

FIFTH DAY

Tuesday 16 July 2013

DRAFT HANSARD

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FIFTH DAY

Tuesday 16 July 2013

Mr Speaker (**Mr Theo Zurenuoc**) took the Chair at 10:00 a.m., and invited the Member for Eastern Highlands, Honourable **Julie Soso** to say Prayers;

‘Papa, God antap, yu tasol holy, mipela laik tok tenk yu olsem yu wokim mipela olgeta waintaim olgeta samting istap long heven na graun. Yu istap king bilong mipela, mi laik tok mipela luksave long dispela Parliament, pipol na olgeta samting em bilong yu. Helpim mipela ol Memba bilong dispela kantri long mipela iken mekim gutpela na strepela wok long sevim pipol bilong mipela. Givim blessing long olgeta toktok na tingting mipela bai wokim tete long dispela miting, Amen’

QUESTIONS

Mr WILLIAM POWI – Thank you Mr Speaker, for recognising the people of Southern Highlands. Let me direct this question to the Minister for Defence and this is in relation to the recent events that happened at the University of Papua New Guinea’s Medical Faculty involving some soldiers of the PNGDF’s Taurama Barracks.

We have realised the level of damage to the students apart from disruption to classes. I want to ask the Minister what his department is doing to bring about stability and normalcy at the Medical Faculty and also the action taken against the PNGDF officers involved.

Dr FABIAN POK – I Thank the Governor for his questions on the incident that occurred over the weekend and I send my apologies to all those who were in one way affected, especially the students, security guards and the public who were in the vicinity when the incident took place.

It should not happen but it did. I had a meeting with the Defence Force hierarchy and I told them that this sort of behavior from the Force has to stop. They were asked to identify those involved, arrest and charge them. Two people have been identified and arrested and also the driver of the vehicle involved in loading the mob to go the campus. A Colonel was appointed to carry out this investigation. I want to assure all parents and citizens that as long as I am the Minister for Defence, these incidents involving the officers will be the last. When

all are identified they will be court martialled and if found guilty, I have advised the Defence Secretary to voluntarily evacuate them to their home provinces.

Enlisting in the Force is a voluntary exercise, no one was forced to take up the duty as a soldier. There are ways to solve issues and police are there if there was anyone at fault. It is not right to go and mob up to create unnecessary problems and affect everyone.

A team was also sent to assess the damage caused at the Medical Faculty.

02/05

The issue concerning the police personnel is totally a different matter but I have instructed the police personnel to carry out their own investigation. And the investigations confirm that it's a criminal matter then they can bring the officer concern and charged him with a criminal offence. But as for the PNGDF officers they cannot tarnish the good name of the Force. Therefore, I want to warn those involved in the incident that if you are found guilty then you will have to leave the Force.

Supplementary Questions

Mr WERA MORI –Mr Speaker, it's not the first time this problem has occurred in the Defence Force. This sort of problem has happened so many times before. We have to find out the root cause of this problem in the Force. I don't condone this incident but I know for sure there are some ups and downs in the Force, especially within the Commissioned Officers and Non Commissioned Officers.

My question is:

(1) Can the Defence Force Council seriously consider putting a submission to this Parliament to consider the PNGDF to be under the care of the Australian Defence Force?

Mr FABIAN POK – I thank the Member for Chuave for his question. It will be impossible because we are Sovereign State and so we have to take care of issues concerning our country.

I have been with the Defence Force for almost one year now and I know most of its internal issues. I want to assure this Parliament that I will bring to Parliament some of these issues surrounding the officers rank and so forth for the Parliament's consideration and approval.

But to get another country to run our military is impossible and I want to assure the Member for Chuave that it won't happen.

Mr SOLAN MIRISIM – Thank you Mr Speaker for recognizing the people of Telefomin. I want to direct my question to the Minister for Mining.

All of us here know that the Frieda River project has been in operation for a very long time and it's almost 45 years now.

Early this year, one of the mining companies called XStrata took charge of mining there and has submitted a feasibility study report to your Department. But since there has not been any response, the company decided to wind down its operation. And the Mine has been closed up until now.

My questions are:

- (1) When will the Department reply to the feasibility study report?
- (2) If not, which other company will your department consider to start mining operations?
- (3) When exactly will the Department renew their license for them to start operations?

My people of Teleformin have been waiting for a very long time for a favourable response for them to benefit but unfortunately some passed away without receiving any benefits. So can you inform this Parliament and the people of Teleformin the progress of the Frieda Mine operation?

Mr BYRON CHAN – Mr Speaker, I thank the honorable Member for Telefomin for his questions in relation to the Frieda River mine operation. Yes, I agree that Frieda River Mine has been in operation for almost 45 years now.

On the first question in relation to feasibility studies; I have not received any report on that because they did an internal feasibility study with their joint venture partner. I have been fully briefed by the XStrata Company who has taken over by Glencoe multi-national commodity trader and now it's called Glencoe XStrata. The project still stands and it will cost almost about K5 billion- K7 billion for the mine to be in full operation. We need ports, roads and the entire infrastructure to be placed in the area and the total cost as I said is estimated at around K5 billion - K7 billion. At the moment, the drop in the gold and copper prices has affected the industry and I believe Frieda River project could be on the market.

03/05

Our Government have expressed interest through the State Enterprises Minister and we will look at acquiring a bigger share or a possible takeover of the Frieda River project. As it stands, XStrata and Glencoe have not prioritised this project because of the current developments in the world market. Glencoe is a big company and Frieda River is one of their major projects amongst several others the company is involved with.

They have not prioritised the Frieda River Mine project and the Government is aware of this but the project has the support of both East and West Sepik Provincial Governments and we are making this project our first priority.

In relation to the operation of Kumul Mining, we believe we will take the project even further into the development and mining stage. If the company does not proceed with the current development, the Government has the expertise and experience because we own Ok Tedi.

We also have the finance and partners that we can venture into developing Freida River Mine. So this is our view at this stage and I want to assure the landowners that the Government is mindful of this big project and it is on the market but currently the Government is conducting investigations to find the opportunity to takeover the shares of XStrata and Frieda River project.

In the meantime, we have a plan in place and as soon as the Kumul Mine is in operation, we will have the expertise, knowledge and experience from Ok Tedi and make Freida River Project our first priority because the political support of the Members is there. This is the best opportunity and time for us to develop this project. But like I said, it will be costly and we will need K5 billion - K7 billion to develop this project.

Mr JOE LERA – I direct my question to the Minister for Higher Education and I want the Minister for Public Service to take note. My question is in relation to the dual wage system currently practiced in our tertiary education institutions especially our universities.

Does the Government have any plan to revise or do away with the dual wage system currently in place in our tertiary institutions especially in our seven universities where equally qualified Papua New Guineans are paid three or four times less than their expatriate counterparts? This system contributes to the serious brain-drain to other countries and private sector employment by Papua New Guinean academics and professionals for better remuneration packages.

This system also negatively impacts on the quality of qualifications attained by students attending these institutions and also because of the practice, our academics and professionals do not put in the dedication and commitment in their job. If I am right, this is the only country that allows this system and treats Papua New Guinean academics and professionals as second rate citizens in our own country.

Mr DAVID ARORE – Thank you Mr Speaker and I thank the Governor for Bougainville for this very important question regarding the dual wage system practised by universities in our country.

For the information of Parliament, to date, the different universities have their own laws or Acts so the salary structure even at the University of PNG, University of Technology and University of Goroka is not parallel or on the same level with the Divine Word University. These universities under their separate University Acts have their own salary structure and as such, a professor at UPNG may not be paid on the same level as a professor at the University of Technology or at Goroka University. They are paid on different levels according to their separate University Acts. As such, each of these universities have their own acts in regards to their dual salary system.

Since taking office, my Ministry has set up a working team and I should be presenting a report to NEC soon on the salary structure and the level of salary. We want to make it symmetrical or same across the board because currently they pay according to their own salary structure as per the different university acts.

Therefore, I want to assure the Governor that we are currently working to introduce a uniform salary system because even the Vudal University has a different base salary structure than the University of Papua New Guinea, and since UPNG is the oldest university, their remuneration packages are much better than the other universities. Currently, we are working to remedy this irregularities and in the process also deal with the dual salary structure.

04/05

So once that is done I will bring it to Cabinet and then inform the Governor and Parliament about the changes.

Mr Joe Lera – Point of Order! I asked about the dual salary system and the comparison between the expatriates and the national academics and professionals who are as equally qualified as their expatriate counterparts.

Mr SPEAKER – Governor, if I heard correctly, he said they will address that as they look at the different structures that exist in the different institutions.

Mr GARRY JUFFA – Mr Speaker, my question is directed to the Minister for Finance with the Prime Minister and the Minister for Higher Education to take note.

This is in relation to an announcement made recently where K500 million was allocated for the refurbishment, overhaul, maintenance and so forth of the tertiary institutions throughout the country.

My question is, what measures have we put in place as oversight and control measures for instance to ensure that the same events that transpired in the misuse of the NADP and RESI funds will not occur again? Are we putting in place control measures to screen for instance, contractors and those that are going to be involved in using these funds?

These are just some questions that I'd like some answers to on behalf of the people.

Mr JAMES MARAPE – Thank you, Mr Speaker, I thank the Governor of Oro for asking those questions.

The Education Sector is a big sector, which comprises lower education which is the area where the Education Department runs, and upper education, which the Higher Education Minister and the Office of Higher Education runs.

The total money needed to make the education sector work in this country runs into billions and billions of kina.

Many of the current State institutions still have a small capacity and is inadequate to meet the needs of the increasing number of students that come out of our secondary schools. And there is a need for a “wholesale” injection of funds into the upper education sector to ensure that we increase the –

Mr Garry Juffa – Point of Order! My question was in relation to the oversight mechanisms that we are putting in place to ensure that the funds are disbursed transparently and in a meaningful way.

Mr SPEAKER – Your point of order is out of order.

Mr JAMES MARAPE – Thank you, Mr Speaker, I am trying to come to the question.

The K500 million need as seen and reported by the Minister and Ministry of Higher Education is a reflection of the total money needed. If not, more than that is needed to make the sector work.

It is an announcement that over a five year period, consistent with the way we are framing the National Budget with a medium term focus and not only on a one year appropriation system but more on a five year planning and appropriation system the Office of Higher Education and Ministry has, based on the amount of money they see as being the amount that is needed to be inputted into that sector to make it work.

Let me assure the governor, country and Members of this Parliament that we have the *Public Finance (Management) Act* that safeguards disbursement of these sorts of appropriation. Let me use this question to make it absolutely clear that I will be presenting a circular instruction to all Members of Parliament, provincial administrators, district administrators and departmental heads to stick to the way we do business in so far as the disbursement of funds are concerned.

