even sub-contracted the same stretch of the road and I have already raised concerns to the main contractor already about the poor performance by this subcontractor.

This is the same contractor we were talking about in the last session of Parliament where 21 kilometers of road construction in the Southern Highlands Province has not been completed and we have already spent K100 million.

07/10

It was a concern that was expressed on the Floor of this Parliament and we were directed by the Prime Minister to terminate the contract and have Task Force Sweep team look into that. That's exactly what we are doing.

Some of these contractors had to be blacklisted because of their non-performance. It is my intention to list those companies who have been involved in dubious construction work all around Papua New Guinea so as we take stock of what is happening we will audit some of the work done by various contractors and then we will blacklist them.

So, that's the assurance I can give to the Parliament and honourable Members, thank you.

WESLEY NUKUNDJ – Thank you, Mr Speaker, for recognizing the people of Dei. My question goes to the Acting Minister for Education. Before I actually ask him my question I wish to make a few comments.

Mr Speaker. As you know the government is placing a lot of emphasis and spending so much money on education through the Free Education Policy. And so many people around the country are taking about the government because of all the good things that we are doing in education.

Unfortunately there are a few bad things happening in the country but we don't seem to pay much attention to them.

Let me bring all your attention to what's happening within the country. There are some fights within the schools between students and there are some fights between schools within one province or there are even some fights between students and outsiders.

Over the last few days you may have read in the media about fights in schools in Morobe, fights between students and outsiders and even with the police.

Yesterday as we were sitting on this Floor of Parliament at 2 o'clock 8 truckloads of policemen from Chimbu and Jiwaka province went into my electorate terrorizing students and teachers.

Minister, we can't allow this to continue; fights between students in one school, fights between schools or,

Mr SPEAKER –Honourable Member, you address the Minister through the Chair.

Mr WESLEY NUKUNDJ –I am coming to the question now. What is the position of the government to address this situation?

Mr SPEAKER – Honourable Member, let me remind you that you should raise your question through the Chair to the Minister.

Mr WESLEY NUKUNJ –Sorry, Mr Speaker, what is the government’s position in addressing this situation? Can the Ministers for Higher Education also take note of this question? Thank you, Mr Speaker.

Mr JAMES MARAPE – Mr Speaker, I’d like to thank the good Member for Dei for him raising this important question on education and what has been happening.

Mr Speaker, the issue of violence in schools, especially amongst students within a school or between different schools seems to be occurring all the time.

Mr Speaker, from the outset let me place on record the devolution of roles and responsibilities of our education system. Headmasters and school boards have within their powers to apply disciplinary measures.

I call upon every school board and headmasters concerned to ensure that their schools maintain strong disciplinary measures.

08/10

For instance, issuing of warnings to students who continue to engage in violence or perpetrate violence in schools. Simple measures such as issuing warnings, suspensions and eventual expulsions can help.

Let me issue a policy direction through the Parliament for the nation to know. I have instructed the Education Department to issue a circular instruction to schools across the nation to not hesitate on disciplining students who continue to cause problems in schools.

Education is an inherent right and the government recognizes that and that is why we are investing close to 25 per cent of our budget in total in that sector, we are still short of spaces to house every child who need to sit in classrooms. So while it is a right, those that are currently occupying spaces in classrooms, must know and I’m speaking to the students as well as the parents, that it is a privilege where a few are sitting in those classrooms at the expense of many who are still outside of classrooms.

And so that privilege of students who are now sitting in classrooms must be honoured and not abused. So, we’ve issued instructions to school headmasters and school boards to tighten up on disciplinary measures. Students who continuously engage in violence, whether they have been provoked to enter into violence or not whatsoever, no student in schools in this country should be engaged in violence. That is rule number one.

For those who engage in violence, I’ve instructed the Education Department to issue a circular that upon warning. If the student continues, whether he is directly involved in the violence or within the vicinity of the violent activity taking place, that student should be stood down from school.

And if the student continues to be a serial offender in school, we are working on a legislation to try to tighten up with our Minister for Correctional Services to see whether juvenile detentions

could be promoted and developed so that those students, young men and women who engage in violence and may have a psychological problems or financial issues, could be taken out of the formal school system and put into a rehabilitation program for juveniles.

This is something that the Correctional Services Minister and I will work on to see how best we can address it.

It is a law and order issue but the young men and women and we leaders mustn't hide this fact that just because these incidents happen while in school that we shouldn't classify it as such. And I ask every school administrations right around the country to take up strong measures against students. For the case of Bugandi and the other school in Lae, the two major schools in Lae, it happens every year. This is also true for some of the major schools in Port Moresby. We must take tough measures on students.

Let me also, at this time, appeal to parents across the nation. Your government is seriously investing in education. And for parents who have children currently sitting in classrooms, they must know it is a right but at the same time it is a privileged spot they are occupying at the expense of other children who are not in classrooms as yet.

And so for parents, the O'Neill government did not tell you to bear children, you bore children by your own volition. As Education Minister I did not ask the men to produce children.

Mr Garry Juffa – Point of Order! The homosexuals cannot produce children.

Mr SPEAKER – Your point of order is noted.

Mr JAMES MARAPE – Thank you, sadly same sex relationships cannot produce children in some parts of this world but in this context I wasn't making reference to that. I was supposed to say man and woman.

Parents in this country must take serious responsibility. If parents do not take serious responsibility, Mr Speaker, we'll just pass laws that deals with penalties for crimes.

09/10

Parents have to be responsible. They must know that if there is no discipline at home, the children will get out of hand. Parents must discourage their children from engaging in violence and other activities that could lead to them receiving serious penalties.

Schools are secondary disciplinary institutions; the primary disciplinary role begins at home. In relation to school violence, this is the policy announcement that the school concerned will firstly warn the students whether they were physically involved or in the

vicinity of the fight. This must not apply only to those actually involved in the fight but those who congregated and support each other.

Secondly, suspend those identified and after investigations are done the schools can proceed to expel those involved. Statistics shows that only 50-60 per cent of students are in classrooms in high schools. The reason for the other 40-50 per cent not being in class is not due to stupidity; it is because of lack of space in the higher institutions.

It is unfair to those who would have liked to continue but dropped out because of space and those who are lucky to have spaces in schools are abusing it through violence.

Supplementary Question

Mr GARRY JUFFA – I would like to say here that school violence is a big and continuous problem. Can the Minister conduct a review and maybe we can develop a policy to deal with students and the school boards and head teachers? This problem is not only about violence between students; it is a deep rooted problem.

Mr JAMES MARAPE – I happy with the suggestion made by the Governor and while school violence captures media attention every time, the problem does not really come straight for my assessment. Different areas have their own reasons for violence; let me encourage the provincial education board and district education advisors to do their own preliminary assessments.

Now that we have a School Survey Task Force team in place I have distributed through them about K1000 000, so I am asking them to as part of an additional research to collect the following information on the aggravating issues that cause students to engage in violence.

Mr Speaker, from the onset, without giving excuses on issues to schools I want to put on record that, violence caused by students should be treated as violence and is unacceptable. Students and parents must be aware that the Government is providing free education and the responsibility is for the parents to discipline their children at home.

Teachers will monitor students and discipline where necessary but they are solely responsible for the academic performances of the students. The Department has issued a White Paper Policy on school violence and its possible causes, with clear instructions for schools to adhere to.

There are certain schools that continue with this trend and the warning is I would not mind suspending 100 students and keeping 300 who are serious about school. This message is for all schools to abide by.

10/10

The Governor has raised an important suggestion and studies must emanate from all schools. Let's ask the boards of Bugandi and Bumayong Secondary Schools and the concerned headmasters to control the schools in this new policy. If they do not do that we can have them replaced. I would like Provincial Executive Councils and districts to liaise and bring in those preliminary reports.

If it is a deep-rooted problem amongst the young people and then we take a policy approach to try and control and eventually stop it. In the meantime I see it to be common in a few schools, while other schools are doing well. One of the contributing issues is the cult practices in schools. It really goes down to individual control. The Education Department has diverted disciplinary functions to school administrations, we ask them to take control and take disciplinary actions were necessary but if they cannot then we can take their concerns on board and assist them.

SUSPENSION OF STANDING ORDERS – EXTENDED TIME FOR QUESTIONS

Motion (by **Mr Bob Dadae**) agreed to –

That so much of the Standing Orders be suspended as would prevent the time for Questions Without Notice this day being extended by 20 minutes.

Mr BOB DADAE – My question is directed to the Police Minister and this is in relation to the fight between students of Bugandi and Bumayong Secondary Schools and the actions taken by police as well as another incident here in Port Moresby at 9 mile where some residents were treated badly by the police.

But before I raise my questions, I want to make a general statement that regardless of the jobs that we have; if we are placed in a positions of trust, we must always maintain that role and do our jobs professionally and uphold that trust.

We owe it to our people, the organisation, our communities and our families. I am afraid that the trust that we have on the police is not serving its purpose. Whilst the police are supposed to be trusted to protect and prosecute, they are now inflicting violence on the people they are entrusted to protect.

I am happy with the work of the police nationwide; however, there are few that are spoiling the name of the good work that is being done.

We have just passed laws to dish out strong penalties for serious crimes. Bugandi students were unarmed and confronted the Lae Secondary students and engaged in a fight.

What authority was there for the police to fire at unarmed students?

11/10

(2) Was the gun discharged in self-defence or was it triggered to kill and harm students?

(3) What actions will be taken against those police officers involved in such activities where they inflict violence on citizens?

Mr NIXON DUBAN – I am aware of the problems that the Member raised. The manner in which these officers handled the situation they were asked to quell was barbaric and inhumane but before I go further, I want to stress here not to defend the police that sometimes the police are provoked by the people's behaviour.

Whether provocation was involved in these incidents is something we have to find out and it is now over to the police Internal Affairs to investigate and find out. But from my observations the Government has put in a lot to assist the police but rogue police are still in the force and they have come accustomed to their own ways of handling situations and this has been ignored.

So they are carrying on in front of their group commanders and PPC who are aware but have not taken action, therefore allowing this culture to continue. This has now culminated to a stage where we have to see how best we can address it.

For the Members of Parliament to condemn and defend is not the way forward. I think it is really in the interest of the Government that we must come up with smart or tougher strategies and one of the initiatives is to review the *Police Act*. And it will lead to a point where members of the police force who have committed acts which are not in line with their duties or classified as inhumane or barbaric will be held accountable directly and not the Police Force.

In relation to the incident where many of the residents whose tendons were severely cut by certain police personnel, I want to say that we will come out and apologise personally. I sympathize with the people and I assure the Member that I am saddened that after all the efforts to modernize the police force, we have others that have an attitude to spoil it.

That is something that I do not wish to propagate in the police force, so I will make it my business to address it and make a report available to the public.

The problem with the incident in Lae and schools that engage in violence are deriving their strengths from demonic cult practices and it is spreading nationwide. We know this trend and students are encouraged under these cult activities to act without due care for anyone. They do not fear even the police. I do not understand the culture of schools today. They are spreading the demonic culture and it's eating at the core of our communities and the young generation.

12/10

The police are dealing with as a law and order issue but it is another cult element that needs to be dealt with at the Education level. And I want to assure the Members that what the police may have done in Bugandi may be wrong but you have to be ready to look at the root cause and address it effectively.

