

## **FIFTH DAY**

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**Tuesday 19 November 2013**

### **DRAFT HANSARD**

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## **FIFTH DAY**

**Tuesday 19 November 2013**

The Speaker (**Mr Theo Zurenuoc**) took the Chair at 2 p.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 2.20.p.m. and invited the Member for Abau, **Honourable Sir Puka Temu** to say Prayers:

O God the creator, you are ruler of the world and this country. Our country, our people, our Parliament belongs to you. Grant that we the Members of our country's Parliament may fulfill our office with honesty and integrity.

May our first concern be for the good of our people. Guide our deliberation this day. We commit this hour into your trust worthy hands, our Treasurer as he hands down the money plan for 2014 and is debated and passed next week.

Father God, it is our collective prayer that with your blessing this budget will help us to achieve your divine design for our beloved country. Amen.

### **BROADCASTING OF PARLIAMENTARY RECORDINGS – STATEMENT BY THE SPEAKER**

**Mr SPEAKER** – Honourable Members, I have to inform Parliament that the Permanent Parliamentary Committee on Broadcasting of Parliament Proceedings met and resolved that the Australian Broadcasting Corporation (ABC) will be allowed to film the presentation of the 2014 Budget by the Minister for Treasury and *Kundu 2* and *EMTV* have also been given that permission.

## **MOTION BY LEAVE**

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

Leave granted.

## **SUSPENSION OF STANDING ORDERS – REARRANGEMENT OF BUSINESS**

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

That so much of the *Standing Orders* be suspended as would prevent:

- (a) The Minister for Treasury presenting the 2014 National Budget and associated budget papers; and
- (b) The Appropriation (National Parliament 2014) Bill 2013, the Appropriation (Judiciary Services 2014) Bill 2013, the Appropriation (General Public Expenditure 2014) Bill 2013, Supplementary (Appropriation) Bill 2013 and the Papua New Guinea Fiscal Responsibility (2014 Budget) (Amendment) Bill 2013 being presented together and debated as one; and
- (c) Separate questions being put on their second and third reading.

## **MESSAGE FROM THE GOVERNOR-GENERAL**

A message from His Excellency, the Governor-General, was announced recommending the expenditure of public monies insofar as the Appropriation (National Parliament 2014) Bill 2013; Appropriation (Judiciary Service 2014) Bill 2013; Appropriation (General Public Services Expenditure 2014) Bill 2013; Supplementary (Appropriation) Bill 2013 and Fiscal Responsibility (2014 Budget) (Amendment) Bill 2013 relates to and provides for such expenditure.

02/05

**APPROPRIATION (NATIONAL PARLIAMENT 2014) BILL 2013;  
APPROPRIATION (JUDICIARY SERVICES 2014) BILL 2013;  
APPROPRIATION (GENERAL PUBLIC SERVICES EXPENDITURE 2014) BILL  
2013;  
SUPPLEMENTARY (APPROPRIATION) BILL 2013; AND  
PAPUA NEW GUINEA FISCAL RESPONSIBILITY (2014 BUDGET)  
(AMENDMENT) BILL 2013**

**First Reading**

Bills presented by **Mr Don Polye** and read a first time.

**Second Reading**

**Mr DON POLYE** (Kandep – Minister for Treasury) – I move –  
That the Bills be now read a second time.

Mr Speaker, honourable Members of Parliament and fellow citizens of Papua New Guinea. A Budget is a road map for our economic future. Its success depends on the determination and discipline of the O'Neill – Dion Government which is your government.

Mr Speaker, I can tell you that this Government is absolutely determined to build our future and to grow our economy because by doing that we list the opportunities for all our people.

Mr Speaker, we are a young nation but an ancient people. Our founding was less than four decades ago but our customs and traditions stretch back for countless millennia.

The O'Neill – Dion Government's 2014 National Budget that I have the great honour of presenting to this Honourable Parliament today looks firmly to the future needs and aspirations of our people while continuing to draw strength from our rich customs and history.

Importantly, this Budget embraces our National Goals by ensuring that our people can live with dignity through the establishment of a free and open society that is governed by the

rule of law and respect for our fellow citizens that is responsible in terms of the use of our vast national resources and rewards the passionate endeavours of our people and our businesses.

The Budget ensures that primary needs of our citizens shared by all of humanity are met as a result of prudent responsible financial management and the continuation of the consolidation of Fiscal and Monetary Policies that will create a sustained period of economic growth and prosperity. It ensures that we contribute to create a society that demonstrates its compassion for the most disadvantaged through the ongoing investments and social services, health and education, and that this country fully grasps its place amongst the global family of nations that are democratic stable and prosperous, thereby allowing each of our citizens and our businesses to reach their full potential.

**03/05**

Mr Speaker, it is for these reasons that we must all come together and be empowered as a nation to consolidate our gains for sustained growth, whether you are a Government Minister, public servant, businessmen or women, church or community leader or a villager in the remote part of PNG.

This Budget builds on a platform of microeconomic reforms and investment initiatives in key growth sectors from the 2013 National Budget. It is all about consolidating to build PNG bright future through broad based diversified and sustainably economic growth. It is about creating jobs for those who don't have one, so that our people can be and feel valued so we are in a better fiscal position to fund basic services that all our citizens deserve but unfortunately many people don't enjoy.

Mr Speaker, I am proud to advise that this will be the most modern and transparent budget that PNG has ever produced. This is the first budget in the history of PNG to reach over K15 billion, up by K1.8 billion or 13.8 per cent from K13.2 billion in the 2013 Revised Budget. This is a lot of money that needs to be spent wisely to improve the lives of the 7 million people of PNG.

The 2014 National Budget is a single fully integrated multi-year budget. For the first time, agencies and the public will have a clear idea of the appropriated 2014 expenditure and future year expenditure estimates over the period 2015 to 2017 for each Government Department Agency and Authority. There will also be an improved understanding of what

each agencies' funding is being spent on in terms of personnel emoluments, goods and services, utilities and rentals, grants and capital information.

Mr Speaker, this Budget is presented on a sectorial approach comprising Administration which includes interest payments, Economic, Agriculture, Education, Health, Infrastructure, Law and Order, Provinces and Social. This gives the Government and the people of PNG the clearest picture of where it is allocating its funds and which sectors are receiving increased funding over time.

This Government will continue to strive for a stronger economy through diversification by translating the past, present and anticipated future gains from the mining and resources sector into prudent and sustainable investments in other sectors such as Education, Health, Law and Order, Energy, Transport, Tourism and Agriculture. The theme of the 2014 National Budget is, 'Consolidate Gains for Sustained Growth through Prudent Investments'.

