

DAY SEVEN

Friday 20 September 2013

DRAFT HANSARD

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SEVENTH DAY

Friday 20th September 2013

The Speaker (**Mr Theo Zurenuoc**) took the Chair at 10 a.m.; and invited the Member for Telefomin, **Mr Solan Mirisim**, to say Prayers.

‘Thank you, Lord that you continue to inspire this Parliament and you have blessed this country to have come this far to have just celebrated the 38th Independence celebration. And we are thankful for your guidance and the many blessings in our lives. We commit ourselves and ask you to inspire our spirits so that we all can work together to develop this country according to the plans that you have set out for us, Amen’.

QUESTIONS

Mr ATI WOBIRO – Thank you, Mr Speaker, my questions are directed to the Minister for Forest and Climate Change. Recently in Panakawa, a second-hand roller veneer dryer that was brought in from Indonesia blew up, killing three people instantly and injuring 12 others. The injured were brought to Port Moresby General Hospital, but unfortunately, one of them died later on. The explosion also caused massive destruction.

- (1) Is the Minister aware of this unfortunate accident?
- (2) Does the Minister intend to investigate this incident?

Mr PATRICK PRUAITCH – Mr Speaker, I thank the Governor for these very important questions, but before I respond, I want to extend my condolences on behalf of the Government to those who have lost loved ones in this accident and to those who have been injured and hospitalised.

I am aware of this accident and I tasked the Managing Director for National Forest Service to investigate and give a detailed report so that it can be tabled in Parliament in the next session to highlight the seriousness of the case.

However, I wholeheartedly agree that any operators involved in Forestry concessions in the country must make sure to follow safety standards at all operations. We will be taking

appropriate measures to ensure that those operators who have not complied with the safety standards will be held responsible and dealt with accordingly.

02/07

Mr SAM BASIL – I ask leave of the Chair to ask you a question as a matter of clarification, Mr Speaker.

Mr SPEAKER – Leave is granted.

Mr SAM BASIL – Mr Speaker, with respect to the honourable Chairman of the Permanent Parliamentary Committee on Constitutional Laws, Acts and Subordinate Legislation, I bring to your attention a few irregularities that I spotted yesterday during the presentation of the Report on the amendments to *Section 124* and *145* of the *Constitution*.

Mr Speaker, during the presentation, we were provided with a copy of the Chairman's statement. I later found out that the statement that the Chairman read was completely different from the one that was distributed. So, I went to the Parliamentary office to seek clarification about the difference in the statements.

Mr Speaker, I found out later that the statement that was distributed was the one that was supposed to be read out. It contained the six recommendations that were captured in the book.

Mr Speaker, I later found out that the Committee mentioned that there weren't any meetings held to change this statement.

Mr James Marape – Point of Order! *Section 122* of the *Standing Orders* doesn't make it mandatory on the Chairman to make a statement. When the issue has been debated and the report is presented to the Speaker, the Speaker allows the report to be tabled.

It is just by way of good nature and good practice that the Speaker has been allowing the Chairmen to make statements. I'd like to make this point to the good Deputy Leader of the Opposition so that he takes note of this issue.

Mr SPEAKER – Thank you, honourable Minister, Your Point of Order is in order. Honourable Deputy Leader, you may proceed.

Mr SAM BASIL – Amendments to *Section 124* and *145* should require two different statements. Can the Chair make some clarification?

Mr SPEAKER – Thank you, Deputy Opposition Leader.

I must inform the honourable Deputy Leader of the Opposition, Members of Parliament, people of Papua New Guinea and the media in particular, that the report of the Committee on Constitutional Laws, Acts and Subordinate Legislation that was presented on the Floor of this Parliament is or was the original report that was prepared by the Committee.

I want you to understand the fact that the original report that was presented that day is in its original form. What was read out was a statement. And you must understand the difference between a statement and a report.

And that report has not been tampered with and not altered in any way whatsoever. The contents therein capture the actual findings of the Committee.

Mr Sam Basil – Point of Order! Why were we given a different statement from the one that was read out?

Mr SPEAKER – Let me explain this. The issue that you have raised and made a subject of the Chair to explain has of course misled the people of Papua New Guinea. Your comments, assumptions and inferences are about the statement by the Chairman and not the report, and that is something you must understand.

The Chair is certain that the statement delivered to Parliament was indeed the correct statement as endorsed for presentation by the Committee. And if a different statement was given to Members with this report then it was a version circulated in error by Parliament staff, I must inform Parliament. I have ascertained that fact.

The Chair was, however, privy to both statements, I must inform Parliament. I was privy to both the two statements but I was informed by the Committee that the amended version is the Chairman's statement.

And again, let me remind the honourable Members that this statement in no way affects the Report. It does not in any way affect the report because the report is as it is.

You will find the recommendations under Roman Numeral seven in the report.

03/07

It is at the discretion of the Chairman to make a statement. It is not stipulated in the *Standing Orders* for him to make a statement, but Parliament has allowed him to do so.

The most important thing here is the report which you all have received and it is placed on your desks. So the Parliament and the Deputy Opposition Leader must understand the fact that the statement by the Chairman of the Committees is not the Report of the Committee. It is titled as a 'Statement' by the Chairman. Therefore, it may not necessarily contain the recommendations and therefore cannot alter the facts and recommendation captured in print in this Report.

You must understand that the Chair purposely allowed the debate to be prolonged yesterday. If you can recall, so as providing additional opportunity to all Members of Parliament to skim through the report and find the recommendations in the hope that it will stimulate debate. That was allowed yesterday in fairness so I did not think it is a matter for the Chair to explain this morning, but for the benefit of the public and the people of Papua New Guinea and the media, I have to make this explanation.

In addition, if Members were alerted to an error or evidence of tampering of the Report of even the statement, then it was upon each one of you to have raised it yesterday. But that was not even raised in this Parliament. I do not see a reason why it has to be raised outside of Parliament when it is a matter of Parliamentary practice.

I believe the Leader of the Opposition is making an issue out of this event as a result of your own ignorance. It is a key lesson to all the Members of Parliament. We all need to verse ourselves well with the *Standing Orders* and be aware of the fact that Parliament has done its part in allowing an impartial Report to be made available to all of you. As an elected Member of Parliament and a second- term leader, the Deputy Opposition Leader should not bring such matters onto the Floor of this Parliament for the Chair to sort out.

I have received a letter from the Deputy Opposition Leader to refer the Chairman of the Committee and the Leader of the Government Business to the Privileges Committee but I do not think that is necessary because they have not violated the *Standing Orders* so I will not make a reference for them before the Privileges Committee.

Honourable Members, I hope I have explained well for all to understand and put this matter to rest.

Mr FRANCIS POTAPE – I direct my question to the Minister for Bougainville Affairs. Recently in the daily papers, the head of the Autonomous Bougainville Government

continuously attack and accuse the Government of Papua New Guinea for not giving them enough money and resources to develop their region.

Many believe that Bougainville is an integral part of Papua New Guinea and they deserve the best from Papua New Guinea.

What is your position on this continuous attack and accusation by the head of ABG?

Mr STEVEN KAMMA – Mr Speaker, I thank the Member for Komo-Magarima for his question. Bougainville is very much a part of Papua New Guinea. In response to why ABG is making such inferences, as leaders we must make acquittals of public monies, but we are not seen to be doing that. And in fairness, the ABG must follow suit and acquit for all the funds it receives from the National Government.

04/07

Even the former Treasurer who is now the Prime Minister allocated K500 million, where K100 million is released annually and ABG had already received it. As the Minister who represents the National Government, I have not received a single acquittal from this K100 million given to the ABG Government. That is why as a Minister responsible, I advised the PM that there will be no funds released until the K100 million is acquitted to the Government because it's not their private money but its public funds and that same amount will be released for the next five years. Even the Minister for Forest and others spelt out clearly that it would be used for impact projects, not for recurrent. It's very clear, he can complain but if he doesn't tow the line then you know what will happen.

Mr SPEAKER – I must remind Honourable Minister, please face the Chair when you are speaking and not to the Member for Komo-Magarima.