And there are procedures and laws that are clearly provided for by the *Public Finance (Management) Act*. If a procurement is above K10 million it must come to the NEC, if it is above K5 million you go to the CSTB and for projects below K5 million and you go to the PSTB.

These are laws clearly encapsulated in law and I will also make the provision become clear and lighter that no funds are to be frontloaded a hundred percent to all projects nationwide. We must give the 10 per cent mobilization, the balance of the project and retain the 10 per cent until the project is completed.

So, whether it is the Higher Education, Education or any other sectors, I am making this announcement clear, and especially at a time when districts and provinces can now disburse funds. Please let us comply with the way we disburse funds.

In Education or other sectors, the funds appropriated this year or next year and henceforth, must all comply with this provision of law and we will now make sure that these compliance mechanisms come into play. I am strengthening my internal audit unit in the Finance and Treasury Department to ensure that they are responding well.

Let me also take this time to also announce that no more money will be kept in the Finance or in Planning Department. Money will now be given straight to sectors so that sectors make them work. And in line with money now going to the sectors, these stringent measures will be put in place so that those implementing agencies work with those strict controls.

I will also take this time to also announce that, please, no more submissions must come directly to Planning, Finance or Treasury. Submissions for projects must go through the various sectors.

If it is a higher education institutional project, then the Ministry and Department of Higher Education should take charge of this project, and likewise if it is for Education or Works and so on.

We, in Finance and Planning, sit at the macro level so all submissions should go through them.

Those are the safety measures we are putting in place so that we can stop and eradicate similar abuses that took place prior to funds being centralized in Finance, Planning and Treasury.

We hope that these sorts of practices we are putting in place will bring some control and instill some control measures in the way in which we do business in as far as funds management is concerned.

In the meantime, that K500 million that was forecast by the Ministry and Department is not budgeted for this year. We hope to capture some of them next year and program them in four or five year medium term budget approach.

05/05

Mr BENJAMIN POPONAWA – Mr Speaker, I want to direct my question to the Minister for Transport. I guess the Minister is aware that our country is getting over populated with imported reconditioned vehicles. Everyone is aware of the traffic congestions that the city commuters are facing due to influx of imported recondition vehicles. The roads are crowded with vehicles and I predicted that not long people will start driving on the pathways. You may have noticed while driving from Gerehu to Waigani in the mornings that some drivers actually drive on the footpaths to avoid the traffic congestion. Papua New Guinea is known as the “land of the unexpected” and we might be expecting the unexpected driving on the footpath.

(1) Does the Minister have any measures to control the increasing import of reconditioned vehicles?

Mr Speaker, these reconditioned vehicles have no parts in PNG.

Some of those vehicles have been sitting in the yards for almost 9 to 10 years waiting for parts. The dealers do not make spare parts available in the country. Therefore, I suggest that the dealers of such vehicles also provide spare parts and when issuing licenses to dealers, the spare part issues must be critically considered. If they cannot provide the parts, we must not give them a Dealers' license. Most of the dealers cannot provide parts for the vehicles.

(2) Can the Minister make sure that the provision of spare parts is a condition in any application for a new or second-hand car dealers' license?

Mr ANO PALA – Mr Speaker, I thank the honourable Member for Tambul-Nebilyer for his very important questions.

Mr Speaker, this is a very genuine question which everybody and the general public are concerned about. Firstly, in regard to the importation of the reconditioned vehicles, the Government has been concern about this issue and has imposed a duty that will discourage importation of reconditioned vehicles. In fact, at this stage the import duty has doubled, even then, our people are still buying them because they are still cheaper.

In considering this issue, we need to look at the interest of the public as well as the interests of the travelling public in the case of taxies and PMVs, and also to look at the conditions of the roads and the demands placed on our public road system.

Mr Speaker, in relation to the parts of the reconditioned vehicles, the Member has a very good suggestion in his question. Of course, we have a way around that and that is to impose strict conditions for importers to also bring in the parts.

This is a problem that needs to be addressed and the proper way to address it is by way of our policies direction.

Currently, we have almost three or four systems addressing the registration of vehicles and addressing the same standards of our vehicles. As I said in answer to a question about taxies, sometime ago, when you are registering a vehicle, there are three organizations that are concerned about, not only the registration system, but the safety standard, especially taxies and public transportation with appropriate licenses. In the case of taxies not only the safety but the cleanliness system.

However, because there are too many systems addressing the same vehicle, we are having problems. So, in order to address this issue, I would assure all the Members of Parliament and the general public that this Government is putting measures in place to address these issues.

Mr Speaker, in considering these issues, we have to look at the interest of everybody, including the business community, general and the travelling public and of course our ordinary Papua New Guineans who are now in a position to afford vehicles.

Therefore, to address this issue, we are formulating in a Transport Strategy which will bring everybody under one system for registration, safety, security, cleanliness and the taxi meters. That includes, the reconditioned vehicles and spare parts.

Thus, let me assure you, Mr Speaker that this Government is comprehensively addressing this issue and that is probably the only way it can address it and that is by way of a proper Transport Strategy, which will be put in place very shortly.

Supplementary Question

Mr KILA HAODA – Mr Speaker, we have two sets of cars coming into our country. Firstly, the reconditioned cars that are imported and secondly, the second hand cars. The streets are full of these vehicles and I feel sorry for our people that they have to buy these vehicles. As I am concern there are parts everywhere and the sources are coming up like kai bars or mini restaurants, yet, the problem is the price of these parts are very expensive.

06/05

A solution for this may be that, stamp duties for new cars should be lowered so that ordinary Papua New Guineans can afford to buy new cars.

If we are to empower our people to go into business they must afford to buy new cars and not second hand cars. In the end, the cost of a second hand or re-conditioned car when buying parts exceeds the cost of purchasing a new car.

Mr SPEAKER – Honourable Member, what is your question?

Mr KILA HAODA – My question is, can the Government seriously look at reducing import duty on new vehicles to allow our people to buy new vehicles rather than second hand vehicles?

Mr ANO PALA –Mr Speaker, I thank the Governor of Central for his question.

Mr Speaker, this issue is one of many issues that the Government is trying to address properly.

Mr Speaker, when this issue is properly addressed, I am sure that our experts and technical people will put in place a system where vehicles over a certain number of years will not be imported. Nevertheless, for this system to work we need a proper registration system and a system that can be enforced and monitored in the provinces and districts.

Let me assure the Parliament that it has taken the Department a long time to put a system in place, which will collectively address all these problems. This is an issue that affects our ordinary people and business community because of industry. Our industries are now developed and they are providing a lot of employment, therefore, it affects the viability of their operations.

Mr Speaker, the best way that this issue can be addressed is the way that the government is going about it. And I want to also assure all the Members that their concerns raised here in Parliament will be properly addressed.

Thank you, Mr Speaker.

Mr JOE KOIM – Thank you, Mr Speaker, for recognising the people of Anglimp-South Wahgi. I would like to direct my questions to the Minister for Works and the Minister for Defence to take note.

I understand that the Highlands Highway is undergoing rehabilitation and that some funding was allocated for surveying and other related activities.

(1) Can the Minister for Works liaise with the Minister for Defence to have the Defence Force assist with this project?

The Baiyer Highway from Madang has the New Zealand Defence Force assisting with that project.

(2) Can a study be done to open up a pilot track between Minj to the back road in Simbu?

We can then expand on that as an alternative to the Highlands Highway.

Mr FRANCIS AWESA – I would like to thank the Honourable Member for Anglimp-South Wahgi for this question.

The short answer is that at this stage, I am not aware of any plans by the Defence Force or my Ministry to engage the Defence Force of New Zealand, especially, their engineering team to work with our own and the Works Department to work together on this project. Nevertheless, it is an issue that I can sit down with my colleague Minister and investigate the possibilities together.

Therefore, I want to assure the Member that we will in time sit down with him and discuss the possibilities and give him a good answer.

Mr RONNY KNIGHT – Mr Speaker, thank you for recognising the people of Manus.

Mr Speaker, my question is directed to the Minister for Police and for the Prime Minister and the Minister for Immigration and the Attorney-General to take note.

Manus Province now has a full Mobile Squad based there to look after law and order and the asylum center at Lombrum.

Mr Speaker, when the first SSD police officers went to Manus the people were happy with them because they were well disciplined. Lorengau town was rampant with public drinking of illegal home brew but when these officers arrived the town changed overnight.

Mr Speaker, it saddens me to tell this Parliament that the police detachment that replaced the previous police personnel are no way near up to the standards set by those before them. Members of the current squads are undisciplined and have been noted to be drinking in public and womanising. Because of the undisciplined actions by the police officers the youths, therefore, followed the examples of these officers and started drinking in public.

Mr Speaker, the making of home brew does not only involve the youths. Due to the financial difficulties faced by the people in the province many individuals including parents and even elderly people are producing home brew to earn an income. The excuse that the people needed money for school fees no longer viable as the O'Neill-Dion Government has provided the Tuition Fee Free Policy.

07/05

Mr Speaker I was saddened to hear that last weekend, a young man from Ward Three in Lorengau Town lost his life. He died after he was beaten by Police officers who were carrying out their duty at that time. Despite being unconscious he was locked in the cell for

one night until the duty police officer noticed that his injuries were serious and admitted him to the hospital but he passed away on Sunday morning.

Mr Speaker, if that young man had committed a crime then he should have been arrested and put on trial through the normal court process. They didn't have to beat him up in that manner, as if he was an enemy of the State like William Kapris. The man has parents and a family who are concerned about him.

Mr Speaker, I am sad to say that the man died and that issue caused civic unrest in Manus on Sunday, with the people carrying out roadblocks in Town.

Mr SPEAKER – Honourable Member, I think we were already informed through the newspaper about the situation in Manus on Monday so please proceed with your question.

Mr RONNY KNIGHT – My questions are,

(1) Can the Police hierarchy ban alcohol consumption as a condition of employment for the RPNGC?

(2) Can our Policemen and women be educated to work strictly within the confines of the judges rules?

Let them know they are subject to the same laws of the land, which our citizens are expected to abide by.

(3) Can the Minister withdraw the personnel there on the ground and replace them with the first original disciplined SSD unit?

The people of Manus are on good terms with that unit and have trust in them.

(4) As this incident is fueled by alcohol and since our people insist on continuing to manufacture and distil illegal homebrew; can we amend the law to make the penalty for this practice a mandatory ten-year sentence?

Mr Speaker, no man is above the law.

Mr PETER O'NEILL – Thank you Mr Speaker, and I thank the Member for Manus for his questions in relation to the death of the young man in Lorengau.

On behalf of the Government I would like to give my condolences to the man's family and apologise that Government workers had caused such misery among his family and community.

We know that the Government does not tolerate such behavior anymore as it is becoming far too frequent. As I have often said in the past such behaviour is causing the people of this country to lose confidence in all our Disciplined Forces. We have seen that when there is a problem in the community, the people don't go to the police to solve it anymore.