Mr TOBIAS KULANG –My question to the Minister for Commerce and Trade is in relation to a report in the papers which states that only 10 per cent of the SME is owned and controlled by nationals, while I commend the Minister for his good efforts in his Ministry.

Mr Speaker, the SME sector and the middle class in any economy are the backbone that drives any economic growth and this is where most of the thinking, creativity and innovation take place. These are the sectors in the community that wake up early and go to sleep late and unfortunately, we have only a very small number engaged in that sector.

You can imagine the opportunities that are being denied to us in terms of creativity and our contribution to economic growth and we are hanging on multinational companies to come in and expand our economy and they will not be here forever.

(1) Do we have any plans to take stock and identify what nationals and foreigners can do especially on the job of a shop keeper?

As you are aware that the job of a shop keeper is for nationals but it's not so in this case. There are facilities that allow credit for nationals to be involved in small business ventures but how will that come about because most of these businesses are taken up by foreigners.

2) Are there plans in place to restrict certain jobs only to nationals to encourage the growth of national entrepreneurs?

3) Are there plans in place for the establishment of a Corporate Ombudsman?

This establishment will watch over corporate bodies and companies because some companies are getting away with corporate sins.

Mr RICHARD MARU – I want to assure the Parliament that on the third week of June there will be a SME summit and I am inviting all Members of Parliament to attend and discuss the issue on bringing back the reserved list.

There will be no sitting in June, therefore, I want you all to attend so that we can discuss the extent and exemptions of the reserved list. The issue to discuss will be the establishment of the Foreign Investment Review Board that will oversee the operations of foreign investment companies.

13/10

Another issue we need to discuss is setting up a Foreign Investment Review Board so that it can scrutinize foreign companies who wish to conduct business in our country.

Mr Speaker, at the moment every Tom, Dick and Harry is coming into this country and conducting business at their own will.

This Foreign Investment Board will act as a goalkeeper to allow us to set policies and regulations like Australia, New Zealand and many other countries are doing.

Mr Speaker, another issue we need to discuss is the National Contract issue. For instance the contracts for the most prized project in the country have been awarded outside our country. Our people have never been provided the capacity to be considered in these big contracts.

Mr Speaker, countries like Nigeria have a National Contract Legislation specifying the kind of business that will be awarded to landowners alone.

The time has come and I will be inviting all the leaders to attend the SME summit and as the Minister I would like to bring back a very comprehensive Reserve and Policy list. I am aware of the WTO exercise but we will be firm and I expect support from all the fronts of this Parliament.

Mr Speaker, I have an appointment with all the Leaders of Parliament on the third week of June 2013. Maybe we can hold the meeting in Lae as it is the centre of our country to come up with the most comprehensive set of laws not policies.

If a foreigner is engaging in business activities for locals we should imprison them and deal with them and the officers who allowed them to come.

Mr Speaker, the new Secretary has been tasked to organise the Summit and we are now sorting out the venue. Mr Speaker, I also expect you to be present in this meeting.

Mr Speaker, let me announce that we are working on a new SME plan. We have 49 000 Papua New Guinea owned companies. There are 700 000 in Malaysia and 500 000 in New Zealand.

Mr Speaker the biggest reason why we don't have employment in this country is because we never grew the SME Sector. We should employ 80 – 90 percent of our population.

Mr Speaker, my Department will be advertising this Leaders Summit in the Media and we should all work together in driving this SME Sector.

Supplementary Questions

Mr JOHN SIMON – Mr Speaker, I am grateful for those remarks made by the Minister for Commerce and Trade.

I want to ask about the K80 million that was in the 2013 SME and NDB Budget.

(1) Can the Minister Confirm if the Treasury Department has released that money to the National Development Bank and has it been made public to our people? (2) Can the Minister make sure that there will be guidelines so that there is fair distribution across this country so that the same group of people don't keep benefiting?

Mr SPEAKER – Honourable Member that is a new Question but I will entertain that. Minister for Trade and Commerce you may answer that question.

Mr RICHARD MARU – Mr Speaker, I am not Minister responsible for that Bank but I will answer from what I know.

Mr Speaker, I am aware that the Treasurer has released K40 million to the Bank and we all know that the interest rate is 6.5 percent.

We need to bring this up with the Managing Director through his Minister to make this public.

Mr Speaker, I am aware that the Board of the NDB has met and resolved that those who have existing loans with the Bank will not have access but they will entertain and facilitate new loan applicants. In other words the Bank will not refinance existing loans.

Mr Speaker, in that way we will have more Papua New Guineans that will go into business.

Mr WILLIAM POWI – Mr Speaker, I direct my questions to the Minister for Agriculture and Livestock but since he is not in the Chamber, I will direct my questions to the Minister for National Planning and Monitoring.

Mr Speaker, according to the recent Ministerial Statement tabled by the Treasurer, Honourable Don Polye, on the performance of the PNG Economy, the economic growth within the agriculture sector is somewhat disappointing.

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Indeed the overall growth according to the statement has sadly being 37 percent. In real terms, that is less than half of the overall rate of the economy.

Mr Speaker, this is a major challenge that is facing our country and our people today. My questions are as follows;

(1) In light of these prevailing statistics and in view of the economic boom in the extractive sector of the economy, what programs and policies is the Department of Agriculture and Livestock taking in this disappointing scenario?

(2) Does the Department have any strategic policy and sustainable program to translate the windfall revenue from the other sectors into the Sustainable National Agriculture Program or Policy where 85 per cent of our people depend on for business as well as sustainability?

Mr CHARLES ABLE – Mr Speaker, I thank the Honourable Governor of Southern Highlands, Honourable William Powi, for his questions relating to this matter.

Mr Speaker, I understand that he has directed his question to the Agriculture and Livestock Minister but he is not present, so I will do my best just to give a broad perspective, and then we can get a detailed response from the Agriculture Minister.

Mr Speaker, at the Government Caucus, I talked about tabling the very Report today in relation to the National Agriculture Development Plan that will produce many of the details the Governor is seeking.

Mr Speaker, it is an Agriculture responsibility but as we restore roles and functions, I keep saying to get the functionalities right and bring it back to a sector approach and revisit some of these plans we have had, with huge amounts of money appropriated. We really need to examine them and get on with correcting how those plans have been implemented. We need to move on with this important function of Government that is giving meaningful impact programs through these sectors.

Mr Speaker, we all acknowledge that Agriculture is the heart and soul of our country and yet we are so much preoccupied with the sector involved in the extraction of primary resource. I am not saying anything new but we are neglecting many of the sustainable industries that touch the hearts of our people who live in the rural areas.

Mr Speaker, there is only a handful selected to directly benefit from some of the resource programs. Through the Government mechanisms we are going to spread those benefits. Many of our people continue to wait in the rural areas and they rely on subsistence farming and they look to opportunities through land mobilization, smallholder farming, through investors coming and this is a wider and broader activity which we should be paying much attention to.

Mr Speaker, as we go through and discuss and debate on the National Agriculture Development Plan, we should be setting it right and executing properly. Our problem is our failure in implementing these plans.

Mr Speaker, we are wasting so much public funds that should be trickling down to our rural people through properly planned detailed structured programs.

Mr Speaker, we are sitting here in Port Moresby dealing with paper farmers and playing with money where hundreds and millions of kina are unaccounted for.

Let's get back to proper plans and resource the right agencies such as the Commodity Boards who are supposed to be running these programs not National Planning and Monitoring and even not Department of Agriculture and Livestock.

Our roles are to monitor and supervise and coordinate. Instead we have got all our officers in DAL and National Planning becoming loans officers playing with money.

Mr Speaker, the whole approach has been wrong and as we start to bring these reports through we can all better understand how we can get back to proper Public Investment Program Implementation including reporting back to Parliament.

Mr Speaker, the Agriculture and Livestock Minister has got a hold of this and he is conducting a review of all the Commodity Boards. At the moment and there is also a review and I will explain the NADP Plan, which is funded in the 2013 Budget.

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**DEPARTMENT NATIONAL DEVELOPMENT PLANNING AND MONITORING –
NATIONAL AGRICULTURE DEVELOPMENT PROGRAM (NADP) –
REPORT, 2008 – 2012 - MINISTERIAL STATEMENT –
PAPER NOTED**

Debate resumed from (see page...)

Mr CHARLES ABEL (Alotau – Minister for National Planning and Monitoring) – Mr Speaker, I rise to table this Report that I have been just talking about and I want this Parliament and the nation to understand that it is part of our Governments approach to get back to the basics and the fundamentals of how Government should execute such vast amounts of money that we continue to appropriate, translate and filter through well sort out programs, and we follow the implementation strategy and not get tempted in using political expediency to park funds everywhere and use money here and there and the plans don't get executed.

Mr Speaker, before we can do this we need to see the reports. We need to look into the mistakes that have happened and respond to those mistakes. If we don't have reports how can we respond? We will be guessing and talking at the same time. We need statistics and international benchmarks on how the economy is performing such as social indicators and all that. We want to see that information. Planning should be producing this information on a timely manner so that we can argue and correct our plans.

Mr Speaker, this is actually the first ever, National Agriculture Development Program Report which was designed to cover 2007 and 2016.

I don't mean to take over the role of the Agriculture Minister but what has happened is that a large proportion of this funding appropriated under this funding was administered by the Department of National Planning and Monitoring.

There is no report coming from any agency on this program. Even the Department of Agriculture and Livestock, has had control on this or the National Development Bank.

We want to start this Reporting process but DAL is the responsible ministry as the primary implementing agency.

Mr Speaker, the new Agriculture Minister is taking charge of this. I don't presume to take over his role because I am from the Department of Planning and Monitoring.

Mr Speaker, it has been five years since the commencement of these programs and a massive K528 million has gone through this particular program.

Mr Speaker, as I have been saying significant amounts of money have been expended by the National Government particularly over the last 10 years because of all the windfall revenues we have been having from favourable commodity prices, which has resulted in series of Supplementary Budgets.

It is very important we examine how public monies in general have been spent and what were the outcomes. Unfortunately, very few reports have been produced to date and this is one of the many flaws we find as we begin to look at these programs.

Mr Speaker, I can generalize here but the Department of Planning and Monitoring is trying to establish a proper planning and monitoring evaluation framework. One of the things that we want to produce is a booklet that will link the plans to the MTDP and it produces sector by sector reports, against the key statistics that are contained in the MTDP and internationally. These are statistics that

we are unsure of such as the maternal mortality rate, immunization rate, universal education access and et cetera. We should produce a booklet on these statistics.

I have already mentioned in Parliament about the priority of the Governments activity matrix that we have established to monitor the 14 critical activities. I have already spoken about it here on the Floor and then we want to bring this sector reports. The reports against the Governments activities through the sector plans that will come from the line Ministers in conjunction with the Department of Planning and Monitoring.

The Department of Planning and Monitoring role is to make sure that those sector plans are aligned to the MTDP. We want those sectors to inform us how they are producing the result and how that corresponds to the outcome we want in the MTDP to be a middle income country by 2030 and to rank in the top 50 in terms of Human Development Index according to the Vision 2050. Let's link these things up and let's track them and create the path.