Supplementary Question

Mr JOE SUNGI – My question is in the event of the perception now within the Bougainvilleans with the National Government's position,

(1) Does the Minister has a way forward in making sure that there is a better way of delivering those projects so that the majority of the Bougainvilleans and of course, Papua New Guineans should hear where the Government is going to go?

This is regardless of the differences between the National Government and the attack on the President of ABG.

(2) Can the Minister clarify how the National Government will go about to delivering those projects so that the Bougainvilleans benefit and basically address and follow the spirit of the National Government's position on Bougainville?

Mr STEVEN KAMMA – Thank you, Mr Speaker and Member for Nuku.

I think I'm very clear on that have a body called the JSP to make decisions on which, impact projects to implement in Bougainville with the K500 million.

Secondly, I think it is better that the K500 million is parked in a trust account where we, the four Members of Parliament can decide which impact project to fund for the people of Bougainville. Mr Speaker and it is very clear, it was addressed through the President by the Prime Minister in Kokopo.

Mr Speaker, I don't know how the first K100 million was used.

05/07

Mr Speaker, there has been no projects done on Bougainville at the moment. The only impact projects that are taking place are the ones that are done by the four Members of Parliament.

Mr Speaker, the Prime Minister is aware that we should set up a Committee where it will implement impact projects by the National Government in Bougainville. This is because to this day, we still do not know where the first K100 million is.

Thank you, Mr Speaker.

Mr RONNY KNIGHT – My question is directed to the Minister responsible for IPBC but since he is not here I would like to direct it to the Prime Minister.

My questions are:

(1) Will Telikom PNG assist my people with our telecommunication needs or not?

In Manus, the landlines are intermittent and unreliable. Since I became a Member of Parliament my office landline and fax lines are still not operational to this day. Apart from that, most business houses in Manus rely on mobile phones to do business.

Mr Speaker, V-SATs are the lifeline of our people who are isolated and should not be disconnected. Peoples' lives depend on this communication method and I expected that as a government service we would be paying rental only for the handsets. However, my district is

being billed K1,500 per handset per month, and at the moment, I have about 14 V-SAT installations. My questions are as follows:

(1) What would be the right amount for rental?

(2) Does Telikom PNG intend to do away with landlines altogether and ignore the customers who are paying their fees and bills?

(3) If not, when will they rectify the problem?

(4) Why are we billed thousands of kina per months for the V-SATs that they turn off at their whim? These are causing deaths every day, Mr Speaker.

Mr PETER O'NEILL – I would like to thank the honourable Member for Manus for his questions.

The Minister responsible is not present at the moment, but I will certainly take those questions on board and direct him to give a very detailed answers regarding what is happening in Manus Province and regarding the specific circumstances.

Mr Speaker, nevertheless, Telikom PNG is really a government infrastructure that is aging. There has been a lack of investment into that industry for quite some time and as a result no new equipments have been purchased to upgrade the telecommunication services in many parts of the country. There has been limited services particularly in landline to serve our communities.

Mr Speaker, our Government has recently approved an infrastructure re-investment programme that the Minister for Public Enterprises has brought to Cabinet. This re-investment programme is well over K200 million and I understand that the contract for those infrastructure investments are being finalised, and out for tender. Therefore, I would like to assure the Member that we will do everything possible to upgrade the services in the telecommunication industry in the country.

Mr Speaker, telecommunication is an important infrastructure that can grow the private sector and grow our economy of our country. Therefore, it is regrettable that previous Governments have not invested in a timely manner in this area, but I can assure the Parliament and the nation that we are refocusing on this matter.

Mr Speaker, I would also like to inform this Parliament that we have appointed a new Board and the new Board has got some strong business leaders in the country. This is also headed by the CEO and Chairman of the City Pharmacy Group, and Stop- N -Shop Group. They are an aggressive business entrepreneur who are bringing in the same approach and

management skills to Telikom PNG and I am certain that we will see an improved level of service in this service industry.

06/07

I understand that there are some management changes in the Telikom organization and they are bringing in new skills to upgrade the services that we are going to rollout.

Mr Speaker, I will certainly ask the Minister to reply to the Member in writing about the rentals, the declining of services in the Manus Province and the specific circumstances regarding the VSAT rollout programme in Manus.

Supplementary Question

Mr JOHN HICKEY – Mr Speaker, the VSAT system has caused us huge expenses’ as the Member previously mentioned.

When VSAT was initially rolled out the National Government provided K30 million. As part of its Community Service obligation, what Telikom agreed to was that for people living in remote areas they would be charged normal telephone calls for each of those units that were put in and that was the agreement made by Telikom and the Department of Finance.

Telikom did not charge rent for those units as per the agreement for some years and then all of sudden without warning, we all had to face this K1500 per month rental. It doesn’t matter how we beg Telikom, they will not respond.

In a recent PAC inquiry, we requested Telikom to provide us information and the CEO has not bothered to respond to any of the directives of the PAC inquiry.

Mr Speaker, Can the Prime Minister address the VSAT issue?

It is a service that is littered across the nation and I say littered because it is a service that we cannot afford to pay. It is also a service that can save lives in the remote areas but is not being sympathetic.

Mr PETER O’NEILL – Mr Speaker, I thank the Member for Bogia for his question.

Mr Speaker, I cannot agree with him more. I know that many Members of Parliament have all invested through Telikom to try and install VSAT systems throughout their electorates.

On top of paying for the infrastructure and the equipment costs, I understand that Telikom is also charging rentals for it.

That is very much double dipping and it goes to show inefficient manner in which Telikom, a State owned Enterprise is rolling out this service.

Mr Speaker, it is regrettable but we will do everything possible to correct that. I will bring this matter up to the Management and the Board of Telikom to rectify these issues.

Mr Speaker, what I also note is that a private competitor like Digicel who is rolling out this VSAT program throughout the country and they are doing that much cheaper and much faster than our own State company.

Mr Speaker, before we know it, Digicel will overtake the market. I really think Telikom needs to upgrade its own performance so that they become competitive and provide service to the rural communities, especially when Members of Parliament are using their own funds to supplement Telikom to roll out this program, it must be delivered cheaply to our people.

Mr RON GANARAFO – Mr Speaker, my question to the Minister for Petroleum and Energy is in relation to the LNG Oil and Gas that will be exported in the next 12 months.

Can the Minister advise Parliament whether our oil and gas will go through downstream processing or will they be exported in their original state?

07/07

I ask this question because it was reported in the daily newspapers that there are three or four more of these projects; in the Gulf and Western Provinces.

This means that after the first LNG project goes in 30 years, we may have 100 years of production or more, therefore, we want to do some downstream processing to boost the economy of this country.

Mr WILLIAM DUMA – I thank the Member for Dauilo for this very important question.

Mr Speaker, there are two components to this issue. We started exporting oil more than 20 years ago. At that time, the Government made the decision to request InterOil to put up an oil refinery. And whether or not the oil refinery has been producing to its capacity or not is a matter of debate. But in relation to oil and gas, yes, there was an attempt made by the Government. As far as, I know Inter-Oil is one of the companies that was encouraged to go into downstream processing.

Mr Speaker, moving on to the question of LNG, the first team led by our Chairman at that time was Sir Puka Temu who is present in this Parliament.

Mr Speaker, when we negotiated the LNG project, it was to be a pioneer LNG project. It was going to be a first time for a developing country to develop an LNG project. At that time, we were negotiating with the world's largest energy company, ExxonMobil. The Government's main idea was to attract more investment. We had to make a conscious decision to give away some concessions in order to attract investment for the first time in our country.

Mr Speaker, the agreement specifically provided that there be no gas set aside for downstream processing, only in relation to the nine trillion cubic feet of gas, mainly from Hides 1 and Hides 4 and some condensate from the existing oil refineries.

Mr Speaker, this agreement based on the 9 trillion cubic feet of gas will go for 30 years. And as we know, ExxonMobil is still conducting ongoing exploration activities in the fields of Angorea and Juha. And we remain confident that more gas will be found after the completion of the drilling activities. When ExxonMobil and the partners find more gas, it will mean that it's more than the 9 trillion cubic feet of gas which have been committed for this projects. When this discovery is made then we will review the project agreement and the State will negotiate a different set of packages with the developer. Now that we have the presence of the world's largest company in this country, we can afford to negotiate with ExxonMobil and make sure that for the next trillion cubic feet of gas apart from the nine, which has been committed, there will be some provisions for downstream processing.