We have talked with our counterparts in Australia but they will bring limited manpower to help us maintain law and order in the country. It is our responsibility, our country. Why are these very officers trained to maintain law and order causing misery in communities. It is very frustrating.

We leaders won't go down to each ward and community to maintain law and order, but we can provide the necessary support and the leadership but it comes down to individual behaviour. These officers from our disciplined forces have been causing these devastation. They think they have the license to do anything and that they are above the law that they are supposed to be implementing.

Mr Speaker, I want the honourable Member for Manus to know that I do not support such behaviour and I am sure all the Members of this Parliament agree with me in this regard. We are tired of such behaviour. I know that there's talk about the leadership of these disciplinary forces but we cannot keep changing the leadership of those Forces. Sometimes, it's hard for them to go down individually to each police station and barracks to control the officers. It depends on the way each senior officers manages their officers in each area. I'm sure that those Police officers operating in Manus have their command structure but where is their command structure when that man is out there drinking and misbehaving in the community? This is the sort of leadership in those particular cases that we don't need in this country.

I will today instruct the Police Commissioner to withdraw that entire team back to their destination and take disciplinary action against the individuals concerned for the reckless behaviour that has happened which resulted in the death of a young man in the community.

I understand that some arrests have been made and some of the policemen are now charged and behind bars. That is a commendable thing by the hard working police officers in Manus . We thank the other members of the SSD unit who made it possible for these men to be arrested. They must face the full force of the law and we must not give them any complacency. We must not let them be freed and encourage this compensation culture. We

must let them face the full brunt of the law so that we can enforce the law so that it applies to everyone and not certain individuals only.

On the issue of the liquor licensing law, Mr Speaker, I want to say that, last time the Member for Komo-Margarima asked a question regarding Mosko drinks and certain activities taking place in bars in relation to the Mosko drink. I'm not sure but are these people trying to go to Russia?

(Laughter Chamber)

Mr PETER O'NEILL – Whatever they are doing, I don't think it is good. We have instructed public servants to tighten the liquor licensing laws in the country to ensure that there is control on the sale and consumption of liquor.

I can assure the Member that we will bring in the proposed law into this Parliament and I appeal to all Members to support it.

On the issue of making non-consumption of alcohol as a requirement for recruitment into the police force, I do not know whether that is possible. To be honest, sometimes it's very hard to control the behaviour of every individual. I will talk to the Police Commissioner and the Chief Secretary to see what we can do to tighten that loophole. While I pass my condolences to the people of Manus, I would also like to express my sympathy to our students from the University of Papua New Guinea Medical Faculty for the way they were terrorised by our Defence Force.

08/05

This is totally unacceptable behavior demonstrated in any society who claim to be a law abiding Christian society. And I commend the Minister for Defence for taking an immediate action in making sure that those found guilty face the full force of the law. I know two of the defence officers are locked up and a few more will be arrested over the next few days. We will now be instructing the leadership of the Defence Force, Police and CIS to make sure that those found guilty must be immediately dismissed from the force.

Mr Speaker, we are working hard but we need the support of the community at large. We need to show some discipline in the community and we are working towards achieving that. I am appealing to the students to return to class and I will be directing the Police Commissioner to station police officers at the campus immediately so that there is order in

the campus. These are young men and women who are going to train as medical professionals to help our sick people. We need them very much in this country. I will be ordering the police presence in the campus this afternoon and I appeal to all the students and the lecturers to return back to campus. And I understand that the Minister for Defence is engaging contractors to go and carry out the maintenance work, while we arrest, charge and discipline the officers found guilty.

MOTION BY LEAVE

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

Leave granted.

SUSPENSION OF STANDING ORDERS – REARRANGEMENT OF BUSINESS

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

That so much of the *Standing Orders* be suspended as would prevent Notices Nos: 71 and 72 being on called forthwith.

CONSTITUTIONAL AMENDMENT (CALLING OF PARLIAMENT) LAW 2013

First Reading

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

Mr SPEAKER – Honourable Members, in accordance with *Standing Orders 222(a)* and the practice of Parliament, the Proposed Law now stands referred to the Permanent Parliamentary Committee on *Constitutional Laws and Acts and Subordinate Legislation*.

CONSTITUTIONAL AMENDMENT (MOTIONS OF NO CONFIDENCE) LAW 2013

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SOCIAL DEVELOPMENT PROGRAM – IMPLEMENTATION REPORT 2009 - 2012– PAPER AND STATEMENT – PAPER NOTED

Mr CHARLES ABEL (Alotau – Minister for National Planning and Implementation) – Thank you Mr Speaker, it gives me great pleasure to bring another report but it is not my intention to bombard them with report after report and bore them to death. I want to emphasis to all of us that the primary role of our Government is implementation and action. I have mentioned that before and we all know that we have got a very comprehensive program underway addressing from the very top plans to the procurement process and obtaining a record of financing budget in addressing health and education reforms and et cetra. That is the primary focus of our Government but at the same time it is important we look back at some of the historical programs where large amounts of money have been expended and we ask the question. Where have those reports been? What has happen to those moneys? What actions are we taking to monitor them? And congratulate those that have done a fantastic job with them and bring to account those that have wasted those moneys.

This particular report again is for the first time ever on the social development program. This is the program that was designed as a public investment program relating to the support in particular for the churches. They are the very important development partners that we have which are the respective churches.

09/05

This particular report again is for the first time on the Social Development Program. This is the program that was designed as a Public Investment Program relating to support in particular the churches. They are very important development partners. A lot of money was appropriated and expended for this program.

Mr Speaker, it gives me pleasure to present this report and I have quite a long statement here but I do not think I want to read through the whole statement. If the attendants can distribute the report quickly and you will be able to see for yourself what I have there.

The idea is to learn from some of our mistakes and I have talked about that in the previous reports which is also in relation to this program. The purpose of the presentation of this report is fourfold. It sets out to the Parliament implementation of the program from 2009 – 2012. It seeks to inform the House of the changes of the program so that rather than being a general program for non State actors, it relates specifically to assisting churches and also aims to inform the Parliament on the current status of partnership which we want to continue until for example, continue with the National Agriculture Development Plan.

Follow-on more closely, we have implemented the intention of this program and how it was intended to be implemented. But that is a learning process and our Government wants to adjust the PIP program accordingly.

Lastly, Mr Speaker, the report will just inform the House of the decisions of the O'Neill/Dion Government in terms of improving and going forward. This is our desire to foster a small and efficient government, utilizing and partnering with relevant committed people who are delivering services in an efficient manner because in many instances the governments have failed.

This government wants to support these valuable partnerships and we know that in the areas of health and education our churches are doing the best jobs. They are providing 50 per cent of these services. They are dedicated and providing moral foundations to education. So it is only logical that the government give support to the churches and that should be done in a properly coordinate and focused manner like with our aid relationship and other partnership programs.

The Prime Minister of Australia visited us recently, and we know that in that instance we must focus the program as well. We are trying to get the Ausaid, UN, EU to concentrate on that particular program. I talked about this many times and it is all about focus. In relation to the churches, we will refine this program not to include all the NGOs. It is churches within

the churches and it is specifically on health and education services as part of this focus approach.

Mr Speaker, we have signed an agreement with a number of major churches and it led subsequently to this money being parked there. In terms of this policy framework we do recognize the important contribution of the civil society organizations but as I said, we wanted to focus this particular program to the churches.

The Government has appropriated funding since 2009 towards Social Development Program which is supposed to fund development aspects of projects submitted by the churches and civil society organizations.

The churches and civil society are committed to provide in-kind resources and manpower for the management and implementation of these partnership activities.

Mr Speaker, the Social Development Program was renamed to PNG Church State Partnership Program so we should not be confused with the AusAid church partnership program.

The clear program goals and budget support was originally anticipated and the implication for this is that funding for the Civil Society Organisation Policy implementation will have to be considered separately.

Mr Speaker, from 2009 – 2013 a total of K130 has been appropriated to the program. However, the expenditure report covers in detail the expenditure of K120 million because we are still implementing another K10 million this year. So the breakdown of the K120 million is summarized as follows: K30 million 2009, K30 million in 2010, K30 million in 2011 with an additional K10 million from the Supplementary Budget specifically for church health projects; K20 million in 2012 and K10 million this year 2013.

In terms of institutional arrangements, the Department of Planning and Monitoring manages and coordinates this program. However, in terms of the Implementation status, out of the K120 million received from 2009 - 2012, K117 329 898 has been expended. The balance of K2 670 101.85 has either been returned to consolidated revenue as unused funds or are unaccounted for due to inconsistent expenditure print outs from the PGAS and IFMS systems.

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Of the K117 million expended there is a break up there, you can see the table there in terms of sectors where that money has gone to. The bottom line there which says, K53 million talks about a sector which is called others. This is outside of the social development sector scope where that K53 million or 43 percent was expended; because of lack of compliance to the scope of the development programme and part of that reason is as always, due to political pressures and other priorities that come in.

Whilst the funds may not necessarily be misappropriated, they are not spent according to the guidelines or in the sectors that they are meant for.

Generally the scope of works for the priority programme areas was for infrastructure rehabilitation and construction. A proportion of the funds was spent in the areas of education, health community development and youth.

Mr Speaker, if we continue down, you can see at the last paragraph, the Public Investment Programme Guidelines disqualifies direct funding support for private companies and individuals, something that I always speak about. But somehow through the process we find that in fact, funding, in many, many instances has been paid directly from National Planning to private companies in sums that are over 100 per cent of project submissions. It's a complete breach of the relevant Acts and proper practices regarding procurement and implementation.

And I say again and again, public funds should never be given directly to private companies. It is simply inappropriate. It is benefiting certain sections, or sectors of people at the expense of everybody else.

Now these revenue and taxes that we collect comes from everybody and the programmes that the government has, are designed such that the benefit is general through public programmes not individuals. And as our government moves forward this is something that we want to stop and also we want to go down and audit where these funds have gone.

And also as we all know there is quite a process underway in relation to some of those private companies and we have the Task Force Sweep going through there. We've also obtained additional funding at Finance, Auditor-General and ORD to go down and conduct these particular audits.

Some of those private companies are named at the bottom of the page. Payments totaling K22.4 million were made to those companies and we are following up to find out what happened to those money. We want to know.

We go over to page eight where you can see that some of the ‘other items’ are listed there. And I will admit to everyone that there is an amount which you can see there which says, ‘Alotau Public Toilet’, K500 000, now I can say that that was not my programme. But I can tell you that there is a very beautiful toilet standing there on the foreshore that was built with that money. The issue of how a social development programme got there is another question but I wish to highlight these things as well in the process.

But you can see other expenditure as well, for example, National Parliament, K3.7 million and so on.

In summary 55 per cent of that money actually went to the priority programmes under the church-State partnership.