Mr Speaker, the Honourable Prime Minister is leading from the front to correct roles of Government agencies and Department of National Planning and Monitoring is at the forefront in this process.

Agriculture and Livestock Department is the sectoral coordinating agency and they should be doing their job as well.

Mr Speaker, because of combination of factors we have abandoned this role which has affected the execution of the Public Investment Program. It also has led to large misuse of public funds.

Mr Speaker, all our plans recognize agriculture as one of the main stays of Papua New Guinea in terms of economic development and livelihood. It has enormous potential to diversify and transform the economic base and I cannot pass judgement directly on the NADP itself. All I can say is that it is a detailed plan and it appears to address the relevant issues in terms of the NADP. It was developed to revitalize the agriculture sector. The formulation was guided by the Medium Term Development Strategy.

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It was developed to revitalize the agriculture sector and the Medium Term Development Strategy guided the formulation. The overarching objective of that strategy was to develop an export driven economic growth, rural development, poverty reduction including through good governance, promotion of agriculture, forestry, fisheries and tourism on a sustainable basis.

Accordingly, the critical areas were identified and outlined in the NADP implementation strategy and they are listed there from one through to six. Various interventions such as addressing equities, food security, sustainable agriculture, women in agriculture, interventions aimed at building capacity of key institutions are included. There are interventions aimed at rejuvenating semi commercial operations such as the smallholder growers.

Interventions aimed at catering for new projects. Interventions to facilitate export oriented agriculture business value adding. Interventions to aimed at enhancing trade in agriculture production focusing on areas such as trade promotion, trade negotiations, seminars and study visits that will add value for farmers to export more of their products.

Mr Speaker, there are two booklets policy and implementation. These booklets are very detailed and have been developed in consultation with the experts in that sector. Through the Budgetary process when we get these sectorial reports and providers come through a vetting process we do our best to fund them. I am not an agriculture expert but those experts have formulated those plans.

Mr Speaker, the problem is that unfortunately implementation did not conform to those plans. Implementation started in 2008 with DAL administering the program through the NADP Secretariat.

Since then due to allegations of mismanagement other government agencies have been involved in administering the disbursement of this fund. The agencies responsible for implementing from 2008 – 2012 has been the DAL initially, the Department of National Planning and Monitoring, National Development Bank and then quite a lot of money was given to some of the 89 districts.

Since the inception a total of K528 million was allocated for the program. From this allocation and the breakup to the agencies administering the program is as follows;

DAL received K110 million for the period 2006 – 2007 and 2011.

National Planning was appropriated a total of K169 million for the years 2009 and 2010.

The National Development Bank received K160 million for the years 2009 – 2012.

As we know the Commerce and Trade Minister was just saying earlier that the National Development Bank has just received an appropriation in 2013 of K80 million. My understanding is that of that amount K50 million has been warranted to them.

K89 million was appropriated in 2011 under the Department of Treasury and disbursed to the 89 districts through their respective Treasuries. There is a graph there that shows the breakup.

Mr Speaker, in a nutshell DAL was responsible for 21 per cent, DNPM was responsible for 32 percent, NDB 30 percent and provinces and districts 17 percent of the funds.

Mr Speaker, to date NDB and most of the districts have not reported on the use of the funds allocated to them.

The report presented to Parliament is based largely on the disbursements by Planning and the Department of Agriculture and Livestock, which totaled K279 million. The second graph shows the K279 million and where it went to in a summarized form there.

Private there is 38 percent, District Treasuries is 44 percent directly, Sate Agencies 8 per cent, Non-Agriculture Projects 10 per cent. Over to page six, you can see the original in terms of regional disbursement; The Highlands Region received 36 per cent; the islands Region 25 per cent; and the Southern Region received 3 per cent; the Momase Region received 36 per cent.

You can see the breakup in terms of Agriculture projects funded and non- agriculture projects funded from that K279 in the fourth graph.

Mr Speaker, K28 million of the funding appropriated to DAL and Planning was applied to non-agricultural activities and K252 million for agriculture activities.

While funding has been made available for implementing the plan the intended goals and objectives were not achieved. Some of the factors that contributed to this dilemma include a fundamental program flaw to central agencies and concentration on adhoc project funding rather than program funding.

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While funding has been made available for implementing the plan, the intended objective goals were not achieved. Some of the factors that contributed to this dilemma include,

- A fundamental program flaw in appropriating the funds to central agencies rather than implementing agencies,
- The concentration on adhoc project funding rather than program funding.

We have people in Planning that are screening hundreds of submissions for funding on a daily basis. And it is an adhoc process and they don't necessarily relate to any program and policy and they neglect their true roles of reporting while they spend money on other things that are not important. Lack of reporting on the implementation and impact assessment by agencies responsible for administering the funds.

- Lack of compliance with the program guidelines by the implementing agencies,
- Heavy political interferences in the disbursement process which results in uneven distribution of funds across the region, provinces and district as well as the areas of focus as per the plan.

It is difficult to know what the outcomes are because of an almost total lack of any reporting adherence. Members will find at the end of this report some of details of the disbursement through the Community Planning and DAL, as of today we have not yet received any report from the National Development Bank.

Mr Speaker, the handling of public funds in this manner is unacceptable. We have millions of small farmer's out there, investors in the agriculture sector and the public in general that deserve better and we need to get back to the fundamentals of public administration in terms of program design implementation.

Mr Speaker for the agriculture sector we have clear objective in the MTDP that even go down to production target. The role of planning is to request from the Department of

Agriculture and Livestock to come up with a plan and program to support this target. This was done, presumably in consultation with their responsible subsector agencies and the public. Within the usual budget processes and constraints funding is then appropriated to those executing agencies to deliver those plans. DAL is to play an oversight coordinating role in reporting back to Planning Parliament and the public. The executing agencies also have usual reporting requirements. These agencies should have appropriately qualified representative boards and professional management. The national and central agency should not get involved in implementing the sector program directly and certainly should not get involved in detailed project screening and discretionary funding disbursement.

Mr Speaker, public funds should not be given directly to private companies and individuals unless it is via public programs that benefit generally such as through price subsidy or input subsidies.

Mr Speaker, we need to learn from and support some of the good programs that our development partners such as the World Bank and European Union are doing. Some of the larger agricultural investors such as New Britain Oil Palm also have programs and have capacity on the ground worth utilising and supporting. Sub-national programs can be supported through the provincial and district budget and these need to be better reported on through the ORD or through the mechanisms we set up because it needs to be improved and approved by the Cabinet. With provincial governments we clarify responsibility and proper reporting systems must be in place.

Access to credits will of course go through the NDB with the varying levels of concession such as has been budgeted for this year so that our smaller farmers can actually have access to the funds. We know that the Prime Minister has launched the Micro Bank this year with NDB, with the aim to make sure the K80 million appropriated actually benefits those small farmers. These funding and its outcomes must be reported on by the NDB like all agencies.

There are other cross cutting issues that relate to agriculture such as land mobilization and infrastructure and we are dealing with those through the other sectors plans and programs.

Mr Speaker, our Government has provided K3million in this year's budget under DAL for a review of the NADP and we will begin the process of improving the delivery of governments support to critical sector of agriculture by supporting our good Minister, Tommy Tomscoll, through the appropriate mandated agency in a structured and accountable use of public funds.

Mr Speaker, I therefore commend this honourable House the Implementation Report of the NADP and I want to say that such reports and what they contain are worrying but I also want to emphasise that we as the new Government has to take a positive approach . We have got large programs before us. We look to history to learn from mistakes and we also need to tell the people the steps to follow. Our obsession is getting on with what we have before us as our people wait and we don't want to be engaged-

18/10

Our obsession is getting on with business that is before us as our people wait and we don't want to be engaged in activities that distract us too much from the important process of getting on and sorting out the agriculture sector, sorting out the infrastructure and all the other problems that our Government has identified and put a lot of money into, and we want to be a Government that is concentrating on implementation not dwelling too much and being negative. Let's view some of these things as positive alight as possible otherwise we will get too depressed because when you look at some of the things and how money has been wasted its very depressing and it's going to wear some people out. Let's report on them and let's adjust the way we do things and let's concentrate on getting things done for our country. Thankyou Mr Speaker.

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

That Parliament take note of the Minister's Report on NADP.

Thankyou Mr Speaker, I thank the Honourable Minister for National Planning for presenting another very important report. A report that has never been presented on the Floor of this Parliament and I congratulate him once again.

I want to comment on a few important matters because during that time we were developing the 2007-2016 National Agriculture Development Plan, and I was one of those that asked for a 10 year agricultural plan while the sector was pushing a five year plan. Everyone including, FAEO, World Bank, ADB, and the key sectors played their role in devising the 2007-2016 National Agriculture Plan.

The Ministers report is not only the National Agriculture Plan Report; it is also on the National Agriculture Development Program Report, so let us not confuse the two. The National Agricultural Development Plan 2007-2016 Report is not yet out and the plan is still current. What we are presented today is the National Agricultural Development Program and

while chairing the formulation of that particular plan, I recommended for K100 million annual allocations to the agricultural sector unfortunately the process was not developed well. Mr Speaker that was one reason why I left the Government because I saw that planning took charge of everything and whoever was a friend to the Minister then received funding and this is a truth. All the leaders, Members of Parliament and Provincial Governors were pursuing the Minister for Planning and I disagreed with what I saw. Leaders should be walking around the corridors of power not the corridors of administration and so, as then the Deputy Prime Minister at that time; I raised this matter in some of the Caucus meetings. There was a lot of political interruption by politicians and this is the dilemma that we are faced with today. We the leaders negotiate with the Minister when we park funds. This has to stop and NADP failure is a classic example of this wrong culture that has been allowed to perpetuate in this country. I make a very strong assessment because I instructed, DAL to develop a 10 year plan and I instructed them to park K100 million every year but if you look at the report one of the most important statements that the Minister alluded to is found in the recommendation. The component which the Minister did not expand on.....

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The component which the Minister did not expand on, is on page 39 part B, the way forward for 2013 and beyond. To me that is the most important part of the Report. I want to bring the attention of this House to the third paragraph and I quote, *'the lack of impact of NADP is a direct result of diverting from the policy requirements of achieving long term objectives of your program to immediate short sighted needs that are actually a lack of proper process which has to be guided by policy and protected by legislation that has resulted in years of loss of opportunity. Having a proper process guided by proper policy and legislation is therefore prudent and very important.'*

I think on today's debate we must make a conscious effort never to repeat the mistakes that we have made because apart from other plans, this is one plan I know of, that set the target. With Palm Oil we were going to achieve 1.6million tonnes, coffee 500 000 tonnes, copra 440 000 tonnes, cocoa 310 000, these are very clear outcomes all messed up.

Mr Speaker, I recommend four issues; firstly apart from this report which is very general, I recommend that the full report on the K169 million that was managed by the Department of National Planning must be tabled in Parliament.

I demand that the K160 million that the NDB received must be reported on the Floor of this Parliament. I demand that the report on the K110 million that DAL received must also be tabled.

I demand that an audit report be made on the K89 million that was given to the districts. Those reports must be brought to the Floor of this Parliament because after that I'm sure many of you will argue after me that this is an important sector.