Mr Speaker, I can assure the Parliament and the people of this country that when that happens, the country will have the strength to negotiate and insist that we allocate gas for downstream processing.

That has been recognized and there is a clause in the agreement, which provides for review. When ExxonMobil and the partners find more gas, it will automatically trigger a review. This project is likely to go beyond 30 years and more.

08/07

We estimate that it will go up to 50 years. So this time around, this country will not lose out in terms of downstream processing.

Mr Speaker, the InterOil Project does have a clause which recognises this and the project partners in that project agreement have agreed to set aside gas for downstream

processing. So in the case of InterOil, there will be sufficient gas resources which will be made available for downstream processing.

Mr Speaker, I am pleased to again to report to Parliament that some weeks that now the Government has a definite and concrete proposal from a Japanese consortium led by Itochu and Mitsubishi Gas Chemical Company. That proposal was given to our Government in May 2013 and the Prime Minister did make a statement in relation to it. This proposal is a US \$1 billion project made by Itochu and Mitsubishi Gas Chemical Company for a Ethanol DME Plant in this country. It will be the first and most modern project of its kind in this region.

Mr Speaker, one must always remember that for one to go down to downstream processing, you have to have a market for it and in this region, there are already DME and national projects in Australia as well as Indonesia and it is all dependent on market forces. When there is a market and an investor who is prepared invest billions of its shareholder money then you have a project. But in this case now that we have the ExxonMobil project, all the flights lead to Port Moresby. I am pleased to be able to say that as a result of that project, we have a firm proposal from Japanese companies, some of the leading chemical companies in the world.

Mr Speaker, we all know that when you deal with Japanese companies and when they say that they have a project, you know that it is a goer. So once again for the first time in the history of this country, we definitely have a Ethanol DME project in this country.

There is also another project and a proposal has been made by another Japanese company. We are also looking at that and if the investors thinks that it will be a goer then again, we will of course have two DME projects during the term of this Parliament.

So once again, in relation to the question raised by the Member for Daulo, I can say that the InterOil project does contain a provision which allows for some of the gas to be set aside for downstream processing and we have adequately covered for that possibility with a firm proposal from the Japanese company. So for the first time in this country, we will go into downstream processing.

Supplementary Question

Mr POWES PARKOP – Thank you, Mr Speaker, for giving me an opportunity to ask my supplementary questions.

(1) Can the Minister inform Parliament and the people of Papua New Guinea whether he has a definite plan to use the domestic market option with ExxonMobil?

I am not sure of any such arrangements with InterOil but with ExxonMobil, there is a domestic market option in the current agreement.

(2) Can we use this arrangement to convert LNG to LPG in Port Moresby, so we can provide electricity to the city because currently we do not have enough power and the city and the industries in it cannot operate without adequate power?

Also with LPG, we can also power all the motor vehicles in the city and also trains if we want to. It is a simple process. So does his department have any plans and are there any discussions between his Department and the Department of Public Enterprise before this grand project in Kikori commences? It is simple now because next year, we will start to export LNG. The Plant at Papa and Lealea is ready so how are we going to explore that option to convert LNG to LPG? If he is concerned about market, Port Moresby and Central Province are good markets for electricity.

Mr WILLIAM DUMA – Mr Speaker, I thank the Governor for the important questions. I briefly answered the question earlier on, but let me emphasise again that any project as we know is market driven.

09/07

You need to have an investor who is prepared to have that kind of money. As in the case of ExxonMobil, it was a pioneer project. When we negotiated, that we had no-one putting their hands up to say that they were prepared to invest in downstream processing; not even PNG Power at that time. They could have told us that they had need for power but that did not happen.

But in the case of ExxonMobil, we had to commit nine trillion cubic metres from Hides 1 and 2 to underpin that very important LNG project. Any other gas which comes onstream will then be dedicated for these sort of activities and power of electricity per say is minute compared to LNG. It is not that much. There were provisions previously when some gas was used to power Porgera Mine and that was provided in the agreement. But apart from that, there is no provision in the agreement for that nine trillion cubic of gas to be used for power supply. There is more gas to be discovered and certified by ExxonMobil and based on what we have given so far, there will be enough gas on Mengari and Juha when they come online in 20 years time to provide gas for these sort of activities.

There is a specific condition in the InterOil project agreement that will provide for that and these are all based on commercial considerations. When we have an investor who

comes and informs any other leader that he wants to do a project than we will talk to the suppliers and there is none so we cannot talk about something that is non-existent.

Mr NIXION MANGAPE –My questions are directed to the Prime Minister as the Acting Minister for Police. The questions are in relation to police operations in Pogera.

(1) Can the Minister explain why the Police in Porgera have used hirecars for the last six years?

(2) Who is responsible for the hire payments?

(3) Can the Department purchase uniform vehicles to save costs?

Porgera has been economically contributing to this country for the last 25 years and the Police Department has yet to purchase a vehicle for them.

Mr PETER O'NEILL – These are very important questions, as we know hire-care charges are quite expensive. There has been a hirecar racket going for quite some time where people have been unduly influenced to get more money out of the bureaucracy. It is not only within the Police Department but everywhere else.

Mr Speaker, Members of Parliament are aware of an announcement made for all Government-owned vehicles to have Z plates. The Police Commissioner has begun to re-equip the Police Department and is directly purchasing vehicles to eliminate the hiring of vehicles.

In the coming months, Police throughout the country should have uniform vehicles, so that they are correctly identified. Porgera police are included as there is a lot of migration due to the mine and the influx of people is putting a lot of pressure on the local community.

Illegal mining is also going on in the Porgera mine pit that is causing a lot of stress, so I will speak to the Police Commissioner to put more equipment and manpower in Pogera.

Mr TOBIAS KULANG – Mr Speaker, my questions to the Minister for Transport are in relation to the issue of LNG projects that was raised by the Minister for Petroleum and Energy.

10/07

Minister for Petroleum spoke about the LNG Project and other big projects of that scale when we spoke about the PNG LNG Project. A figure of K40 billion was said to be the

cost of EPC, or Engineering, Procurement and Construction phase. I wonder how much of that K40 billion stayed in this country?

My question to the Minister relates to general Aviation businesses in this country. I understand that the general understanding is that there must be a greater shareholder of the operating companies by Papua New Guineans.

I understand that some operators in this country such as Tropic Air and Fubilan Air operating in this country do not meet this requirement.

Mr Speaker, my questions are:

(1) When will the Department strictly enforce this policy to protect this minimum market so that Papua New Guineans can rise up?

(2) If these people do not follow our policies, when are we going to take action against them because some of those operators have been operating for quite a while in this country?

Mr ANO PALA – Mr Speaker, let me firstly thank the Member for his very important questions.

I think about four weeks ago I announced the latest Transport Policy approved by this Cabinet.

That policy states very clearly that the aim of the Aviation Industry is to provide a cost effective service, and even in some areas subsidized air services because this is a very complex industry and when our people are ready they will be given the opportunity to provide some of these services.

But sometimes in the process of giving our people the advantage or support or even discriminating in their favour we encourage operations which are not cost effective and at the end of the day, our people are burdened by those costs.

Now the policy today is to make the transport industry effective and affordable. That is the main aim of the policy and if it leads to our people getting into the industry to participate, then let it be.

We do not want to push our people into the industry as a result of which might be to push up the cost. I think as you know in some of the areas, especially the rural areas, and I think that's the area, as you know it is very expensive to operate these services. And some times it is not viable to provide these services.

In some cases, especially the Mission aviations or Mission runned aviation services, these are all subsidized by private people. I think the aim of this policy which the Government announced six weeks ago is to subsidize most of these services so that most of

our people can have effective services. In many cases Members are also now providing subsidized services through their DSIP programmes so that their people can bring their goods to the markets or bring the markets to their people.

Mr Speaker, that is the aim of this policy and it is not there to do otherwise, of course I think other laws allow our people to be given a lot more support to get into the aviation industry. In those circumstances our people are encouraged to own more than 51 per cent of the air services businesses.

