

## **FOURTH DAY**

---

**Friday 15 November 2013**

**DRAFT HANSARD**

---

**Subject:**

**Page No:**

<b>MATTER OF PRIVILEGE – STATEMENT BY MR SPEAKER.....</b>	<b>2</b>
<b>QUESTIONS.....</b>	<b>2</b>
<b>GRIEVANCE DEBATE.....</b>	<b>16</b>
<b>ADJOURNMENT.....</b>	<b>44</b>

## FOURTH DAY

**Friday 15 November 2013**

The Speaker (**Mr Theo Zurenouc**) 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 Nawae, **Honourable Gisuwat Siniwin**, to say Prayers:

‘In the Name of the Father and of the Son and of the Holy Spirit. Amen. Gracious Father, mipela tok tenkyu. Bikpela samting mipela tok tenkyu long mipela bilip long yu.

Strongim dispela bilip blong mipela bai mipela ken sanap na wok. Yu yet bai givim mipela wisdom na knowledge long ranim dispela country.

Blesim Prait Minista blong mipela, blesim Spika blong mipela, na blesim olgeta Memba blong Palamen mipela sanap istap. Yu blesim mipela wantaim olgeta wokman blong mipela na femili blong mipela tu.

Papa God, tenkyu wanpela taim gen long yu makim mipela long lidim dispela Palamen. Yu wantaim mipela long dispela de, wanem toktok na wok bai mipela mekim insait long dispela flo, yu stap wantaim mipela. Mipela askim helpim blong mipela, Holi Spirit, long gaidim mipela na inspirim mipela long mipela iken toktok long dispela neisen.

Yu wantaim mipela na yu ken kamap Papa blong dispela Palamen long dispela moning na oltaim, oltaim.

Mipela askim dispela long Nem blong Bikpla blong mipela Jisas Krais, King blong mipela, man bai ikam bek klostu. Long nem blong em mipela ibeten. Amen’.

## **MATTER OF PRIVILEGE – STATEMENT BY MR SPEAKER**

Honourable Members, the Prime Minister raised a Matter of Privilege yesterday relating to a series of questions asked by the Leader of the Opposition in relation to the Prime Minister's recent trip to Israel. The Prime Minister also asked the Chair to refer the matter to the Privileges Committee to engage two psychiatrists.

Honourable Members, the Chair has considered the merits of the matter and has decided to firstly refer the Leader of the Opposition, in relation to the matters relating to the question on PNG Sustainable Development Programme.

On the second matter in relation to the engagement of two psychiatrists, the Chair has decided not to refer that.

## **QUESTIONS**

**Mr JAMES LAGEA** – My questions are directed to the Minister for Transport and does not relate to the events occurring in my Electorate. That is under control. The Governor and the Provincial Government is taking adequate care of that. We will shortly come to the Government to seek assistance where they can help but I thank the people of Papua New Guinea for their prayers and assistance.

I am happy with the Land Transport Board inspectors who have been conducting daily road safety checks from 8 a.m. to 4 p.m. at selected areas of the city. I don't know if that is happening in other parts of the country but it is more frequent in the city. Their enthusiasm has become so contagious that even sometimes the roadblocks are set up in unlikely areas.

My concern is inspectors who conduct the checks impound many vehicles but after a day those vehicles cannot be found there.

(1) Does the Department of Transport have a storage or salvage yard where those vehicles are impounded?

All the inspectors have receipt books and give out receipts for the collection of spot fines on the roads.

(2) Does this money go to the Consolidated Revenue Fund at Waigani or where else does it go?

**02/04**

There are many vehicles that were manufactured in the years 1975 and 1976 still running on the roads.

(3) Are your officers going to impound or ban these vehicles from operating on city roads? As of yesterday, I heard that there were about 400 vehicles manufactured in those years coming into the city almost every week. This also increases the traffic congestion in the city.

(4) Is betelnut and smoke included in the receipt book as well?

**Mr ANO PALA** – I would like to thank the honourable Member for his questions.

Regarding his last question in relation to betelnut, I believe that the answer to that question was sufficiently detailed by Governor Powes Parkop. In relation to impounded vehicles, currently, we do not have a storage yard. I believe you have a genuine concern that is also shared by many people in the city and throughout the country.

There is evidence of people being fined and as to where they are paying their fines also raises further questions and questions are also raised regarding the age of vehicles.

Mr Speaker, in order to address these issues, we have undertaken the only possible way and that is through a structural adjustment. The policy was circulated about two months ago and the Department is now in the process of setting up a system. This system through legislation will be brought before Parliament and that is the National Road Traffic Authority (NRTA), which the transport inspection system will also come under. The collection of all fines will also come under this Authority. We will also address the issue of who should be doing the road inspections.

In our own view, the Police should be conducting road inspections and not the Traffic Registry. So, in view of all these concerns, which have been around for a long time because of problems with too many organisations in the Department addressing these issues.

Therefore, the proper way to address it is through a structural adjustment, which is currently under process.

I also believe issues affecting the operation of taxis will be addressed. Therefore, if the taxis are not clean and that the taxi drivers are not observing the rules of traffic, the standard of driving and the conditions set out in their licenses, then these will also be properly addressed by one system.

I cannot pretend to know all the answers and this Government as well cannot pretend to know all the answers and their solutions. Therefore, what we have done is to set up this system that will address all the matters that you have raised your concerns about and the public's concern as well taking on board what you have suggested.

Mr Speaker, in relation to the vehicles that we impound as well as vehicles not road worthy will be impounded and tested for road worthiness. If, they do not meet the standards for vehicles that will be travelling on public roads, they will be destroyed. As for vehicles that are very old, some people collect the old vehicles for antique purposes and they may be old but they are very roadworthy.

**03/04**

Their owners ensure they comply with road standards and safety so in those cases these vehicles will be allowed to be on the streets.

But in response to all the questions, I want to assure the Member, the Parliament and the public that this Department is now addressing it the way it should be addressed through a proper structural approach where all the sections of the Department responsible for the vehicles, issuing of licences and checking standards will come under one division. They will all be addressed and accommodated under the National Road Registration System and that proposed law will be coming to this Parliament as soon as the Cabinet approves it. The legislation is structured in a way to address all those issues. All issues such as safety of taxis and many more that were raised by the Members of Parliament and the public regarding vehicle safety will all be addressed under this legislation. If you have any further questions you can raise them, but I want to assure the Members that this is the best way to address this issue.

**Mr WILLIAM POWI** – Thankyou Mr Speaker, my questions are directed to the Prime Minister in relation to a media report published today by the Deputy Opposition Leader, titled ‘Tell the truth about Budget delay’. This statement and so many issues that were raised by the Opposition Leader before the Government hands down the Budget is painting a negative picture about some of the issues the Government is dealing with in relation to the Budget including the Exim Bank, PNG LNG capital, NCD roads and some of the issues that were stated in the *Post-Courier*.

I think it is appropriate that the Prime Minister explain to this honourable Parliament and Papua New Guinea what is really happening with the Budget as opposed to the negative statements being published in the newspaper today.

**Mr PETER O’NEILL** – Thank you, Mr Speaker, I thank the honourable Governor of Southern Highlands for this important question.

Mr Speaker, I know that the Deputy Opposition Leader is not here today, as usual he says his piece and always disappears, but I hope that he will read my response in the *Hansard* on some of the issues he raised. Of course, the Budget will be handed down next week Tuesday. The Deputy Opposition Leader as the Finance spokesman of the Opposition has got the Right of Reply, but he is obviously having a second bite at the cherry by responding early without having the facts before him like he always does. He likes to go ahead and speak and then tries to correct it later. But we expect this kind of behaviour so let me respond.

Our economy is very much in good shape and that has been recognised by international institutions like *World Bank*, *IMF* and ratings agencies like *Standard and Poor’s* they have given our economy B-plus ratings and that is a very good indication that our economy is doing quite well. In respect to some of the issues that the Deputy Opposition Leader raised in the paper today, I hope that *Post-Courier* will also give our reply in the full-page story on its third page like it did for the Deputy Opposition Leader. It is something to see whether they are really impartial in their reporting.

**04/04**

Mr Speaker, the information they are portraying that we are borrowing so much money to fund the deficit is not true because the 2013 Budget clearly defines the deficit level that is needed for 2013. We are on track and that means we are not overspending. Our

expenditures are within the budgeted items and within the levels of appropriation approved by Parliament. That is also reflected in the final outcomes of the Half-Yearly Report released by the Treasury Department recently.

Mr Speaker, in terms of funding the deficit, we have not gone out to borrow money anywhere because there is enough money within the PNG economy to fully fund the Budget. We are not borrowing money from the Exim Bank, the World Bank, the IMF nor the ADB. So let us get our facts right here. The Central Bank is using the Treasury Bills to fully fund our deficit so that we can be able to manage the 2013 Budget.

Mr Speaker, as stated by the Treasurer in his media report, there was an over by K77 million out of a K13 million Budget. This is because some of the provincial administrations are spending more on salaries and wages thus, creating this over- spending. However, the rest of the expenditure levels are on track.

Mr Speaker, in terms of incoming revenue, there has been some decline in commodity prices on oil, gas copper and gold. The Government has put an exerted effort to collect more taxes from other areas where people owe the Government billions of kina.