Some of these programmes we talked about are negative but some are actually quite good. An example is the recent wonderful dormitory down at the Don Bosco Technical Secondary School. That was K4 million worth of funding and there is a beautiful building down there right now. There are success stories, there are reports but there are a lot of gaps as well.

Right at the last paragraph on page eight we said 152 funded projects have not submitted any reports to date. So a team is going around now trying to take stock of all those submissions and what happened with all that money.

We also continue to ask those people or organizations who have received those money to please assist us in filling up your reports and complying with the requirements of our laws which is that you report back on this money as well. Don’t make us chase you all around the country.

Mr Speaker, point number five is the 2013 Implementation Status. As I said there has been K10 million appropriated there. I haven’t had much to do with that particular programme but recently, because once those things have come to light and some of the changes happening at the department I’ve had to step in just to put the brakes on things a little bit while we revisit exactly what is happening. And I can report that there’s a balance of K4.5 million remaining of that allocation for 2013.

I am going to repeat myself here. We are going to stop cutting that money up and entertaining individual project submissions coming through central agencies. No more! We are going to make sure the money goes down through sectors and the appropriate implementing agencies conduct public programmes.

It is not a handout service or a bank at National Planning. And all our public servants there are having a wonderful time dishing out public monies and getting all the kickbacks or whatever is happening. This is ridiculous and it has to stop with the balance of the money.

That's why I am saying, in terms of supporting this partnership. There is an organization they call the Christian Health Services which manages the health services of the various churches. And what I am saying is that money should go to them. We have been talking with them. We have received a submission from them in terms of procurement of medical equipment and drugs for the church health centres and I want that money to be spent on those things.

But, I don't necessarily want the money to go directly to that organization; I want them to assist us in the procurement and we pay the supplier directly under a proper contract but we don't give them the money one hundred per cent upfront. We will go through the normal process and they will deliver the drugs and medical equipment to where they belong. So that is all for the 2013 implementation status.

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Mr Speaker, number six we go through there and issues are raised in terms of learning from the past experience and the issues that have happened there. Now going to number seven in terms of solutions and as I said it's about partnership and not about throwing out this program. It's about finding about what happens to the historical funding and all of you have the information before you. I will also give the information of course to the media and the public and they can see where that money has gone to. As I said this Government is about learning and getting on with action and not about presenting reports and doing nothing about its' findings.

We want to move forward by helping our Church partners. I have already had two meetings with all the senior Church leaders and I know the Minister for Community Development has also conducted a meeting. There is a standing NEC decision regarding the establishment of a Churches Ministry. And we are revisiting the old approach through the Minister. To me I don't want to see really anymore government agencies, departments and statutory authorities. We already have too many and I would like to see that we put a hold to any of the formation of any more agencies of Government unless it is related to sub-national government support down in the provinces. What we want to do is shrink Waigani down and

boost up the provinces and that's what it's all about. With these principles in mind we are discussing with the Minister there about what is the best way to assist the Churches.

The Churches themselves are proposing quite a simple mechanism. And I am telling them to bring the education program and you base it on who delivers what percentage of the services. If the Catholic Church is delivering 40 per cent of the education services; the churches bring a combined education submission for those funds according to those relative proportions and we support the funding of a comprehensive education and health submission from the Churches. But we certainly do not sit in there in National Planning and entertain all the individual Churches.

Mr Speaker, I intend to bring to the 2014 Budget, a significant amount of money and I hope to continue supporting our Churches. As I said, they are doing a wonderful job generally and it will go through this proposed new mechanism to cabinet. I will have to consult my good Minister to come up with a program along that line.

In terms of public investment programs our job as central agency is to coordinate and monitor; not to touch the money. But we are forgetting that, that is our job and to hold people to account. We must make sure that sectors are coordinated and funding goes accordingly and everybody is doing their job. We are not a bank or for the Minister to become all powerful and have you all under his control because he has got the money in his back pocket. That's not right. This Government is not about doing that. I am not about empowering myself but empowering all the agencies and I am about a small and an efficient government and supporting people.

The other day the Minister for Treasury, Honourable James Marape and myself discussed about Mission Aviation Fellowship (MAF) providing the services to the rural airstrips. We don't have to go and create more government structures and agencies but let's partner with these people.

Yesterday I met with Marie Stopes about our population policy. They are involved in providing sexual education and contraceptive services that speaks to the very heart of what planning is talking about. And getting this population a little bit under control because it's a cause of many of our development issues and home issues such as teenage pregnancy. That is girls having babies too young compromising their education then they sometimes marry the wrong person because of that and all the issues starting at home. We can't do everything, we have been failing miserably. We need to be more innovative and learn from the past.

Our Government is most definitely supporting the Churches as they are our very important partners and we are very grateful to them for delivering government services. This Government's intention is to continue that support but in a more meaningful and co-ordinated way so that funds don't get diverted to the wrong places.

Mr Speaker, that's the Church partnership program.

Ms LOUJAYA TONI (Lae – Minister for Community Development, Religion and Family Affairs) – I move –

That the Parliament take note of the Paper.

Mr Speaker, first and foremost I would like to confirm that these program needs adjustment. The way in which money has been appropriated outside the scope of what has been outlined here is of concern.

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We continue to have increased submissions from churches and ministries coming to both my Ministry and the Ministry of National Planning and it appears at this time that we are working in two separate circles that needs to be merged. Therefore with the beginning of the first national consultation forum or workshop with the churches, there is a need for the formation of a secretariat.

What we need to consider and what we want to do in my Department is to create a registry of churches and ministries. We need to know who and what entity exists under the name of Christian churches or other denominations that are in this country.

So first of all we want to submit to NEC the way forward for a secretariat followed by making sure that by the end of this year we already have the instruments in place for a church registry and that they also must pay taxes.

Mr Speaker, when we look at countries like Australia churches, are registered by way of associations or businesses. They do pay taxes so we need to make our churches and ministries in this country accountable as well. We need to know who they are, where they are and what they do. And what they do must align with government priorities.

If we are prepared to outsource work to the churches and ministries in this country, we need to know their history, their background and what they have achieved.

Those that are currently in good standing are the seven mainline churches but we also have other different denominations and ministries that have come up. We need to

acknowledge that under the current parameters of our *Constitution* that allows for freedom of religion we also have other religious persuasions also involved in our country in the delivery of services. Do they qualify for application to our social development programmes or not. And so we need to look closely at how we can assist the Ministry of National Planning, and, I'd like to assure the Parliament, that before we bring the suggested legislative changes to whether we are a Christian country in the full meaning of and the sense of the creed that we hold we need to tighten up on the existing mechanisms. An again the need for a secretariat, the need for a registry and the need for churches to be made accountable to pay taxes before we can take it anywhere else.

Mr GARRY JUFFA (Northern) – Mr Speaker, I just want to make a few remarks.

First, I would like to commend the Minister again. The Minister is certainly not boring us. The reports that you are presenting are very interesting. They are very well written and they show examples of how we have missed opportunities and we have mismanaged and squandered substantial amounts of funds – funds that could have been used for great purposes to benefit our people especially in the rural areas.

I want to commend the Minister and encourage him to continue to present those reports and name names. Let's name those companies that are involved.

I sit in the Public Accounts Committee and I've been going through reports that are coming to our attention. These reports are arriving five, six and even seven years after the offences have been committed and after the misuse of public funds.

In most instances after the companies have been deregistered and the characters involved have disappeared, although some of them still walk the corridors of Parliament from time to time, carrying their manila folders and various proposals, schemes and scams.

But going back to the report, there is a list of companies that have received substantial amount of funding. It's amazing. I mean we have a company that was paid K2 million for a Kava Project. What happened to this kava project in Madang? And the list goes on and on.

We have to start making some sort of efforts to at least bring some of these people before the courts. There must be some sort of effort made to investigate, prosecute and even send them to jail. For goodness sake they've stolen millions of kina.

We make a substantial effort to chase after criminals on the street who have stolen, perhaps a hundred kina or a packet of biscuits or even a loose cigarette. We kill them, bash them up and take them to court and send them to jail. They are punished many times over;

they are sentenced to jail and even ostracized from society when they come out. What about these guys who are stealing millions of kina?

People are starting to reach the conclusion that if you commit a major crime then you are untouchable but if you commit a minor crime then you just be punished. So what is the level here so that we may all know? What level of crime can people start to commit so that they are untouchable and what level of crime will be committed so that you have to come before the courts and be punished.

These are questions that the public are starting to ask. What's going to happen to these people? I mean we are looking at millions of kina here and you know what happens when we don't address these people. They come back again.

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They register new companies and identify new Members of Parliament or the existing ones that they know who will be susceptible and work with them; they collaborate, coordinate and orchestrate massive fraud. They steal the money that was meant to provide better health services and road infrastructures for our people. When that happens people die.

So it is not only theft that we are looking at here, but also murder and many other serious crimes that are committed because of this situation that exists while we talk about corruption and constantly fighting about it, complaining and going to the media.

Every day if you read the newspaper, watch TV or listen to the radio, you will only hear about corruption. What is really happening to these people; the criminals and the ones that are involve. We know them; we know who they are and their names and many times we meet them and even shake their hands. When they go to the rural areas, our poor people welcome them by putting flowers on their necks, singing groups and even carry them on their shoulders and say there are their leaders but behind the scene, they are the ones that steal huge amounts of money.

What is happening to them? They steal with impunity and they will do it again and again because they know that nothing is going to happen to them. Justice as it appears must be served on the small people who steal small amounts of money or biscuits or any other petty offences.

I thank the Minister for a very good report but my concern is every time I see these reports, I ask myself, what shall we really do about these? I have a radical proposal but I believe it can work. It is very simple and everything starts with investigations. Let us

establish an investigation team and bring people from overseas to do this. They are not influenced because many times, our investigations are influenced by our relationships and we do not perform our jobs properly. When a case goes to court, the court officials are easily bribed with money and the files and court exhibits mysteriously disappear. They will not make it to the magistrate and the case is dismissed. These things really happen and it is happening as we speak.

So here is my radical proposal. We set up an investigation team and engage people from overseas. Let us define the parameters and terms of reference and say here are the cases, here are the people and allegations. So, conduct the investigations and then let us set up a prosecution team. Again, let us engage prosecutors from overseas, people who are not tarnished through influence by tribalism or in any way associated by family and culture. Let us set that up and say that here too are your terms of references. Okay, so now the cases are now investigated, they appear to the prosecutors and they develop a prosecution brief and take them to the court.

My third suggestion is to set up an independent court with an independent judge and his sole responsibility would be to preside over these cases. Then we will see justice and our people will be satisfied and they will believe that justice does exist in this country for all of us and not just for the rich.

Right now, the rich and powerful are untouchable and they can do what they want. They steal as they wish and freely do what they want. And if small people steal a biscuit in a Chinese shop, they are quickly apprehended and locked up.