11/07

But at the end of the day it does not matter whether you are on 51 per cent or 49 per cent. The aim is to provide an effective, cost effective and viable operation to provide those services to our people throughout the country.

Thank you, Mr Speaker.

MOTION BY LEAVE

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

Leave granted.

SUSPENSION OF STANDING ORDERS – REARRANGEMENT OF BUSINESS

Mr JAMES MARAPE (Tari-Pori – Minister for Finance) agreed to –

That so much of the *Standing Orders* be suspended as would prevent Notice Nos. 2, 29, 30, 31, 32, 50, 55, 56, 79, 84 and 87 being called on together and one question being put forthwith.

**REPORT OF THE COMMISSION OF INQUIRY INTO THE SINKING OF THE
RABAUL QUEEN, 2012 – PAPER AND STATEMENT –
REPORT ADOPTED**

Debate resumed from 12 February 2013 (See Page...).

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

Motion (by **Mr James Marape**) agreed to –
That the Parliament take note of the Paper.

**DEPARTMENT OF CORRECTIONAL SERVICE – STRATEGIC PLAN,
2011-2020 – PAPER AND STATEMENT –
PAPER NOTED**

Debate resumed from 22 November 2012 (See Page...).

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

Motion (by **Mr James Marape**) agreed to –
That the Parliament take note of the Paper.

**PERMANENT PARLIAMENTARY COMMITTEE ON PUBLIC ACCOUNTS –
REPORT ON THE INQUIRY ON AN INQUIRY INTO THE EFFECTIVENESS
OF SOLID WASTE MANAGEMENT IN PAPUA NEW GUINEA, FINAL REPORT,
2012 – PAPER AND STATEMENT – PAPER NOTED**

Debate resumed from 22 November 2012 (See Page...).

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

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

That the Parliament take note of the paper.

**PERMANENT PARLIAMENTARY COMMITTEE ON PUBLIC
ACCOUNTS – REPORT ON AN INQUIRY INTO PART FOUR
REPORT OF THE AUDITOR-GENERAL, FINAL REPORT, 2010 –
PAPER AND STATEMENT – PAPER NOTED**

Debate resumed from 22 November 2012 (See Page ...).

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

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

That the Parliament take note of the Paper.

**PERMANENT PARLIAMENTARY COMMITTEE ON PUBLIC
ACCOUNTS – REPORT ON AN INQUIRY INTO GOVERNMENT
HEALTH SERVICES, DEPARTMENT OF HEALTH, HOSPITALS
AND RURAL HEALTH SERVICES, FINAL REPORT, 2012 –
PAPER AND STATEMENT – PAPER NOTED**

Debate resumed from 22 November 2012 (See Page...).

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

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

That the Parliament take note of the Paper.

**DEPARTMENT OF PRIME MINISTER AND NATIONAL
EXECUTIVE COUNCIL – ANNUAL REPORT, 2011 –
PAPER AND STATEMENT – PAPER NOTED**

Debate resumed from 27 March 2013 (See Page...).

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

Motion (by **Mr James Marape**) agreed to –
That the Parliament take note of the Paper.

**ASIA PACIFIC PARLIAMENTARIANS UNION (APPU) –
77TH COUNCIL MEETING AND THE 43RD GENERAL
ASSEMBLY – PAPER AND STATEMENT-
PAPER NOTED**

Debate resumed from 16 May 2013(See Page...).

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

Motion (by **Mr James Marape**) agreed to –
That the Parliament take note of the Paper.

**AFRICAN CARRIBEAN AND PACIFIC-EUROPEAN UNION (ACP-EU) –
31ST SESSION OF THE ACP PARLIAMENTARY ASSEMBLY AND INTER-
SESSIONAL MEETINGS OF ACP-EU JOINT PARLIAMENTARY ASSEMBLY –
PAPER AND STATEMENT – PAPER NOTED**

Debate resumed from 16 May 2013 (See Page...).

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

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

That the Parliament take note of the paper.

**TREATY DOUCMENTS – PAPERS AND STATEMENT –
PAPER NOTED**

Debate resumed from 18 July 2013 (See Page...).

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

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

That the Parliament take note of the papers.

**PAPUA NEW GUINEA IMMIGRATION AND CITIZENSHIP SERVICE
AUTHORITY – MINISTERIAL SATEMENT –
PAPER NOTED**

Debate resumed from 11 September 2013 (See Page...).

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

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

That the Parliament take note of the paper.

12/07

**COMMISSION OF INQUIRY INTO SPECIAL AGRICULTURE AND
BUSINESS LEASES (SABL), 2013 – PAPERS AND STATEMENT –
PAPERS NOTED**

Debate resumed from 18 September 2013 (See Page...).

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

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

That the Parliament take note of the papers.

SPECIAL ADJOURNMENT

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

That the Parliament at its rising adjourn until Tuesday 12 November 2013 at 2 p.m..

GRIEVANCE DEBATE

Question proposed –

That Grievances be noted

Mr BOB DADAE (Kabum) - Thank you, Mr Speaker, for recognizing me to be the first to speak in this Grievance Debate.

I stand here to express my gratitude to the people of Papua New Guinea for their support to the Government and for having pride in their country which they displayed during the 38th Independence anniversary recently. Reports of these celebrations in Lae, Port Moresby and Goroka were published in the media and I believe there were similar celebrations elsewhere in all of the 89 electorates and 22 provinces of this country.

Mr Speaker, these celebrations displayed were significant compared to the previous celebrations in the past and it leads me to make only one conclusion and that is the people of Papua New Guinea are pleased and in support of this Government. This Government has stability, which we experienced over the last 10 years and I stand here to show my gratitude to the founding Father of this country, Grand Chief Sir Michael Somare, who imitated stability in this country since 2002. And until today, the seeds sowed by our fathers are still carried on by Prime Minister Peter O'Neill, that is why we must not look at the misleading statements published in the media against this Government.

As the Prime Minister has said, only a few people are against this Government whereas the majority of the people support this Government. They are happy with the decisions that this Government is making, decisions such as the Free Education Policy. Parents were once burdened and worried over their children's schools fees. Eighty seven per cent of Papua New Guinean are subsistence farmers and they don't know about business.

They only know of planting kaukau, tapioca and other food crops. I believe it was an amazing experience for tourists who travelled in from other countries to see almost all people wearing the PNG colours red, yellow and black.

I believe a sensible Papua New Guinean will not say that the Government is not in order. In the recent past, there were some reflections of this union shown in strengthening our laws such as the Vote of No Confidence being increased to 30 months, and decreasing the number of sitting days to 40 days.

13/07

These laws are good in order to have stability and good governance. I believe, in the last 38 years, a Prime Minister was removed through a Vote of No Confidence merely because of power. Those in power wanted recognition. In PNG culture, this is classified as *big man* or *big meri*.

I believe, we are not protecting any Prime Ministers of the Day by moving it forward but to avoid unnecessary way of challenging and disturbing performance of the Government. We normally talk about freedom of democracy. So, what is democracy? I think the real democracy is to do with the people. Our people have the freedom to make choice and that freedom comes at every National Election. Under today's law, the Party that delivers the high number of Members of Parliament is requested by the Governor General to nominate a candidate for Prime Minister. And the Party with the highest number is a reflection of the wish of the people of Papua New Guinea as to who their Prime Minister should be.

So when we leaders come to this Parliament, and when we decide to change that particular leader we are challenging the democracy. So where is the democracy we are talking about? I think the decision that has been made is in the best interests of the people of Papua New Guinea.

I can see that my people are happy and I know that they are happy with this Government. I know the government is continuing to progress because we have provided that stability. The investor confidence has increased and many are travelling in. You simply have to board Air Niugini to find that all the seats are being taken.

When I became a Member of Parliament in 2002, I boarded an Air Niugini flight and realized it was half empty likewise in the terminal. But today, you must be two hours in advance if you want to board the flight including the international flights as well. This reflects that the people of Papua New Guinea have money and they can travel. The general perception of a good economy and good government is show-case amongst its people.

On behalf of the people of Kabwum, I thank Mr Speaker and all the Ministers and Members of Parliament on their good performance which was appreciated during the Independence Day celebrations.