Mr Speaker, what we have gained must be consolidated but must be sustained and we grow through wise investments that the O'Neill-Dion Government does.

To achieve this outcome, a culture of fiscal discipline must be developed, entrenched and enhanced not only at the national level but also at provincial and district local-level level.

We cannot allow the hard earned macro-economic stability and discipline from the past to be eroded.

We are also making historic investment decisions from a position of economic strength. The facts are, under the O'Neill-Dion leadership that we introduced; Tuition Fee Free Education, Investment and Quality Higher Education, Free Health Care, Significant Infrastructure Funding, Transfer of Funds from Sub-national levels Governments under the Decentralisation Strategy ;and Policy to support and Growth and Agriculture, Tourism and SME.

**04/05**

In addition to the 2014 National Budget I have the honour of presenting to the Parliament the 2013 Supplementary Budget.

The 2013 Supplementary Budget contains a number of saving measures realised from projects underspends totalling K386 million that will be brought forward for investment in the 2015 South Pacific Games.

It is of regional significance that these sporting facilities meet world standards and are completed on time by March 2015 to cater for more than 3 000 visiting athletes from 22 Pacific Nations from 28 different sports from 4 July to 18 June 2015.

The 2013 Supplementary Budget is a demonstration of the Government's commitment to ensuring that the 2015 South Pacific Games is a memorable event for our visitors and the people of PNG. The results are and will be out there for everyone to see.

Mr Speaker, no government gets to choose both the global and domestic economic circumstances in which the budget is framed.

Both international and domestic economic growth play a pivotal role in the formulation of the budget.

However, what a government can and must do is to set the priorities for the nation. So, Mr Speaker, let me set the scene by discussing the international economic outlook.

### **The World Economy is going through transition and tensions**

The world economy has again undergone transition in 2013. Advanced economies are gradually strengthening while emerging market economies have slowed down. This led to tensions with emerging market economies facing dual challenges of slowing growth and tighter global financial conditions.

According to the International Monetary Fund (IMF) World Economic Outlook (WEO), the world economy is projected to grow by 2.9 per cent in 2013.

This is down from July WEO estimate of 3.1 per cent, April WEO estimate of 3.3 per cent and the 2012 October WEO estimate of 3.6 per cent.

The moderation in growth in emerging market and developing economies relative to the July WEO reflects both, albeit to different degrees cyclical factors and decrease in potential output growth.

Mr Speaker, looking ahead to 2014, the World Economy is projected to improve slightly from 2013 and is anticipated to grow by 3.6 per cent due to stronger growth forecast projected for the US economy, the emerging market and developing economies.

Mr Speaker, let me now turn to the Domestic Economic Outlook (DMO) and report on how our economy has been performing under the stewardship of the O'Neill-Dion Government.

In contrast to the international scene, the PNG economy remains strong and businesses continue to draw confidence from the stable domestic political landscape and the continuing construction phase of the PNG LNG project as well as the Government's fiscal stimulus.

Mr Speaker, the PNG economy is expected to grow by 5.1 per cent in 2013. This is higher than the 4 per cent projected at the time of 2013 Budget but lower than the Mid-Year Economic and Fiscal Outlook (MYEFO) of 6.1 per cent.

The downgrade in the forecast since MYEFO is due largely to a sharper slowdown than expected in the agriculture, forestry and fisheries and the mining and quarrying sectors.

## **05/05**

In addition the anticipated flow- on impacts of the fiscal stimulus expected from the 2013 Budget did not materialise fully as expected due to the delay associated with the implementation of some of these projects.

In this regard, the non-mining GDP has been revised down to 4.7 per cent from the 5.5 per cent at the time of the MYEFO. Therein lies the challenge for implementing agencies and the Government will address that.

The domestic outlook for 2014 is exciting as economy is anticipated to grow very strongly and at the same time, the much anticipated PNG LNG Project is expected to achieve the first gas to its overseas customers.

This is an important milestone achievement for Papua New Guinea. The country's economy is expected to grow at a strong rate of 6.2 per cent in 2014. These are solid statistics that we are projecting with confidence. This growth is attributed to the anticipated rebound in growth in agriculture, forestry, fisheries and the very rapid increase in the Oil and Gas sector following the commencement of gas production in 2014.

The total non-mining GDP is expected to grow by 1.6 per cent in 2014 and this is lower than the preceding year's growth of 4.7 per cent. The slow down in this sector reflects a contraction in the construction sector coming mainly from the completion of the PNG LNG Project. The growth in the construction sector is expected to fall from 11.9 per cent in 2013 to 6.4 per cent in 2014.

Other non-mining sectors such as transport, storage, communications, manufacturing, wholesale and retail and trade are expected to revert back to trend growth in 2014. This trend



is expected to affect other non-mining sectors which include electricity, water, finance, real estate, community, social and personnel services.

**The depreciation in the kina exchange rate is being managed and there is no need to panic.**

Mr Speaker, there has been a lot of concerns and criticisms raised by the public regarding the recent depreciation of the kina in exchange rate. The facts are that the kina has depreciated against its major trading partners with falls against the US and Australian dollars of 13 per cent and five per cent respectively between December 2012 and October 2013.

The depreciation is attributed mainly to higher foreign exchange outflows for import payments that is the repayment of foreign loans and dividends. And this also reflects developments in the currencies of our major trading partners. Currently the US dollar is recovering due to the US economy's improvement and this resulted in the kina falling.

Also if the Australian dollar appreciates against the US dollar due to improvements in the Australian economy, as a result, the kina could fall. I would like to assure all stakeholders, businesses, investors, donor partners, citizens, foreigners and the Government; that the Government through the Bank of Papua New Guinea, in consultation with commercial banks, have put measures in place that has seen the kina value stabilised.

**06/05**

In particular, the Central Bank has intervened through currency transactions that have resulted in a decrease of K2.2 billion in foreign reserves. The Central Bank's current level of foreign reserve is insufficient to cover future import payments and the Bank of PNG will continue to manage the valuation of kina as part of its monetary policy operations.

Therefore, there should not be any cause for concerns as the key fundamentals such as underlying economic growth continue to be strong and are support by buoyant private sector business activities.

Mr Speaker, in addition, the recent depreciation of the kina has delivered benefits to Papua New Guinea exporters by making the price of their goods more internationally competitive.