Therefore I strongly recommend the DAL, National Planning, Office of Rural Development establish a team to conduct audits in the districts. There are many cheques that are listed here that were given to districts individuals and provinces.

Mr Speaker, over K500 million was given, it is a huge sum and we cannot just leave it now. This debate must lead to establishing a proper enquiry and all those provinces and regions that received those monies must account for it except for Southern Region. I was then the Deputy Prime Minister but I could not get any funding, we were allocated only K3 million as seen in the report. Therefore something must come out of that loss of opportunity for that agricultural plan. It is one of the best plans ever written in this country.

Mr Speaker, in that regard these are my recommendations, firstly perhaps the nation should look at establishing one national commodity board and then you will see the requirements at the national level will be granted through that board because those are the key commodities that must move the agriculture sector forward. Each province will have a provincial commodity board and the funding goes directly to the provincial commodity board where all the subsections sit together to make decisions. For instance in East New Britain commodity board what would be the main subsections?

The East New Britain commodity board determines how to achieve those targets at every province then we can then monitor the funding properly.

At the moment there are too many sub-boards and they have lost this trust of helping the farmer with extension services, helping farmers to distribute new products introduced by National Agriculture Research Institute. Let us seriously look at the board structure; I know the Minister is undertaking the functional and expenditure reviews but that will take a long time and process.

We have to make a policy decision and make an intervention immediately and we need to budget for 2014 so let's not undertake all these review processes. We know what has gone wrong and it requires a policy decision and I am recommending one national commodity board and 22 provincial commodity boards and in this way we can change the program.

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Mr Speaker, there is a program called the 'National Agriculture Innovative Grant Scheme' which, the Government of Australia is supporting and we can structure this scheme through this channel. We cannot simultaneously take away the responsibility of this Department called Agriculture and Livestock, we must support not ignore it. The Department of Agriculture and Livestock was previously called DASF and it provided the leadership on the ground to landowners to farm coffee, cocoa, coconut and the cattle without political intervention and interference. It was that Department that moved the sector forward and from my experience, it was the politicians that sabotaged the process. Members can criticize me but that is my personal observation. We have to stop interfering with these important programs.

Mr Speaker, a lot has been said to this Honourable Parliament, we must build institutions of State such as research institutions and departments. We will come and go but they will bring the innovativeness and take this country forward.

In this new way forward, let us get this sector right. When I was the Deputy Prime Minister and against the Prime Minister's advice, I instructed for all the funds to be parked at the National Development Bank because at least through NDB we will know who the real farmers are; NDB has the mechanisms to identify genuine farmers.

Mr Speaker, like all the Members of the Parliament, I believe that under the Sovereign Wealth Fund we have to legislate that we will inject certain percentage of the funds to this important sector because once all other resources are depleted, our economy will rely on Agriculture.

Today, the majority of our people have agriculture skills and it is inbuilt. In global history, it has been recorded that some of our farmers outdate the procedures of farming in the Middle East. We have some of the oldest farming techniques in the entire world. Let's not debate too much on this, but restructure and realign the Commodity Boards, give them the funding and let's move the program. As for other programs such as RESI, NADP Program, District Office Program and the Market Program, we haven't covered the country because it was the friends of the Ministers that received most of the funding and that is a truth. We have to go back to a proper PIP Planning process as a nation. Let's go back to the proper way of doing things and let's focus on our role as policy formulators and legislators. Thankyou Mr Speaker.

Mr JOE SUNGI (Nuku) - Mr Speaker, I commend the Minister for National Planning for the report he presented. It is similar to other reports which are always late.

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Mr Speaker, when all the money is gone, we table reports about them in this Parliament and regret while all our people wait for us.

Mr Speaker, all the sitting Members who have come from the previous terms of Parliaments should blame themselves but I hope that with the new Members, we want to see changes taking place.

Mr Speaker, the story is very clear for Agriculture. The physical state of the office itself in Konedobu will tell you everything. I have a degree in Agriculture but it is always sad when I see a very rundown Agriculture office next to a modern Mining office complex. Agriculture is the backbone of our country but when you see the office itself, you will think it is part of Hanuabada Village.

Mr Speaker, I would like to thank the Minister for bringing this to light because this is one of the programs that have been designed for people to benefit as it is the heart of the development of our country and it can improve their lifestyle.

It is about time the report is tabled in Parliament and as I have mentioned, there is no new office to cater for this very important Department. This is a reflection of the priorities of the past governments but now, I am fortunate to be in this Government under the leadership of the Prime Minister. As a new Government, we are taking a new direction and I am privileged to be part of it.

Mr Speaker, we must change the ways we do things and ensure that the people can have easy access to them through the districts and local-level governments.

Our problem is reporting and as the Minister has made it very clear that reporting is meant to be on a regular basis in order for it to be corrected and also problems can be identified and fixed on the spot before additional funds are released. It has to be done on a monthly basis and quarterly basis. But as a country, we have failed in all our government programs because we have not kept track of all the funds released.

Through this system, it would require a report on how the first funds is used before the next lot can be released. We don't have this system and I call upon this Parliament and the Government to improve on our reporting systems. We must report back on a regular basis and this also applies to the districts as well. The districts have already received about K4 million now so they must report back on a monthly basis on the progress. We must also make our

public servants work, otherwise they will be taking us for a ride and at the end of the day, we will still face our people and explain to them whether we have achieved what we have promised them.

Mr Speaker, now that we have seen the report, I don't want us to make similar mistakes in the future. We must start to punish people who have misused millions of kina. This is an important issue and we should start this year. We should not put any more money into programs that look suspicious and are not likely to produce results.

Mr Speaker, I want to suggest one thing regarding Agriculture and it is very simple, you go through the magnetic pull and the magnet of every agriculture product is the marketing part of it. If you arrange the markets and set prices, everything will fall into place.

Mr Speaker, I want to give you an example of vanilla in East Sepik where vanilla price rose to K600 per kilo. Vanilla was considered the most highly technical crop because they would have to be hand pollinated.

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This simply means that someone has to remove the pollen from below and place it onto the stigma. The people from Sepik, Morobe and Madang have done it successfully without attending proper Agricultural schools. What we have to do now, is to find a market for community to participate in. For instance, the Government should find out where it should be able to intervene, maybe let the farmers worry about the planting process. The Government should take care of the processing plants.

Mr Speaker, our people have been planting cash crops, so I think planting will not be a problem for them. The only thing the Government can do for its people is to set up oil palm processing centre including other processing centres as well. This will enable everyone to participate in Agricultural products. Our people are born agriculturalist and fishermen. They know their trade but they will only want to know where to sell them.

We, as a Government should know what is best for our people and provide for them. Let us set up the processing plants and if the prices are not good out there, the Government should subsidise it. We must have a set direction and focus on achieving the set directions. We must demarcate our roles and functions so that we can involve our people to participate in the agricultural activities. The Agricultural Sector has brought our nation this far.

Mr Speaker, I urge the Government to set up a new DAL office because the old building is about to collapse. But, look at the Mining office, it is shining brightly next to the old DAL office. Let us make a change for the good of our people and let us begin by erecting

a new building and give a new hope to our people. Mining is a short term resource which, will soon come to an end. Agricultural and Fisheries are renewable resources which our future generation may benefit from.

Mr Speaker, when I first read the Report, I thought it was presented by the wrong Minister, since the Report was about National Agriculture Development Program. The Report should have been presented by the Minister for Agriculture instead.

Anyway, I agree with the Minister for Public Service, who stated that it was politicized. Let us forget the past because millions of kina have gone. Let us change our directions and make regular reports. Let us redirect and improve on areas not intended for in the program. I believe Agriculture has been neglected. Funds have been allocated, but these allocations are ending up in the wrong hands.

I urge the Government to work collectively, to look after the Agricultural Sector and further develop it for our future generation, rather than beating around the bush and use up the resources.

I commend the Minister for the good report.

23/10

Mr LEO DION (East New Britain-Deputy Prime Minister and Inter-Government Relations) – Thank you Mr Speaker, for giving me this opportunity to debate on the Report presented by the Minister for National Planning.

Firstly, I commend the Minister for doing a great job which was acknowledged by all the Members in this Parliament. I thank the Government through the Minister for this very comprehensive report, which highlights some of the challenges faced by previous Government up until now the current Government on this Floor of Parliament today.

Today, we have discussed some of the major issues concerning our government systems in our country in relation to how we apply the rule of law by recognising, implementing or demonstrating our leadership quality at different levels of government at each of our provinces. Leadership is something that is very sacred and it must be acknowledged because it's a gift from the good Lord above. Therefore, if leaders of this country continue not to provide this quality leadership then the end result is either bad or good. When we fail, the system fails as well.

From my observation here in Parliament, most of the time our leaders mention a lot about the two systems of Government in this country; the Public Service and the Parliament and we debate a lot on these two systems of Government. But if we narrow down our

responsibilities as leaders of this country voted to represent our people then we must realize the fact that we must follow the simple rule of law on how we make decisions and how we decide on things that should be actually benefiting to the people of this country. When each of us elected leaders of this country, go through the report, we must ask ourselves, are we really doing the right thing to serve the interest of our people or not. In doing this, there must not be any conflict of interest in what we are doing and saying.

I once made the decision to leave the previous Government simply because we were seeing things that were not usual. There were some faults in some of the Ministries and it was publicised on the Floor of Parliament. I don't want to bring back the past issues but when you look at the report now it highlights some of these issues.

Mr Speaker, I am looking at it from the provincial perspective. I was once the Governor and I spoke very strongly in relation to the systems and processes and the protocol that we must have.

The Minister for Public Service talked about leaders with sticky hands when it comes to resources which will benefit the people of this country.

I spoke out strongly when I realized that in my own province, people were getting quite a lot of money and not following the due processes. And what is the role of the Provincial and Local-level Government? We must encourage them to run these activities. And this is the system that we recognise and we should nurse it and support it always. We have not done that and that is why its like a butterfly that gets attracted to a beautiful flower that blooms at one of the corners of this Parliament and that is a lesson for us to learn from.

With that I thank the current Government, which I am privileged to be the Deputy Prime Minister. I thank the Prime Minister and the Coalition Partners and all the Ministers for putting me here because I simply disagreed with some of the attitudes of our leaders.

Mr Speaker, I am not an agriculturist but all our people and leaders do plant crops back at their provinces and we have survived on garden food up until now.

24/10

Agriculture is one of the most serious Departments that must be supported by this Government. We must look at the recommendations raised by leaders and take them into account when making decisions.

In the report, it states that my province was allocated K14 to K15 million and those monies were parked under Agriculture Bank but I want to tell this Parliament that not a toea was actually recommended through the Provincial Executive Council or through the Joint

District Planning and Budget Priority Committee . We don't know who acquired those funds. So, I would like to defend East New Britain and state here that the system did not process the allocations that took place. That is a lesson today that we leaders must take as a challenge and change that culture.