Mr RONNY KNIGHT (Manus) – Thank you for recognizing the people of Manus. My concern is regarding the banking system in Papua New Guinea and the lack of compassion and cooperation.

Mr Speaker, it is frustrating in almost impossibility for the average villager to start an account to obtain a loan with the requirements set by banking institutions.

Mr Speaker, sadly, it is a fact that when the average person does get an account the problem are only compounded. I personally believe that the former Government dropped the ball when it sold PNGBC. This bank was trusted by our people. This bank actually rewarded investors for the positive savings by giving them interests. The bank then used the investors money to engage in larger opportunities and rewarded them for it.

Mr Speaker, once upon a time we can deposit a sum in an account and make a profit. Today, these institutions are telling and showing us that we have to pay them for the privilege to allow the bank to use our money. Let us immediately review the law that allows such banks to shut the life savings of the small people of Papua New Guinea. It is shameful. We currently paid fees for deposits, withdrawals, cash handling fees, ATM fees, account maintenance fees and many other fees as well.

14/07

Mr Speaker, I challenge anyone in this Parliament to deposit K300 into a normal savings account. After one year try and withdraw the money. You will find most of it will have disappeared in bank fees.

Mr Speaker, apart from all the other fees there is a strange fee called a dormant account maintenance fee. Today, hundreds and thousands of ordinary Papua New Guineans are enduring this and many have a bad experience of this flagrant theft by applying unnecessary fees.

If you walk out of this door and ask the nearest random person they will testify to this.

Mr Speaker, the bank is using our money to make money and we are paying them for the privilege. In every other country in the world even where some of these banks are

represented there is legislation in place to the effect that banks cannot charge customers fees in excess of the interest that the customers are earning.

At the very most there should be no charges for a simple savings account.

Mr Speaker, if you calculate all the money that the banks charge as fees from our ordinary citizens who have no say, then you can see why they pose record profits.

Mr Speaker, why are our grassroots people being burdened with additional hardship such as this? How can someone be struggling to earn and save for his children when the bank fees are chewing away his estate?

In the past everything in banks was done and calculated by hand and it was labour intensive. Surely in this modern day and computer age it should be much cheaper and easier to maintain and service our account. Why the excessive charges?

Mr Speaker, we need people friendly Banks that can allow an ordinary citizen to deposit his K300 and know that he is earning a modest interest while adding to his estate.

Mr Speaker, yes, I hear the fancy jingles and see the pictures of bright green flying piggy banks. I appreciate the donated trash bins, the green painted public fences and the playground equipment painted green. I read of the gifts to the children's wards in the hospitals and it is good.

Mr Speaker, it is common knowledge that there are no bright green flying pigs. It is a fact that pigs cannot fly. What banks are doing to the communities is, "but a drop in the ocean" compared to what they are taking in from the communities.

Mr Speaker, now we come to another unique self appointed roles the banks have assumed. It seems that without our knowledge, the banks has become a member of our Joint District Budget Priorities Committee and our unofficial auditor.

Mr Speaker, this strange phenomenon is bringing in more and more delays into our heavily red tape systems.

Mr John Pundari – More fees charged!

Mr RONNY KNIGHT - Mr Speaker, they want us to be answerable to them by providing all the resolutions, minutes, contracts and everything under the sun and we have another huge animal blessed with a negative state of urgency.

Mr Speaker, has the Bank being appointed to be a part of our political mandate?

There is already a stringent system in place that we endure until a cheque is raised. Now we find to our dismay that the bank in its wisdom refuses to honour the cheques. Why?

When we eventually get someone in the bank to advise the run around begins. All sorts of questions and requirements and copies of all the paper work are provided yet again and still they sit on it.

After we furnish everything to them and still they don't honour that cheque. Another two months pass by. Meanwhile, the urgent project of the legitimate Government of the Day is approved and delayed to enormous cost materially and most importantly the cost in time.

When we finally get approval and sense out of them they make us wait another 14 days for clearance of that same cheque. Never mind that the cheque has been in their "grubby little paws" for the past how many months already.

Mr Speaker, at this rate, our five years to deliver services to our people will be a battle with bureaucratic bungling and nothing will get done. These funds belong to the people and the banks are only responsible to look after it. Who gave them the right to come up with all sorts of measures and impose them on the mandated leaders?

Mr Speaker, it is frustrating and this is no joke. I am sure that many of the Honourable Members in this Parliament will agree with me that we cannot tolerate any more tomfoolery.

This Government must order those banks it deals with to pull their socks up or change banks to one that is user friendly. It must also legislate to make these banks compliant to the same principles other banks around the world adhere to for our people's sake.

15/07

Mr WERA MORI (Chuave) – Thank you Mr Acting Speaker, for recognising the people of Chuave.

I want to contribute a few remarks in this Grievance Debate. But before I commence, I want to take this opportunity to congratulate this Parliament on behalf of the people of Chuave for passing this very important *Constitutional Amendment* that will provide stability.

It is only fair that I also ask the members of the press, both the printed and electronic media who are here, to take note and understand that Members of this Parliament are elected by the people to represent them.

We are here not to legislate to protect our own interests. What has happened yesterday must be commended because it provides stability for this Government and for any other Government in the future to able to govern and deliver, which had been a major problem in the past 38 years.

During the Independence Day celebrations, the people of Chuave did not celebrate at Chuave station, but held their celebration in an isolated community called Monono and over

15 000 people turned up to celebrate because for the first time they have seen a Government who is able to make sure that there is medicine in their little aid post, sub health and health centers.

They came in numbers to celebrate because they have seen the O'Neill/Dion Government has allocated funds into DSIP to construct roads and therefore they came in thousands to celebrate the achievements.

Mr Acting Speaker, it is only fair, that since I have the opportunity to commend and congratulate the Treasurer, who is not here in this Chamber today for being appointed the Chairman of both the IMF and the World Bank.

This demonstrates the vote of confidence of the international community on PNG and especially this Government led by Right Honourable Prime Minister, Peter O'Neill and his Deputy, Leo Dion.

Mr Acting Speaker, having said that, I also want to contribute a few remarks by saying that sometimes we must take time to recognize some of the citizens of this country, who sacrifice their life and give their best time to PNG.

Many a times we recognize and talk more about people who fought in the Second World War and walked the Kokoda Trail only.

It's about time and only fair that we must give recognition to citizens of this country who have died in the cause of duties for the benefit of this country. For those Scientists from the Medical Research of Goroka, who lost their lives at sea in West New Britain and just recently the three porters who have walked from Wau to Salamaua, they had to put their lives on the line so that those expatriate tourists to walk our tracks could be saved.

Please, can anyone here tell me what would have happened if they had ran away and left those expatriates to fend for themselves. If those tourists have lost their lives then I know that there will be all sorts of bad publicity in the media.

But once again, I take this opportunity to say thank you on behalf of my family and the people of Chuave and send our condolences to these three sons of Morobe for putting their lives on the line to save those tourists.

Mr Speaker, once again the Government has made another milestone decision to acquire the OK Tedi Mine, with that we must see it on a positive note, despite all these negative publicity. It's a vote of confidence in the Government now that it is giving us an opportunity to consider projects such as the Frieda River project that has remained sub-economic for a long time; for four or five decades.

16/07

We have the infrastructure now at the Ok Tedi Mine and I am pretty sure that the Government will be looking at also acquiring into Frieda River so that we can be able to mine that project, bring it into production and process them at the facilities now available at the Ok Tedi Mine.

Mr Speaker, this is because in the long run, I believe we need to take control and manage our own affairs and this is the direction that this Government is coming from. If we have this opportunity to build the Purari Hydro Dam which will produce cheap energy, it will be good because instead of exporting copper mined from various mines in the country like Wafi in Morobe, Yandera in Madang and also in Frieda as concentrate, we should make use of this cheap energy and establish a smelter onshore. This will enable us to do downstream processing and this is an opportunity whereby I believe the Government can now undertake.

After all, all these projects need Government support and by direct participation, it gives them confidence so that it will encourage the investors to invest in the projects. This will give a big boost in the industry. We also know that such projects are not working properly in countries like Zambia.