Mr Speaker, because of that effort we were able to collect over K500 million and that is filling the gap created by the decline of commodity prices. So we have enough money to meet all the expenditure, therefore, it is unnecessary for the Deputy Opposition Leader to make outrageous statements like this. Such statements are picked up by investors around the world, so leaders have to be responsible. Who are we trying to serve? Our people need a strong economy and we do not need to talk it down. We don't need people like the Deputy Opposition Leader who continue to be negative.

Mr Speaker, when you think negative, you are destroying the economy and some investors will have second thoughts before coming into our country. The investors will know that we cannot manage our economy.

The Deputy Opposition Leader who stated that the Nautilus Arbitration has created a liability for us. While the Government was negotiating issues, one of our government officials without authorization from the NEC or the Cabinet, made a commitment to go into arbitration. So what has happened is that the arbitration has ruled against the Government.

We have concerns about the environment and the international property rights because this is the first of its kind. The Government wants to own those intellectual property rights. We are concerned about our exposure and whether we take 35 per cent or lower

interests in that project. So those negotiations are on-going, unfortunately, an individual officer in Treasury went ahead and put the Government into arbitration with the Nautilus Company. However, we are working through it amicably and we hope to resolve it.

Mr Speaker, I think the Government is not overexposed. This project needs a few years to develop into its full stage. So the Opposition Leader's issue is unnecessary and he is emotional about it.

Mr Speaker, the second issue is about *bemobile* which IBPC owns 35 per cent. The other smaller partners are *Nambawan Super*, *NasFund* and Hong Kong Investors who were there before Steamships.

**05/04**

Mr Speaker, IPBC is funding these from its internal revenue. It is not borrowing money from anyone else.

*bemobile* itself is not borrowing additional funds to fund its activities. The original funds that they borrowed from *BSP* and *ANZ* remain, and there is no additional borrowing.

Mr Speaker, let me assure the nation and this Parliament that *bemobile* is in negotiations which they are going to close very shortly to arrange with *Vodafone International*, not Vodafone Fiji, to try and hook into their network and franchise their name *Vodafone* for us to improve their level of service and the restructuring that is necessary to make *bemobile* very competitive.

Mr Speaker, the Deputy Opposition Leader also raised the issue of NCD Roads. We have already stated this fact in the 2013 Budget. It is going to cost about K400 million because of a growing population within the city.

In 2020, this City is expected to have a population of one million, and these are not people from another country, these are our people. They need basic services, roads, water, and better sewerage plans. As the population grows, we have no choice but to fund the infrastructure that the city needs.

Mr Speaker, we have planned that expenditure over three years and not in one year. We don't want to put unnecessary pressure on the Budget because if we allocate K400 million in one year then we have to cut off all the other services. That is why this Government is very responsible in planning its cashflow so that we can meet the demands as we do.



Mr Speaker, we are very much well on target and on this gesture, I want to thank the Governor and all the Members of NCD for the cooperating manner in which we are addressing the infrastructure needs of the City.

Mr Speaker, on the IPAC deal, it was done because we needed money to fund our shares in the LNG Project. We have funded that through a deal with the Arabs in Abu Dhabi. Of course, we had to mortgage our shares in Oil Search to do that. The agreement was that when Oil Search shares reach US\$8.55, we will then either convert, but it is entirely up to the Arabs. If they want to keep the shares then they will forgo our loan that they have given to us.

If they say they want their money and give back our shares then the Government has to arrange money to pay them. The value of the Oil Search shares is enough to cover all of these. We don't have to mortgage anything else. That is why we aim to discharge all the mortgages so that the Government is free of that liability.

Currently, the shares are trading at US\$8.55, so this Government doesn't have to put additional money on top of that to try and pay of this loan. In fact, we have parked enough money in a trust account that was agreed through a loan process to cover all the expenses. So the Government does not need to provide any funding in the 2014 Budget to meet that exposure.

The other issue was on LNG and the additional costs of ExxonMobil. These costs result from the delays and the demands of our landowners. All these things cost millions of kina on a day to day basis.

Mr Speaker, as a result, the expenditure blew up to US\$3 billion. So Exxon Mobil has to go out and borrow more money from the lenders to fund these. Borrowing is based on a 30 – 70 percent. We have to contribute 30 percent; not only our country but the other partners of ExxonMobil, Oil Search and everyone else involved. So 30 percent of US\$3 billion is about US\$500 million. So our contribution is about 20 percent, which translates to K200 million.

Mr Speaker, we also have enough funds to meet that. We don't need to allocate more funding from Budget. We have catered for such contingencies or liabilities that may arise. The Treasurer is handling that very well.

There is no need for the Deputy Opposition Leader to be excited and try to create unnecessary debate out of nothing. The public must be aware that we are managing this very well and we are not overly exposing the State into unnecessary liabilities.

**06/04**

I can assure you that when the first gas is exported, which is expected to be middle of next year, we will start getting the revenues.

The other issue that I want to elaborate on is the arrangement with Exim Bank of China. This figure of K6 billion has been mentioned so much but there is no official Government document approving that particular law.

Our arrangement with the Exim Bank is on a project by project basis. When we identify a project that is important to the nation, we will design it, cost it and then submit those project details to the Exim Bank for consideration and for funding. But we will put our counterpart funding in there.

To date, there are only four projects that are being funded and that's the University of Goroka dormitories with excellent facilities, Community College, Electronic Government Information System which commenced in 2011, Pacific Marine Industrial Zone, which the landowners have agreed upon and I commend the Governor for his support. All these issues have been addressed and those projects will be up and running.

There is no other borrowing apart from those all the other projects that we are talking about is still in discussion and once their loans are approved, we will announce it to the nation. There is no borrowing to fund the National Budget, IPIC deal and OK Tedi; these are absolute lies. People who have nothing to offer will continue to look for lies to build up their argument.

On that note, the former Minister for Mining, Mr Sam Akoitai, is already jumping on the bandwagon and I hope he is not campaigning for the Presidency seat for Bougainville. We have to question his motives for why he's carrying on.

As a former Minister and one of the longest serving Ministers for Mining in the history of our country, what has he done for OK Tedi and Bougainville? He has been sitting there talking with the investors and now he is on cushy jobs in mining companies, and he now feels that he has power to come and tell us what to do. OK Tedi is a very well-known issue now and the PNG Government and the people of this country are taking control whether people like it not.

For Mr Sam Akoitai's information, the economy is very much on track and we are going to be recording between five to six per cent growth this year, inflation and interest rates are stable. There is an issue with the fall in the currency but that is because of excessive

outfall of foreign currency in the country. At this time, many PNG companies are investing overseas. In fact, one company is investing hundreds of millions of kina offshore and that has taken many of the foreign currency outside. The currency is starting to appreciate and getting back on track, so there is no need to say that. And because the economy is in bad shape, there is no need to panic. The Central Bank independently manages the currency and it is doing a great job.

These are some of the issues that the Parliament needs to know and we are managing the economy well and within the laws of our country. We have stated that the Budget deficit will be below six per cent and our borrowings will be below 35 per cent of GDP, which is growing every year. We are keeping within the laws and regulations that Parliament has set. This Government intends to continue to grow the economy for our country.

**07/04**

**Mr JOHN HICKEY** – Mr Speaker, my questions are directed to the Minister for Foreign Affairs but since he is not in the Chamber, I will direct them to the Prime Minister.

Mr Speaker, it is considered fair and in line with good bilateral relationships and effective diplomacy for countries to have reciprocal arrangements between them regarding the issuance of normal travel visas for tourism and business. These arrangements happily exist between many countries of the world and Papua New Guinea.

Recently, the Prime Minister returned from Israel and Israel has accorded PNG those same relationships.

(1) Will the Prime Minister request the Australian Government to ensure that PNG citizens who apply for tourist or business visas into Australia are accorded the same courtesy as our country proudly accords to Australian citizens who enter PNG for business or for tourism reasons?

Our people must not to be treated in a discourteous manner, which is the case at the moment for many of our applications. I would make many comments but one of the main comments is for the length of time it takes for our people to obtain normal visas for entry into Australia and the way our citizens are treated regarding these applications.

(2) Should the Australian Government not be reasonable in matter of reciprocating of

visa arrangements, will the Government consider introducing arrangements whereby Australian citizens applying for visas in PNG will be accorded with the same requirements as PNG citizens now face with normal visa entry into Australia?

(3) Will the Minister and the Government be more diligent when issuing visas to individual Australians?

It is now evident to many of us that some Australian citizens who enter PNG for business or tourism are not complying with the conditions of entry, while some others are quite possibly a security risk to this nation.

**Mr PETER O'NEILL** – Mr Speaker, I thank you and I also inform this Parliament that the Deputy Prime Minister and the Minister for Foreign Affairs are both in Sir Lanka representing our country in the Commonwealth Heads of Government meeting. I wish them well in those deliberations.

Mr Speaker, I will put this matter to the Minister to take with it up with his counterpart while he is in Sir Lanka. I understand that the annual Ministerial Forum between the two countries will be held in Canberra in December. So I will make sure that this becomes a priority agenda when the Ministerial Forum takes place. When that Ministerial Committee takes place, I understand that there has been some level of understanding reached about the dedicated lines for Papua New Guineans to travel to places like Brisbane and Cairns.