Going forward, the Bank of PNG will continue to assess the developments in the foreign exchange markets and work closely with the Government to manage the situation until the first LNG export proceeds enter the domestic foreign exchange market, any new

investments in other major resource projects start and the rebound in the international commodity prices.

### **Strong economic growth always translates to strong employment**

Mr Speaker, turning now to employment, a strong economic growth always translates to total strong employment growth. I wish I could be specific and talk about actual number of jobs created. These types of economic statistics are not readily available and this makes my job as Treasurer harder but this is a challenge that we are addressing through the National Statistics Office.

I can report that there is a very good news for employment in both the mining and the non-mining sectors. Based on through-the-year growth figures, non-mining sector employment grew by 3.2 per cent and mining by 3.5 per cent through to the end of the June quarter of 2013.

The growth in the non-mining sector is underpinned by sustained demand for skilled labour mainly attributed to increased business activities while the mining sector is primarily driven by increased level of employment from the Ramu Nickel Project.

Mr Speaker, employment in the mining sector is expected to pick up again in the near future as new mines come on steam.

### **Maintaining a low and stable level of inflation is our priority**

Mr Speaker, turning to inflation, at the last Budget, Treasury projected inflation in 2013 to be around eight per cent reflective of the Government's stimulus spending. The positive news is that this has been revised down to four per cent taking into account the low 2012 inflation outcome of 2.2 per cent, weak global economic activities, falling prices, low and stable inflation in major trading partner countries and the lagged impact of the appreciation of the kina exchange rate.

However, if the recent pattern of the kina's depreciation continues and foreign reserves continue to be reduced, we will need to be very careful that inflationary pressures do not re-emerge in the economy.

Mr Speaker, the Government is very mindful on the impacts of high inflation on the lives of all Papua New Guineans and will ensure that it is kept under control so that Papua New Guineans can have more to spend from their pockets. The O'Neill-Dion Government is a vigilant government because we are very responsive for what happens; we are very careful.

Over the medium term from 2015 to 2018, inflation is expected to average around 5 per cent reflective of prudent Government management of fiscal and monetary policies like we have done so far.

### **Papua New Guinea trade balance deficit narrowing**

Mr Speaker, the disappointing outcome on the balance of payments is that, PNG's trade activity with the rest of the world remain subdued in 2013 reflective of weak demand and slow growth in several key emerging market economies as well as a more prolonged recession in the Euro Zone.

Mr Speaker, sometimes, Papua New Guineans speculate too much without understanding the overall global economic outlook. They make statements and just say things without looking at the facts and circumstances that are there. It is frustrating not just for Papua New Guineans but other countries too that when your trading partners are having difficulties then it affects you as a trading partner to them.

**07/05**

Take for instance, PNG sells canned tuna to the European markets, but the European markets are facing recession in their economy so what happens is that we sell less because the customer does not have the money to buy more.

But it is very easy for Papua New Guineans who don't understand those things to say, the government is doing the wrong thing, the kina is going down because of this or that.

I'd like to lay that to rest at this time. It is not a fair thing for any responsible leader to say because you can create an environment that may be damaging to the investment of this country.

**Mr Sam Basil – LNA!**

**Mr SPEAKER** – Deputy Opposition Leader, I am giving you a warning.

**Mr DON POLYE** – Whether you are in the Government, the opposition or in an executive management position in the field, it doesn't matter it has got to be you, a Papua New Guinean. If you make such a damaging statement, you create a bad outlook based, not

on facts but on illusions. And I'd like us to be very careful with statements that we make as leaders in or out of Parliament.

The slowdown in trade activity has resulted in the current account balance widening by K3.6 billion or 10.3 per cent of GDP in the first half of 2013 compared to a lower deficit of K2 billion in the corresponding period in 2012.

This reflected deficits in the services and income accounts which more than offset surpluses in the goods and transfers accounts.

Mr Speaker, as a result of these developments in Papua New Guinea's trade activities, international reserves were K8.4 billion at the end of December 2012 and have decreased by 17.9 per cent to K6.9 billion, which is equivalent to US\$3.1 billion at the end of June quarter of 2013, reflecting in part, high import demand, which means more foreign currencies are used in paying for imports. This level of international reserves is sufficient for 10.9 months of total imports and 17 months of non-mineral imports cover.

Mr Speaker, this properly articulates some of those concerns and issues raised. And these are the facts before this honourable House.

In 2014, the current account deficit is expected to narrow down from the revised K4.7 billion for 2013 to K2.8 billion or seven per cent of GDP.

The decline in the current account deficit will be largely driven by the completion of construction relating to the PNG LNG Project and commencement of first LNG export in late 2014.

Mr Speaker, in addition, a rebound in production is expected from the major mines following the disruptions such as breakdown in mills, power disruptions, cost cutting measures and bad weather encountered in 2013. Nickel and copper production are also expected to ramp up to 80 per cent of full capacity lifting total output from the sector in 2014.

Mr Speaker, it is very important for this honourable House and the people of Papua New Guinea to know the strategies contained in this historic budget and I will now take you all through these strategies.

Mr Speaker, the proposed 2014 Budget is guided by the Government's Economic Development Strategy. It is not a budget that is just picking out figures and putting them on paper. It is based on these very important strategies of the O'Neill-Dion Government.

First is the Vision 2050, the PNG Development Strategic Plan of 2010-2030, the Medium Term Development Plan of 2011-2015, the Medium Term Fiscal Strategy 2013-2017 and the Medium Term Debt Strategy.

Mr Speaker, these are further supported by the Papua New Guinea Fiscal Responsibilities Act of 2006 and the 2014 Budget Strategy Paper.

These plans and strategies reflect the prudent considered nature of the Government's decision-making and providing an ongoing template for tomorrow's success.

The 2014 Budget deficit of around K2.3 billion or around 5.9 per cent of GDP is largely driven by a 14 per cent increase in nominal Government of PNG expenditure and results in a 20 per cent increase in debt bringing it to K14 billion or K16.2 billion if outstanding superannuation debts are also included.

**08/05**

The 2014 National Budget will be financed through a combination of loans from our development partners of K0.6 billion, which continue to provide valuable assistance to Papua New Guinea and the majority through our domestic market of K1.7 billion.

Mr Speaker, the Government has strong preferences for utilising the domestic market where possible so that it strengthens and grows into a vibrant capital market capable of getting Papua New Guineans future needs to fund projects domestically whether they are private or public.