Prior to 1970, Zambia had a flourishing copper industry but when they nationalised it, they failed miserably and after 20 years, they invited the private investor to invest again. It does not mean this similar situation will occur in Papua New Guinea because we know what happened in other countries and we will protect our interest and at the end of the day we will arrive at a win, win solution.

I am very encouraged by the fact that at least Ok Tedi has depleted their resources at the Open Pit Mine and the Government has taken control. Now the Government can go in there and do aggressive exploration drives so that we can find resources to keep the mine operating.

I would like to commend the Government on making that bold decision and I believe that we can also look at other projects. I suggest that we look at Frieda River Project because it nearer to the Ok Tedi Mine and develop it using the facilities at Ok Tedi Mine.

I now come to the issue of equitable distribution of resources. If we start downstream processing of copper here, at least we can think of provinces like Chimbu which does not have any resources but has abundant lime deposits that can be used in the downstream processing.

Mr Acting Speaker, I want to ask this Parliament and the Government not to forget Chimbu Province in 2014 because we may not earn much in terms of GDP but –

Mr ASSISTANT SPEAKER – Honourable Member for Chuave, may I remind you that your time is almost up.

Mr WERA MORI – Thank you Mr Assistant Speaker, in the 2014 Budget, can the Government think of us not only in the Recurrent Appropriation but also in the Development Appropriation. Thank you.

Mr ATI WOBIRO (Western) – Thank you Mr Assistant Speaker for giving me this opportunity to speak on behalf of my people of Western Province.

17/07

I am grateful to the Parliament for recently passing a very important legislation. I want to also apologize for not being present when this legislation was passed.

I was away at the Wiamp Border Post with the soldiers who have been posted there to celebrate Independence Day and to encourage them as they are working in a very difficult and trying environment. I was able to talk with them and our discussions included how we might help them.

I want to thank all the Members for their support in passing this legislation. I have been in discussion with the Prime Minister about this issue for many months and what he presented was a combined outcome of our discussions and so I want the people of Western Province to know that their views have been represented. I want to particularly thank the Members from Western Province for speaking in support of this legislation.

I also want to acknowledge the support and comments that Sir Mekere Morauta has made. He has rightly said that the PNGSDP and Ok Tedi's benefits are for the people of Western Province. My challenge now to all of us, including Sir Mekere Morauta and BHP Billiton, is to come up with a suitable arrangement that will realise those statements.

The challenge is that there is no need for court action; the people of Western Province are supportive of this move and do not wish to take anyone to court. We just want to take charge of our own destiny and to be in charge of our own benefits.

In my discussions with the Prime Minister, we spoke of how the structure could be at the provincial level, so we are ready to take on the challenge. I also want to say that as a province, we are ready to tackle problems relating to the mine, together with the Government and this is in relation to the building of a Tailings dam, which we view to be very important.

I think this will send out a strong signal throughout the nation and the world that we are willing to do the right thing. The Prime Minister's visit to Tabubil showcased the Government's continued support and for change to take place. The people of the province welcomed this change and I will seek the assistance of the Prime Minister, Ministers and PNGSDP to realise this. Let us show the world that we can manage our affairs well, because we realise the importance of what we have.

I wish to thank Parliament and we are grateful for your support Western Province people are not greedy people.

18/07

. We have shared our resources for many, many years. But what we want is to take control of our share of benefits so that we know what we want and we deliver because we are answerable to our people.

If we don't deliver we are answerable to our people, PNGSDP is not answerable to anybody. So thank you very much, Acting Speaker.

Mr GARRY JUFFA (Oro) – Thank you, Mr, Acting Speaker for recognizing the people of Oro.

My debate is going to be very brief, not as brief as the Minister for Environment and Conservation but briefer than that.

Mr Acting Speaker, my debate is about the Public Service machinery and I just want to share with fellow Members here some of what I have learnt in my short time about the Public Service machinery.

But before that, I would like to commend the Government, especially the Prime Minister for supporting the Public Service Review Committee and I would like to encourage him to keep in touch with us and make more funds available so that we can carry out the overhaul of that machinery which is well overdue.

Mr Acting Speaker, for the first time, rural Papua New Guinea is seeing substantial amounts of money being put into those areas by the Government. But again, we are still seeing poor management of those funds and many of our leaders are being blamed for the inefficiencies of our bureaucrats in our provinces and our districts, this is a fact.

For instance, I reviewed the expenditure in my province and I was appalled to find out that three-quarters of the funds that were given had not made it to the rural areas, to the rural

stations and districts. These are monies allocated for jetty maintenance, aerodrome maintenance, station maintenance, and so on.

I have checked with the sector advisors and they have told me that they have not received their grants. The executive arm of the administration is basically a power of its own and many of us are finding it very frustrating to deal with these people.

It is important that we review the Public Service machinery so that it is relevant to our needs where we can act decisively. And people can see the changes that we are constantly preaching about because right out there in the rural areas what we, the leaders believe in is not being implemented. The stations are dying, the districts are not getting the services that they deserve. It's a problem of management and I would say here that it starts with the Executive Management level in the Provinces.

That's the experience that I have had. I would invite all the Members to go and sit down with your District Administrators and Provincial Administrators and review the funds that have been allocated.

The non-functional grants, for example, what has happened to those monies? I am not sure about you but I have not received any quarterly reports that are due to me. The province has not even produced annual reports that is required of the Parliament every July. Numerous letters have been sent out asking them for these reports. Nothing is being done. And the process by which we would like to deal with these people is so cumbersome that by the time we are at a position when we are about to deal with them, it is almost time for elections.

And all the people are blaming the leaders for not delivering when in fact it is the bureaucracy that is supposed to be doing that. They have become so powerful and cumbersome unto themselves that you can't control them.

We need the powers to be able to hire and fire. We need the powers to be able to determine appointments based on merits, promotions based on merit so we are hiring reputable and credible people.

But we also need to look at their benefits so that we are able to remunerate them adequately. We have to tie them in with a performance based contract and it is my mission to see that everyone in the Public Service machinery from tea boy, all the way up should be on some sort of contract varying in the level of sophistication depending on what sort of roles they play. Their performance should be measured in some way.

19/07

We have three types of public servants; the nomads that pass through, dole collectors and nationalists. The nomads are always looking for jobs for they are always typing application letters. The dole collectors use the Public Service as a dole collection system to collect money and do nothing. And the third are the nationalists who are a very small minute group of public servants trying their hardest under very difficult conditions.

We need more nationalists but to attract the best people, we need to be able to remunerate them sufficiently. Then we can tie them into a contract and hold them accountable. I also agree with the Prime Minister's proposal for District Authorities.

I was a bit concerned because I wondered if we were going to create a parallel system within the province, but after his explanations I can see that he has a point. If we can create an Authority that can manage the Public Servants in a district then what about an authority where we can control the public servants in the provinces? This is an issue that all of us are facing and I am sure that every one of us has a story about the difficulties faced when dealing with our public servants either in the provinces or districts.

Many of us are blamed and therefore we struggle and work day and night to get things done. But when the machinery that is supposed to deliver the services to the people has broken down, and by the time you get it up and running it is already time for the elections. The people will then say that you have not delivered and thus vote for someone else who will then also face the same situation.

Therefore, can the Prime Minister and his Government give us support? We are waiting for your directions as well so that we can move.

We would also like to work with the Minister for Public Service and it is my opinion that the Department of Personnel Management should refocus and become an audit function. The Department will then manage the activities of departments and statutory organisations by reviewing what they are doing but not to be involved in the recruitment and structuring processes, and et cetera as this becomes a cumbersome exercise.

Those are my considerations, thank you very much.

Mr POWES PARKOP (NCD) – I would like to thank the Deputy Speaker for recognising me.

I would like to take this opportunity to talk about the betelnut ban that is proposed for the coming month of October. I would like to inform the Parliament and the people of NCD regarding this ban and clarify certain issues that are still unclear to most people.

Before I do that, firstly, I take this opportunity also to apologise to the Grand Chief, Sir Michael Somare and to the Chair for rudely calling out time up when the Grand Chief was debating on the issues of Ok Tedi. I was not intending to be disrespectful to him.

