

FOURTH DAY

DRAFT HANSARD

Friday 13 September 2013

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FOURTH DAY

Friday 13 September, 2013

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

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

Sitting suspended.

Mr Speaker again took the Chair at 10:40 a.m. and invited the Member for Gazelle **Honourable Malakai Tabar** to say Prayers:

‘Bikpela God, mipela tok tenkiu long dispela moning na miplea sanap wantaim long dispela haus. God, yu bin bringim mipela ikam long dispela Haus wantaim bikpela luksave long laif bilong mipela long responsibiliti bilong lidasip.

Yes, baibol itok yu bin laikim neisen bilong yu, yu bin kolim wanpela man Abraham long kamap lida. Long taim yu bin lukim ol pipol bilong yu ol bin safa long Egypt na yu bin kolim wanpela lida man em, Moses.

Na God, yu bin sigautim mipela wanwan olgeta long dispela taim long stap long dispela gep na lukautim pipol bilong yu. Mipela prei na sabmitim mipela wantaim 38th enevesari bilong Indipendens bilong kantri bilong mipela kam long yu.

Mipela tok tenkiu long lukaut na mipela tok tenkiu long marimari bilong yu na mipela tok tenkiu long igo pas long wisdom na andastanding bilong yu. God, mipela prei na komitim Praim Minista bilong mipela, Deputi Praim Minista bilong miplea na olgeta Ministas wantaim Oposisen Lida na Deputi bilong em na mipela olgeta Membas wantaim Spika bilong mipela na olgeta pipol bilong dispel kantri.

We pray God and we commit ourselves into your loving hands that you will continue to guide us and keep us as we stand together. Amen.’

**DEATHS OF FORMER MEMBERS -
Mr LUCAS WAKA AND Mr BAI WABA –
STATEMENT BY THE SPEAKER**

Mr SPEAKER – Honourable Members, I have to inform the Parliament this morning of the death of Mr Lucas Waka on the 26 July, 2013. He was the former Member for the West New Britain Provincial seat for the Second National Parliament from 1977 to 1982. He was also a Member in the Third National Parliament from 1982 to 1987, and the Fourth National Parliament from 1987 to 1992, and in the Fifth National Parliament from 1992 to 1997. He was then appointed the Under-Secretary to the Prime Minister, Chairman of the Interim Commission for Constitutional Changes from 1977 to 1978, and the Minister for Police from 1978 to 1980.

After his re-election to Parliament in 1982 he was appointed Minister for Forest. He was re-elected in the 1987 Elections for the same seat and was appointed Minister for Works in 1991. He was again elected in the 1992 Elections as the Governor for West New Britain following the Provincial Government Reforms in 1995.

Also, I wish to announce the death of Mr Bai Waba on 24 August, 2013. He was the former Member for Nipa-Kutubu Open Electorate in the Third National Parliament from 1982 to 1987. He was appointed Assistant Speaker then Minister for Housing from 1985 to 1987.

All the Honourable Members stood in their places as a mark of respect to the memory of the late honourable gentlemen.

QUESTIONS

Mr HAVILA KAVO – Mr Speaker, thank you for recognising the people of Gulf Province.

My question is therefore directed to the Minister for Finance and I would like the Prime Minister to take note.

As you are all aware, the BSP Bank in the Gulf Province has been closed for the last four years. This has caused difficulties for my people when they are trying to participate in economic activities. Last year, the Prime Minister made an undertaking to provide the bond security fee to be paid to BSP so that the can provide banking services for the province and up until today that has not happened. Also, this year the Provincial Government has made an undertaking to commit K1 million, which was done about a week ago. I am therefore asking the National Government if in any way it can help ease the banking problem faced by Gulf Province by also making that undertaking this year.

Therefore, my question is; can the government make that undertaking made by the Prime Minister last year?

Thank you.

Mr JAMES MARAPE – I thank the Governor for Gulf Province for his important question.

I will look into this commitment that the Prime Minister has made.

02/04

Mr Speaker, I think it goes to show one point and I would like to use this opportunity to express that sometimes Prime Minister's commitments are made and I have to look at where exactly I could locate the money. When monies are not there in the Budget and when Members of Parliament, including the Prime Minister are making a commitment, I will then have to try to locate money elsewhere and this is part of Good Governance practice. So in respond to this question, Prime Minister as the leader of the country had made a commitment and we, in Finance and Treasury Departments are putting those checks and balances in place to try to source it correctly from where we can source funds from. I give assurance to the Governor that I will look into where I can source the funds from and if there are appropriation in line then those sorts of commitments I will draw the funds down to assist the Governor and the province in bringing back Bank of South Pacific to the province.