I understand that there is a dedicated line but that is different from visa on arrival. I understand that everybody has been concerned about this for many years because we give visas on arrival. I believe, we will put them on notice during that Ministerial Committee Conference that these visas on arrival business for all Australians will be withdrawn by the end of the year, if we do not get similar arrangement. They all can go and apply for visa in Australia before they arrive.

**08/04**

We do not want to cause an inconvenience to the rest of the traveling public but such decisions have to be made based on principle as we all need to treat one another with respect. If we are applying for our visas, they should apply as well. We will show them our efficiency

in the bureaucratic process of visa approval, like they do for us. I would advise the Minister to make this a priority during the next Ministerial forum.

**Mr RONNY KNIGHT** –Thank you, Mr Speaker. My question is to the Minister for Correctional Services. In the last Government, we heard so much about a new prison to be built at Polno but since then nothing has been done and to date, it is invisible.

(1) Is the K5 million for the new Polno Correctional Institution still available for the project?

(2) When can we expect this project to start?

**Mr JIM SIMATAB** –Thank you, Mr Speaker. I thank the Member for Manus for his questions. I do not have any information on this project at the moment but I will have a discussion with my officers and then advise the Member accordingly.

**Mr GARY JUFFA** – I would like to ask these questions to the Housing Minister but since he is not in, I will instead, ask the Prime Minister. I would like to commend the NCD Governor for the good work in trying to keep the city clean. All Governors should make an effort and follow NCD as an example and clean our provinces.

My question is in relation to the National Housing Corporation (NHC) a department that should help the people of this country; however it is currently carrying out a lot of evictions in the city and in some provinces as well.

They are evicting public servants some of whom have spent their entire life living in those government houses. Life is difficult and many can't afford decent accommodation.

(1) Does the NHC have any plans to accommodate public servants and other citizens that are they displacing through these evictions?

(2) Does the Government have any plans to review the K7 per fortnight accommodation allowance for its public servants?

(3) Does the Government have plans to address the rising cost of accommodation and regulating the Real Estate Industry?

**Mr PETER O'NEILL** – Mr Speaker I thank the Governor of Oro for his questions.

**09/04**

I will inform the Minister for Housing in writing in a later date but let me respond to it as I see fit.

Mr Speaker, it is a public knowledge that I have on many occasion stated that these evictions must be done in a humane fashion and that Papua New Guineans must be given an opportunity to find alternative accommodations if the evictions are absolutely necessary. We are not here to put other Papua New Guineans on the street. There are already enough problems in life for our citizens so we need to make it easier for them.

I understand where the Governor is coming from and I will talk to the Minister for Housing to put an end to this eviction exercise.

Mr Speaker, there may be times where some of the properties are absolutely rundown and may be needed to be redeveloped. Those are the times that our people may be asked to leave so that they can redevelop those particular land areas but those will be special circumstances.

Mr Speaker, we know that housing is a big issue in the country so the Government has already set up a Ministerial Task Force headed by the Planning Minister on the housing issue with all the other relevant Ministers like Minister for Lands and Minister for Housing and others to assist him.

Mr Speaker, our aim is to also find land and develop them and give them to the people to build their own houses rather than the Government building houses for them. We will give them service land in areas like towns and cities throughout the country where Papua new Guineans can afford to buy a land.

Mr Speaker, the other program that the Government is now pursuing is that through the next Budget, we are allocating a substantial amount of money to accommodate the public servants in all the districts throughout the country. Our aim is that in the Budget, we are going to provide for the construction of 10 houses per district annually over the next four years. So remote districts which many of us represent, this will be the first time in 30 years that a government construction is taking place on these areas. The last time any government built houses in the districts was 30 years ago.

Mr Speaker, so you can see how neglected many areas are and when you go to districts, you will see fibros falling apart and roofs rusting. We need to accommodate our

people who are working for the government and our own citizens well so that we can get better performance out of them.

So next year, we will be asking the Members of Parliament and the Governors for counterpart funding. The National Government will provide the balance to build 10 houses per district annually for the next four years. This means, each district will have 40 houses before we go for elections and I hope that the new Government that comes in will continue the program so that the following five years, we will have 90 houses in the districts which will address some of the public servants' housing problems in the districts.

Mr Speaker, so I want to assure that we are putting all these issues to perspective and that the Ministerial Task Force will put their findings to NEC and they will shortly announce how we can finance it. The most important factor is financing. We have land but the problem is the financing the construction of many of the services that will enable our people to build better houses.

Affordability is the second question. Many of our people do not have enough income to be able to buy land and houses at the prices that are now beyond their reach. Mr Speaker, our aim is to try and reduce the cost so it is affordable, durable and long lasting. Those are the kind of issues that we are looking for in housing development by the Government into the future. So these are in terms of pricing and costs of houses.

In terms of the K7.50 Housing Allowance, PEA and the Government are now in negotiation as we speak. We are in negotiations not only in housing and related issues but also for wages for the public servants throughout the country. These negotiations are going well and are being handled by the Minister for Public Service and his department and we will announce the improved conditions soon.

Mr Speaker, over the last four or five years, every year, our public servants have been getting an increase in my understanding, through the agreement we had signed earlier with PEA five years ago.

**10/04**

Mr Speaker, we have been doing all we can to make sure that we pay our people well. Every year they are getting an increase so that they can afford to look after themselves and have a better standard of living. We will announce to the nation the policies as soon as negotiations with PEA are concluded.

**Mr JIM KAS** – Firstly, I would like to commend the Prime Minister for his warm compliments. Certain interest on the Floor of Parliament is left here. When we are in the provinces, it is our role to implement the Government and Prime Minister’s initiatives at the provincial level. I stand to enhance Government agenda in the province.

My questions are to the Prime Minister and they relate to the Constitutional and Law Reform Commission (CLRC) office.

There are a couple of legislation before us for consideration and deliberation on the Floor of Parliament, but I think CLRC is a body that has the powers to ensure that all the laws come through it before coming here.

My perception of the *Mining Act* and other bills that are coming here seem to have outside influence.

I would like to ask the Prime Minister if he can direct all laws that are being enacted or looked at to go through the CLRC for vetting before they reach Parliament to prevent sectoral interests influencing those laws to be biased towards them.

That is the concern that I have here and that is the idea that I perceive is happening so, Mr Prime Minister, please can you give clear directions to all the Ministers and others who have an interest in the *Constitution* or other laws to go through one body to be vetted before coming to the Parliament for us to pass. I do not wish to harbor these suspicious thoughts right now.

**Mr PETER O’NEILL** – Thank you, Mr Speaker. Thank you again to the Governor of Madang for his question.

The Constitutional Law Reform Commission is an important office of the Government and it has the responsibility of ensuring that the laws that we pass in this Parliament are in line with the *Constitution*. And it has had the full consultation of all the other relevant agencies of government.

Mr Speaker, many of the laws that are coming before Parliament have gone through a very rigorous consultation process. An example is the ICAC law. We have gone around the country consulting everybody including the Attorney-General’s Office, the State Solicitor’s Office, the First Legislative Counsel and other relevant ministries and departments. And of



course, the public was also consulted to allow many of them to include their inputs into this process.

Mr Speaker, I take note of what the Governor is proposing. I will sit down with the Attorney-General and the Chairman of the Constitutional Law Reform Commission, Honourable Benjamin Poponawa, to make sure that they interact with all the other agencies when we are looking through these laws.

On the specific issue that the Governor is referring to, on the Mining law, of course, we can refer it to the committee stages and if the Governor has an issue with a specific section of that law, let's work it through and correct it. We must pass laws that are in the interest of our country and our people. We cannot pass laws that are detrimental to our country and people.

So I want to assure the Governor that we are ready to work through many of these issues with him.

## **GRIEVANCE DEBATE**

Question proposed –

That Grievances be noted.

**11/04**

**Mr TITUS PHILEMON** (Milne Bay) – I would like to thank the Prime Minister and the Government for we are coming to the close of 2013, and for the first time I have seen development that have been insinuated in my province through direct funding under the LLGSIP, DSIP and PSIP. Therefore, I commend the Government and I know that it will continue this initiative for a long time yet to come.

As Members of Parliament, especially the Governors, we are beginning to see developments taking place in our provinces. We have been given the money directly by the National Government to have our projects funded and at the same time we also have our own development plans that we also implementing. Therefore, I would like to commend the Government for that initiative.

Mr Speaker, I would like to contribute a little to the paper that was presented by the Minister for Communication and was widely debated by the Members of Parliament. My interpretation of communication in this country is that, it is yet to reach the isolated and remote areas of our country. A lot has been said about the current technology and communication system that we are benefiting from in the urban centers of this country.

Nevertheless, our people in the rural areas are still cut off from communication. We have been talking about cell phones, 3G technology and Face Book, but our people that we represent here in Parliament still have no access to communication. They still die and suffer in the islands and mountains of this country. Therefore, it is still a big responsibility for the Minister for Communication and for the Government that we have to reach our people as far communication is concerned.

I still feel and believe that communication and transportation are important and without these two we cannot be able to say that we have developed this country. These two must come about hand in hand before anything else can be done and that is what I believe strongly believe in.

Mr Speaker, let me talk about something that is very close to my heart as the Governor and what we in Milne Bay Province can benefit from in the long run. What I am referring to is the sea and what it can give back to us. Many times we Members speak on what benefits we can get from our marine resources, cash crops and many others. There is a channel that we believe that we in Milne Bay Province as well other maritime provinces that we can be able to develop but this can be done as a nation as a whole.