The proposed deficit will raise the Government's debt to GDP to 35 per cent in 2014 consistent with the Medium Term Fiscal Strategy and the *Financial Responsibilities Act*. The proposed deficit presents the Government with an immediate challenge to make tough decisions to maintain fiscal discipline throughout the remainder of 2013 and beyond to ensure macroeconomic stability.

To repay the stock of debt the Government plans to return to a budget surplus in the medium term. Given the budget level of debt is approaching the current debt ceiling and I am proposing some sensible amendments to the current *Fiscal Responsibilities Acts* limit on debt on issue.

This is in order to avoid the US style debt legislative debt standoff and to allow the Government to keep functioning if it sums up in Budget results in an unintended debt limit, which for example; if the GDP was less than forecasted.

The amendment allows for debt to increase temporarily above the specified limit if required. Their after debt must be returned to the limit within one year maintaining the Government's sound record on fiscal discipline.

Mr Speaker, in addition the limit has been amended so in that in 2015 it allows debt levels to transition over the year from 35 per cent of GDP at the start of the year to under 30 per cent of the GDP by the year end. Total expenditures have been estimated to be at K15 billion in 2014.

Mr Speaker, the 2014 Budget is for the first time and in the history of Papua New Guinea by the O'Neill-Dion Government is a very healthy Budget. From healthy collections from revenue bases of Papua New Guinea who are taking the lead by handing down a Budget of K15 billion for next year. This is K1.8 billion or 13.8 per cent higher than the 2013 estimate, and Mr Speaker, it will focus on seven key priority areas.

They are:

(1) Maintain Papua New Guinea's macroeconomic stability through the adherence to principles of the Medium Term Fiscal Strategy.

(2) The implementation of major infrastructure projects under construction as well as the efficient expenditure of the higher levels of Provincial Government funding.

(3) Ensure an appropriate alignment between the construction of new roads and the provision of money to maintain them. Likewise, ensure funding is available for staff when new health or education buildings are constructed. The integration of the current and development Budgets in 2014 will be a key step towards achieving this.

(4) Continue to expand funding in the education and health sectors. This will include the continuing expansion of Fee Free Education Policies, funding for vocational education and ensuring that enough teachers are available to meet increased demand for access to education.

(5) Establishment of the Sovereign Wealth Fund and consolidation of mineral and petroleum assets.

(6) Strengthen law and order, the modernisation of the Police and Defence and the creation of the Independent Commission Against Corruption (ICAC).

(7) Improve the enabling business environment for agriculture and tourism sectors, as well as Small to Medium Enterprises (SME) growth.

Total revenue and grants in 2014 is anticipated at K12.7 billion. We anticipate to collect another K12.7 billion and this is K2.2 billion or 21 per cent higher than the 2013 revised estimates of K10.5 billion.

**09/05**

Mr Speaker, the higher 2014 revenue is due partly to higher tax receipts on income and profits, consumption of domestic goods and services on international trade.

Mr Speaker, it is partly due to the sale of landowner's share of the PNG LNG project and tax revenue is estimated at K9.7 billion in 2014, an increase of K1.1 billion or 13 per cent from the 2013 revised estimate. This increase tax revenue is a significant achievement by the O'Neill-Dion Government as it is built on economic growth and increased tax compliance by revenue raising agencies.

Mr Speaker, I now have the pleasure to announce that this Budget contains no new tax. This is good news to the business environment and like to support and promote businesses in Papua New Guinea. Non-tax revenues estimated at K1.3 billion in 2014, an increase of K725. 2 million or 130 per cent from the revised 2013 revenue estimated.

In terms of property income, expected non-mining dividends total K287 million comprising of dividends from the following; the Bank of Papua New Guinea, K27 million, IPBC, K60 million, National Fisheries Authority, K50 million, National Forestry Authority, K50 million and Motor Vehicle Insurance Limited, K50 million from the current rations component and the National Gaming Board K50 million. Mining and Petroleum dividends are anticipated to be K133 million.

Mr Speaker, interest and fees from lending in 2014 is expected to be K4 million and injections from trust accounts is estimated at K36 million. Project grants are estimated at K1.6 billion in 2014, up from an estimate of K1.2 billion in comparison to the 2013 revised estimate. The increase in project grants implies more major projects to be undertaken in 2014.

Mr Speaker, I am pleased to announce that the Tax Review Committee commenced its work in September 2013. The Committee has seen a first major review of the system in over 13 years. It will ensure we have a modern tax system which will allow the Government to develop Papua New Guinea into a competitive middle income nation in the Asian century. It will do this by making sure that our tax system is able to grow and adapt to our changing economy while raising the necessary revenue to allow the Government to improve essential services and build infrastructure necessary for the growth and development of Papua New Guinea.

While the Government is not undertaking major tax reforms prior to consideration of the tax review, the Government encourages the Internal Revenue Commission and PNG Customs to improve their revenue administration in 2014. This will raise an additional K750

million. Likewise, the Government is introducing reforms to the research development and infrastructure test credit regimes to protect the revenue base from further erosion.

Mr Speaker, to increase greater transparency and accountability of revenues generated from the mineral, oil and gas sectors, I announced in April 2013 the Government's decision to implement the Extractive Industries Transparencies Initiative or EITI.

Mr Speaker, to implement this initiative, the Government will work with industries and CSO through the formation of a multi-stakeholder group and development of a fully costed EITI work plan to for EITI implementation.

Mr Speaker, under the EITI the Government will report production data, licensing information and transfers to local governments and state-owned enterprise. The Government also anticipates that EITI will set platforms for reforms in the extractive industries and other sectors as well.

Mr Speaker, the implementation of EITI will also complement the Independent Commission against Corruption and an agency that has its primary focus to improve transparency and accountability and to take the necessary action to bring to end the corruption and misleads that have led to so much waste in the past.

## **10/05**

Corruption is a cancer that eats away at society in both developing and developed nations. The O'Neill-Dion Government is committed to the establishment of the ICAC. As the Commission swings into action, Members will see significant economic benefits as well as the revitalization of our implementation capacity.

Mr Speaker, hopefully, the crooks will see the cell bars closing around them. The Commission is a testament to the integrity of this Government.

Mr Speaker, turning now to the Sovereign Wealth Fund. Given the anticipated surge in mining and petroleum projects in the country mainly the PNG LNG Project with the potential of increased revenues to the government, a Sovereign Wealth Fund was developed.

It was developed to provide a possible mechanism to help insulate the PNG economy and the budget from the volatility and fluctuations in revenue.