Mr TITUS PHILEMON – Mr Speaker my questions are directed to the Minister for Public Service, Honourable Minister you will no doubt be aware of the issues and the matters relating to the withdrawal of powers of the Milne Bay Provincial Administrator to appoint deputy administrator and his district administrators. For the record information of this Parliament, a politically driven decision by the former Public Service Minister in the period leading up to the 2012 National Elections resulted in the powers of the provincial administrator to appoint deputy administrators and district administrators being withdrawn. The result of all these now leave Milne Bay Province with no deputy administrator and all the district administrators are on acting appointments. My questions are as follow;

(1) Why has this matter not been resolved?

We have raised it on several occasions in the past both at the ministerial level as well as with the Secretary of the Department of Personnel Management.

(2) Is the Minister aware that this situation is seriously affecting the operation of the Milne Bay provincial government, the provincial administration and the districts administration?

(3) Does the non-action of the Minister and the Secretary for Department of Personnel Management indicate that the Minister and his Secretary are in support of the political driven decision of former Minister?

(4) As Minister responsible, can he give this matter priority attention and have the matter resolved immediately before independence?

Dr PUKA TEMU – Thank you Mr Speaker, I thank the Honourable Governor for beautiful Milne Bay province for his series of questions, particularly in view of the fact that he was the host to the formation of the current government and I owe him as Minister for Public Service to respond to his request.

Mr Speaker, I assure the Honourable Governor that as of January 6, 2013, my Secretary reinstalled the Human Resource powers back to the Provincial Administrator, and therefore I am at loss as to why the current Acting Provincial Administrator is not exercising those powers. I now request that the Honourable Governor advise the current Acting provincial Administrator to

exercise those powers. There's no other instruments needed to re-delegate those powers back to the Acting Provincial Administrator.

On that note all those who are acting provincial administrators have the same powers as the substantively appointed Provincial Administrators so there's no excuse whatsoever for any Acting Provincial Administrator not to be exercising their duly delegated powers particularly on HR management.

The second issue I am aware of is on lack of leadership at the bureaucratic level in Milne Bay Province and other provinces in the country as well.

03/04

On this issue of Deputy Provincial Administrator appointment I assure the Honourable Governor that two week ago, my Secretary called the Acting Provincial Administrator and they have now established the Selection Committee of the Deputy Provincial Administrator. The process is, in the appointment of the Deputy Provincial Administrator the Department of Personnel Management has a representative in that Committee. That has now being established and therefore, my Secretary and the Acting Provincial Administrator Milne Bay Province should now move to appoint the Deputy Provincial Administrator who will then go back to selecting the District Administrators and those below the Provincial Administration.

On that note, I advise the Governors as per our discussions in the Government caucus the selection of the District Administrators when the short lists are made it is important that the Open Members of Parliament are consulted in the final appointment of their District Administrators. This instruction is still valid today so I now recommend to the honourable Governors to respect their Provincial Administrators. Make sure that consultation in the appointment of district administrator is observed by the Selection Committee. That is the agreement at the moment that covers both the Open Members from the Opposition and those in the Government. Thank you.

Mr SAM BASIL – I now take this opportunity to ask my question to the Minister for Treasurer. Can he give a highlight of the 2013 Projected Budget on deficit which was K2.7 billion in the last Budget due to the on-going Government's over commitment? In some

instances, it was out of the Budget. We believe that we may have gone past our mark but I would like the Treasurer to highlight a little bit on the deficit that is currently affecting our account.

Mr DON POLYE – I acknowledge and thank the Deputy Opposition Leader and Member for Bulolo for asking his question.

Mr Speaker, if you look at the Budget Paper we projected the deficit to be yearly, the fiscal deficit for this year was projected to be at 7.2 per cent. In monetary terms that would be K2.5 billion. That is within the 32 per cent of the overall GDP debt ratio so it was manageable and finally we passed it. The business community, our development partners and our budget projection was good.

After the Prime Minister's statement on the SABL, I will be presenting the Medium Economic and Fiscal Output Report. But for the purpose of this question I will give some detail

Mr Speaker, our yearly fiscal deficit is at 7.2 per cent to 7.7 per cent. So that is an extra K150 million on top of the original plan.

Where did the K150 million come from of the K78 million from Personnel Emoluments at the provincial level? The increased is caused at the provincial level by the salaries and wages for payment of casuals, permanent and those on acting appointments. The same person may be getting double pay or whatever the irregularities has resulted in the increase of K7.8 million. Comparing that, last year's deficit is better. We went up to K295 to K300 million deficits on personnel emoluments alone.

The other balance of the K78 million is K72.9 million that we have seen as a result of the down turn in the commodity prices. Our oil prices, gold prices and some of our agriculture commodity prices have come down so export earnings have been affected. That is the figure that we projected at the moment over the 12 months period which is at K72 and K72 million and that adds to the total of K151 million.