Mr Speaker, you will agree with me that today the economy is booming and transportation at all levels is on the rise. It has also been seen that sea transportation has become very popular and the selected mode of transportation for some of the most dangerous cargos in the world. Therefore, I would like to refer to the Jomat Passage and I have brought this matter many times to the relevant Ministers and I am still waiting for some response to come back to me.

Mr Speaker, since funding has come directly from the Government we have taken this matter on board and as far as the Provincial Government is concerned we asked NMSA with a funding of K0.5 million kina to come and do a risk assessment in Milne Bay Waters. The risk assessment that NMSA is conducting is from Rossell's Pit towards the end of Papua New

Guinea and the Solomon Islands and between the Kiriwina and Kitava Islands where the ocean liners passed the Jomat entrance.

**12/04**

Mr Speaker, I want to bring this matter to the attention of the Parliament because when the risk assessment is completed, the Milne Bay Provincial Government is going to ask for the National Government's support to declare our sea or coastal waters as PSSA so that we will be compensated for our resource being used. There have already been accidents in the past where ships although technically equipped with GPS, still have accidents. An example was last year, when the *Asian Lilly* ran aground on Kitava Island and that became a national issue.

We have funded this project and NMSA is currently conducting the risk assessment in between Kiriwina and Kitawa. We have done this because in the future, we want to present our case to IMO to qualify for compensation.

As an island province, we depend on the sea and have seen how damaging it is. The Government is supporting us on tourism and we are all aware of the arrival of the cruise ships and that is something that we want to prepare for to help generate some income for ourselves. We have been blessed with these marine life but we are scared that the movement of ships in our waters might destroy reefs and the rich marine life.

Currently, the movement of ships in Milne Bay waters have increased and with the LNG production coming online this will increase.

In the past, only two channels were used by ships, the Jomat Entrance and the Rossell's Pit but recently the ships have been using China Strait and that is the route taken used by overseas ships to China. So now they are using all three channels and the safe movement of our people is at risk because they still sail by canoe as some cannot afford to buy fuel. This is the beauty of our lifestyle and we would like to preserve it. Tourists are attracted to our province to see our culture; not how we impersonate other cultures and lifestyles.

In the past, Mr Speaker, as you would understand, we never received any good benefits from Misima Mine and today the National Government uses Misima to showcase failure. We do not want to be used in the future as another failed province. We never got any Special Support Grant like New Ireland Province where they are still fighting. Whether they

will get it or not will depend on Sir Julius and his Government to answer for themselves in the future.

For us in Milne Bay, we have shelved it, but we are looking at other new areas that our province can offer. That is something that I have and I know the National Government will support us.

Mr Speaker, I just want to make a mention that as the Deputy Parliamentary Leader of the *Peoples Progress Party*, I ask the Registrar of Political Parties, Dr Alphonse Gelu, to apologise to *PPP*. He must apologise because he called us a regional party.

Mr Speaker, *PPP* is a national party, not a regional party. It's a party that has been in this country since pre-independence and it is totally unacceptable that someone directly responsible for the Office scrutinising the affairs of political parties cannot identify correctly, a party's such standing. He has to apologise to the members of the party in this Parliament and the supporters.

**13/04**

**Mr DOUGLAS TOMURIESA** (Kiriwina-Goodenough) – I would like to take this opportunity to thank the Prime Minister. I also thank the Minister for National Planning, Minister for Tourism and the Member for Goilala for visiting my Electorate last week during the launching of the first jetties. This is a major infrastructure on the Island of Love. The people of Kiriwina-Goodenough have been waiting for too long for such development to take place.

Mr Speaker, the Government has been pushing for tourism development in this country. However, in terms of economic development, the tourism industry in Papua New Guinea is a sleeping giant. We have missed out on that golden opportunity because successive Governments have neglected the development of tourism in PNG for too long. However, evidence has shown that our neighboring countries in the Pacific like Fiji and Vanuatu depend on tourism for economic gain.

I also thank the Governor of Milne Bay Province and the technical staff who have advertised the resealing of the Kiriwina road. I heard that a contract has been awarded and therefore, we need to announce to the people of Papua New Guinea that we need more local tourists. Instead of going oversea to Cairns in Australia, I would like to invite the people of

Papua New Guinea to come to the Trobriand Islands. I challenge our Ministers sitting here today.

Mr Speaker, we need to fix the airstrips and develop them. We need proper hospital facilities and I invite the Minister for Health to pay a courtesy visit to my Electorate. He needs to see how best we are giving support to the health centres.

Mr Speaker, I am also concerned about the SME's raised by the Minister for Trade and Industry because three weeks ago, I was in my electorate, and to my surprise I heard the announcement of a big vessel and saw an influx of foreigners entering Trobriand Islands. The influx of people into my electorate may be good for business but I have great reservations here because we have small exiting businesses since day one and they have also expanded. On the other hand, a lot of these new businesses coming in are not registered with the Investment Promotion Authority (IPA).

Mr Speaker, my concerns are; with the upcoming SMEs, we are trying to support our own nationally owned-businesses, do we have a law in place to protect the SMEs.

Mr Speaker, I have also given instruction to businesses around Kiriwina-Goodenough electorate to register a Kiriwina-Goodenough Business Association so that small businesses in my electorate can be protected.

**14/04**

Mr Speaker, last week, three boats arrived with three big containers at the dockyard. I asked if they were registered with IPA and they told me that it was coming later but they were there to set up.

We cannot have people just going into our electorates and setting up in our Electorates without partnering with our local businesses. They must partner with existing businesses on the ground. Otherwise we will kill our small local businesses and allow foreign interests in our electorates who should not be operating business without proper registration in this country.

For foreigners and investors to come into our electorates they must have proper registered businesses within the laws of our nation. I believe the country has lost a lot of revenues because there are so many companies who are operating in this country in disguise. We must be aware and check them out.

Mr Speaker, I take this opportunity to air my views on the SME. I know that there is a policy legislation that is yet to come to this Parliament, and I would appreciate if the Minister for Commerce and Trade can fast track the introduction of this legislation. A lot of our small businesses out there need to be protected.

Mr Speaker, it is encouraging to note that there is a will by this Government to strengthen SME and that IPA is encouraging registration of small businesses. But we must have that legislation passed on the Floor of this Parliament so that we protect the interest of Papua New Guineans. The interest of our people must be of paramount importance in this Parliament. For too long we have neglected our ordinary people and they deserve to be protected by this Parliament.

Mr Speaker, I commend the O'Neill-Dion Government for considering rural areas in our electorates and allocating funding for them. It is for the first time a successive Government has considered Kiriwina-Goodenough Electorate in addressing basic service needs there. There has been no known evidence of development on these islands.

There are two small atolls out in the islands. They are called the Simsimla group. On these two islands there is a population of over 600 people living there. The rest of Papua New Guinea doesn't know that there is no drinking water and they depend entirely on rain water. So they store rainwater whenever there is rain. When there is draughts there are around 10 – 15 people dying every month.

Mr Speaker, for the first time this Government has seen the plight of these people. We have raised it with the National Disaster Office and I have a report that they have carried out on the plight of these people.

It is only proper for leaders to get out there and do our own survey of our people. We spend too much time in Port Moresby and we don't go out there to our small people who are dying out there.

When my good Governor mentioned about the disaster where there was a shipwreck out on the island and destroyed a lot of the marine resources where our people get their fish for meals.

**15/04**

Mr Speaker, marine resources is the supermarket and garden of our people and we need to make sure that we protect the livelihood of our people.

Mr Speaker, I thank you for giving me this opportunity to speak on behalf of my people in Kiriwina-Goodenough.

**Mr WILLIAM POWI** (Southern Highlands) – Mr Speaker, I also want to raise some issues that I have realised in the course of my term in Parliament over the last six months. I have raised these issues in the previous Grievance Debates but I feel it important to raise them again today.

Firstly, I witnessed that during your term as the Speaker of this premier institution you have made progress in restoring and maintaining the integrity of this Parliament as well as restoring the Parliamentary Committee System, in dealing with issues of national importance. I commend you for that.

During this term of Parliament as other speakers have raised on different occasions we have had a lot more Ministerial Statements presented in Parliament meaning that Ministries and Departments are functioning and reporting to Parliament on the conduct of the affairs of this country.

We have also realised the importance of the Executive Government bringing a lot of legislation into Parliament and that is our primary responsibility as law makers. We set the broader framework and the benchmark for the doers and the implementers in the Provinces and Districts to implement them.

For some of us new Members, we are leaders in our own right in different capacities. We have gone through the scrutiny process to qualify us to be leaders in this Parliament.

Some of the positions that members of Parliament occupy like the Opposition Leader and the Deputy Opposition Leader are honourable positions that the *Constitution* provided for. We expect debates of the highest standing to be provided with articulate discussions, as the way forward, provide us with options so that people of PNG can see that the Parliament of PNG is debating on important issues of national significance.

Mr Speaker, we need to go one step further in making sure that a high level of debate maintained in the highest Institution of this country.

Yet, here I see that we are nitpicking and engaging in character assassination and talking about trifle things. I think this is unbecoming of leaders.

I want to hear and see leaders of this country emulate leaders who have been here long enough. They have a lot of skills that we the younger generation of leaders need to

emulate. We don't want to emulate gossips and back biting and dirty minds. We want to emulate leadership qualities that's going to set the foundation for this country in the years to come; and that's the level of discussions that we need to bring to Parliament.