In 2011, the Government endorsed the policy and legislated framework with the design and institutional framework of PNG SWF guided by international best practice, the Sovereign Wealth Fund Generally Accepted Principles and Practices (the Santiago Principles), and domestic requirements.



The Organic Law was subsequently passed into Law in February 2012. Since then, the Government has undertaken a review of the Organic Law to ensure proper constitutional processes are followed.

The Government is considering modifying the design of the PNG SWF to provide a greater focus on intergenerational equity consistent with our Constitutional obligations. In considering this, the Ministerial Committee on Economic Sector (MCES) has agreed to have a Savings Fund to replace the Development Fund.

In this regard, the National Budget will take care of PNG's economic and social development needs consistent with its development priorities and objectives.

However, the internationally applauded PNG SWF structure and institutional framework will remain. The PNG SWF will continue to:

- Have a single governance framework;
- Be onshore managed, offshore invested and onshore spent;
- Be fully integrated with the budget and fiscal framework;
- Promoted governance, transparency, disclosure, accountability and asset management rules based on international best practice (the Santiago Principles)
- Be overseen by an Independent Board located within PNG; and
- Have investments undertaken by experienced investment managers.

The next phase of work is to finalize the Organic Law and re-introducing it in the Parliament in 2014.

Mr Speaker, I am also pleased to announce that in 2014 the Government will conduct a broad ranging review of the overall operation and governance of the PNG financial services sector.

This review will identify policies and practices to assist in improving the efficient operation of this important sector. The review will cover amongst other issues:

- Systemic risks in the financial sector;
- Barriers to the growth in deposits and lending;
- Governance of micro-financing institutions;
- Access to banking services to remote areas; and
- Enabling the growth and expansion of a sound debt market (financial capital market)

A Financial Inclusion and Literacy Program to be run by the Treasury and BPNG will be an important policy initiative over the coming years to ensure greater demand for financial services.

The O'Neill-Dion Government strongly considers micro-economic reform to be the engine for sustainable growth of the private sector. Accordingly, the Government will continue to pursue a comprehensive national environment micro-economic reform agenda in 2014.

The Government will priorities competition policy as well as the business regulatory environment for local and foreign business investors. The Government will also undertake micro-economic reforms in SOEs and conduct further restructuring of the Ok Tedi Mine and the PNG Sustainable Development Program to improve operational efficiencies and growth outcomes.

These reform processes are essential so as to allow the PNG economy to continue to grow at a high rate. The Government's reform efforts will also address the underlying issues that impinge on public sector service delivery and private sector led market development.

## **11/05**

The Government is also committed to Public Sector reform that will enhance efficiency and effectiveness of the public sector.

One of the planned reforms is that Government is to undertake an amalgamation of Government agencies with duplicate functions in 2014.

In addition efforts will also be needed to implement the One Person, One Position, One Pay Principle, so as to eliminate an estimated several thousand ghost employees in the public sector. This fraudulent activity steals from every Papua New Guinean and must be stamped out.

Mr Speaker, the Government recognizes the important role the private sector can play in expanding Services provision in Papua New Guinea including working with the State through Public Private Partnerships.

Public Private Partnerships are the way to increase Private Sector involvement in the supply of Public Services.

To harness this potential, the Government is examining the feasibility of a number of PPP's in the Power and Transport Sectors

It is important to emphasise that a PPP is simply a method to competitively procure, deliver and maintain infrastructure and services through cooperation between the public institution and one or more private enterprises very long term contractual agreement exerted to build and maintain a Highway or to plan and develop a large scale commercial agriculture project.

The Governments developed special PPP Legislation to compliment existing and planned PPP arrangements. This legislation will lead to additional expertise to Government via the creation of a PPP center.

Mr Speaker, this additional PPP transaction expertise combined with legislative that requires transparent processes to execute PPP arrangements be followed should provide Private Sector Enhanced confidence to invest in Papua New Guinea PPP's.

The Government through Treasury has prepared a PPP Bill that is now before the Legislative Counsel to bring it to Parliament towards the end of 2013.

Good statistics are necessary for sound decision making as defensible data are at the core of all planning budgeting accountability and transparency processes.

Mr Speaker, reliable statistics are also needed for effective program design and management. Statistics provide the basis for measuring progress towards the Millennium Development Goals and are an integral component of all donor interactions with the Government of Papua New Guinea.

In the last 15 years in Papua New Guinea the administrative distribution surrounding the production of Government statistics have fallen into decline.

There have been several attempts to address specific statistical problems. For example, the proposed introduction of identity cards, the reform of the national accounts and donors supported surveys such as the household income and expenditure survey.

Mr Speaker, whilst important, these initiatives have done little to address the systemic problems facing statistical systems.

Recognizing the serious decline in national economic and social data in 2014, the Government with the support of technical resources from our development partners including the Australian Government and the International Monetary Fund will complete the preparation and commence the implementation of the National Statistics Development Strategy and conduct an organizational wide capabilities review of the National Statistics Office in 2014.

Mr Speaker, a key outcome is the planned establishment of an Oversight Committee for Papua New Guinea Statistical Products incorporating Government Community and Private Sector members to monitor the strategy to improve the National Statistics Office accountability.

Mr Speaker, future Budgets will focus on high impact national investments that will be subject to improved scoping, design, costing and monitoring requirements.

Mr Speaker, in 2015 all new investment initiatives will need to be fully costed and have clear milestones identified to enable effective monitoring. The largest national project will also be subjected to an economic feasibility study including environmental assessments to ensure the economic benefits are greater than the cost based on best international practices and rates of return.

## **12/05**

In respect to public servants wages the budget makes allowances for anticipated new awards which are expected to commence in 2014. The first of this is a 10 per cent increase for teacher's salaries was announced last month.

Mr Speaker, the Government welcomes increase salaries for hard working public servants but in return we expect greater discipline an end to the leakages in payroll cost resulting from over-payment of allowances, chronic absenteeism and ghost staff. As a partial offset for increase salary awards, long overdue reforms to the public service payroll will be implemented immediately.

Mr Speaker, these reforms include the removal from the payroll of duplicate accounts and terminated employees, stronger supervision and monitoring of attendance and implementation of one person, one position and one pay principle. Collectively this administrative human resources changes would deliver K100 million in savings in the first year.

Mr Speaker the Budget will phase in over three years increase allowances for local government officials. Starting in 2014, K38.4 million has been allocated for increase cost of village court officials. This will be the first increase for village court officials since 1990, and will impact over 1600 village courts throughout PNG. I commend the Prime Minister for taking the leadership in this approach.