I, too, was heavily involved in the campaign against BHP and Ok Tedi before I became a parliamentarian. Therefore, I would like to thank the Parliament for doing the right thing for the long overdue justice for the people of Western Province. They have suffered for too long with little benefits when the damages to their natural environment are very great. In 1994, The World Council of Changes called for the close of that mine, so there were a lot of opinions against that mine already.

Therefore, I wanted to just explain a little bit here but once again I would like to apologise to the Chair and the honourable Grand Chief. I have already spoken to the Grand Chief in person and maybe later on, I will apologise to him in the customary way. I know that he is in his office right now listening.

Nevertheless, regarding the betelnut ban, I would like to thank the Parliament for its support. I know that this was not an easy thing to do but it was something that had to be done.

20/07

Our people within the city can change their attitude and behaviour so they help us to deliver a city that is conducive to quality life and a city that we can be proud of as our capital city, a city that promotes good values and it is a truly national capital that inspires our people. This is the whole idea; it's not to put our people out of business. I know our people, especially those who are illiterate, semi- skilled and unskilled or cannot find a job for some reason, a good number of them, rely on selling betelnut to sustain their lives.

Mr Acting Speaker, the problem in our city is, it has become hard to regulate the policies of NCDC over the last 15 years. We have tried all methods. Before my time, they selected two, Hohola and Tokarara markets for betelnut to be sold there only but that did not work, then in my time I stopped the selling of betelnut in public places like Port Moresby downtown or Tabari, Waigani commercial area and the Central Government District at Waigani, but the sellers did not adhere to this. They want to sell everywhere causing a lot of littering and the chewers just spit everywhere which is obvious in the city. It's something that is hard to regulate and NCDC has been spending huge funds to clean up these rubbish. Those people selling vegetables, like kaukau, tapioka and banana which is brought in from Highlands and Central provinces to sell at the designated markets and they pay the fees charged and these fees are used to provide service to them like cleaning the market, the

toilets, the water bills and the security but the buai sellers don't pay any fees and if you want to charge fees, they run away. It's so hard, like a cat and mouse chase.

Mr Acting Speaker, I'm sure you are aware of this situation because you live in the city. So after trying all these different practices, we are now taking on the ban as the last resort.

A scientist once asked me to introduce an insect that kills palm trees. Had I been psychologically affected, I would have accepted that offer because it's very tempting because the scientist only charged K50000 and with K50000, all these problems associated with betel nut would be solved. But I was considerate and if our people changed their attitude we would not be bothered about the idea of selling betelnut in the city because it's their city. We are just stewards but the sellers contributed to these problems because when they sell betelnut there is a lot of littering taking place and the chewers discard the spittle all over the city as if a gruesome murder has taken place.

Mr Acting Speaker, honourable Members of the Parliament and the people, there's another bigger picture I would like to present here to impress on us why we need to do what we are doing now. In the city, as you can see the negative values that will not contribute to quality life or positive life or prosperity of our nation slowly creeping in to become mainstream and we are tolerating it and accepting it and not long it will destroy our city and nation. Port Moresby is known for these; in the past we knew little about crimes such as hold-ups, and rape. All these emerged in Port Moresby and is being copied in other provinces. In the past the coastal people did not chew and spit everywhere and they were afraid because of the belief that they would be poisoned by witchcraft activities.

21/07

. However, our people in the Highlands do not care about this. They ignore our coastal culture and use betel-nut chewing for commercial purpose seven days a week.

In the coastal areas betel is preserved for cultural obligations

Mr Solan Mirisim – Point of Order! Highlanders do not chew betel-nuts seven days a week. Can the Governor withdraw those words?

Mr POWES PARKOP – I apologise and I withdraw those words. It is true many people from the Highlands do not chew betel-nut so I will make a correction here. What I want to stress is that a betel-nut tree cannot grow in the Highlands Region. So the people

from that region should not be promoting the sale of betel-nut. The coastal people are the ones who should be promoting the sale of betel-nut instead.

I am stressing that it is filthy and unhygienic to spit betel-nut spittles every where in the city because it is very costly to clean the rubbish created by chewing.

I have already spoken to the Governor for Central Province regarding this issue and we will be working hard to address that issue. We will also make our people in the Central Province aware that we are not putting a ban on the sale of betel-nuts. Markets will be set up outside the city like at Sabusa along the Hiritano Highway. The Governor of Central Province also wants a market to be set up at Hisiu. These markets will sell betelnut at whole sale price.

Our people in the city can buy from those wholesale markets and resell only at designated markets in the city. We are just doing what most other towns and cities are doing. This is not a new idea because in Mt Hagen, betel-nut is sold at Kaiu Market outside of the city.

Mr BIRE KIMISOPA (Goroka) - On behalf of the people of Eastern Highlands residing in Port Moresby city, I would like to congratulate the Governor for doing a fantastic job managing one of the most diverse cities in the South Pacific. I wish him well.

Governor knows that the Eastern Highlanders in Port Moresby have ploughed all your hills and we are known as the tractors of Port Moresby. We are doing a fantastic job making use of the land in Port Moresby.

Mr Speaker, I had the opportunity to look at the Mid-Year Economic and Fiscal Outlook Report, handed down by the Treasurer. It is a good report. I am of the view that if the economy is doing so well can the prices of goods in shops and the cost of doing business should be decreased.

I have heard the Member for Manus talking about the strings and policies of commercial banks in the country in terms of lending. But I am mostly concerned about the gaming tax which, is on page 16. If we give Papua New Guineans a tax concessions in terms of tax exemption, for instance with the threshold, roughly about K10 000 you are exempted from personal income tax then.

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On top of that, we have also generously subsidized Health and Education right across the country. By doing that, disposable income rightly should go up in the pockets of average Papua New Guineans right across the country. What I see on the report is quite frightening.

On page 16, the Gaming Tax Revenue has gone up in the last six months and collections have gone up to K160 million. So in other words, we have a growing industry the Gaming Industry.

Mr Speaker, by the end of this financial year, I suspect we would have hit the K400 million mark, and next year, I suspect, we may hit the K1 billion mark.

Mr Acting Speaker, that is telling us that our people are not taking advantage of all the concessions and the enormous exemptions we are giving our nation in terms of health and education. You ask where their money is going. Well they are spending it on horse racing and poker machines.

Mr Acting Speaker, our people are not putting money into the banks. If we don't have incentives, we need to include them in the 2014 Budget. We have to discourage the trend of investing in poker machines and horse racing.

Mr Acting Speaker, let's not deceive ourselves and face the fact that our country is a hard place to live in. The majority of our people cannot afford the high cost of goods and services.

If the economy is doing so great, I would like to think that we can bring some of the costs of living down in this country. In 1999, a Housing Commission 2-bedroom house would cost around K6000. The same house now in Goroka costs K120 000.

Mr Speaker, all our children that have gone to universities and have become lawyers, accountants and doctors and so on will find it impossible to buy a house these days. In growing the economy we are pushing the costs too high and our people cannot afford the basic necessities of life. Home ownership is one of the biggest things in this country. If they cannot afford a medium house at these prices, we are sure to have a lot of problems.

Mr Acting Speaker, the Report tells me a lot of stories about the economy. Let us include some incentives in the 2014 National Budget, and if some of our people want to buy a house let us allocate some grants like K10 000 and encourage them to look for a house. Otherwise our people will go and invest in the Gaming Tax Revenue.

Mr Acting Speaker, I also raised my concerns about the increasing costs of petrol, diesel and cooking gas, which are basic needs in this country. As much as we are giving all these concessions in this country, we owe it to ourselves to tie our people to good investments so that they don't go around wasting money on gambling activities. We need to make a concerted effort and we need to start now. I was fortunate in my generation because of the prosperity created by our forefathers like the Grand Chief Sir Michael Somare, which I had the privilege of enjoying. I never paid a school fee from primary school to high school

and was educated under the Queensland curriculum with expatriate teachers. The expatriates taught me to have balance meals, three times a day at Unitech until I completed my studies. The Minister for IPBC can confirm that because we were classmates.

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At that time, our generation had easy access to everything because our forefathers of this country made sure that life was easy. We were able to buy a house at our level and lived comfortably.