We are here as a Government to make sure it will change. We leaders have been voted by our people to ensure that the rule of law stands. We have talked about creating new laws and punishment for the law breakers but are we able to enforce the small laws that we are overlooking? Are the agencies that are paid to enforce those laws really doing their job? Every time we fail in one area, we ask for more money. Do we have to legislate or put in more money into failure? Failure of not only the Government or the Members of Parliament but, generally of the public servants that are supposed to be enforcing those laws. I think we have failed terribly and I am thankful that this Government has taken the bull by the horn and we will have to make sure that we make those decisions so that the responsible agencies can implement them. Thankyou Mr Speaker.

Mr PETER IPATAS (Enga) – Thank you, Mr Speaker. I am finally relieved that this report has been presented to Parliament and obviously, I am also glad that the Minister who was also a Minister in the previous Government has actually tabled this report. We all know what has been going on; this money was meant for small people. The Minister for Public Service has also admitted that there was gross abuse. We just had an incident where a law firm misappropriated or stole a lot of money.

If you look at this Report, there is a lot of abuse and stealing, if some of you recall, in 2009, I had a legal battle with the then Government. Processes and procedures were not always been followed and we had a surplus Budget at that time. The Public Service Minister who was then the Deputy Prime Minister also knows about this. I stand here today to speak because more than K30 million was allocated to Enga Province and I don't know where it has gone. Which people in Enga have benefitted?

25/10

My people in the Enga Province did not benefit from the K30 million allocations. I am saying this because the Minister for Planning made a passing remark but other provinces have benefited more than others. If the K30 million was distributed there would be no evidence or impact of this fund.

Mr Speaker, if the Minister through the budgetary process, gives equitable amount to the rest of Papua New Guinea, my people will miss out.

In 2009, I made an appeal to the Prime Minister that the Provincial Government had many on-going agricultural programs. We had a program in growing wheat in Kandep and coffee in Wapenamanda. Apparently, the Executive Government at that time did not want to listen to us and the moneys were sent to the districts.

Mr Speaker, I want the leaders to tell the truth. If certain amounts were sent to the districts the Members must take responsibility. We are talking about the people's money here.

Mr Speaker, I think, the Minister has taken a bold stand in trying to bring this report in. We are sweeping these things under the carpet all the time. I would be grateful if the Prime Minister was present to hear this because I am talking about K500 million going missing. It is about time people pay up if they misused the funds. If we have been involved in misusing public funds why should we hold public office. Why should we continue to hold responsible positions?

Mr Speaker, it is the same crime like any other crime that we are talking about so people must be accountable for every toea. In my case, if K30 million was allocated to my province, I would like to see those responsible for the use of this money to account for it.

Thank you, Mr Speaker.

Mr TOBIAS KULANG (Kundiawa) – Thank you, Mr Speaker, I also want to contribute to the debate. I would like to thank the Minister for National Planning for highlighting this major disappointment. Mr Speaker, good points have been raised during the debate which I am certain will aid the Department of National Planning in its endeavor to assist the country move forward.

Mr Speaker, I made a remark yesterday that as leaders of this country, we must ask ourselves whether we have given enough opportunity to our people, so that they can live in harmony with other fellow human beings rather than fighting and killing each other like animals. If we have not, then this is our fault because we are misusing the funds and not putting them to good use. By doing that, we are depriving our peoples' participation in development process as emphasized by the Governor of Enga Province. We are also depriving them from developing themselves too and yet we see it fit to legislate to punish them.

Mr Speaker, although we can emphasise on moving forward, we must first channel our energy to constructive issues because we are talking about big money here. This is what I call systematic murder. We are killing our people. The law that was passed yesterday should be done with retrospect like what happened during the impasse. Let us legislate and back date it so that those involved in the past can be held responsible too. If we are honest we can do that and have some of us behind bars at Bomana prison.

I am disappointed because I think it is not fair to our people. We just passed a law that will punish our people. Although we are talking about progressing, we are still denying our people the right to progress as well.

Mr Speaker, agriculture activity is a project that will sustain our country in the future. So, I take note of what the Deputy Prime Minister said. As leaders we should stop lying because we are lying to ourselves. We can go to the rest of the world, wear expensive suits and show off but the State of Affairs in our country is telling a different story and we should be ashamed of ourselves. Mr Speaker, we must fight corruption and stop burying the issues under the carpets. Are we trying to protect our friends?

Mr DAVIS STEVEN (Esa'ala) – Thank you, Mr Speaker. The people of Esa'ala will be interested in this debate.

Mr Speaker, I have pledged to contribute to the debate especially when the issue of NADP arises.

26/10

Mr Speaker, to me the NADP is a National Agriculture 'Disaster' Program. This is one of the most controversial public funding program in recent times and this debate is necessary and good for us therefore, I commend the good work done by the Minister for Planning who continues to add value and action to this Government's resolve to fight corruption.

Mr Speaker, we all know that for sometime, NADP was a bad word. It was synonymous to corruption. I remember reading newspaper reports on NADP and how it was excessively abused. How can an important program be abused blatantly under the watchful eyes of authorities at Waigani? How could we turn a blind eye to it?

Today the people of Esa'ala will see for the first time that they have been allocated K2 million under this program. The allocation was to pave way for the Agriculture projects in the Districts, but I ask again, Mr Speaker, where is the evidence of these much needed

millions kina for food security in the communities currently being affected by climate change as well as social issues and population increase.

Mr Speaker, for the first time we have received a true Report. Unfortunately, this is not the truth that sets us free. This is the truth that adds more miseries because overdue records in access of K20 million has been paid in the name of Esa'ala people. These funds, Mr Speaker, did not reach the people of Esa'ala.

I must say, that this is a report that brings to surface the weaknesses in our system. This is a report that tells us that the Ombudsman Commission has failed. We have referred matters relating to NADP to the Ombudsman Commission but up to now we have not received any response. The report has finally arrived here at the people's Parliament so we must look for ways to redress the very issues and the loopholes and the weaknesses in the systems that have caused blatant theft to occur in Waigani.

Mr Speaker, I want to propose restitution that if someone steals that person must be ordered and compelled to restore. We have the legal system and the laws are in place. According to a quotation pertaining to law, 'There is no time limit to criminal proceedings.' So twenty years from now if there is evidence of a crime, it can be prosecuted. My point is, Mr Speaker, we also have a law today that deals with proceeds of crime. And if prosecution is successful, I would suggest that these proceeds of crime be given to the districts that were deprived or dispossessed of the much needed funds because of the indirect on-going robbery within the system.

Mr Speaker, we have learnt lessons and the Minister has done well, by highlighting these points for future reference. Many people say that timely reporting is important.

Regarding the use of Commodity Boards in the Agriculture Sector and using the budget process instead of trust accounts, Mr Speaker, trust accounts should be discouraged because these are public funds and must be debated for as per the *Public Finance (Management) Act*. Every Member of this Parliament must be allowed an opportunity to debate instead the Department of Finance is secretly putting aside funds under trust accounts.

Mr Speaker, I have practiced law before entering into politics.

27/10

You only need to see the trust deeds that are written to a company and govern the trust account. So there is a blatant error. I suggest that the trust accounts should be abolished and kept to the minimum, to the discretion of the Finance Minister where the interests of the nation is warranted.

Finally, Mr Speaker, we have learnt a lesson that Agriculture sector involves our people so as a nation we must look after it. We must be fair also in formulating the 2014 Budget. Would you treat my people of Esa'ala with kindness?

Mr BOB DADAE (Kabwum) – Thank you, Mr Speaker, I rise to contribute to the debate. May I also take this opportunity to thank the Minister for Planning for presenting this Report.

Mr Speaker, I want to say that, we are only looking at one side of the coin but we are yet to see the other side of it. So it would be unwise to go into the depths of debating the Report. We cannot make any judgment today until such time we see a relevant Report on how the money was spent. Maybe the funding was put to good use in some electorates and not others. So I think the outcome of the debate should be referred to the Minister for Planning.

Mr Speaker, the Minister has done well because his Report tells us how the funds were dispatched. I think this is too early for one to judge another person. I also do not want the Members of Parliament to think that I am a beneficiary because this Report indicates that my electorate of Kabwum did not receive funding.

Mr Speaker, I want to stress that, the distribution was not done fairly, because only a few electorates received funding not only in one year but consecutively over time. Maybe the Members of those Electorates are also working hard. Maybe they are submitting well documented project proposals to be recognized for funding.

Mr Speaker, I also submitted a well documented project proposal. My electorate is known for Organic Coffee and it has been rated as one of the best coffees in the world, especially in the United States, Japan, German, Australia and New Zealand. However, my submission of K6 million for organic coffee growing in Kabwum has been submitted but it was not entertained. The Report shows that some of these electorates who received funding do not have organic coffee like some of us, so what criteria are used in allocating such funds? Maybe we should set up an investigation team to look into the criteria used.

Mr Speaker, my colleagues have already raised some good concerns.

28/10

Firstly, in my view, a report must be tabled in Parliament for such distribution and we must also commend those who have worked so hard. But, for those people who are abusing and mismanaging over K10 million, I would suggest that we re-introduce the law on hanging.

Secondly, in terms of agriculture, the Coastal Regions are known for their cocoa, coconut, rubber and oil palm while the Highlands Region is known for coffee growing. Mr Speaker, the coastal people are blessed in terms of cash crops.

I think for the sake of national development purpose, the National Planning Office must identify resources or major impact projects in the country. The impact project must be identified in each districts and provinces so that the National Government can focus on them. These areas must receive attention from the Department of National Planning instead of individual Members of Parliament. For instance, if 111 Members of Parliament submit their project submissions, the funds will be distributed amongst every one of us and I tell you, we will all receive less and whatever we receive will not cater for our projects. So, I suggest the Minister should identify major impact projects in each province in terms of Agriculture and prioritize them.

Mr Speaker, I support the remarks made by the Minister for Public Service. It is true, public servants should be going around giving advice at the district levels. In doing so, they can identify major cash crops as well. Let us invest in those areas and maybe in future let us deal with the Governors as well. The Governors can take ownership of major cash crops investment in this country.

We only have nine districts in Morobe Province but according to the report only one district received the biggest portion of funding. So, I think, the province must take ownership of the big agriculture development in this country as well. In that way, we can focus better and have a good monitoring system as well as good implementation system in place.

When our non-renewable resources are gone, we can be assured that we have rice, coffee, cocoa, oil plam and rubbers reserved for our future generation to continue our growing economy. Thank you.

Mr POWES PARKOP (NCD) – Thank you, Mr Speaker, I also want to contribute to this debate. Firstly, I commend the Member for Nuku for his comments regarding the former Members of Parliament. Mr Speaker, in the previous government some of us were in the Government and others in the Opposition, but we did not have the authority to cease that operation.

However, I commend the current Prime Minister for taking a different approach. We are now operating a transparent, inclusive type of government. I urge you all to support this. Unlike in the past, the Ministers are now presenting their reports and it is really good to see that. Whether the Report is of quality or up to standard, at least, they are bringing forward

their status reports so that we can all debate on. Mr Speaker, we should continue to encourage this.

Moreover, I want to clear the air that I did not receive any funding as mentioned by the Member for Nuku. I know that our open Members of Parliament received K1 million and I know that it is an ADB funding but it is like something exclusive. I only know about NCDC being allocated with a funding of K10 million for E-passport, but what is E-passport?