If we are going to provide a critic and option then we must provide all those in order to make better choices. There are highly educated better knowledged people out there that we are representing.

Mr Speaker, you have done a fantastic job and we need to control these dirty minds, character assassination and the shallow level of debate on issues that we need to articulate and present to the people of PNG. So that younger people who are coming up through the rank and file can begin to get some of these exposure and experience and provide a better leadership for our people in this country.

Before I take my seat, I want to point out here that anyone of us honourable Members might collapse in this Floor of Parliament if not in their offices. We need to make Parliament more user-friendly and conducive enough for us leaders to come and attend Parliament meetings. Bring in those simple facilities such as exercise machines, sauna and steam so that we can re-energise ourselves and be active.

**16/04**

Mr Speaker, those are just some food for thought and so far so good. I commend your leadership.

Mr Speaker, I think we need to raise the level of leadership and the level of debate so we can provide better options for our people. We should discuss issues sensibly and set the bench marks befitting the title honourable and provide the leadership suitable for our people and the country.

**Mr RON GANAFARO** (Daulo) – Mr Speaker, before I speak, I would like to thank all the Members and the Ministers who have assisted us with the landside disaster along Daulo Pass on the Okuk Highway. I thank especially, the Prime Minister, Minister for Works, Minister for Lands, Governor for Morobe, Governor for Simbu, Governor for Eastern Highlands and the Member for Nawae.

Mr Speaker, I wish to “drive” you away from Parliament to RH Supermarket at Gordons, which is a five minutes-drive and have a look at the prices of the fresh meat and



seafood. If you compare the prices of various fresh meat and seafood, the highest that you will find is the price of prawns, which is about K40.00 per kilogram.

I have not been shopping there for over six months because the prices are too high. I do not know the prices now but K40 .00 is too much for me. I have not been to Vision City and I do not know the prices there but I do not go to Food World because it's too expensive.

Mr Speaker, K40.00 per kilo reflects the price of food not only here but what's available on the export market. If we are buying K40.00 here, it's mostly likely that it's being sold for \$US40 dollars per kilo or if not Australian dollars on the export market.

I am speaking from experience because I was approached by a buyer in Dubai who wanted a minimum of four forty feet a month and he was prepared to pay the price. I got all these information because I was a former Minister for Fisheries and I still have contacts and a lot of people still e-mail me.

Mr Speaker, with courtesy, I told the Minister for Fisheries and the Management as well, however, the management did not respond to me positively so my overseas contacts have stopped communicating with me because it is a waste of their time.

I can see that meeting that kind of demand maybe a problem in some parts of PNG for that kind of product but a farm has been developed in the New Guinea Islands for prawns. It is a good industry that can be developed throughout PNG and we can make lot of money on prawns.

**17/04**

Another product that is attracting high world market prices and one which is short in supply is sorghum. Soybean is one of the highest paid commodities on the world market and if you have access to the world news you will see that it is highly priced on the New York Stock Exchange. It is being reported that there is a shortage of sorghum because it has high protein content.

The Agriculture Department failed to encourage the farming of sorghum in the country. For the entire Budget that is given to the department they are not looking at new crops and their market value but continue to concentrate their efforts on crops such as rice that we already have.

We can cultivate and process rice; let us look at other crops, like wheat and corn. The point here is; the two industries that can save the rural people is agriculture and aquaculture.

We have to develop these industries. It is those respective Departments' responsibilities to carry out studies and engage people including experts in these areas.

**Mr DANIEL MONA** (Goilala) – Thank you Mr Speaker, for the opportunity to commend the Minister for Communications on the statement regarding the media this week.

I want to make a few comments because we have very young journalists who decide to pick up cheque butts on the streets of Port Moresby and try to discredit Members of Parliament. I have previously worked in the media and I viewed the documents to be hand written.

If there is an investigation, a letter must come from the Chief Ombudsman saying that a Member is under investigation. And not from a scrap paper and it is unbelievable that the newspaper editors allowed their journalists to write stories from information on pieces of scrap paper.

These are some of the reasons why there has to be responsible reporting inline follow the journalism code of ethics. Journalists are not above the law yet they continue to discredit the Members of Parliament. We are not criminals and I note that a lot of my former colleagues contested the National Elections and lost. I want to state here that a Member of Parliament's job is not an easy job.

For some of us we walk great distances, over mountains and through rivers risking our lives to serve our people.

**18/04**

We are standing in this Parliament but to go and discredit people and if you need to talk about Goilala, I challenge you. Let us drop you somewhere by plane and see if you can find your way back to Port Moresby.

We live in a terrain where the cost of service delivery is very high. The National Fiscal Commission and the Public Service system just sit and talk and whatever is given to Abau or Rigo is equally given to Goilala but when you look at the cost of administration is very difficult. You can travel on a vehicle from Abau to Konedobu and return in the afternoon but you cannot do that with Goilala because the plane will never pick you up unless you pay K10 000 for a charter for only three or four people because their capacity is 500 kilos and below.

Mr Speaker, journalists like to write up stories when somebody gives them a cheque butt from Konedobu.

The Ministers are not present to hear our grievances during Grievance Debate. I do not know what activities they do on Fridays, but if we had CCTV cameras, I am sure we would know what they are doing and I don't think it is something to do with the Parliament. They should be sitting hear listening to some of the issues that the Members of Parliament are addressing.

I am surprised that as an MP, I do not have access to my district's bank statement while people on the streets have bank statement of the Goilala District's treasury account. I think it is a challenge to the Minister for Public Service that we need to strengthen security at government offices. I do not know whether it is easy to go in and get the NEC decisions at the Morauta Haus. If this is difficult then why are people having access to the Konedobu office to get PEC and JDP & BPC decisions and expose it to the media and say that cheques are drawn without JDP & BPC decisions.

By law, we follow the set procedures in this country. Members of Parliament are not criminals. For a journalist to report that the district cheques are raised without JDP & BPC resolutions, the journalist needs to go back to school because he has only three pieces of paper that he cannot verify on its validity. One time, I had to go to *Post-Courier* to tell a young journalist that he does not have enough valid information to write a story but he went ahead and wrote it.

We need to bring the media industry under the microscope because when a lot of young journalists graduate, they are trainees and they just write anything without verification. They write about politicians as their first trainee exercises and think that they know everything. The experienced journalists move to other government departments and the private sector.

I urge students studying at our universities to become journalists that when they write stories about Treasury or other government systems, they must understand the government processes properly. One cannot just raise a cheque in Finance Department until certain decisions are made and processes followed. But for trainee journalists to write in the papers and accuse Members of raising cheques without any decision is totally wrong. This person should be referred to the psychiatrist hospital at Laloki.

We cannot stand here and degrade the media, but I don't know where they went to school because if I were to write a story, I must have all my facts with me to do that. For the newspaper editors to allow those kind of unverified stories to be published is not right. In other countries, this is not done.

I think it is unbecoming of young journalists discrediting Members of Parliament and our leaders. They are very good at writing negativity and sooner or later, we are going to create something like what happening in the Middle-East where people are turning against each other, and *Facebook* is already showing that.

As the Minister has stated yesterday, we need to control this. I don't care what people say about me on the *Facebook* because I will continue to do whatever I can do for my Electorate. The people will decide in 2017 whether I return to Parliament. I will accept if I don't return.

**19/04**

I'm happy about returning but I will also be happy if I don't return. But at least I know that I've contributed my part.

Mr Speaker, the provincial treasurers, district treasurers and provincial administrators need to be very responsible. They cannot allow people to walk into district offices and collect information.

We are mandated leaders and the decisions we make through our district committees, through our LLGs, through our PECs or even at the national level are government decisions. Our decisions are mandated and they become legal documents and that is why payments are made.

And for young cadet reporters to go and discredit us and say we are running cheques without documentation are making decisions with only pieces of paper is unbecoming of journalists in this country.

I want to suggest that editors, when you see such sensitive issues, refer them to senior journalists who know the system or who have been following government stories and know how the processes go. Do not give it to a learn-driver who just came out of university and does not know what he is writing about.

They even said I am being referred to the Police and the Auditor-General but when I rang these offices, nobody told me anything, they are saying there is no investigation.

The media people must be responsible. Whatever you are doing, you must know that some issues are very sensitive.

All of us come from different areas. And the kind of politics in the Highlands is the same in Goilala. We are not like politics in other regions, so you don't know what you are triggering or creating. Maybe your head will go off or somebody's head will go off, we don't know.

That's why when you talk about this kind of thing, when I called my provincial treasurer today he said, you haven't used K6 million, but the *Post-Courier* reporter stated that we already used K6 million.

He must be very good. He's got his contacts, may be in the banks, may be he's talking very closely with the Finance Minister because he seems to have access to everybody. He know more information than the Member. I just don't know how much I have received yet he knows everything. He even knows my JDP&BPC decisions and he even knows which decisions were not passed. He seems to know my electorate better than me.

**Mr James Marape** – Point of Order! I know the good Member did not mean to make mention of my name but let me ask that he must correct himself because I am not in discussion with the person that he made mentioned of.