These are only my opinions. Are we serious about fighting corruption? If we are serious, let's do this.

I also would like to advise my fellow governors. I found out that governors can set up provincial public account committees and I am setting one up. I am willing to help you set them up. I cannot wait.

Once I have sorted out my administration, I will set up my public accounts committee. I am going to go right back through history, one by one and I will find you. My fellow governors can do the same thing. Let's be serious!

Anyway, I will draw my small comments to a conclusion. Thank you my dear Minister, I am here to support you. In my opinion, yourself and the Minister for Finance are star performers in this Government in exposing, producing, reporting and being accessible to

squandered years and years of surplus money, money that could have done so much for our people. Now is the time to really do something tangible.

Mr FRANCIS AWESA (Imbonggu – Minister for Works) – Thank you Mr Speaker, I want to make a small contribution to this debate. First of all, I commend the Minister for Planning for his big and comprehensive report. He highlighted many discrepancies in the management of funds that we have allocated for this program. I thought the intention and concept of this program was good like all other government programs but the way it was used as it happens always ends up being abused.

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My concern here is there are a lot of reports within one or two companies but the things are prominently all over the place. For example, I have noticed a company called Janalis, which operates in both land and water and they went right into the mountains. This company is involved in many aspects of development such as agriculture and ship maintenance.

There are other companies also involved in different claims in this programme and I see that the intentions are good but we abuse the good intention of the Government. Thus, to avoid this situation to repeat itself later in our country, I am of the view that we support the Governor of the Northern Province to set up a special tribunal to deal with corruption cases. This is overdue but I thought the Prime Minister has made an announcement concerning the ICAC legislation, which I believe will address the issue of corruption. However, before it happens, I think one way that we can address this problem is to consult the management level within these programmes as well as other programmes that the Government has set up.

One way of addressing it is by offering high wages for program directors or coordinators instead of asking foreigners to come into our country to assist us. I believe we must put positions of those people managing those programs on contract of up to K1 million and task them to provide quarterly reports on the management of these funds especially on who got the money and how it is working. These contracts are awarded based on their performances.

If we do not take measures like that, then we have to go back to how we entrust the public servants and those involved in the system of managing that money.

The second point that I want to express is that, every time we hear instances of misuse and abuse of funds, we become emotional and thought that the Task Force Sweep will clean up the mess. I have not seen the Task Force Sweep made any conviction. Everyone has high hopes that these people will do the job and we gave all the Police cases to the Task Force Sweep but no one has ever been convicted. I want to know when we will get the reports of them convicting some people. We thought that they are doing some magic or miracle to come up with some solutions. I think we have a big problem here.

Mr Speaker, I think we are getting no way with conviction even though people have been charged. As we know in PNG, we have a mentality of forgive and forget. Yet, when some things happened we all put our heads up and down to say that we will do this and that. In most instances it does not happen. For instance, if a prominent person was murdered by a criminal, we immediately impose a death penalty to kill somebody. But I have seen through experience that after 3 to 4 months we all forget about it. In the same year the money got stolen and everybody says that we must put it through Task Force Sweep. But, who is Task Force Sweep? What are they doing? How many convictions have they brought so far in this country?

Mr Speaker, I think we should have accountants and lawyers in the Task Force Sweep team, if there are weaknesses such as lack of qualified accountants and lawyers. I think we should engage professional people so they can be more effective and efficient in terms of prosecutions. People should be prosecuted and put behind bars so that they will learn.

With this I commend the Minister for presenting a very good report and I think it makes all of us aware and cautious in what is occurring in our society. I think we are not getting anywhere or progressing. Instead we get backward to worse and it is a serious reminder to all of us.

Mr SPEAKER – I wish to interrupt the Parliament and suspend the Parliament for lunch.

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

15/05

Mr JAMES MARAPE (Tari – Pori – Minister for Finance)– Thank you, Mr Speaker for giving me the opportunity to debate on the statement made by my colleague Minister, Mr Charles Abel.

Mr Speaker, since the Minister has been in office he has brought to us many of his papers exposing to us what has been happening in the National Planning Office and Department.

Mr Speaker, from this backdrop we have framed the 2013 Budget with the emphasis of shifting the structural budget away from a Waigani based Budget into a Budget that is now centered around departments, provinces, districts and LLGs where implementation is expected to take place.

Mr Speaker, you can now see that the appropriation is geared towards supporting projects that were submitted in the proper way of submission and seeking budgetary support.

Mr Speaker, what we see now has transpired over the past 4 or 5 years. For instance, during the reporting period, from 2009 to 2012, we were experiencing supplementary budgets and surpluses in our economy. The consistent surpluses from 2008 to 2011 have resulted in a lot of excess funds being brought into the system by way of supplementary budgets.

As the Finance Minister, when I look into the many trust accounts that have been houses and residences for these pool of funds, I am happy that the Minister for Planning has brought to light and out in the public who have been the beneficiaries of these trust funds. These trust funds were meant for education, health, agriculture and churches who are very important partners in our development endeavors.

Mr Speaker, this report is now public information and I think it is fair to ask everyone who have benefitted from receiving funding for their direct submissions to Waigani to report back on what has transpired as far as project implementations are concerned. Churches and sector programmes right throughout this country have benefitted.

Mr Speaker, in conclusion, I will be issuing some policy directions on how the O'Neill-Dion Government would like to see in line with the way we have structured our 2013 budget, and how we will frame the next to see whether emphasis should be shifting towards project submissions and supporting projects outside of the centralised control in Waigani.

The Minister has therefore, said and is putting together a team that will go out and try to establish exactly what has been transpiring. We have to take into consideration the good recommendations proposed by the Governor of Oro who is calling for outside investigators to

come and ascertain what has transpired. He also suggested for outside prosecutors and judicial investigations to find out if any illegal activities have transpired.

Mr Speaker, let me confirm to Parliament that there are certain elements of paper submission specialists who know how Vulupindi Haus and Members of Parliament operate. They will come and get one or two endorsements from Members of Parliament. As they are familiar with the system at Vulupindi they try to access funds directly.

This is the type of discrepancies that we are trying to eliminate. In the past we knew that substantial amounts from the various Supplementary Budgets that have been accumulating in the various trust accounts have been depleted in this manner.

Mr Speaker, we are trying to come up with policies that will make the National Planning Minister to be the controlling “king ping” or any other Minister for that matter. Therefore, we are now in line with this budgetary appropriation.

Mr Speaker, I would like to say to parliament and that it becomes a public policy so that the Ministry and Department for Finance, the Ministry and Department of Planning and the Treasury will not be receiving individual submissions from any Tom, Dick and Harry.

If someone has an agriculture submission you must go to the district that is concerned and where the project will emanate from and write a submission properly.

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The Agriculture Minister will then bring that submission through the system and we have some corporate and government memory of this submission we know. We take stock clearly on which projects are happening around us.

We want to bring some sort of control and order back into what was happening in Vulupindi house. It was a chaotic way of doing business, where friends of the Secretary, friends of the Department workers and friends of the Ministers who are having a field day are having access to this substantial sum of money and those who are not friends are really struggling and they are missing out. Therefore we are making this public policy that there will be no more the individual based submissions coming straight, whether through the Secretaries or through the Minister’s office. If you have a good proposal from the districts or provinces then it must come through those systems. The district JDBPC must endorse that project and the provincial planning unit and the provincial government system must approve of it and through that systems than we can probably access those funds if it is appropriated for in budget.

Let us make it known that these are the reforms that we are putting in place now in Vulipindi House. Gone are the days where someone sitting in a café in Port Moresby brings his laptop and writes a very good colourful project submission describing a plantation in Okapa for instance or a fishing project in Woodlark island. They come with these colourful submissions and cosmetic data and Mr Speaker, this has been the status quo, modus operandi of how funds have been sip on off year in year out for projects.

Mr Speaker, we must all join to commend the Planning Minister for exposing what has happened in the Ministry. He has indicated that he will not only stop there but he will put up a team to try to take stock in these projects nationwide.

When you look at the summary of these projects, during his presentation of the agriculture report and as I have told the Parliament, I was surprised and astound that K7.5 million was paid to a purported coffee factory in Tari Pori district. Is there another Member for Tari Pori or what? Someone sneaked past me right under my nose, picks up K7.5million, thank goodness this guy never won the election after picking that money. We have to bring some control in the way we do business up there.

Let us assure this Parliament and the public that if there is anyone carrying out a good proposal to benefit the community, whether it is church based project proposal or education, health or agriculture project or whatever it is, the O'Neill Dion government will no longer be entertaining submissions that are concocted in the streets of Port Moresby or in the hotels.

We ask you all now to go back and let us work the system up. We don't dispute the fact that there are many good projects that has good intentions and are honest projects out there but we only ask that the LLGs and JDPBCs take ownership of these projects. We ask that the provinces take custody of these projects and we ask through all these processes eventually the Planning, Finance and Treasury Ministers are the end results of the process that has filtered all these project submissions. If you send it through the process and the district administrator and Member endorse that a project is truly established in their electorate and is within their district and provincial plan, then it will be easy because we will release the funds and let the district and the province take ownership and be the custodian when this project runs.

The Planning Minister and the Finance Minister and the Waigani based National Government are not on the ground in all the areas in PNG. That is why we are giving money straight to the districts now and we will call for project submissions to come in this manner.

I take this time to signal to all our good project proponents out there. There are not too many of them. The way I see it from the Planning Ministers report, some of these same project proponents have sourced funding from church project funds, agriculture funds and also education funds.

We need to really take stock of all these and we are now trying to re-channel back. We are making a public policy announcement that no more direct project submissions to Finance or Planning Department. If you have a project proposal, get your districts and provincial governments to endorse the project proposals for you, through that systematic way of submissions we can support through National Budgets or we can support through Provincial or District budget and we allow for institutional, corporate and governance memory of this project so if there is deficiency we will support through additional funding .If there is an over expenditure we are able to address that through government awareness and monitoring.

Mr Speaker, whilst on this another issue that comes to my mind. I know the Governor for Oro has raised this issue let us be aware that Prime minister is now finalizing through his department and also the Attorney General, the ICAC Bill and as that Bill comes before us, we hope to support it. It will give teeth and give impetus to our fight against corruption. It will strengthen the work of ad hoc bodies like Sweep team that we put in place in the absence of a legal entity like ICAC. It will also strengthen the role of Ombudsman Commission and other institutional watchdogs on matters against corruption .Therefore let's support the initiative of ICAC and strengthen the course of it so that hopefully today and henceforth we learn from the mistakes of the past and we correct them.

17/05

Mr Speaker, before I conclude there was a point a raised yesterday through a question, on the way we have been disbursing public funds for various projects.