Mr Speaker, total funding for the provincial sector in 2014 is over K3.6 billion with further significant LNGs specific funding included in other sectors such as road infrastructure.

To empower all PNG at all levels of Government direct funding for the Provinces, Districts and Local-level Governments of K1.5 billion is maintained. These direct funds provide each Province with K5 million per District under the Provincial Service Improvement Program. Each district will receive K10 million under the District Service Improvement Program and K0.5 million for each Local-level Government to be administered at the district level.

Mr Speaker, these funds are to be used for the priorities identified in the relevant provincial and district five year development plans. During 2014, the function of all three tiers of Government will be defined appropriately for efficient performance and to ensure that duplication of functions are avoided.

Mr Speaker, 2015 National Budget will only address National Impact Projects whilst Provincial and Local-level Government will fund the smaller projects in their regions. The Prime Minister has given the direction and the Minister for National Planning has presented the Paper and the Minister for Finance and his team are putting that together for 2014.

The Government will pass the Direct District Authority Bill this year to strength the Local-level Government system by enabling funds to be directly provided to Districts and Local-level Governments rather than the current system where provincial governments have a transfer and oversight function.

Total infrastructure sector funding for 2014, is K2.7 billion including K769 million in donor funding. Construction and maintenance of roads and bridges and infrastructure is a critical area for the Department of Works will receive K1.6 billion including K339 million from donors.

The Independent Public Business Corporation will have funding of K514.5 million including K55 million for the PNG LNG fiber cable; K411.3 million including K141.3 million from ADB for the Lae Port Development Project, and K47.8 million including K27.8 million from JICA for Port Moresby sewerage Project.

**13/05**

PNG Power will have an allocation of K425.2 million including K75.8 million (K49.8 million from ADB) for the PNG Town Electricity Investment Project and K28 million from JICA for the Ramu Transmission System Reinforcement Project.

### **Education – Our Future**

Mr Speaker, the total funding for the Education sector in 2014 will be K1.5 Billion, an increase of K160 million from 2013 Budget appropriation levels. The Department of Education will receive K1 082 million which demonstrates the Government's commitment to education. Our key policy is tuition fee-free education for Elementary level to National High Schools (costing K605 million with a further K43 million in trust). Students from over 18 000 schools in PNG will benefit from this policy.

In addition, the Department delivers flexible open distance education which support students from years eight to ten to complete their studies away from the class rooms), special education and accreditation of high quality tertiary and vocational institutions.

A total of K23 million will be provided for Curriculum Development Materials which includes the procurements of text and resources books for teachers in elementary and primary schools. K11 million will be provided for National Examinations to cater for grade 8, grade 10 and grade 12 examinations in 2014.

The Government is committed to rehabilitating the higher education institutions of PNG and will provide K414.4 million for the sub-sector including K210.7 million for the Office of Higher Education and a further K192 million for targeted infrastructure projects at a number of universities including K15 million for the Law School at the University of PNG and K5 million for the Open Campus University.

Mr Speaker, the O'Neill–Dion Government is keen on improving the quality of higher education in PNG commencing at the higher institutions to international standards through accreditation of courses offered by the university. The raising of the quality education at university level will guide the lower levels of education to upgrade themselves to meet the requirements of entry into higher institutions.

### **Improving Health Sector Outcomes**

In 2014 total funding for all agencies in the Health sector will be K1.4 billion. The Department of Health (K666.4 million) and Hospitals Management Services (K516.2 million) have the majority of funding in the Health sector.

Funding in this sector will support the upgrade and redevelopment of 16 existing hospitals. This includes K65.2 million for Angau Memorial Hospital (including K45.2 million from the Australian Government under the 2013 Joint Understanding ), K50 million for Enga Hospital, K30 million for Port Moresby General Hospital. K114 million is provided for the following provincial and district hospitals: Boram, Daru, Kerema, Kundiawa, Manus, Mendi, Modilon, Mount Hagen, Nonga, Popondetta, and Vanimo. The Government also provided a further K8 million for the design of two new hospitals in Central and Hela Provinces. The funding for Jiwaka hospital has be allocated to Kunjip because the Health Minister has declared that hospital as the provincial hospital so that money has been taken out.

### **Law and Order**

The Law and Order sector will receive funding of K1.3 billion in 2014. The Police Department will continue to receive funding through its Police Modernization Program (K69 million in 2014). K6.5 million is specifically for the recruitment of 480 new officers and K62.5 million is for the facelift of the Police training college and other Police facilities. Police will continue to receive the K15 million in the 2014 Budget for the construction of Police patrol stations along the PNG LNG corridor and site.

**14/05**

Mr Speaker, the Department of Defence in 2014 will also continue to receive funding for the rebuilding program. K30 million will be specifically for the rebuilding of the PNG Defence Force and K25 million for the purchase of land to allow the relocation of Murray Barracks and Lancron Naval Base.

As part of the Government's commitment, the Defence Force will continue to recruit an additional 400 uniformed personnel at a cost of K3 million in 2014. The Correctional Services will also be recruiting an additional 150 uniformed personnel at a cost of K1.9 million to ensure the numbers of warders are maintained and to substitute for the aging of the current force.

This Government has awarded an increase in the village court official's allowance amounting to K38.4 million per annum commencing in the 2014 Budget.

### **Agriculture and Small Business**

The total funding for the Economic and Agriculture sector is K777.9 million for 2014. From this, K302 million is being set aside for Agriculture and the Small to Medium Enterprises (SMEs) package.

The Government Departments with major funding in this sector include; the Department of Commerce and Industry receiving K140 million, the National Development Bank receiving K85 million to facilitate the bank's SME Credit Fund. The centrepiece of this package is K40 million for Agriculture commercialisation. This is an equity fund which will identify and seek investment parties to participate in large scale commercialisation of agriculture commodities of coffee, cocoa, oil palm, rice, rubber and livestock.

The Government will also work with commodity boards to provide price support and other measures to support investment in agriculture. In addition, a funding of K50 million will be allocated to establish a Special Economic Zone in the Sepik plains. The funding will build critical infrastructure including roads, electricity and wharves to encourage agriculture commercialisation and investment in the Sepik plains.

Mr Speaker, I would also wish to mention that there is also price support for cocoa, copra and coffee in the budget. If the prices are falling, there are funds available to help farmers to stabilise the productivity of these commodities. The Government will provide K838.6 million including K73.9 million in donor grants and loans in 2014 for the development of infrastructure in Papua New Guinea's four major cities; Port Moresby, Lae, Mount Hagen and Kokopo.