04/04

Mr Speaker, let me emphasize very strongly that it is not because of the Government's over expenditure in any sector of the Budget Appropriation. The Government has been very strong on its fiscal management.

It is because of some overruns and I urge the Good Provincial governors to take control of that and in fact the Governors are making a bid to the Budget process and that message has been relayed to them.

Mr Speaker, hopefully next year we will have reduced that down as we get rid of ghost names or one person earning from two positions.

The other thing which is beyond our control is the downfall of commodity prices. The deficit is now 7.7 percent from a projected 7.2 percent which is not worse.

I would like to thank the Internal Revenue Commission, PNG Customs, the Ministry of Forestry, Ministry for Fisheries and the MVIL for paying some dividends into the Consolidated Revenue recently at K100 million. You factor the K100 million and offset K50 million and that is manageable and we can raise the money from whatever sources by the end of this year.

I would like to assure the people of this country and the Parliament that the O'Neill/Dion Government's management of the Budget especially, in terms of fiscal control is sound which we will maintain towards the end of this year and we will lay out a similar strategy in next year's Budget.

Supplementary Question

Mr PAIAS WINGTI – Mr Speaker, I am glad the Treasurer has given the right answer to this very important question in terms of the Public Services salaries increases.

Mr Speaker, the Governors are prepared to assist the Treasurer and the Public Service Minister in their planning.

We know that so many of my public servants who are on the pay lists collecting the taxpayers money, are not doing anything. The system in the Public Service is so cumbersome that you are not able to get rid of them on the pay list and save money for the country. That expenditure will increase if we are not careful about it.

Mr Treasurer, when you come to the next Budget I am asking you to have a conference with the Governors with the Public Service Minister and we are able to give you the list of public servants on the pay list who are not doing anything. Somehow we need to address that and it goes to all the 20 provinces.

Mr SPEAKER – Thank you Governor, I will allow the Minister for Public Services to answer that question.

Sir PUKA TEMU – Mr Speaker, when we came into Government, this was one of the big issues and we were challenged to progress and clean the payroll system in the country.

Mr Speaker, I want to assure the Honourable Governor, that what is happening right now is the thing called PGAS means the Provincial Government Accounting System and that is the issue in which the honourable Governor highlighted.

Through the decision of the Government we have established a Committee, which includes the Department of Personnel Management and Finance and Treasury. Under the leadership of the Department of Finance this Committee will be addressing all these issues.

So far there is a strategy called One Person One Pay Policy and we call it (one PPP) is now being implemented to the cleansing of the payroll.

Mr Speaker, 52 organisations have already gone through this process since this year. That is an ongoing process and hopefully as the Governor has said, leading up to the 2014 Budget preparations we will have a better and more cleansed payroll system in the Country.

Mr SASINDRA MUTHUVEL – Mr Speaker, before I ask my questions I would like to sincerely thank you and the Parliament for giving me that opportunity to go with your delegation to India to witness the Indian Parliamentary system.

05/04

I want to direct my questions to the Foreign Affairs Minister. During our visit in India, there were many concerns raised by senior Ministers in India.

My questions are as follows:

(1) Why is there a delay in finalizing the agreements on the Double Tax Treaty, Investment Protection Agreement and Technical Corporation Agreement with India?

They have given all those documents to our Foreign Affairs office and they would like to see some finalization of these agreements taking into effect.

(2) Why PNG has classified India as a high risk country and also India as a non-English speaking country?

The largest English speaking population in the whole world is in India and so I really wonder why we have classified them as a high risk and non-English speaking country because it is in the Labour Law and Immigration, it is extremely difficult for Indians to get visa to PNG.

Mr RIMBINK PATO – Thank you Mr Speaker, I will answer the second question first. The issue of classification of foreigners seeking visa for any purposes to enter PNG goes back to the days prior to Independence and shortly after Independence. So what I have commissioned is that to change the historical perception we need to look at the review of all of the system.

So, as I speak the PNG Immigration and Citizenship Services Authority is conducting a review to determine that very question; because of PNG's position in the world today as one of the fastest growing economies in the world, it is important that we need to have that connectivity and flexibility. So we are looking at the issues of where we need to connect. And as a consequence we are looking to what those countries are doing and because of their advice we may have received we will now work towards improving our Visa and Immigration system.

So clearly, I agree that India is the largest country in the Commonwealth and indeed the largest English speaking country in the world and clearly there is a time for change.

Therefore, I can assure the Governor, that will be high on the agenda and currently that review is under way.

Coming now to the first question, clearly, India has a lot to offer and it is an English speaking country. And India through its High Commission in Port Moresby has made a number of representations. And they are looking at providing funding in some of our important projects particularly in infrastructure. Those matters will have to go through the cabinet and I have also been instructed by the Prime Minister to look at in terms of appointments to missions abroad in terms of productivity by those missions and embassies abroad. We need to make an assessment as to where those countries from which PNG should properly link to maximize our benefits.