I think the Parliament is now doing well including the Speaker, the Ministers and the Prime Minister.

29/10

Mr Speaker, I felt offended and it is a bit abusive statement made by the Member for Nuku regarding NCDC, so I wish to highlight some facts.

Firstly, the Member for Nuku has decided to compare the head quarter of the Department of Agriculture and Livestock as Hanuabada village. We have not received K500 million for Hanuabada. If got K500 million, we would build better houses in the village than you can see now. Mr Speaker, I want to inform people from all over PNG that if you come to the city, please do respect us, the Hanuabadans. We have given up everything for the city and the nation. We do not need to be ridiculed.

Many people refer to us as Europeans because we rely on bread because we have no land to make gardens. All our lands are taken up by the city. In addition, all our seas are spoiled by ships and the fishes are hard to catch in the deep oceans. They ran away to other places, thus, when you talk please, be sensible.

Mr Speaker, in the Southern region, we do not get large amount of money but if you critically weigh it out, you can see now that, we should be getting more money than the other region. Deputy Prime Minister, you are failed so give us the chance; the Southern region. We can try to do it and maybe we will do it better.

Secondly, I commend the Minister for National Planning and Monitoring that since he become Minister, he gave reports after report. One classical example was Tax Credit Scheme, which I thought was only for other provinces but it is really available to everybody and it is an eye opener to all of us. I commend that Minister for it.

Mr Speaker, everybody knows that it was a scam and you do not need to be a rocket scientist to know it. I am not sure but Mr Speaker, according to the list in the report and number 30 is Finchhafen Coffee. Whether, you got it or not but -

Mr SPEAKER – No! Nothing at all.

Mr POWES PARKOP – But, Mr Speaker, for NCDC we did not get any money. I tried but I could not get it and everybody knows that it's a scam. I commend the Minister but one point that he mentioned is disappointing. He said that 'let's forget the past and look into the future'.

Mr Minister, through the Chair, I would want to say that if we cannot learn from the lesson from the past, we will repeat the history again and again.

Mr Charles Abel – Point of Order! Mr Speaker, I've never said forget the past. I said, let's be positive and, of course, we are going to investigate the past, but we must dwell too much on past because we need to move forward for sake of our people.

Mr SPEAKER – Your Point of Order is in Order.

Mr POWES PARKOP – Mr Speaker, I am in peace of heart with the Minister on what he said, but I want to suggest that at least we prosecute some people then we will correct the errors done in the past. If we do not prosecute or bring somebody to account, we will still be repeating the similar mistakes.

Mr Speaker, I just want comment on that particular statement and otherwise the Minister has done well through giving us the report against all odds where other agencies have not provided their part of the report. It is for us now to take it on.

I think all the important points are already expressed by the Minister for Public Services. How do we move forward so that we do not repeat mistakes especially in this key area? We all know the significance of Agriculture Sector so I do not want to over emphasise it. But, we have to come up with the proper structure so that, when we make this decision again, we won't make mistake.

Mr Speaker, the plan is good, the intention was good but the implementation went wrong, thus, we must look at the implementation agency. Whether it will go back to the Department of Agriculture and Livestock or which are agencies that we are focusing.

In regard to agriculture, it is not rocket science so we would be thinking a lot about it. Many speakers have said that we have a long history and we have knowledge and skills in agriculture and fisheries. Why are we wasting time to try and think about where to invest the money? We should put the money to where our people already have skills instead of

educating them on new skills and knowledge. If, we have to assist our people, we have to buy them gardening tools or buy fishing nets and boats.

Mr Speaker, we should invest the money in the food production or food security so that, there is sustainable economy.

30/10

Mr Speaker, we are repeating same thing over and over since yesterday regarding small businesses or shops, which are meant for Papua New Guineans. A classical example is Jackson's Airport where you would find foreigners occupying all the shops there.

I would want to suggest that we must do way with what is foreign and because we are trying to get our people to do things that are foreign and adapt to new culture but have been into agriculture and fisheries for a long time.

Mr Speaker, I think that is where we must put money in so that, we assist our people to increase food production. The advantage of increasing food production is when we have enough to eat and we have surplus to sell. I believe that the Department of Agriculture must be proactive in agriculture. We do not want to hear the Minister for Agriculture to lecture us on policies and procedures. What is all these? There must be a policy and programme to increase food production.

Mr Speaker, I suggest that, if we cannot, we might as well put money to farm rice in this country. I said last Friday that, we must put money into rice production and when there surplus, we can look for market.

In China, they have a policy on banning rice export because they cannot feed the one billion plus population of Chinese in China, thus, they are looking for import of rice. Even in other countries like Thailand, they are affected with cyclone and monsoon and at that time, they will need to import rice as well.

I believe, we got a small market in PNG but we've got a lot of land size to grow rice and we need the Minister for Agriculture to be proactive instead of stopping rice projects in the country like the Bereina Rice Project. What is his contingency plan? If he has a plan, put the money into it. We have lot of plains in the country like the Markham plain, Sepik plain, Karamui valleys, Bereina and in Northern Province; we can plant rice because they are flat land. So, I think that is where we can put money towards making rice farms.

Our people are also cultivating the land to produce food crops for their consumption and for cash. We should look at funding them with money to subsidise their transportation or make it easy for them to get their food crops into the market. It is not rocket science.

Mr Speaker, according to the list in the report, your electorate got K2 million and I think if you compare that list with some of the lists in the bank, it's properly the same for those companies that have defaulted the bank. They cannot repay the loan they got and could not manage their coffee or cocoa or whatever project. Yet, they went and try to apply for National Agriculture Development Bank (NADB) and that is the problem with PNG.

Mr Speaker, I think this is what happened with the reserve businesses that we have in the country. We have been saying that, we must give all reserve businesses to Papua New Guineans but, we are not so critical about this. We have a problem in this country because we cannot manage our businesses and we become default and bankrupt, so, we look for ways and apply for loan in the NADB bank to write off our loans, then we seek free money from the Government and we misuse it, but it does not achieve the outcome that we want. Thus, let us keep it simple and give it to our people who are sweating in their gardens to plant kaukau, cabbage, banana, taro et cetera to feed their families and they increase their production and if there is surplus, they can sell them.

Mr Speaker, in Australia, other countries have markets there; the Europeans, Africans, Pacific Islanders, even Vietnamese sold their kaukau, yam and cassava in Australia. PNG is a closest nation to Australia and if you paddle from Daru to Sailor, you won't find PNG taro being sold there. Where is the strategy for us to send our taros to be sold in Australia? That is where we need the money and we need NADB to assist. Where are the production and the marketing strategy that the Member for Nuku was talking about?

Mr RICHARD MARU (Yangoru-Saussia – Minister for Commerce and Industry) –
Mr Speaker, I think we must critically address this issue but firstly, we must have the objective to achieve rather than just talking about it.

31/10

We should have only three objectives, firstly, we reduce imports and secondly, we increase exports and thirdly, grow wealth for our citizens. Whatever the plan does, we must achieve those three main outcomes.

If we, the Members of Parliament evaluate the situation carefully, it can be seen that there had been a lot of free handouts and we will not achieve any of these goals. I have witnessed on many occasions where the Government gave handouts to the people through various schemes. For instance, K10 million was given for the Coffee Credit Scheme, but after a year the coffee plantation was covered with shrubs. We have proven over the last 40 years

that smallholder production does not have a big impact when it comes to exports. When we hand the plantations over to the people in the village, most of these plantations run down, is that true? It has been proven and we cannot even sustain the Government's cattle farm.

If we are talking about channelling funds through the Government system and through Government's processes nothing will happen in terms of increasing exports and reducing imports. I am sorry to say that the Government has sold its share to New Britain Palm Oil and Ramu Sugar, where is the Government Agriculture Investment vehicle.

In Markham, when we initiated the Oil Palm project, the landowners agreed to give 7000 hectares, that is enough to establish an oil palm company of our own. Today, we will need K100 million to partner with the landowners to get that project going. Where is the agriculture investment company for this Government and this country?

We have a mining company and a petroleum company and what about agriculture? We don't have a breeding farm in this country. We bought all the cows from the Markham cow farm now where is the breeding program? The Government should acquire the whole farm and make it a breeding farm. Funds going through Government agencies won't work. For instance NARI, what real impacts come out of it? We continue to create structures and fund them every year? Have they increased coffee production? Are they now selling cash crops to Australia? Nothing!

We talk about structures all the time and government systems all the time, what about looking at the private sector model now? The people of Markham need oil palm, and they have 8000 hectares. Why don't we give K100 million, set up the oil palm company and get the oil palm going? All the villagers can set up their own oil palm blocks and supply their produce to the oil palm firm. Last week, I went to Brisbane in search of an investor to set up a dairy farm at Baiyer River. What about a PNG owned company where we can employ experts from Israel and bring in machines and start it up? Instead of importing 300 million every year from Australia and New Zealand. We are looking for investors because we have no vehicle company in this land?

So if we would really like to move agriculture, the first thing to do is for the State to create an agriculture investment company so when there is a need such as setting up a dairy farm in the Baiyer River, that company is funded with equity, start up a joint venture partnership and get on with it, then we'll see real impact. Otherwise, well keep repeating the same things. Look at small holder coffee farming, what has it done to us?

My colleague, the Member for Goroka will tell you, coffee industry has never increased its production for the last 20 years. We are using the formulas that are not working

and yet we are using the same formulas. We are supposed to be a more wiser and prudent Government, therefore, we must set up an agriculture investment vehicle in this country to make use of its opportunities like cocoa farming in Oro province. Recently, I visited Philippines and saw a pineapple farm that covered 20 000 hectares of land near a volcanic area. They are the biggest pineapple company in the world and it is a lousy 20 000 hectares!

32/10

It requires only 20 000 hectares for a pineapple plantation and Oro Province has 20 000 hectares available but where is the vehicle company that will bring the Philippine investor to develop it.

The first thing I want to propose which I will be taking it to the NEC, is to start Agriculture investment vehicle in this country. When we do this, there will be huge opportunities in all the provinces where this vehicle will bring investors to become joint venture and establish extensions through that company and move on. This will enable us to replace imports with exports. Otherwise, we will be wasting our time with this discussion. I don't see any value in it. We must establish such company and invest our money where our mouth is.

Mr Speaker, for the record, the Government of Malaysia gives K1.3 billion to Malaysian Agriculture Bank every year to give to the agriculture companies of Malaysia. That is why the Malaysians have taken over the Indonesian Oil Palm Industry. So for us to develop agriculture in this country, K100 million is not enough. For instance, it will only cater for an Oil Palm project in Markham in a year. That is why we must allocate more money for agriculture and identify the major green field investments and invest in them.

Mr Speaker, last week, I went to Brisbane and saw that Australia is experiences a drought and they don't know what to do with 150 000 cattle. They are sending a team here to look at our country next week. I called the Cattlemen's Association and ask them whether we have the capacity to buy some cows from Australia and they told me they are incapable because they have no farmers with fences. They could only cater for 5 000 cows.

If we are to get 150 000 cows, there won't be any need for us to import anymore. But we do not have the facilities and other critical assets to do this?