**Mr SPEAKER** – Your Point of Order is in order. You need to retract your comment, honourable Member.

**Mr DANIEL MONA** – Before I sit down, may be the Leader of Government Business should arrange for the Minister for Finance and Minister for Treasury to come down and address this issue on DSIP in district treasuries so that we put rules and guidelines so that JDB&BPC decisions are as equal as NEC and PEC decision. The rules must show whether we can float all these decisions around the place, throw cheque butts around and allow any pigs and dogs to come and stay in the computer room and see how many cheques are running.

**Mr SPEAKER** – Honourable Member, I will just give a general warning to all the Members to be mindful of the language we are using in Parliament. The kind of vocabulary has to be decorous, as this is a respectable House.

Honourable Member, please resume your seat, as your time is up.

**Mr ATI WOBIRI** (Western) – Thank you, Mr Speaker, for giving me this opportunity to participate in the Grievance Debate.

I want to contribute in an area that is very close to all of us - the national elections.

My views are aimed at trying to encourage debate to improve practices and processes that are involved in elections and also related issues.

**20/04**

First of all, I think that the Parliament has to look at laying some guidelines on how Elections are conducted especially to do with qualifications and commitments of candidates.

Some of us are still addressing our Court petitions and is affecting our ability to fully commit to the delivery of services to which our people have mandated us to do so.

In some instances, some public servants refuse to fully commit because of the perception that somebody else will become the Member or the Governor. This is having a total negative impact on the delivery of goods and services.

Mr Speaker, we should introduce serious regulations regarding representing our people in Parliament. For instance the nomination fee for a long time has been K1000 and anybody can pay that fee. That attracts all kinds of people whether they are committed or not. Some contest just to jeopardize other people's votes who are genuine.

We should be looking at increasing this fee to a minimum of K10 000. Of course some people might say that this is a big amount but if you have a lot of supporters everybody contributes K200 each and in no time you have reached K10 000. You are already assured of a fair go by the kind of support base in people who are willing to contribute in putting up the election fees.

Mr Speaker, we should hold the bull by the horns and in that way we are promoting a good calibre of people who are elected to Parliament. We have to par with whatever is happening either regionally or internationally.

Another criteria might be, as part of the nomination, we should present signatures of one thousand or maybe even five thousand supporters, so that you are not wasting everybody's time.

The candidates must demonstrate that they have the support by bringing in signatures of their support at the time of their nomination.

Perhaps we should now be looking at minimum qualification because this is a business world and the international communities are becoming very complicated.

Mr Speaker, as a first time politician and as a Governor, I am learning a lot of things and I see that there is still room for improvement at the provincial level on processes and delivery of services.

Mr Speaker, I want to commend the Government for the decision regarding the election of Council Presidents. I think that has resulted in the election of good vibrant leaders and the Members of my Assembly is a testament to this change.

Mr Speaker, some changes that could improve at the provincial level is the absence of the Speaker in the Provincial Assembly. As the Governor and the Chairman, I take on lot of responsibility. The meetings are not running smoothly and I think a neutral person should be conducting these meetings to address the questions that are raised.

**21/04**

I think there needs to be a change on the way meetings and processes are being done. Rather than the Governor being the Chairman, we should have an independent person, maybe one of the LLG presidents presiding over the Chair.

I also want to see some change in the way Deputy Governors are appointed. Currently the practise is that the Assembly votes for the Deputy Governor, sometimes the deputy may not be aligned politically to the Governor and this can also create problems on the way PEC meetings are held.

The Member for Goilala was talking about leakage of information, well it could happen right from the core of the Government PEC itself. Perhaps we should be looking at having the Governor appoint his own Deputy similar to the way he appoints his PEC members because after all he is going to work with all these people and if there are problems within the PEC, decisions will not be made and it will hinder the ability of the provincial government or the PEC to deliver. There is going to be a lot of leakages out.

Mr Speaker, I also see some room for improvement in the DSIP Committee set up. While the idea has been to encourage team work and participatory approach, the reality is that not very one belongs to the same political grouping and there can be a lot of fighting even at

that level. There is a lot of criticism among the members on the way things should be done. It will work out well if everybody is in the same working mode and understand each other but if there are differences then they will have to sort it out before they can work together.

Similarly for the JDPBPC, I don't think the Governor should be involved instead the Open Member and his Council Presidents from the District should look after it. We should have some flexibility rather than bringing in constraints we have enough checks and balance systems rather than having two groups of people who are going to find it difficult to work with each other.

Mr Speaker, thank you for giving me this time these are some lessons I am learning in the process of my work as a first time politician.

**Mr BIRE KIMISOPA** (Goroka) – Thank you, Mr Speaker. Let me also take this opportunity to engage in this Grievance Debate.

Mr Speaker, being Member for Goroka gives me a wonderful privilege to participate in a debate like this. I notice the chairs are empty and my contribution towards this debate will be lost through the carpet, wall and ceiling but in any case I am obligated by people to contribute on this specious occasion.

Mr Speaker, being Member for Goroka gives me a front row seat in terms of the Highlands Region. On a number of occasions on this Floor, I have consistently spoken about the high cost of doing business and the high cost of living for our people. And at least, I have a view of what it going on. I can tell you exactly what the transportation cost was, thirty years ago and today it has increased dramatically.

**22/04**

The freight cost of a 20 ft container from Lae to Goroka was K1 500 but now it has increased to K4 000. You can imagine what the cost would be passed Eastern Highlands and further up the Okuk Highway.

Mr Speaker, the cost of electricity has also increased in my electorate and it is quiet expensive. Recently the Goroka JDBPC received a quotation of K5 million from PNG Power for rural electricity.

Mr Speaker, when I was a Member from 2002 to 2007, for the same length and distance the cost was less than a million kina. For some reason it has increased to K5 million.



Cooking gas in Goroka is around K430 per 45kg gas bottle. The cost of living is gradually increasing including the security costs.

The security industry cost is worth around K500 million in this country. I had the privilege of establishing the Security industry Authority in 2003. We went around the country and registered all security firms. It is amazing that for every policeman in this country, we have 5 000 to 6 000 security guards. I know what the living costs are as well as the cost of doing business.

Mr Speaker, this brings me to the most important points I wanted to make by way of questions. Unfortunately, the Prime Minister did an excellent job this morning by answering a series of question asked by the Governor of Southern Highlands regarding IPBC, IPIC and the LNG projects.

Mr Speaker, it has always been my view that if we are not careful with IPBC, it will have the potential of holding the National Budget to ransom given the off balance sheets debts. That is something that we must be critical about even with the proceeds from the LNG imminent which is likely to be realized in 2014 or 2015.

Mr Speaker, I urge the Government that, if there is an opportunity to exercise that right, to redeem the 14.7 per cent shares held by IPIC, I want the Government to go slowly on that. We already have 19.6 per cent in the PNG LNG Project and if we were to go back and exercise the redemption between the Government and IPIC, I do not know how much it will cost.

Mr Speaker, reading through the newspapers, I suspect it would be around 1.6 billion Australian dollars or K4 billion. The consequences of this arrangement is that, if IPBC is allowed to go ahead, and redeem the shares at a cost of roughly about K4.2 billion; Mr Speaker, they will place significant pressure on some of our state owned enterprises. It costs me to fly-in from Goroka to Port Moresby and return roughly K1200 00. I do not know how much is being charged by Air Niugini in airfares from Kundiawa to Port Moresby and return.

I suspect that if IPBC goes ahead, there is a reasonable chance that the cost of air travel in this country will still increase because of the debts if they choose to go back and redeem the shares. It is my view that the Government should exercise caution.

Mr Speaker, it is a well established fact and I know that within the LNG agreement there is no provision for domestic gas. Considering the cost of energy in this country and if

we are to supplement the stock whether it is hydro or diesel, the cost will increase because of the agreement that we have signed.

**23/04**

Mr Speaker, for all these reasons it is my view that the Government should slow down, and there is no need to redeem the shares because we have got 19.6 percent shares in the PNG LNG Project. The Minister for State Enterprises should table before this Parliament the LNG Agreement or a business case and the rationality behind such a push in the event that we go out and redeem these shares.

Otherwise, what is the point of being another self-glorified shareholder on some big company's share register.

Mr Speaker, if you work on an average of K300 million net profit a year, assuming in the next 30 years, I suspect we will not be able to redeem the actual capital cost we invested by redeeming our shares.

**Mr BENNY ALLAN** (Unggai-Bena - Minister for Lands and Physical Planning) – Mr Speaker, I rise to provide clarity and perhaps some facts to some of the concerns raised in regards to the sale of land at 5-mile Jack Pidik Park.

Mr Speaker, there are two portions of that land and there has been public concern regarding the fencing around of that portion of the land.

**Mr Bob Dadae** – Point of Order! Mr Speaker, with due respect to the Minister, he is trying to provide some important answers to this very important land issue at this time of grievance debate. There are not many Members of Parliament present in the Chamber. Mr Speaker, if he could present a Ministerial Statement on Tuesday after Question Time would be ideal because we want to air our grievances.

**Mr SPEAKER** – Your Point of Order is in order.

Minister, prepare a Ministerial Statement and you can present it when Parliament resumes next week. Let us allow Members to share their concerns because this time is for grievances.

**Mr JOHN HICKEY** (Bogia) – Mr Speaker, thank you for giving me this opportunity to air my grievances.

Mr Speaker, the Public Accounts Committee has made a number of inquiries in the National Housing Corporation. The six Government-owned home ownership schemes were managed by the National Housing Corporation and some of these schemes begun in the 1960's and 1970's and have still not been finalized.