As a consequence we are looking to opening two new offices in India as honorary consulates because India is one of the tiger economies of the sub Indian continent. And as a consequence of that I have also instructed my Department about the tax in relation to those three areas; Double

Tax Treaty, Technical Economic Corporation and Investment Protection Agreement presently being looked at so it won't be long. But I can assure the Governor for West New Britain that by early next year, through the Indian High Commission they are looking to invite our Prime Minister to visit their country. And I am hoping that the terms of the tax will be finalized in all of those three areas so that we can have the relevant treaties signed by us and get the approval of the Parliament. Unlike many of the countries where we have this kind of investment relationship they don't speak English and the rule of law is not prevalent. But India is one country where because they are English speaking and members of the Commonwealth and they have a Constitution and the rule of law applies; we need to focus more. And so my intention is to do just those very things so that we can make our relationship with India more important than the status of the relationship we have today.

Mrs DELILAH GORE – Thank you Mr Speaker, I want to direct my question to the Minister for Civil Aviation and it's in relation to Girua Airport.

06/04

Mr Speaker, this airport not only serves the people of Oro Province but it also serves the entire country where people from the Highlands, Momase and the New Guinea Islands regions who travel by ship to Oro Bay and get on the plane to travel to Port Moresby.

My question is, the Girua landowners have been threatening to close the Girua Airport as a result of non-payment of land compensation that was promised by the previous Government. Is the Minister aware of this situation and if he is aware then what are the results he has for the landowners of the Girua Airport and the people of Oro Province?

Mr DAVIS STEVEN – Mr Speaker, I want to thank the Vice Minister for Treasury and honourable Member for Sohe for her important question.

Mr Speaker, before I answer the question, I also want to seek leave to make a response to another important question regarding the Vanimo Airport which was raised by the Governor for West Sepik earlier this week.

Mr SPEAKER – You can go ahead and answer the questions. It does not require leave from the Chair.

Mr DAVIS STEVEN – Thank you Mr Speaker, Girua is one of our strategic Airports in the Papuan Region and I am pleased to say that it is one of the airports that have been earmarked to receive financing in terms of the pavement upgrade. The funding for this important work will be in the second batch of the financing arrangements that the Government currently has in place.

Mr Speaker, I am aware of the landowner issue and I want to inform the honourable Member and the leaders of Oro Province that the issue is now been handled by the National Airports Corporation and the Civil Aviation Safety Authority of Papua New Guinea and I believe the Oro Provincial Administration will be also involved in this matter.

Mr Speaker, for the sake of our good people, it is a matter that must not be just dealt with in isolation. We would like to take the opportunity to work in a very responsible way and in that regard; I had a brief meeting with the leadership of Oro Province, in particular, the Governor to highlight the need for the leadership to take control and ownership of this important issue.

Mr Speaker, I say this because for the first time since Independence and perhaps since that airport was constructed, this Government is making available K80 million worth of construction works.

Everyone of us in our country wants our provincial airports to be upgraded and there are some much needed work to be done. Girua Airport has been identified and it is in the second batch and we would like to think that a responsible approach to resolving this issue is to ensure that this project proceeds. So what is at stake is K80 million capital investment in an important infrastructure for the province and the country as a whole and this is in response to the question from the Member for Sohe.

Mr Speaker, in relation to the Vanimo Airport, the upgrade which includes the strengthening of the pavement and the building of a new perimeter fence around the airport to ensure the services do continue as these works are necessary and I am pleased to say that this Government is arranging a funding of K40 million which will be made available by the end of this year or early next year. The tenders will be out on 19 and if the process is completed quickly, works should commence immediately.

Mr Speaker, I just want to highlight that over the years, our airports have been neglected but I am glad to say that in the recent past, the successive governments including the currently Government are trying our best to make sure that these important infrastructures are maintained.

08/04

**TECHNICAL PROBLEM IN RECORDING SYSTEM -
STATEMENT BY THE SPEAKER**

Mr SPEAKER – The Chair wishes to advise the Honourable Members that due to the technical problems with our recording system of the Parliamentary Proceedings, the Parliament is unable to convene its proceedings and the Chair will now ask the Parliament to adjourn.

Before the Chair calls the Leader of the Government Business to adjourn the Parliament, the Chair wishes to convey his Best Wishes and Happy 38th Independence Celebration to all the Honourable Members in where ever you are either in your electorates or city. The Chair notices that the Members are showing some uncertainties but the Chair will now ask the Prime Minister to give his remarks and wishes for the 38th Independence Anniversary.

(.....audio tape inaudible.....)

ADJOURNMENT

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

That the Parliament do now adjourn.

The Parliament adjourn at 12.35 p.m..