Mr Speaker, I am stressing this issue because I want to get support from all the Members of Parliament that our Government must create a vehicle company for agriculture in Papua New Guinea so that later, we can allow the people to buy shares in this company. This is the only way to start big agricultural companies where we can export and create

employment opportunities for our people. This is when we will replace imports with exports. Otherwise, we will keep on talking and waste money on small projects that will not eventuate.

Mr Speaker, this Government must make a decision now by establishing a vehicle company which we can stand on to develop major agricultural projects thus improve our economy.

Mr WERA MORI (Chuave) – Mr Speaker, I want contribute to the debate on this report. When I read the report, I am not happy because Chuave District is not included. Were we forgotten? I can understand why my district was not given any money because of our geographical setting.

I would like to commend the Minister for the way he presented the report. He had brought to light the deficiencies in what has been happening and how windfalls have been mismanaged. This is a very proactive approach and I am very thankful to the leadership of the O'Neill-Dion Government because they are running this Government more like a private corporate approach and this is the way to go.

Mr Speaker, the fact that we have not received any report on how K528 million was spent is totally unacceptable. We should not allow this to happen again in the future. I urge all public servants including the political head to be held responsible and it is happening in Parliament now.

Mr Speaker, you do not need to go far because if you drive along the Buluminsky Highway in New Ireland Province, you will find that all the coconut plantations are in the bush. Driving through Asaro Valley, you will see Asaro Coffee Estate going down as well.

Mr Speaker, agriculture has always been the backbone of this country prior to PNG gaining its Independence and establishment of Panguna Mine. Agriculture has always sustained the livelihood of our people.

Mr Speaker, let me tell the Members of this Parliament that, when the Minister for Trade and Industry was in-charge of NADP, he funded the projects that he believed would become a success in the future. Well, he did well and today, these companies are still in operation. That is the way to do things. So I would like to now commend him.

Mr Speaker, all initiatives have always evolved around politics and I think we should get out of that because if we don't, our new ideas still have political connotations. And we will continue to fail. I think it is time we take a pragmatic approach. We have to go into a private sector approach. In order to revive exiting the coffee plantations in the Highlands

Regions or coconut plantations in the Coastal Regions, we must use an estate type approach instead of going through the landowners who are likely to abuse the funds. Oil palm producers have already used this approach. We also need to have in place good managers.

Mr Speaker, these industries are likely to collapse if we do not take drastic measures. I am also saddened to mention that in 1975, prior to gaining Independence, one million bags of coffee was produced compared to Vietnam at that time. After 40 years, Papua New Guinea is struggling to produce one million bags of coffee. However, Vietnam today is able to produce 20 million bags of coffee.

When I directed my questions to the Minister for Agriculture in the last meeting of Parliament, I was disappointed because my questions were not answered accordingly.

33/10

I am alluding to the point that the Member for Nuku was talking about, and that is the issue of market approach. Now there is a big market for coffee in the Asia Region. Traditional tea drinking countries like China, Japan and India are now drinking coffee but they are not drinking the type of coffee that we predominantly produce in Papua New Guinea, which is Arabica Coffee that is grown in the Highlands Region. Currently, they are drinking the Robusta Coffee that is grown in the coastal areas.

We have to make a concerted effort if we are to compete with the Asia Region. Therefore, we have to put funding into the support and development of Robusta Coffee that is grown in our coastal areas. That was what I was alluding to when I asked questions to the Minister for Agriculture and Livestock but he has not given me a reply.

Nevertheless, in regards to the NADP Fund, half a million kina per annum per district is more than enough to cater for the coffee industry if the districts were more responsible in their administration. With that, I think that it would be better if that funding put as a component of the DSIP because then it would be put to better use.

Mr Speaker, apart from this sort of funding, there are also other funding implemented by the National Planning Department for projects like the Rural Electrification Program to be carried out by PNG Power. These sorts of funding are parked somewhere and eventually go missing in the process, and when queries are made as to what happened to the funding then they will react. Thus, this is not good for this country and I am sure that the Minister is taking note. Therefore, whatever money that has not been used for the Rural Electrification Program should be returned to the Department of National Planning where it can be kept safe with the discretion to disburse these funds.

Mr Speaker, it is very important that agriculture must be made a significant industry. This is because the Extractive Industry has a very limited life span but agriculture is a sustainable industry and will continue to stay. It is an industry our people in our rural areas depend on.

As the Minister for Trade, Commerce and Industry has said, we must be very serious about this industry and the Government must set up an investment vehicle to basically look at how we are going to promote our agricultural based industries.

Thank you, Mr Speaker.

Mr JAMES MARAPE (Tari-Pori – Minister for Finance) – Mr Speaker, I, too would like to contribute to this debate and also shed a little light on the Paper that the Minister for National Planning presented.

Firstly, I would like to commend the Minister for coming out and exposing what had happened in the past, and the manner in which he has asserted himself in trying to engage in doing business as the Minister for National Planning.

The intention of the NADP Fund at that time was good. The problems were not only occurring in the National Planning Department but also in the Department of Agriculture when the funds were transferred to them. Therefore, with the problems faced by both Departments, in 2011, it was decided that the funding would be given directly to the districts. Thus, this resulted in each district receiving K1 million per annum.

Therefore, it really comes down to the manner in which the Government manages government funds. These funds were handled by politicians and bureaucrats resulting in a breakdown in the systematic disbursement of these funds intended for interventions in the agricultural sector.

34/10

All in all, K528 million, which equates to about 5 to 7 per cent of the total appropriation of our National Budget has gone missing due to the issues faced by both Departments.

The Minister for National Planning has indicated in his statement that there will be investigations carried out to find out what happened to these funds. The first step that he has taken was to furnish this Report and there is a list of attachments at the back of it that all of us can look into.

For instance, for my District, it states here that there was a payment of K7.5 million into a purported coffee factory. Therefore, I am very interested in finding out who really got that money and whether a coffee factory was established in my district. This is because, as the Open Member, I can say that I have absolutely no knowledge of such a submission. I would like to put on record that I was aware of the money being paid out in 2010 but there has never been a coffee factory established in my Electorate.

Therefore, these are exposures of the deficiencies that we have in the system and some time, back I had put up a public statement that we are trying to tidy up the way we are doing business in Vulupindi Haus from the Finance and Planning perspective. And that is that, we will no longer be handling cash up there at the Vulupindi Haus. We will now be only managing micro planning, micro financial and micro economic issues from the Department of Treasury's perspective. This is in order to allow the sectors, and more importantly, because the O'Neill-Dion Government is shifting its focus of these sorts of programs to go out to the Districts and Provinces.

The O'Neill-Dion Government has taken queue from what has happened in the past and the assurance that we can give to Parliament and the Nation as indicated from the Report presented. We have realised where the shortfalls are and how wrong we have operated these important programs in the past. Therefore, we are trying to make a change in terms of the value for money which was not reflected in the previous approach that we undertook as a Government.

Therefore, I have to go back to my electorate to ascertain what has transpired there. I would like all the Members of Parliament to help the Minister for Planning and the Government by looking into the Report and go back to your respective JDBPCs. For in this year's Appropriation, the Government has allocated two appropriations. The first one is the 10 per cent for the Economic Sector. This is at the discretion of what sector is appropriate; for example, in the Highlands Region it will mostly be tourism, agriculture and other small commercial activities. The second one is the administrative appropriation to support district administration as far as the district DSIP is concerned.

I am, therefore, asking all the Members of Parliament to read the Report and if funding was appropriated for projects in your respective districts then go and find out if the program actually eventuated or not. If we can ascertain all these information and provide a report for the Minister, this would help him and the Government to manage much better and effectively. Therefore, we must not see that this task should be undertaken by the Minister for Planning. There are too many things to do at the same time and there is no time to do them

all, and it would be of great help if we Members were to also get involved in the affairs of running our country.

Therefore, with the program that the Minister for Planning initiated, I would like the Members to use a bit of their sector funds for this year to assist them to determine the actual implementation of projects in your respective electorates.

An agriculture survey and database was compiled for my electorate. I also like to take this opportunity to commend the Governor of Hela for making agriculture his number one priority. Despite the fact that our province is considered an oil and gas province, he has invested substantially in the development of the agriculture sector.

Therefore, agriculture still remains our number one issue and I ask all the Members of Parliament that the Minister has given assurance that the Report is the first step in addressing what has happened in the past. This Report has now exposed to the public who has received money from the K528 million spent since 2008-2012 for these programs.

As the current leaders of this country, we can also assist the Government by taking stock in your respective electorates. For instance, after I read the Report, I started to investigate which company was paid the K7.5 million. Therefore, after doing a company search, I now know who the owners of the company are. Therefore, I have gone through the media to ask the company owners that since they were paid K7.5 million to establish a coffee factory then I would like to officiate the opening ceremony of that factory. This is only fair as I am the concerned Open Member for my electorate.

Therefore, I ask all the Members of Parliament to look through this Report and if your electorate has received funding then do assist the Minister for National Planning to verify that these programs have been implemented. And we have to also publicise our findings so that the nation will know that K528 million was spent in this manner.

35/10

Nevertheless, as an approach by the whole Government, the Minister for National Planning will be bringing back to Parliament a report on how the value of the money was felt in the nation in so far as the expenditure of these programs is concerned.

With that, how do we then move forward from here? Now, in this year's Budget, funding has been allocated for NADP, which will go through the National Development Bank Fund. And I think that this is the way to go because we have seen K528 million gone to waste to recipients who may or may not have honestly done work for it or have anything to show

for the money given to them. Therefore, we will wait for report that will come to determine such things.

Mr Speaker, in so far as free handouts are concerned, I believe that this is a bad practice and the current focus of the Government to move funding under the NDB is the right way to go. The NDB will get the funding and expand these programs to genuine farmers, businessmen and women, especially, in the agriculture sector. The O'Neill-Dion Government recognises what had happened in the past, and so in the process of this year's Budget, we have shifted the responsibility of handling sector funding through the districts and provinces and away from the National Planning Department as of last year.

The Departments of National Planning, Finance and Treasury will no longer be handling payments for programs. That will be the task given to the departments, line-agencies, districts, Provinces and LLGs. Therefore, if a Member wants to invest in agriculture then 10 per cent of your allocated DSIP is also allocated for economic activities. And so, you can then choose to invest in agriculture, tourism or other economic activities.

Thus, there will not be anymore payouts through Vulupindi Haus as we want to remove idea where Members go to the Finance Secretary to beg for money. Even I used to do that in the past. I would leave my ministerial ID outside and go to see the Planning Secretary and ask him to give me funding.

Mr Speaker, sometimes it is quite embarrassing for a honourable Member to go and beg at the bureaucratic door steps and within those offices who were dispensing hundreds of millions of kina at their discretion. Therefore, I commend the Minister for National Planning for putting a stop to this.

He is a key leader in this Government and he could have easily argued in the Budget committee and say that he wanted to control the funding for agricultural programs and RESI at the Department of National Planning like before. Instead, he has come out and said openly many times to let the money go to the sectors, districts or provinces.

Therefore, the Government has acknowledged what has happened in the past and we would like to assure the Parliament that a detailed continuation of this Report will come back. This is so that the nation knows about what has happened to the K528 million and, therefore, we ask all the Members of Parliament to assist us. Thus, if your district has received money from the NADP Funds we will then produce a report.