We are aware of the problems of housing throughout the nation and the inquiry was prompted by many complainants who agreed to purchase these properties from the Government. In some cases, they have paid them off over a period of decades and this is hard earned money by people who are generally average income earners.

Mr Speaker, despite all of these transactions, they have not received titles to date. In many cases, we found that there were fraudulent activities over these titles and as result, these people have been severely disadvantaged.

**24/04**

So the complaint was so frequent and so similar that the Committee resolves to establish the exact state of each Home Ownership Scheme and the state of the National Housing Corporation. The results are a litany of failures and obstruction that is scarcely believable. Sworn evidence was shown to the Committee which clearly demonstrates incompetence, fraud, failure, maladministration and dishonesty on a huge scale. In each of these schemes and a betrayal of diligent purchase by the State which failed again to fulfill its contractual obligations to buyers who had fulfill theirs. There are six Government Home Ownership Schemes of which continued for decades and none of which has been finalised and one is the Advance Scheme which operated from the 60s until the 80s. The Morgan's Scheme which operated from 1979 to 1985, the Government Sell-off Scheme which operated from 1986, and the Give Away Scheme which operated from 1992 to 2006. And again another one which operated from 1970s and still operates, which was the Rental Purchase Scheme, the Cash Sales Scheme which commenced in the 80s and still operates.

Mr Speaker, somewhere between 9 000 and 11 900 houses were transferred to the National Housing Corporation for disposal under the various schemes that I have mentioned.

Mr Speaker, no one knows the true figure because there are no accurate records. More than 11 000 homes are involved in these schemes alone, no one knows the true records of the

number of these houses because there are no reliable records. Between 2 800 and 7 500 houses have been transferred to buyers. Up until last week one particular residence in Lae was sold under the feet of the tenants for a large sum of money, I believe in excess of K700 000 and I am reliably informed by some people from the NHC and no receipt was issued. And so this practice goes on and on and on and on.

There are 8000 houses waiting to be transferred and again no one knows the real figures because there are no reliable transfers. I have spent not months but years on this issue and some of these stories will bring tears to yours eyes when you researched it. Thousands of properties have been paid for but not transferred. We can't establish the real number because no records to prove to it.

Millions of kina have been paid by our people to purchase these houses but nobody knows exactly how much, when was paid by whom, for what or the total amount still to be paid in respect of any property. We know that it is somewhere between K30 million to K70 million has been paid out by in the main, poor people, the servants of Government. Many of the purchasers have died and still no title.

**25/04**

Mr Speaker, generally the public servants of Government, but no one knows any idea about their properties. Many of their purchasers have died and still no total. When a public servant dies, generally in this case, his estate is handed over to the Public Curator- and what a disgrace that organisation is, where people who have properties and widows and orphans are off their properties and taken over by a pack of bush rangers in most cases.

A large number of properties which should have been transferred to the National Housing Corporation (NHC), the old Housing Commission have not been transferred.

Mr Speaker, the Public Accounts Committee has served notice to produce on the NHC. And they just refused to provide information to this Parliament. The people expect us to be responsible for National Housing, and when you have a Corporation, which refuses to co-operate and refuses to produce documents to the highest Committee in this Parliament, it is not a good indication of the future of that body.

The Parliamentary Public Accounts Committee has made representation, it has asked the Government on many occasions to take action to see that our poor people - the people who have served this nation since pre-independence are dealt with in an equitable way.

Mr Speaker, that is just a short story but a very sad one. There aren't any many Members present now, but I would have liked the opportunity when they are here to bring to their notice, the sorrow, sadness and the hardship and the broken dreams that this organisation has caused. And I want this Government to do something about it.

**Mr RONNY KNIGHTH** (Manus) – Thank you, Mr Speaker, I want raise my point, which is too broad but I won't ramble on.

Mr Speaker, Manus is an island Province which has a huge problem and it is a serious one. Basically, we need to get the minor things right before we can flourish.

Traditionally, copra, cocoa and rubber are the main cash crops that bring income to our small people. However, now the prices have fallen so bad, that there is no regular sea transport between the islands and the occasional vessel charges too much to warrant a profit. So these plantations are just rotting away at the moment. In addition, the miseries caused by the copra beetles and the associated effects of that are just causing coconut plantations to really deteriorate.

Mr Speaker, I now wish to raise another point on turning copra into stock feed. We can extract oil and the residue can be made into stock feed, which will be cheaply grown and sold for our local markets. However, you cannot grow pigs on an island 300 miles away from the mainland when you cannot move them.

Mr Speaker, the little things are the things that we need to address and one is cheap electricity. We are now trying to implement a first hydro scheme for Manus at Hiringou and the site for geothermal at Pinabu has also been found and considered viable.

Mr Speaker, I again maintained that my people are handicapped living on islands and coastal areas, and more than 80 per cent depended on sea for transport. Previously, the Provincial Government had decided to give us either two big or small vessels to run and this is shown in nothing except what we recently have got.

Mr Speaker, we have asked the Australian Government to assist us with four small landing crafts of 20 tonnes capacity to build transport system to address this issue. However, the respond we received was that AusAID does not build new infrastructure but it only maintains existing infrastructure like road and bridges.

Mr Speaker, I think the problems of Australia are being borne by Manus and I thought they would give us assistance but they are not.

26/04

I ask them to assist us to build a transport system to address this but the answers are that AusAID does not build new infrastructure but maintains old infrastructure like roads and bridges. I think the Australians should assist us because Manus is carrying their burdens.

Mr Speaker, our seas are our highway and the sea is with us in good times and bad times. Every year we have disasters at sea because of our people using banana boats. These boats are good but in the open sea they are death traps. If you carry out a survey you will note that more people have died travelling the open seas on these boats than the *Rabaul Queen* disaster.

Mr Speaker, if there is one thing I can do, which would satisfy me in my term as Member, would be to institute a decent sea transport system to address the people's needs and the results would improve their living standards. My Joint District Budget Priority Committee has bought a second hand vessel as a start and we will need more vessels to boost this scheme.

Mr Speaker, last week I spent time personally working on my vessel, *Trader Star* and with the free trade concept which will be huge for the country and Manus; our people will need improved logistics. Right now the fuel cost and consumption dictates our people's movements. Sadly many teenagers in my islands have never been to Lorengau because they cannot afford to go to town. Give me boats and my province will develop faster than you would believe.

You can put billions for a highway road for about 18 per cent of the population so what about the 82 per cent that depend on sea transport? Every province has its own particular need and I need third level shipping to make life better for my people.

**Sir PUKA TEMU** (Abau-Minister for Public Service) – Thank you Mr Speaker, I have been in many Grievance Debates and would like to contribute and I feel we have a problem in this country. The World Bank ranks this country as the hard basket country.

But in listening to the debate, I say our people are still living in hardships. Rather than complain and repeat all the issues that have been raised our greatest challenge is how do we transform these grievances into programs that deliver and relieve the hardships of our people throughout the country.

Mr Speaker, I have put down about five issues which I think are of national importance and this Government should guard them with vigilance and great honor. For instance, the Member for Goroka has been repeatedly telling us about the issue of food security. The high cost of food which I have experienced and I am wondering how a security guard can afford these with his K200 pay. This amount is not enough and will be gone in a day.

**27/04**

Mr Speaker, as a responsible Parliament and as honourable leaders, how do we manoeuvre? I am going to recommend a few things and I hope you will take them into account as Speaker, the Head of the Parliament.

Mr Speaker, my observation is that we are not fully utilising the power that this Parliament has. We are all going to go home with our DSIP funds and forget about the bigger issues such as the issue of housing that the Chairman of the Public Accounts Committee has already brought to our attention. Two people from my Electorate were evicted for no good reason in Boroko and I personally went to stop the Police. But it's gone now and I heard that those houses were given to different people.

Mr Speaker, so who is going to pick it up now? I believe that if a leader expresses such an issue, we should automatically form a parliamentary committee that will make it known to the media. The public need to know why those two people were evicted, which has led to the complaint being expressed in Parliament by a leader. Let's bring together the Minister and the Managing Director and form a committee immediately, set up terms of reference and inquire into it within the time framework given, present it to Parliament who will decide and the Executive Government will take action on it. Then we will be able to reform the Housing Corporation by terminating whoever is responsible.

This issue has occurred more than once and here we are, grievance after grievance and *Hansard* is full of it and papers are printed but we are not picking it up. So, how do we organise this Parliament as the most important committee of the State. Does it have powers or not? Law is the only power. Is it our only role to only come here to debate and pass legislations? No! When an issue comes up, leaders should resolve it with full media coverage. Here, we forget about these things because we are worried about DSIP implementation and winning the election but the bigger picture is still sitting there. The cry of

the people we echo in this Parliament is not heard and who is going to do it; who is going to design and restructure the law?

Mr Speaker, so I think the Parliament has been missing the utilisation of its special role and power. We have been focussing too much on projects and act as cheque managers, project managers and ground breaking experts. I think it is time that we relook at the power that this Parliament has and the roles that we leaders need to play in order to address the bigger issues. For example, I have talked about food security where ICCC should form a committee and the Leader of the Government Business should also form a committee in Parliament and look at the pricing of food. The prices of Ox & Palm and rice are too high. We form a committee, invite the media with food pricing agencies and manufacturers and bring the prices down where our little people can afford them.