Let me make it absolutely clear that in the disbursement of public funds by government departments for projects in the province or districts, a circular instruction will be coming out very soon to all section 32 officers at various levels that at no one time that they are authorized to disburse 100 percent upfront for any project.

It is incumbent upon all of us as leaders in this Chamber to impress upon our district administrators, provincial administrators and departmental heads not to front load 100 percent on whether it's a big or small project.

Mr Speaker, irrespective there will be a 10 percent mobilization and 40 or 50 percent for work to start and then the second phase the retention of 10 percent until the work is certified until it reaches the scope of work agreed to in that contract of engagement.

Let us go back to these fundamental basics and try to get some sense of order in the way we do business in this country. We have 2013 to correct ourselves in all these systems as we head into 2014 and 2015 when we stand on the possibility of an expanding economy and Budget.

Mr Speaker, if we can get these systems correct, we have a chance to improve on ourselves as a country because we will see that the disbursement of funds has being a problem in 2008 up to 2012 and we have gained very little on the access gains we have received in those years when there was consistent Supplementary Budgets that were presented to us.

Mr Speaker, commend my colleague Minister for bringing this Report to the Floor and he will be setting up a monitoring team in planning. I think that is one of the core functions and the Minister is now divorcing himself from being the fund manager into being the big planner and the monitor himself.

Let us support the Minister and back his team that will come and see what projects have transpired on various allocations and help establish how the funds are used.

I hope that no more submissions will be coming direct to Vulupindi House and I hope to see that, that is circulated throughout this nation so that everyone knows that we will not be collecting individual submissions.

They must come through the districts, provinces or come through the agencies where submissions must come through and payments likewise will go back through that system.

Mr SASINDRA MUTHUVEL (West New Britain) – Mr Speaker, let me congratulate the Honourable Minister for Planning and Monitoring for his continued hard work to bringing another report to this Parliament.

Mr Speaker, I take this opportunity to mention the enormous contribution by various faith based organizations in this country.

Mr Speaker, in my province we have various faiths like the Catholic Church, United Church, Seventh Day Adventist Church the Anglican Church and the Lutheran and many more and they have played a very vital role in the development of our province. In fact more than 50 percent of service delivery can be accorded to them in terms of education and health.

Mr Speaker, the question of the real partnership contribution of our Government to the various church organizations in the country is lacking. In reality the governments help to various provinces and the 89 districts through PSIPs and DSIPs in the compliance requirements, church or community development is not recognized. We only talk about infrastructures, education, health and the economic administration component. In all this, we are asking for some kind of flexibility in the compliance requirements of how best we can cater for churches in the PSIP and the DSIP funds.

Mr Speaker, various organizations that help like the Australian organizations that help every year and send educational materials and some medicines to the Catholic Church in Kimbe are forced to pay enormous amounts of customs duty and tax, when we know that these goods are purely 100 percent for charitable purposes and are not charged to anybody. They are sending them direct to the Catholic Church, yet we are forced to pay customs duty and the containers will be still waiting until the Government system really pays some money. We are just taking money from one packet to another packet.

We really need to look into these and recognize the hard work of various churches.

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We should have the flexibility of IRC and the Customs and so the people should waive customs duty and tax because they are providing free services to our people in terms of health and educational materials. The churches not only spread the gospel but they also have established various schools and hospitals in the provinces and throughout the country.

Mr Speaker, we have seen and witnessed during our election campaigns, the substantive impact the churches have had on the lives of our rural people. They even provide the most basic services in terms of health.

I would like to work closely in partnership with all the church organizations. One initiative my provincial government is undertaking is to set up a nursing college at Malalia Health Centre and also a teacher's college in Puninu Technical School which is run by the Catholic Church. The Catholic Church has been in these industries in education and health and are also contributing members in the society. They are taking a huge role in setting up these vital institutions.

I am always vocal about setting up these nursing and teachers colleges in my province because we have had the bad experience of losing more than one hundred people in the *Rabaul Queen Disaster*. In search of education, my people go to Rabaul and Lae. We have a

population of over 300 000 and having so much economic activities through oil palm, we still do not have a church.

At this juncture, I also appreciate the initiative of the national government especially through the Ministry of Education in coming up with a proposal of having one teacher's college in every province. Every LLG should also have a high school and every district should have a secondary school. These are very good initiatives and we must translate whatever the economic benefits are or whatever economic fund we are to receive through oil and gas export.

We have to put up a plan on how we are going to translate all these incomes which we are going to generate. We must always consider churches. They are our key partners because they have been assisting our people even before independence. Thank you Mr Speaker.

Mr DAVIS STEVEN (Esa'ala – Minister for Civil Aviation) – Thank you, Mr Speaker, for giving me this opportunity to contribute my perspective on this important issue. We all acknowledge and admit that our partnership with the churches is very important strategic partnership.

Mr Speaker, before the government arrived, the church was there. The churches arrived at a time when our people needed to be civilized, tamed from ways that were unproductive and the good thing is that they still remain with our people since their first contact.

We talked about service delivery and 37 years later a government arrives as a result of the prayers of many of our people who recognize the importance of education and health. The churches got it right from the very beginning and that is a fact that is unchallenged. They have been diligently and effectively running these services without government support Mr Speaker.

So when we talk about this initiative, as a government policy, it is an initiative that must be commended and I am happy that the Minister has praised the former Grand Chief Sir Michael Somare's government for this initiative. But this report Mr Speaker, highlights an important issue which I wish to add to this debate. This report shows us that the nation came very close to a disaster.

Mr Speaker, the corrupt dealing went from government caucus and into the agencies of government and into the pocket of our church people. K130 million from 2009 – 2012 intended for the churches was stolen. No wonder, one of our leaders in the nation said at that,

at that point in time, corruption became systematic and systemic. It is no wonder, members of this Parliament are helplessly watching the happenings within Waigani.

Mr Speaker, I want to highlight this point that this Government which I am glad to be part of, is putting in place the institutional reform which is the legislative framework that will ensure that this is not repeated. The rot and the corruption that occurred before ought not to be repeated. That state of helplessness is where even a leader elected and mandated by the people to come to Parliament, is unable to correct a trend. This nation should not allow that to happen.

We can see hope and encouragement in the report and what is to be done for the future is captured. I support the statement by the Minister for Finance in terms of what the Government is doing, to fight corruption and the steps that have been taken to strengthen the legislative regime in terms of Hi Tech Bill and the Improvement to support the Ombudsman Commission. This Government has decided deliberately to increase the number of judges in the recent past. So that ten more judges are made available to support the judiciary.

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The judicial system like all the other systems in the country needs to be supported, reviewed and strengthened.

The judges today are struggling and it is common knowledge that many judgments are being deferred for too long. People wait for more than seven years for decisions to be handed down by the judges. We are faced with an urgent situation in terms of fighting corruption so there is a requirement for reformation in our judicial system. And I have been advocating it.

Mr Speaker, the time has come for the Judiciary to be re-organised so that if there is a move towards ensuring that specialist judges or tribunals are set up to allow for prosecution, it has to happen quickly because our people are demanding this service.

Mr Speaker, the point I am raising is that we came very close to the brink of collapse before the 2012 Elections. The people have deliberately returned the Government that is now at work to reform and ensure that what has happened in the past is not repeated. So I want to say in this debate that we must not shun our opportunity and obligation to make the reform that is necessary. I say this in the light of the raging debate outside today about this Government's intention to make constitutional reforms which are all intended to ensure stability in the government. It is also intended to ensure that whilst we have this opportunity

in this time of our nation's history, we must make laws that are necessarily aimed and crafted to ensure that we achieve the desired outcomes that our people deserve.

Mr Speaker, coming back to this paper and how it relates to the Civil Aviation sector, I am happy that K130 million was expanded in the last three years to churches in recognition of the work they were doing in education and health. But as the Minister for National Planning has highlighted, the churches and faith based organisations have sustained the rural air transport services of this country without recognition.

There are countless communities out there in our nation today who would vote for MAF or its officers if one of them stood for election because they see them every week. They go in there not on commercial consideration but they do so because they care for our people. They do so because they are compelled by the gospel message and the mercy missions that they represent today.

Mr Speaker, I want to suggest that when the Minister for National Planning considers continuing this supporting and refining this efficiency, the mission or faith based organisations that are involved in Civil Aviation particularly in the remote areas be remembered. And I say in conclusion that whilst this paper generates interesting debates and gives us the opportunity to speak in terms of how we go forward, I also want to say that this paper highlights the need for government's policy and intention to translate into a working arrangement in the public service. This is because in my experience in the Civil Aviation sector, after we consult with the mission based operators like MAF, SDA, SIL Aviation, New Tribes Mission and we come up with a coalition or consensus on how we should address all the important rural airstrip program in this country.

When we bring a paper and process it through the government channel, it gets diverted because the bureaucracy does not see the way we see it. The bureaucracy want to be involved, they want to set up a little office and run this program but we say no, the missions have been doing it for a long time and their motive is good and we want to partner with them and support them. So this important intention which is reflected in the Minister's presentation must go to the public service as well because once the government is right as it is now in terms of partnering with our churches, we got to make sure that the same desire and commitment must be received in the public service level. Otherwise, we will continue to see huge sums of money earmarked for such well intended programs being dwindled away without any effect.

Mr Speaker, K130 million in three years would have been a lot of money to our churches today. When we see 165 projects being funded with only three completed in that same period then something is seriously wrong. But our churches in this country have toiled on without support and now we have the opportunity to support them and become their partner in our development.

Mr Speaker, three years ago, AusAID realised that their programs can be implemented effectively using the church networks in this country like the Catholics, Lutherans, United Church, Anglicans, SDA and all the other faith based organisations. They came up with a program which we are now adopting.

Mr Speaker, they went to our churches and wanted to make them become agencies of implementation. I am glad to say that many of our main churches stood up and said they were not going to participate unless they were equal partners. They have the capacity, experience and network to do this in Papua New Guinea. Many of them stood up and said; we have internal audits where we can produce financial statements that are audited. As a result, these programs are working well today.

I am glad that at last the Government of Papua New Guinea is coming along the same way and with the Minister's guidance and the current desire in the Cabinet to get it right, we will eventually get it right.

Mr Speaker, may I conclude by saying once again that this paper represents a reminder to us that this Government should not shun its obligation to make necessary reforms. We have passed a legislation; serious amendments to the Criminal Code and now we are intending to reform the public service under the leadership of the Minister.

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Mr Speaker, we must also go forward and begin to be desirous about reforming the Constitution as we are proposing, so that the direction of this country is secured.

Mr WERA MORI (Chuave) – I want to contribute to this debate but I will make it short. I would like to take this opportunity to thank the Minister for his continuous good objective report. And it helps us very much because at least we are able to know how funds are spent.