Nevertheless, as a way forward for this country we will continue to use districts and provinces as a point for collecting submissions. We have now stopped submissions going directly to Vulupindi Haus. We are longer going to receive submissions whether it is health,

education, law and order, agriculture and et cetera. Submissions must go through the LLGs and districts and must culminate in provincial submissions. And when it comes through the system, it would be easy for us to either consider it by appropriation through the Budget for the following year or if funding is available in the current Budget then we will try to support this project.

36/10

In the past, most of the submissions came from Port Moresby from individuals who pretend to be farmers. We have human fallacies and we have seen where the fallacies are and corrected them. As you all can see, this Government is now putting correct measures in place. Hopefully, learning from this experience, we can now channel things properly and make important sectors like agriculture receive greater support from us and make it work bigger and better.

Therefore, let us assure ourselves that we have learned from what has happened in the past. The Minister is a pro-active Minister and we should commend him for his hard work. He is a very open Minister who wants to interact with everyone equally. That is the goal of this Government so that everyone can benefit. Therefore, that is the engagement level that we want to engage in and we once again we want to assure Parliament that this Report does not end here. Based on this, the Report has become a public document and we wish to ensure that the public also knows who has received what money for what projects and we will try to bring some feedback back to Parliament.

Nevertheless, from now and onwards, I would like to assure Parliament that Vulupindi Haus will no longer be responsible for disbursing funds. We are only going to monitor and do system checks regarding disbursement of project funding.

Thank you, Mr Speaker, for giving me time to talk.

Mr ROY BIYAMA (Middle Fly) – Thank you, Mr Speaker.

I would like to commend the Minister for bringing this Report to Parliament. Some of us must admit that we got K200 000 under the NADP. The Office has written to us to at least to acquit this money. The money is still in the account but my District Administrator (DA) has not released it.

Through the JDP, we had selected certain projects but he could not give me the JDP decision to spend this money. We also have K1 million appropriation in 2010 and in 2011 we received that money. In 2012, the money came through the Budget and I argued that the JDP

did not sit to decide on K1 million through the Budget Committee in my district because all they wanted to do was spend it.

They then decided to put up slaughter houses in Balimo and Awaba and a fish processing plant in Emeti. What I told them was that we did not have enough cattle to put up a slaughter house and I aired my concerns during the provincial meetings. Nevertheless, at the end of last year, they brought forth the Supplementary Budget because they just wanted to spend that money. I was given that money in 2011 for my district and I heard that the Department of Finance had already given the code number to draw that money.

My District Administrator then went ahead and said that was approved in the Budget and has used about K600 000 without any JDP decision. As for the K1 million for DSIP intended for agricultural projects I have given each of my presidents K200 000 for the five LLGs.

Our agricultural sector has one main cash crop and that is rubber. We are trying to develop this cash crop so that we could export it. Nevertheless, all our efforts are going to waste because there is no market readily available to cater for the rubber industry in my electorate. There are no incentives provided so that the people would be more willing to grow and tap rubber. The industry is almost nonexistent because the rubber buyers are also ripping my people off due to the declining world prices of rubber.

I have tried to encourage growers of rubber to continue growing rubber but the people are not interested anymore due to the lack of support and incentives for the rubber industry in the province.

The K1 million that was given to the LLGs and under the JDP made a decision to assist our rural people especially the farmers with a support package of K5000. Instead, my DA just sat on the decision and did not release any money.

37/10

The funds that we are talking about were sent to our districts and we would like to at least air our views because we must admit that we got that type of money.

This year, we were given K500 000 under the NADP and I put it into my account. I know that I am going to expect that money.

So we would like to say that there are things that we do at our electorates and we would like to at least say that this is the money that we are supposed to help our small people with.

The bigger portion of that K500 million that we are talking about, some of us did not have any access to it. It was only given to people here in Waigani. Some of them went to my electorate where they wanted to start up oil palm. They went and challenged everybody to surrender their land.

Today, that oil palm issue is not an issue in my electorate because those people who were here went and told my administrator that he can sign the submission that they took down under his house instead of presenting it to the JDP&BPC. As the Chairman of the JDP&BPC, I have never known about the oil palm issue. My electorate is a swamp, how can you plant oil palm because when you fertilise the oil palm the fertilizer will go down to the water where where the fish are.

So, some people have already taken this knowing that they are going to come back to Waigani to draw that money. That's why they went ahead using some of us and our electorates. As the head of the electorate, I would like to stress that whatever you are bringing down must come to the JDP&BPC so that I can inform my JDP&BPC at the provincial level that this is what is happening in my electorate.

So, these are issues that we face at our electorates and just as well my electorate never accessed that money that we are talking about from Waigani. Everybody thought that the oil palm was going to be a real project. Everybody believed those who went in using that oil palm to campaign against me.

Luckily today, National Planning Minister, through the Chair, you have stopped everything and we are happy because at our district and province we would like to see things come through the process, through LLGs to the JDP&BPC and we must be aware of what is happening.

These are government funds, and because they are government funds, we as Chairmen of JDP&BPC must know about it so that it can be put to the right use.

The Minister for Trade and Industry is talking about the cattle that the Australians are trying to give. I have seen on the papers and am interested to have breeding stations in my electorate. I am in the swamp and savannah lands so I'd like to see that cattle is one of my priorities. I am putting money towards it but I would like to support it.

If there is any need for transportation into the country, if the Australians are giving it free, I would like to support this and put in the logistics so that these cattle must reach my electorate.

Thank you, Mr Speaker.

Mr BEN MICAH (Kavieng – Minister for State Enterprises) – Thank you, Mr Speaker, I commend Minister Charles Abel and his Department for this Report. Thank you, also to your Secretary and Department for bringing writing up this report which I now call as the report of the 'National Agriculture Destruction Plan.

This program created false hopes for the majority of the population who are on the ground planting taro, banana and sugar cane for family consumption. There are small blocks of land for cocoa, oil palm, or coffee for sale to purchase store goods or school fees.

It is not for big plantations that were many have taken over from the colonial days in Madang, Morobe and the Islands.

38/10

In the Papua side. We did not plant them, it was the foreigners who worked hard using the labours of our ancestors to make those plantations. And when that program was initiated, many of us placed a great hope that this money will be given freely by the Government to support the sector that caters for the bulk of our population who live on the land.

I am now very sorry that you came and table this Report and we are talking on the grave of agriculture. We are making obituary speeches, we are giving condolences to what did not happen in the districts and in the provinces. We, the leaders are not making any good comments on reviving the agricultural sector. We have already wasted K520 million. What good did we get out of that money? If we did not put it into this program where should we have spent it; on schools and better health centers?

And if it was not misappropriated, by how much could our agriculture output increase? How many new coffee, cocoa and coconut trees would have been planted and these would today double or quadruple the output of our agriculture.

The plantations in New Ireland which the Germans planted 150 years ago are still there. Those that our parents planted as smallholders have gone. On that K7 million, Minister, I want you to send some auditors down to find out who in particular received it because in New Ireland, the CMB is closed.

CPL has a huge shed which receives between 5 000 and 10 000 bags per month but now CPL is only receiving 500 bags or 200 bags per month and so they closed up.

So, when my constituents in the outer islands were worried I had to take out K500 000 from my JDP&BPC under the DSIP program and subsidize them so, at least they have some money in the outer islands which made up three quarters of my electorate. If I continue, I may cry in front of the Speaker, so I will stop at this juncture.

However, I will be angry if the people who misused the money are not prosecuted. I know it, because when I was Chief of Staff another K200 000 was spent on so called markets, so-called money going to a Secondary School which never eventuated.

And that Task Force Sweep, which we set up in 2011 to date, has not prosecuted one single person. They know who those people are. Their names are on the Report but they have never been prosecuted. That is my ire.

But the hope of my people in Kavieng is that they have elected me to be their leader. Whether with your public money or without it, I am going to develop agriculture, Minister, in my district through my own knowledge and resources.

And commend all of us who have supported the Government of O'Neill. It has turned the corner now and we can see a bit of hope. And for those shattered hopes and damages accruing to the most important sector there must be some important resolutions made by us as leaders that we must not become a part of that cohort putting money into companies that are not agriculture companies but become overnight agriculture companies. There are many such companies listed in this report.

We paint a false picture of a district or a project but the money actually ends up elsewhere. This is the sad indictment of this report which I believe is a sorry state of affairs. Let us agree that we are only going to talk on its grave and then focus on the better programs which the Ministers, under the leadership of the PM is leading us into. We can put in money to develop our districts, provinces and ourselves as mandated leaders to be fully responsible and accountable for what does not happen in our districts.

You appointed many public servants who stole this money, so I am challenging you, Prime Minister, Police Minister and Planning Minister that not one of them will be prosecuted. That is my challenge, Mr Speaker and thank you for giving me time.

Mr BYRON CHAN (Namatanai – Minister for Mining) – Thank you, honourable Speaker, for giving me this opportunity to speak, I'd like to join my colleague, Member for Kavieng to thank the Minister for Planning for giving this report on the National Agriculture Development Plan.

I have just emerged from the mourning house of the Member for Kavieng and I am standing here in ire because that K7 million he spoke about was alleged to have gone to Kavieng. But the name of the village and plantation that got that K7.5 million is not in Kavieng. It is in Namatanai.

39/10

I submitted a Five-Year Development Plan to the Secretary and Minister at that time and I was one of the very few who had a District Development Plan for their District. I said very few because the Minister and Department had to produce an Agriculture Plan because most of the districts had no plans, I had a plan.

I am grateful to the former Government for giving us a bit of money to allow us to support our plan. I had to extend it from five years to 10 years now because we never received part of that K500 million.

As I said, I was quite angry because I thought my district never received anything, but as per the report, K7.5 million went to my district, to a plantation somewhere in the southern part of New Ireland and K7.5 million is a lot of money. They could build a new road to that area or they can see some new developments in that particular area where they say there is a plantation.

However, Mr Speaker, I come from there and I'm sure you travelled there to open a new high school. They already got the money at that time, however there was no proper road and development in that area. So, that huge K7.5 million has vanished. We did not receive only K7.5 million but

another K5 million was given to Kavieng. I drive the highway from Namatanai down to Kavieng and I still haven't seen the development from that K5 million.

So, we are privileged to have K12.5 million for New Ireland but, as I have said, I am angry, I came out of the mourning house and I agree with the Member for Kavieng that we should audit it.

I really don't want to talk too much. I want to refer this report to the Public Accounts Committee and the Task Force Sweep Team for them to investigate all the expenditure pertaining to those programmes. If there are truths or not, let them justify it and prosecute those who have received that money and have not delivered.

I am ashamed to see that some of my people of New Ireland received that money, especially those from my electorate and nothing has been done. That's why I am standing here in ire. I want to move to refer this to the Public Accounts Committee and to the Sweep Team as well. I want to move the motion now, Mr Speaker.

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

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

SPECIAL ADJOURNMENT

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

That the Parliament, at its rising adjourn to Tuesday 9 July, 2013 at 2.00 o'clock p.m..

ADJOURNMENT

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

That the Parliament do now adjourn.

The Parliament adjourned at 2.05p.m..