This Parliament cannot allow the issue of food security to go out of hand and that is the mandate that we have so we can control it through the powerful committee system. If we do this, we will gain respect from the people and they will say that we listen to their cries and will admire us. Mr Speaker, through this, Parliament will become very powerful.

**28/04**

Mr Speaker, I want to talk about electricity. Why can't the National Government take full control responsibility for the provision of power throughout the country instead of Members using DSIP funds to address power issues on a very minor scale?

It is similar to the case of Okuk Highway where we put in K300 million but at the same time power penetration is very low. Three hundred million kina should be put in the Budget to provide electricity throughout the country.

We need dictated commitment because it is a national issue. We pick it up, if power is not reaching an area, okay we form a Parliamentary Committee on electricity to inquire into why power is not going to Abau. Why is it not going to Goilala and we move the system.

Mr Speaker, I always say we've got a structural problem on the Floor of the House. We are seated with the Prime Minister and Ministers, the Opposition is over there, even though they are few, and then we have the middle bench. But then we claim ourselves to be a part of the Governor in terms of the executive government. Then we forget our role has the Parliament. Mr Speaker, I am quite concerned about this.



The last point I want to raise is on the *Constitution*. I believe that we must have in built into the *Constitution* protective measures. For example, when an Executive Government begins to change the *Constitution*, the *Constitution* must protect itself.

Right now, there is no part of the *Constitution* that the Executive Government and the Floor cannot deal with. Some parts of the *Constitution* must be such that when Parliament wants to deal with them they must automatically go back to the people through a referendum. The views of the people must be sought first.

So, you don't play around with the house that we call mother of laws, (Mama Lo) or *Constitution*. We must not break a window or no executive government must remove a part of the roof because of its numerical strength. The house must be protected. We must go back, when we want to rebuild the house (Mama Lo) or *Constitution*, we must go back to the people. That provision must be allowed for in the Constitution, Mr Speaker.

My time is up; I still have a lot to say but please if someone can manage the *Hansard* system and bring the *Hansard* issues in debates, for example, and process development of committees in Parliament.

Call everybody together and let us seek their views so that we can debate issues that our little people want us to debate on the Floor of Parliament.

**Mr SPEAKER** – Thank you, honourable Minister; you have raised very important points and the Chair has taken note of those points.

I have always emphasized the fact that we need to really strengthen the Committee System and one reason for that is, I think the Parliamentary Committees can play a very big role.

I have asked the Government for additional funds this year and that is to support the work of Committees as well. We already have in existence Standing Committees and Sectoral Committees and they should take charge of those things.

Your points are very valid and I think Members of Parliament should take note of them as well so in the future when I call the Chairmen of Committees I expect them to take note of the grievances you've highlighted and make them become issues that they should discuss in their committees.

**Mr JAMES MARAPE** (Tari-Pori – Minister for Finance) – Mr Speaker, I notice I have a few minutes before 1 o'clock so if I can seek your indulgence to make a few statements in this Grievance Debate before I adjourn Parliament.

Mr Speaker, I take cue from some important issues raised by Sir Puka and I think the power of Parliament needs re-strengthening. And you've raised issues on the Committee System and so it is something that we must certainly embark on to make it come to life and give meaning to many of the issues that are raised here.

Mr Speaker, one or two speakers raised points that the Parliament is almost empty and the grievances raised here on this Floor will not be adequately heard. That is quite true in most sense but we do have the comfort of the *Hansard* that is still running the recordings of every word that is being spoken today. So I encourage Members of the Parliament that even if the House empty or if other Members and Ministers choose not to be here, we are not little children to keep time sheets and ask everyone to attend.

**29/04**

We all got elected to sit in this Parliament and make your voices heard. I will certainly write letter to all the Ministers as Leader of Government Business to defer all their programs and try and attend Parliament when it is in session to hear all these grievances.

Mr Speaker, whilst speaking on this issue, in light of the Budget presentation next week, let me make some statements and reign in some issues we have discussed today. Our nation since 2002 has experienced political stability for 10 years and the climate of investment, politics and public service administration that emanated out of a stabilised political environment really gave great confidence in our country.

In 2002 and before, macroeconomic statistics and indicators were not really good. For instance, one or two key statistics may confirm that foreign reserves in 2002 and before were about US\$800 million. In terms of inflation, we were for a long period of time in double digits. In terms of our debts to GDP, we peaked, at one stage, to almost 70 per cent.

So on a general scale, our statistics prior to 2002 were very bad. In fact, many of our global financial institutions closed doors on PNG. The then Finance Minister and Treasurer, and I think Sir Puka Temu was in that contingent that went to the headquarters of World Bank and IMF in New York asking for assistance, were bluntly told to go back home and

restructure and fix our structures. In other words, they said you are not fit to conduct business with us.

So since then, we have come back and with the stability that was brought in by Sir Mekere Morauta, we brought in the reforms that we implemented using powers of Parliament and others such as the *Fiscal Responsibility Ac*. This Act curtails public and government borrowing from not going above 30 per cent and lately we have amended it to 35 per cent.

Mr Speaker, these measures in that period of time have really arrested our macroeconomic outlook that looked negative to where it is now heading in the right direction. You cannot go into the macroeconomic sector or the macro development issues unless and until a macro outlook is settled and established. By Macro outlook, I mean, economic, political and structural reforms must take place. These are all the impediments to the successful delivery of services to our people and to our little sectors. We have started on that path and progressed smoothly.

Mr Speaker, you will note that in 2008 and 2009 when PNG Government secured the signature of ExxonMobil and led investment into this country, the period 2008 and 2009 was a period where there was a global financial crisis. During this period, no investment would have come into a developing national like PNG but when the investors looked into PNG, they saw amongst many indicators the political stability climate that we offered. My colleague Members of Parliament, I am making this statement from the perspective that every one of us sitting here is primarily elected to serve our people. Political exchanges that take place especially between key leaders that directly impinges on our national stability.

You look at the period after PNG LNG Project was secured. It contributes today to half, if not over half of this country's GDP and the growth we've heard. If you look at 2010, 2011, 2012, 2013 and 2014, as we speak, we have not yet attracted we have not yet attracted direct foreign investment into this country. I make this statement in the perspective of next week's budget involving this year and next year.

**30/04**

We are now sailing through a turbulent period in terms of the revenue basket we have. We put projects and proposals into National Planning, Finance and Treasury, but the proposals get heard when there is an increase in revenue, when a budget can afford, and when the economy is growing. If we don't grow the economy, if we don't attract investment if

there is no money coming into the country then we have a limited resource envelope to look into the requests for the constituents, electorates and provinces. So I put to the Members of this Parliament that political stability is a very important pre-requisite to give stability and stable environment for us to use in this Parliament and the people's power laws rules and regulations.

We just heard the Governor for Western who has alluded to an important point that he can't work effectively in his province because he has a court case. The people are thinking that the Governor might be ousted in Court so no one is responding positively to him. That is a classical miniature example of instability in politics that cascades down to ineffectiveness as far as delivery of goods and services is concern.

I appeal to everyone of us in this Parliament here today and the rest of our colleagues, that let us forget about the politics of who is in Government and who wants to be Prime Minister and let's get serious into the business of filling chairs in this Parliament, passing laws and structuring our own Government structures and hopefully together we can contribute to the course of developing this country.

Today our microeconomic outlook is good, and the Prime Minister has confirmed this morning, that there is enough liquidity in the system. We did not venture outside to borrow additional money to run our deficit budget this year. We are structuring again and possibly the Treasurer will announce a Budget that has a similar outlook like this year's Budget. We are doing it in terms of Medium Term Expenditure and Income Framework and those Budgets are structured in a manner in which our cries can be heard in the most equitable manner as much as possible so that we can see a better country 10 years down the line especially for our children and their children

Mr Speaker, we have a country that can break if we as leaders are not careful and our country can progress if we work together for the betterment of the country instead of looking at our own immediate interest. Many times those interest's especially those who aspire to be Prime Minister's, bring this instability amongst us.

The Prime Minister's seat is occupied by one person but every one of us as leaders collectively can come together and help save the course of this country by doing exactly what we did today, speaking without fear or favour on issues we feel can guide the Government into creating policies and legislation that will bring change and development into this country.

Mr Speaker, I inform everyone through you that we will do one or two radical change in public sector management and amongst them is fund disbursement. We have had enough of the 100 per cent up-front payment to contractors; it will now be 10 per cent mobilization, 40 per cent first payment and upon certificate of work being carried out the next payment and a certain percentage for retainment or for bank guarantee. These are measures we are trying to put in place so that the nation receives value for money through all the contracts that we award.

The Government will try to position us and bring in reforms in policy and law and public service but I would like to put to us two important cost factor that contributes to the ever increasing cost in this country; it is the cost of electricity and energy which Sir Puka Temu alluded to and we acknowledge that is National Government business.

Another factor that I encourage all the Members of this Parliament to take note of is every cost of this country in terms of goods and services about 30 per cent is cost direct as a result of good governance and political stability.

Motion – That the Grievances be noted – agreed to.

## **ADJOURNMENT**

Motion (by **Mr Charles Abel**) agreed to –

That the Parliament do now adjourn.

The Parliament adjourned at 1.15 p.m..