Mr Speaker, Appendix 2 under the listings priority funded projects in this report, shows that K900 000 has been diverted to a project in Chuave to empower youths. I don't

know whether they spent these funds to empower the youths because if it's spent then we would know the impact of those projects. What it points out is that there must be effective mechanism for service delivery. Those services that are delivered or projects that are funded must have the mechanisms so that we can be able to measure. We have to measure those funded projects against accepted standards and it's very important. In reality, funds are allocated to those social developments and most of these implementers are churches and we are happy with that. But we must not forget that money is root of all evil things. When we do a postmortem on these projects we must ask ourselves; are they cost effective and achieved the objectives that were intended for or have they failed? If they have failed we have to find out why they have failed. We must not continue on to make the same mistakes over and over.

I find that in this report, the Department of Social Development which is one of the key department, which should be factored and participate in this exercise was not included.

Mr Speaker, if we want to continue with this sort of projects then we have to involve other ministry such as Community Development, Religion and Family Affairs. They must also be able to participate because the outcome will affect those important activities that are about to be done.

All these church run program presented here contribute enormously to our social indicators by global standards. But if our social indicators are not favorable by global standards then we must check back and ask some serious questions. Where have we gone wrong? Why did we fail and not achieve those? Because these are things that we work towards to eliminate and all those social projects are intended to bring material impact on the livelihood of our people. Of which, the O'Neill-Dion Government is now endeavoring and must be commended.

Yesterday, the Prime Minister of Australia made some remarks which I was impressed about and I commended our Government. PNG we has come a long way and we have achieved a lot. But that does not mean we will stop from there. We have to continue because there is a lot more that can be done.

What we as a Government must try to do is not to put on a lot of cosmetics where it will be there for a short time only and no value added. What we put in place must stand for a long term.

For instance, at one time a K10 000 was presented to Karamui High School. What's this? It's not a project; it's just the money.

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I wish to inform you that in the future, if endeavours such as this are about to happen we must not put cosmetics only to squander money so that if we spend money it will not bear fruit. Whatever we wish to undertake, it must be able to bear fruit.

I wish to thank the Minister for Civil Aviation who has spoken about legislative reforms to enhance the law. That is good because it is about time we enact such laws to deter people so that when they take money for development, they will not misuse it but rather use it for its purposes.

In many areas of Papua New Guinea and you only need to go out to a 10 mile radius of the vicinity of Port Moresby and you will see how the people are living. Are they living as city residents or are they living a different lifestyle?

But, thanks to the current government which has brought in a lot of changes which we should not be afraid to embrace. We all have got to stand up and be united in a lot of these things so that at least our people who have been denied these basic services over a long period of time should now be benefiting from the exploitation of their natural resources.

Mr Speaker, thank you very much. I wish to re-emphasise that we must not continue to make the same mistakes. It is time consuming and the money that is supposed to bring in changes to people's lives and bring the country forward will continued to be used to find the mistakes. Papua New Guinea must not be a country of mistakes, it must be a country that is moving forward.

Thank you, Mr Speaker.

Mr JOE KOMUN KOIM (Jiwaka) – Mr Speaker, I wish to participate in this report by the Minister for National Planning.

Firstly, like other leaders have mentioned, the Minister for National Planning is doing a good job. Some of us, first time Members of Parliament, come and you have opened our eyes to some of the things going on and also enlightened us as to the processes and procedures, for which we are glad. In the previous years, National Planning was a key department where a lot of development funds were parked and where many ministers use to roll out the programs of the country.

Last week you presented the agriculture report and today you presented the social development report for which we are very glad.

I will not say a lot but I wish to commend the government for having this program where they recognize the contributions of churches because churches serve the 85 per cent of our people who live in rural areas. Many areas where government services cannot reach and where we don't go to are places where churches are taking the lead in going in and delivering services.

Because they have a calling from God they are going ahead and extending these government services so I thank the O'Neill-Dion government for acknowledging the contributions of the churches and us as part of the government will support the program carried out by the churches.

Firstly I want to acknowledge that Papua New Guinea is deemed to be a Christian country and it is only appropriate that to fund the program of the churches, I would like the government to legislate for a tenth of the budget to be specifically for allocation to churches.

This is so that whatever money earmarked for development will have 10 per cent of it allocated to churches who are a major development partner.

Under the Ministry of Youth, Women and Churches there should be a separate secretariat to cover the work of churches only because many of our people are Christians and belong to a faith organisation. This will ensure that they can see that their secretariat is there to handle their projects, missionary movements and other things.

I believe other countries which invest heavily in the work of God by funding the operations of churches have prospered greatly.

Many times we do not acknowledge that and turn our back on churches effectively denying the entity that has blessed us with oil and gas and gold by prioritizing other things and forgetting this sector. I think we must return to the basics.

We must enact legislation to the effect that in any annual budget of the country we must allocated 10 per cent just to churches alone while other social groupings can come under other legislation.

We must give prominence to churches because I believe government services will go hand in hand with church services when churches become fully involved. I am glad that this government is recognizing that.

The reports presented indicated that there is a need for us to work in partnership and the point if want to emphasise is that when you frame the budget for 2014 and onwards I want the Treasurer, Minister for Finance and Minister for Planning to consider putting 10 per cent into the work of churches.

If there is more needed then we must add on to it. It is a blessing and we must give it back to the work of churches.

With regard to accountability, as we know government funding must come with accountability and I echo many of the sentiments shared today by leaders. We must try to improve a lot of the measures that went wrong in the past, but mostly I want us to frame it into the budget of Papua New Guinea so that churches can gain prominence.

22/05

Mr TOBIAS KULANG (Kundiawa-Gembogl) – Thank you Mr Speaker. First of all I thank the Minister for presenting this report to Parliament on this very important program.

Mr Speaker, the roles of the churches in my opinion is to preserve our Christian faith inside this country but they also do plenty of work in social development of our country.

Mr Speaker, I have an important point that I want to contribute and mention in this Parliament. I am pleased that the Minister Community Development, Religion and Family Affairs is present so she will take note.

Churches play a key role in our societies but at this stage, the relationship between the church and the government is at an arms length and we don't have a formal relationship. In other countries, the State has some laws to regulate the churches and they are required to submit annual reports. They are required to submit reports on how they managed the affairs of the church. This system enforces discipline, compliance and also the scrutiny of the government.

From my observation in our country, the churches somehow exist on their own and the State does not have any system in place to scrutinise their work and performances. I am aware of the principle of separation of the State and the Church but if we look at the report, churches are very important components of our society and it will continue to play some of the key roles in assisting the government in its development plans.

I want to suggest that, now that we know the work of the church is important first of all to help us with our Christian faith and secondly, we need them because they are doing many things in our societies, I think the time is right for us to introduce legislation in the country to make the church become accountable.

At the moment, under the *Association Incorporation Act*, any person with K50 can incorporate an association under a name of a church and can become a church anytime. And whether this person is a true Christian or not, it does not matter. As long as he gets an

incorporation certificate from the registrar of companies, he will have a church that will operate and there is no requirement for him to report on how he is managing the affairs of this church. We should not forget that people go to church and make many commitments like what the honourable Member for South Wahgi has stated earlier. The people give plenty of offerings in the church and like what we hear from America, many church leaders abuse the trust and confidence of the people.

When this report was tabled, I have these concerns that I want to contribute to this debate so that appropriate Ministers can take note of. Australia has legislation in place where churches are required to submit annual reports on an annual basis. And in these reports, there is a specific requirement where a church must report against. If they don't abide by this law, they will be deregistered as a church.

Sir PUKA TEMU (Abau – Minister for Public Service) – Mr Speaker, I wish to contribute to the debate by highlighting a few points.

Mr Speaker, in honourable Planning Minister's statement which I may say once again an excellent report; I see three components of the report. The first component is the partnership policy framework between the government and the church and so the then Minister for Planning got all the church leaders to sign up which was a very honourable thing to do. That was the first time in the history of this country that the government called up the leaders of the church to sign up a development partnership agreement, and I think all the speakers have already recognised this and the Prime Minister has made in many public statements how the churches are playing important roles.

Therefore, this agreement basically cemented and recognised this partnership. And in the Minister's presentation on the program that was delivered, a total of K66 million was utilised by the church organisation; it is a faith based organisations and when I analysed that, K36 million of the K66 million was given to one particular church and that is more than 50 per cent. You can do further analysis on that and therefore, the constitutional guarantee of an equitable distribution of the nation's wealth is a big challenge to us.

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Mr Speaker, my suggestion in this partnership policy framework with the Church is maybe we are expecting the Churches to do too much and maybe we are prescribing too much to them. I did not read the honourable Member's suggestion on that legislation.

I personally think that the Parliament should not go that far in legislating Churches and requiring them to provide a report. I think the Churches need to be given that freedom and flexibility and in their spirit we know that the Church is compared to the Government have done an excellent job in terms of delivery of goods and services. I believe this is the spirit of the partnership so I would suggest that in the Church-Government partnership we could just divide the programs support into two big divisions.

The first division could be the Churches that are doing essential Government services like the Health and Education and one of the recommendations No: 5 in the Ministers' Statement is a way forward is where the Government should then portion which Church is providing what percentage of health. Thus, that health component of the partnership should be according to the percentage of service delivery for instance, by the Catholic or United Church or the SDA Church. So, then the Government is supporting what they are doing in partner the Government is health or education services delivery.

Mr Speaker, the principle that I would like to promote is, when there is sugar on the floor, the ants will go there and when we put food on the ground the pigs and the dogs will run for the food. I think that is what we have been doing. When we see that there is K170 million, so, whoever wants a project must come with a proposal and everybody is behaving like flies and ants running towards the plate of food.

This brings me to the third component of this report, which is the Public Investment Program. I have not heard anybody speaking on this important program call PIP. Many years back, we would ask the agencies and the private sector and the Government to submit their development proposals to put them in the Budget. Once in the Budget, you do not run around and once your budget is fixed for PIP, whether it is by a private company or the Church, you just deliver that because it is already appropriated in the budget and the Parliament passes it. We do not park a pie in the sky and everybody runs for it. In that way, we are bringing in a lot of corruptive practices because there are money people and the paper experts.

Therefore, I strongly suggest that we must critically look at PIP program and in the years to come we need to now develop and manage PIP program. With this medium term budgeting, I think it is really good to start on such a program. Under the Medium Term Budgeting to 2017, we can actually line up for important impacts project in the country. We can also line up a Five Year PIP program, which will then be support in the budget and we pass it on the Floor of Parliament. I think we have to bring in those types of maturity and discipline in terms of the third component of the report.

The second component is the Partnership Policy Framework with the Civil Services Organisation (CSO), which I believe is a big one and there are many organization within it. I know the Minister for Community Development under the Policy of Non-Governmental Organisation needs to sharpen them up and we need to hold them accountable at the same time; we need to also make sure that they have the structures ready in terms of reporting and accounting and all those things ready so we award the project's component.