The infrastructure projects will represent initial steps to develop an elite city as the central hub in key areas of enterprise.

### **Port Moresby (Commerce)**

For example in Port Moresby we will be targeting commerce. The Government will provide K281.8 million in 2014 to develop Port Moresby into the commercial hub of the country.

The key infrastructure project for Port Moresby include K170 million for new and existing roads and K30 million for the upgrade of Port Moresby General Hospital and another



K30 million towards the complete upgrading and rehabilitation of the Jackson International Airport.

### **Lae (Industry)**

The Government will strengthen Industry in Lae and through the budget the Government will provide K437.4 million to develop Lae into the Industrial base of Papua New Guinea.

The key infrastructure projects for Lae include, K270 million for Lae Port Development Project, K100 million for new and existing roads and K65.2 million for the rebuilding of Angau Hospital under the 2013 joint understanding with the Australian Government.

**15/05**

### **Mt Hagen (Agriculture)**

The Government will provide K61.4 million in 2014 to develop Mt Hagen into the agricultural centre of Papua New Guinea. The key infrastructure projects for Mt Hagen include K40 million for new and existing roads, K20 million for the development of Mt Hagen Hospital and K1.4 million for the Mt Hagen Rice Project. We have also put in K40 million for the Kapal Building.

### **Kokopo (Tourism)**

We would like to develop Kokopo as the tourism centre and promote it from there in the New Guinea Islands and into the rest of the country.

The Government will provide K58 million in 2014 to develop Kokopo into the tourism hotspot for PNG. The key infrastructure projects for Kokopo include K2 million for water and sewerage upgrades, K15 million for upgrade works for Tokua Airport and the road from Kokopo to the Tokua Airport and K3 million for the tourism midterm master plan.

Mr Speaker, on any journey, it is also important to have friends who will walk alongside you. PNG is lucky enough to have number of friends who have joined us on the part to greater economic prosperity that we are currently treading.

For example, in terms of grants in 2014:

- the Australian Government will be providing K1.2 billion in grants to Papua New Guinea;

- the United Nations will be granting over K100 million to Papua New Guinea in the same year;
- the Chinese Government will give us a grant of K86 million; and
- the European Union will give K62 million.

Mr Speaker, in addition, the World Bank contributed K102 million in grants and loans and the Asian Development Bank will be providing loans for K440 million worth of mainly infrastructure projects and the Chinese Government a further K296 million in loans

There are a number of other partners too of course, with one of these being the International Monetary Fund who recently completed their Article IV economic assessment of Papua New Guinea that supported the continuation of the O'Neill-Dion Government's prudent fiscal and sound monetary policies.

Mr Speaker, I would like to emphasise that the international organisations looking in from outside see that the O'Neill-Dion Government's fiscal and monetary policies and how we are performing here is different from the past and they are in full support of what the Government is doing, and they have stressed that in their reports.

It is worth noting that in their economic assessment report of PNG, they have recommended amongst other things that the Government focus on strengthening the agricultural sector which is a key feature of this Budget.

This year, the O'Neill-Dion Government's commitment to sustainable budgetary reforms was acknowledged by the World Bank and the IMF through the honour of appointing us to Chair the Board of Governors at their level.

*(Members applauding)*

**Mr DON POLYE** – I have committed to using this role on the global stage to promote the PNG Government's commitment to ongoing reform and leadership in the region.

In closing, my father once told me one afternoon when he was leading me through the Karuka (Pandanas) garden and said; Son! I planted these nut trees knowing fully well that I would not be enjoying the blessings from them. I have been planting, pruning and caring for them for you and your children for the future.

**16/05**

Mr Speaker, the highlanders called it the highlands coconut but it is small in its nut size, not like the big coconuts from the coastal parts. He was going through there, showing me those gardens that he had planted, up this creek, because pandanus trees grow well beside creeks and in gullies and he told me.

I've planted these nut trees knowing full well that I would not be enjoying the blessings from them. He knew he would not be enjoying them. But, I've been planting, pruning and caring for them for you, for your children and for their children in the future.

Sometimes I tend to think that whilst we debate and argue about things that are before us, we forget to look into the future and see that we as leaders do not need to get anything. But we need to create a foundation for those that are coming after us. This budget must create a foundation for the future benefits for all of us but more particularly for our children.

Mr Speaker, we have seen in the past spendthrift governments, implementation failures and dwindling capacity. This Government, the O'Neill-Dion Government, is determined to turn this around.

Not only are we determined to turn it around in the future, but we have started to do that. The country is already turning around.

The Government has made a choice, a clear choice to keep our economy strong and to continue to invest in our future.

The Government is known for making visionary changes that strengthen this great nation and these choices include, tuition free education, free health care investing in agriculture, infrastructure development, law and order and even more, many decisions and many right choices. And with the number of big investments that I have announced today, we will build upon that proud tradition.

We have also made some very tough and prudent decisions as we continue as we continue on our chosen path to return to surplus while supporting jobs and growth.

Mr Speaker, this is the Papua New Guinea this Government chooses for its people. A nation that strives to create prosperity and opportunity for all, having charted this course, the prudent path we all have a responsibility to ensure full implementation, to avoid waste, and; to build our economy and our nation.

Mr Speaker, this is a budget for a future for all of us. The budget that will help Papua New Guinea triumph over the hurdles and empower the country to national greatness.

I commend the 2014 Budget bill and the 2013 Supplementary Budget bill to the House, Mr Speaker.

Debate (on motion by **Mr Belden Namah**) adjourned.

**17/05**

## **INCOME TAX (2014 BUDGET) (AMENDMENT) BILL 2013**

### **First Reading**

Bill presented by **Mr Don Polye** and read a first time.

### **Second Reading**

**Mr DON POLYE** (Kandep – Minister for Treasury) – I move –

That the Bill be now read a second time.

Mr Speaker, the Bill proposes seven things:

(1) It amends the secrecy provisions to enable the Commissioner-General to share and exchange information with the Chief Collector of Taxes of the Autonomous Region of Bougainville or his delegate and clarify the powers of the Commissioner-General to vary and revoke approvals for salvageable status.

(2) The proposed changes intended to face out the specific 50 per cent extended deduction of expenditure for scientific research from 1 Januray, 2014.

(3) The proposed changes intended to safeguard significant government revenue collections from open ended expenditure under the Tax Credit Scheme.