But the children of today's generation will have a hard time. Therefore, I want us to restore and practice what our forefathers had done in the past. We have to make some sacrifices and decisions in this country.

Before I conclude, I want to say that there is no authority above this Parliament. We are the only ones who will make decisions for our country. And above this Parliament, God is our Supreme Ruler because there is none other than him. God will not send an angel down here to rectify all our problems. We had to do it ourselves and now it's time to turn around and consider our children.

In the past, everything was easy such as getting a loan to pay for school fees and to pay for a house. But today's generation will have a serious problem. It's not because of the things that we didn't do, but it's the way this country is managed. So we must look forward and say thank you and build the new roads that need to be built.

At the local markets, it costs around K30 for a watermelon because the problem in this country is supply and demand. Demand has exceeded supply because supply has dwindled and we need to correct that.

Mr Acting Speaker, we have a fantastic country and we owe it to our kids. If the cost of living and doing business can come down then we will have a wonderful country that we all can be proud.

Thank you, Mr Acting Speaker.

Mr ANO PALA (Rigo – Minister for Transport) – Thank you, Mr Acting Speaker.

I stand here to join those people who have congratulated this Government and the Prime Minister for this very important decision made yesterday.

Mr Acting Speaker, I am very proud to say that we have made a best decision on the issue of OK Tedi mine on the Floor of this Parliament.

Mr Acting Speaker, that decision is a great win for the people of PNG. I have been in Parliament for almost 15 years; 12 years as the Clerk of Parliament and seven years as a Member of Parliament.

Since my life in Parliament, I have been hearing about this issue championed by the Members of the Western Province for the last 38 years.

And only before yesterday, I realized the importance of the fight they had taken on. For the last seven years, the Member for North Fly has been persistently pushing this issue. And because he is a very simple and humble man, he raised certain issues we may have overlooked. But I think the courage, determination and the wisdom of the Prime Minister in supporting him to eventually lead to this decision demonstrated the importance of the small people and their course.

But making a big decision requires not only a lot of wisdom but also a lot of strength of character, which comes with a lot of integrity.

I think the Prime Minister and all of us here have made one of the most important decisions in the history of this country. We have given the power to the simple people. We have taken on a giant and we have won. I think that demonstrates that we can take on much bigger fights for our people.

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Mr Speaker, every five years, we go back to the simple in our electorates because their names are on the Electoral Roll. We go back to see them because we need their votes and that is the only time we do so because they are important and the electoral roll is controlled by them. We get elected and come back to the formal financial sector and the business community where their names do not exist. Their names are not in the bank system, taxation system or financial system because somehow, the system is structured that way where names of 80 per cent of the ordinary people do not exist.

The problem there is that the powerful system of finance and business is controlled by those people who control that system and we are part of it but the big businesses and banks are more in control. So when we say that the Members of Parliament have won a bigger case and the Prime Minister has taken us through a challenge resulting in our people winning for a change is a very big achievement. Unfortunately, this was the way where the system was established many years ago and that system is controlled by money and money is controlled by the rules set down by the system. I am not saying it is bad but I am saying that we must understand how it works so that we can have control over it.

But the only way our people have control over it is to put their names into the system. And the way to do this is to put money in the banks and pay your taxes. In this way your people have some sort of opportunity or way of advancing their lives.

Mr Speaker, I can go into the bank and because I have a bank account, they will open their door to me and talk to me but if I have more money in the account, banks will invite me to go and talk to them. And maybe if I own more money, the banks will come to my house and look for me.

(Laughter in the Chamber)

Mr ANO PALA – This is actually how it works. If I have more money in the system, banks will offer their shares to me.

Now, if you apply for a loan, they will ask how much money you have. Well, my account is there, you should know it. Well, you need to put some more money in before we give a loan. And if I don't have money, they will ask for my assets so I will give them enough assets to cover the loan I am asking for but the banks will say, give us more; we need to cover your loan with your assets. After giving them everything, they will say, we need your life, we need a guarantee but that is how the system works.

We have a chance of winning this system but you imagine our people out there. They have absolutely no chance. Even we have problems getting bank loans. So when our people don't have a chance, there is no way of progressing beyond the K2 or K3 they earn from marketing.

Mr Speaker, yesterday's win is a demonstration of what we can do for our people. When we take on a giant that controls the financial system, giant that the financial system go to their house for, a giant that controls the banks, I think that is the way to advance the course of our people because there are two systems. One system we control during the elections and the other which we have no control over it.

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I think this Government is going down the right path. If we win our people our people will advance. There are many big projects to come and this also calls for more decisions to be made.

I must congratulate the Prime Minister because he has taken on a fight that no Prime Minister has ever taken and we are on track and if continue we will advance for the sake of

our people. Eighty per cent of our people are in the rural areas so if we are to help them to move forward we have to assist them and bring them into the financial system.

There is no other way in which we can help them, we must bring institutions like the banks to them because the banks determine, create and dominate wealth.

Mr MALAKAI TABAR (Gazelle) – I wish to show my support and share a few comments; firstly I would like to congratulate the Prime Minister on the legislations passed this week, particularly on the Ok Tedi issue. This shows that we want to help our people so that in the next 38 years we are able to say that we have served our purpose in assisting our people.

I also want to commend the Governor of NCDC, in introducing the Betel nut ban and this also gives the people of Central and Gulf to organise markets for what has become an important commodity for these provinces.

Also to the newly elected Member for Angoram, I take this opportunity to welcome you and congratulate you on your election.

I had the opportunity to accompany the Member for Tambul/Nebilyer to visit a prison in Malaysia where we were shown a demonstration of Capital punishment. This visit was made possible by the Law Reform Commission and it is now time for us to also consider the human rights of the families of the murder victims.

Last week we have heard that the families' of the two porters killed on the Black Cat Track have taken the law into their own hands.

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I believe, and as the Prime Minister said in Caucus meeting which was captured by the media, those people who perpetrated those murders, when found guilty, should face the death penalty which the Parliament has already passed.

I believe that the time is right for the CS Minister and Justice Minister to seriously consider implementing this law. The situation warrants such an event because with the onslaught of SMES and other such opportunities people will consider blocking roads and holding up cocoa buyers and other such small business people.

Criminals have been a detriment to a lot of small to medium business enterprises because they are capable of killing you on the road and stealing your money. We, in Gazelle have experienced a downturn in purchasing of cardamon because many buyers have been deterred from buying it by criminals. This is a common occurrence.

I believe it is about time this country witnessed the death of a person who kills innocent people. The Death penalty must be imposed.

We have talked about a lot of issues but many of the things we have passed cannot be carried out because we have not punished perpetrators adequately.

Many murderers know that if they are imprisoned, they will have three square meals a day, free soap, free water, free electricity and even a free life. And we have even suggested that we should bring their wives to entertain them in prison.

I am very sorry. It is about time we act on our words. We must bring them to the gallows and behead them. Those human rights people should learn from Japan which the media reported that 38 death row prisoners were put down last week. They have 120 prisoners on death row and another one was hanged on Tuesday last week. That was in Japan which is an advanced country.

We in Papua New Guinea have a responsibility to carry out executions through the laws we have passed already. In Kerevat, we have seven or eight death row prisoners. These people shot a defenseless person on a boat in a piracy case.

In the case of gang rape, we all have heard of the four young men in India. All the people in India marched and demanded their execution and the laws have agreed that these four people should die by hanging from the neck.

It is about time Papua New Guinea should acknowledge this. I believe those involved in robberies, killings related to robberies and gang rapes should be put in their right places after the justice system has take its course.

The Member for Goroka has expressed a sentiment saying that God is not going to send an angel. The person we visited in prison in Malaysia said God will not send an angel to come and do our work. We must organize ourselves and execute these tasks to bring justice to the people, especially to the relatives of the victims. Justice must be seen to be done. We must not continue to talk about justice and not deliver it to our people.

Thank you, Mr Speaker.

Motion – That Grievances be noted – agreed to.

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ADJOURNMENT

Motion (by **Mr Ano Pala**) agreed to –

That the Parliament do now adjourn.

The Parliament adjourned at 1 p.m..