Mr Speaker, I am strongly suggesting that the Minister for Planning and Monitoring and the Treasurer re-look at PIP process so, we can nature and mature that. By doing that everybody knows what project formulation document to fill; what are the requirements et cetera et cetera, which will allow everybody to come through one door.

Once the Parliament passes the appropriation law in November every year, it means those submissions after that will be for the next fiscal year. In this way we, are managing it properly. In regard to the Churches, the two components of the Church Partnership Program, I would strongly recommend and apart from those Churches that are already delivering the government services like health and education beside other programs, the Churches also deliver enormous social programs like youth programs, women programs and they have lot of programs like schilling and literacy training.

Mr Speaker, I was glancing through the report at the guidelines and it also states that we must also fund Churches in delivering welfare services and community development programs. I think this is a very good spirit because, for example, from the United Church, which I know of best has a program called 'Regional Youth Programs'. The country is divided into four regions and in Southern region we, are divided into two regions of the west Central and the east Central. One Bishop of the United Church looks after the two regions. This may be similar to New Guinea Island and Highlands regions. I am aware that other main Churches like the Catholics, SDA and the Lutherans have done that. So under that, they have bigger woman and youth programs, which most of them are training and skilling programs et cetera.

Therefore, under the Partnership Agreement, we may give it to the National Council of Churches, which is headed by one of the leaders, say about 10 per cent, some leaders have been talking about and we the Government will help you to run the program that we know are impacting positively on our nation building efforts.

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The other would be dedicated to prescribed government programmes health, infrastructure, education, law and order and et cetera.

Two days ago the Governor for Hela passed a motion in which we were looking at what spiritual pathway would the nation follow. Many of you were in support of a pathway with Christian principles. Therefore, we need to give support our Christian churches in order for us to partner vigourously over the next five years under the guidance of our Prime Minister.

Mr Speaker, another issue that I would like to raise in this debate is in regards to the European Union water sanitation programme. The programme is called the ACRA Agenda for Action, and in 2005 there was a parish declaration. Basically, the ACRA programme for Action looks at how aid can be effective and make an impact in countries who are recipients of aid. Therefore, donor countries like the European Union came with their water and sanitation programme but they said that they would only provide them for churches only and with no involvement whatsoever from the government.

Mr Speaker, I for one think that this was a badly structured programme. I had an experience regarding this programme where my church group went to the European Union to apply for funding and because the church could not acquit my programme was shelved. We had given K75 000 to the church and applied for a K1 million funding but because the church could not provide acquittals the programme never eventuated.

I was bitterly disappointed because the programme excluded the LLGs and JDP involvement. The JDP is the primary setting body under the *Organic Law on provincial Governments and Local Level Governments*. Nevertheless, I think the programme is a good one and I would like to urge the Parliament and the Minister to continue to support this partnership programme because I think that we can really go a long way.

Mr Speaker, in conclusion, as Minister for Public Service I think the nation needs smart delivery models. The global experience is that, if we form strong partnerships with the private sector, NGOs, faith based organisations and civil society organisations. Therefore, I think that this is a wonderful opportunity for PNG to declare here on the Floor of Parliament that we are very serious about this partnership.

I also believe that we will go a long way in this regard as a country. I believe that there comes a time when we need to restructure but our problem is that our laws are constraining

us. Therefore, I would like to give an example in this regard on the partnership and delivery models.

Right now our Prime Minister is pushing for the district authority and we need to support that bill when it comes. At the moment we have got three levels of legislature in the country. They are the national legislature, provincial legislature and local level government legislature. Then we have the four levels of administration, the national public servants, provincial district public servants, district public servants and local level government public servants.

We have really brought about a mess in terms of how we properly coordinate delivery in the country. Therefore, in my opinion this Parliament really needs to look at the *Organic Law on provincial Governments and Local Level Governments* because it describes the delivery of public goods and services. Thus, we as a government have not yet seriously looked at the *Organic Law on provincial Governments and Local Level Governments*.

My personal suggestion is that. Let us only have two levels of legislature the National Parliament and the Provincial Government because these two will provide the overall coordination in a bigger way. I for one do not think that we need a legislature at the district level. I also do not think that we need a Local Level Government, but because we are pushing for the district authority we need to go back to the sub-district level.

We need to go back and establish what I call service centers at the district level. For example, in my own district Abau I have three local level governments but five easily administered zones. Therefore, I could call them sub-districts of Abau under the district authority. I then put public servants in those five districts to provide service delivery.

With the LLG elections just concluding the LLGs have become very expensive and by doing this we will automatically remove that expenditure and the politics that go with it. We should put up delivery mechanisms on the ground and let only two levels of legislature to coordinate things.

Mr Speaker, I would like to request the Parliament to look at this seriously so that we can amend these laws so that we will move forward in the next elections.

Thank you, Mr Speaker.

Mr TITUS PHILEMON (Milne Bay) – Mr Speaker, I would like to join with my colleagues of Parliament and commend the Minister for National Planning, and the Member for Alotau Open for bringing to Parliament a very important Report.

Mr Speaker, many Members of Parliament have spoken on the Church-Government partnership. Therefore, I would like to make two points here.

Firstly, I believe that it is very important for us in Parliament that when statements and reports are presented it is up to us as Governors and Members to interpret these issues and relate them to what we are doing in our own provinces, what we are intending to do, and what must be done. The same also goes for our districts.

Therefore, I would like to report to Parliament on what we are doing in Milne bay as far as the Church-Government partnership is concerned.

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Mr Speaker, I also want to report to the Parliament that church-government partnership is now a policy that we are going to adopt in Milne Bay province. That is something that we are going to run with. We are taking it very seriously and our partnership with the churches in Milne Bay is to drive change into our communities. I'm glad to report this afternoon to the Parliament that the Minister concern that presented the report to Parliament today on church-government partnership is also leading the way. She is not only presenting a report but she is also doing it and all the other Members from Milne Bay Province are also doing the same. I want to report that every initiative and project that they are driving they have partnership with the churches. For example, all the boats that the Minister for Planning bought for his electorate, he has given the agency the ownership to operate it through the churches in the provinces. One the Anglican churches in the North Coast, one the United church in the South coast of the Open electorate. The Minister for Civil Aviation, Member for Esa'ala is also doing the same and is very involved with the programs, snouts and activites and also the Member for Kiriwina Goodenough. The Member for Samarai Murua has built nearly all the churches within the Samarai Murua electorate, that is the seriousness of the partnership that we in Milne Bay Treasure. Why? Because it was the churches that came to us and brought the light to us. I know many of you in this Parliament will agree with me that it was the churches that brought health and education to us. So for us church-government partnership is something that we are already implementing and I thank the Minister for bringing it into Parliament. But when I see the report, it's just like the National Agricultural Development Program report, which the Minister also brought to Parliament in the last session. The Minister brought to the Floor of Parliament for the leaders and the people in PNG this report on the implementation of the Social Development Program.

Mr Speaker, again we see another example of how well intended programs and policies of Government are forced to become very ugly. In this instance, I think we have cheated the churches .We see another example of well-intended programs and policies falling short in their implementation and reporting system. It is no wonder the leadership of this country keep on demanding better and more effective implementation and trying by the public servants the implementation agency, just like the NADP.

Mr Speaker, here we see large amounts of funds allocated for important programs being diverted to other commitments or spent outside of their intended purposes and outside of the guidelines. It is sad to note from the report that out from K120 million allocated for the Social Development Program between 2009 and 2012, a total of almost K3 million remain unaccounted for.

It is also sad that out of the 155 projects funded under the program during the period, only three beneficiaries have submitted their completion reports; worst still Mr Speaker, how did K53 million of that fund end up with projects outside of the State-Church partnership frame work? The guidelines disqualify direct funding for private companies and individuals, yet it is found now that a total of K22.4 million did end up with private companies and individuals.

Mr Speaker, I am in total support of the Church- Government Partnership Policy. And in fact, we in Milne Bay have a policy for church-government partnership, which we plan to establish. We have allocated funds in our 2013 PSIP to set up Church – Government Partnership Council because we see the importance of this partnership. The churches have made major contribution to the development and delivery of services in education and health and they continue to do so.

Mr Speaker, we want to further enhance this partnership. From the report, it looks like the churches have been cheated over and over by using their names to allocate funds then diverting them to other unrelated expenses. Just like the NADP, it was for the agriculture purposes and for the rural farmers of this country. Yet people who were not rural farmers ended up with the money. We must start to become more honest and truthful especially when dealing with the churches.

Mr Speaker, my recommendation is for such funding to be channeled through the provincial governments who must set up their church-government partnership councils to take charge of this very important implementation and monitoring. The provinces work very closely with the churches and as such it is only appropriate to use them to enhance the

partnership of that level to improve service delivery in education and health and holistic human development as well.

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

Motion - That the Report be noted – agreed to.

MOTION BY LEAVE

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

Leave granted.

SUSPENSION OF STANDING ORDERS- RE-ARRANGEMENT OF BUSINESS

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

That so much of the *Standing Orders* be suspended as would prevent Notice No. 23 being called on forthwith.

EMPLOYMENT OF NON-CITIZENS (AMENDMENT) BILL 2013

First Reading

Bill presented by **Mr James Marape** and read a first time.

Second Reading

Leave granted to move the Second Reading forthwith.

Mr MARK MAIPAKAI (Kikori – Minister for Labour and Industrial Relations) -

Thank you Mr Speaker, it is my privilege to present for Parliament's consideration the Employment of Non-Citizens (Amendment) Act 2013.

Mr Speaker, this proposed amendment is long overdue and has been canvassed by the Government for many years. It has been developed in response to the needs of the industry for a flexible and efficient mechanism that allows specialized labor to enter PNG for the purposes of making emergency work. One such example would be, a specialist engineer needs to enter PNG to repair a specialized equipment in the mining and resource sector. In such circumstances, any delay can result in loss of potentially millions of kina.

In developing this Bill, I have worked in close consultation with my colleague, the honourable Minister for Foreign Affairs and Trade and Migration to ensure that necessary amendments are made to migration regulations that will enable the Government to grant the new visa arrangement.

I am pleased to be able to inform the Parliament that these amendments have been finalized and will be gazetted once this important Bill has been certified.

Mr Speaker, it is a simple amendment that will provide significant benefit to the Papua New Guinea business community and industry. This policy legislation is zero revenue loss for the government whilst the revenue collected for the work permits may be lost but the same amount will be collected by the PNG migration services for the visa.

Mr Speaker, I therefore, commend this Bill to this House for approval.

Third Reading

Mr MARK MAIPAKAI – (Kikori – Labour and Industrial Relations) – I move –

That the Bill be now read a third time.

Bill, by leave, read a third time.

ADJOURNMENT

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

That the Parliament do now adjourn.

The Parliament adjourned at 3.30 p.m..