(4) To increase the minimum value of an eligible payment required for the purposes of a Certificate Of Compliance under Division 2(a) of the Income Tax Act, 1959. The Act from K500 to K5000.

(5) The proposed change will ease the burden and cost of tax compliance on small tax payers who charge less than K5000 per contract for minor works and service that they rendered to their clients, and improve the administration of the Certificate Of Compliance for the IRC.

(6) The proposal also removes the need for a tax payer to apply for a Certificate Of Compliance where he is engaged under several contracts that attracts the total eligible payment which exceeds K3000.

(7) To correct drafting errors in section 354K and section 354R.

Mr Speaker, this is the nature of the Bill and I commend the Bill to Parliament.

Debate (on motion by **Mr Belden Namah**) adjourned.

## **STAMP DUTIES (2014 BUDGET) (AMENDMENT) BILL 2013**

### **First Reading**

Bill presented by **Mr Don Polye** and read a first time.

### **Second Reading**

**Mr DON POLYE** (Kandep – Minister for Treasury) – I move –

That the Bill be now read a second time.

Mr Speaker, the Bill proposes an amendment to the *Stamp Duties Act, 1952* to safeguard the State's revenues from potential abuse. This amendment removes the discretionary power of the Minister to declare persons or entities as state instrument mentalities to be exempted from Stamp Duties.

Mr Speaker, I commend the Bill to Parliament.

Debate (on motion by **Mr Belden Namah**) adjourned.

18/05

## **EXCISE TARIFF (2014 BUDGET) (AMENDMENT) BILL 2013**

### **First Reading**

Bill presented by **Mr Don Polye** and read a first time.

### **Second Reading**

**Mr DON POLYE** (Kandep – Minister for Treasury) – I move –

That the Bill be now read a second time.

**Mr DON POLYE** (Kandep – Minister for Treasury) – Mr Speaker the Bill proposes an amendment to *Excise Tariff Act of 1956* to address the inconsistent descriptions of alcohol products in the *Excise Tariff Act 1956* and *Customs Tariff Act 1990* to ensure improved administration. The amendment will reflect the 2012 harmonised system the descriptions consistent with the World Customs Organisation requirement. The amendment also shifts certain alcohol products to higher tax band to attract higher tax duties.

Mr Speaker I commend the Bill.

Debate (on Motion by **Mr Belden Namah**) adjourned.

### **PERSONAL EXPLANATION**

**Mr BELDEN NAMAHA** (Vanimo Green – Opposition Leader) – I seek leave of the Chair to make a personal explanation.

**Mr SPEAKER** – Do you claim to have been misrepresented?

**Mr BELDEN NAMAHA** – Yes Sir!

**Mr SPEAKER** – Go ahead. Leave is granted.

Mr Speaker, I would like to make a personal explanation on the headline story published in *The National* newspaper yesterday. I personally say that this story has no substance and is not worth being published.

Mr Speaker, Firstly all the initial negotiations public tendering, public procurement processes and contract of sale was executed while I was in Bomana jail for saving lives of more than 360 000 people of Bougainville. The fact is that land went through a proper public tendering process and contract of sale was executed between PNG Telikom Limited and PNG Land Limited in November 2003, at that time I was not a Member of Parliament. The initial contract of sale was signed by the then and now Acting Managing Director of Telikom Mr Martin Veisame.

Mr Speaker, Telikom PNG Limited's failure in complying with the sale contract led PNG Land Limited in instituting legal proceedings against Telikom in 2004. They successfully obtained Court Orders from the National Court compelling Telikom to settle the sale.

Mr Speaker, earlier Post PNG Limited had lost a caveat which expired on 20 March 2012. The caveat was cancelled by the Registrar of Titles .NICTA then lodged its own caveat under instructions from IPBC to stop the sale proceedings but the Deputy Registrar of Titles refused its registration.

Mr Speaker, unlike my friend who always denied his directives to pay the K71 million to Paul Paraka Lawyers, I do not deny

**Mr SPEAKER** – Opposition Leader, this is a personal explanation. You are supposed to be doing a personal explanation not entering into a debate.

**Mr PETER O'NEILL** – Point of Order! The Leader of Opposition has the neck to come here and give this explanation that he has personally given a letter that confirms the sale but this are all matters that are now before the courts and investigation so he can go and explain himself in court.

**19/05**

**Mr SPEAKER** – Prime Minister, your Point of Order is in order. Let me caution the Leader of the Opposition. Do your personal explanation.

**Mr BELDEN NAMAH** – Thank you, Mr Speaker -

**Mr Tommy Tomscoll** – Point of Order! Mr Speaker, I want to draw your attention to the cameras. Are they supposed to be filming?

**Mr SPEAKER** - You are absolutely right, the cameras are supposed to be off now.

**Mr BELDEN NAMAH** – Thank you Mr Speaker, I am just giving my friend a taste of his own medicine.

*(Members applause)*

**Mr SPEAKER** – Explain yourself.

**Mr BELDEN NAMAH** – Mr Speaker, I do not deny that I did direct the former CEO for IPBC Mr Thomas Abe, in my capacity as the Acting Minister for State-owned Enterprises. The letter of direction was to enforce the National Court Orders because we were faced with contempt of court proceedings. There was no court challenge to stop the settlement of the sale.

Mr Speaker, there was in existence a standing Court order obtained by PNG Land Limited. For nine years there was no challenge by PNG Telikom Limited, Post PNG Limited, NICTA, IPBC, and the Independent State of Papua New Guinea.

**Mr SPEAKER** – Honourable Leader, can I interrupt you? Can I ask if those cameras are still running? You are not supposed to be doing that. Can those cameras be removed?

**Mr BELDEN NAMAH** – Mr Speaker, Telikom and other interested parties that I have stated earlier failed to appeal against those Court Orders. Having assessed all that I



concluded that it was in the best interest of the Independent State of Papua New Guinea that we comply with a standing National Court Order.

I must make it clear that yesterday's headline story in the *The National* is mischievously misleading, sinister and misconceived. I was never, and I repeat, I was never behind the sale of Gabaka land as reported in *The National*. I was simply enforcing a National Court Order.

Finally, Mr Speaker the suggestion by the *Newspaper* that, Mr Peter Loko's sacking was in relation to the defiance of the directive. Mr Speaker, it is not in my jurisdiction to hire and fire CEOs of this country; it is in the National Executive Council's jurisdiction. Thank you.

## ADJOURNMENT

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

That the Parliament do now adjourn.

The Parliament adjourned at 4.05 p.m..