

SEVENTH DAY

Thursday 21 November 2013

DRAFT HANSARD

Subject:

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SEVENTH DAY

Thursday 21 November 2013

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

There being no quorum present, Mr Speaker suspended the sitting until the ringing of the bells.

Sitting suspended.

The Speaker again took the Chair at 10.30 a.m., and invited the Member for Lae, and Minister for Community Development, **Honourable Loujaya Toni**, to say Prayers:

Heavenly Father, great God of Abraham, Issac and Israel, covenant keeper and faithful in which this nation Papua New Guinea with our Leaders and the families and the Electorates that we represent are in covenant with you. We thank you Lord that the conditions of this covenant that pronounces a blessing on our nation and that those who bless Israel, it commands a blessing. This morning, we stand before you and we repent on behalf of our nation. We thank you for the many-fold blessings that are accorded to us because of the blood of Iesuah. This morning as Leaders we ask and invoke your presence in this Chambers. Accord to us wisdom and understanding that we need through the power of your Holy Spirit to effect change in this nation to reflect in our deliberations that best interest of our country and our people. You receive all glory, honour and praise. Amen.

QUESTIONS

Mr WILLIAM POWI – Mr Speaker, I direct my question to the Minister for State Enterprises but I realize that he is not present in the Chamber as yet. I seek to reserve my right to ask my questions when he is in the Chamber.

Mr SPEAKER – The Chair reserves your right to raise your question as soon as he is present.

Mr GISUWAT SINIWIN – Mr Speaker, I direct my question to the Minister for Finance and Acting Minister for Education.

(1) Is the Minister aware of a copy of a letter from the Acting Secretary for Finance dated 01 October, 2013, regarding outstanding commitments from the Government?

(2) Can the Minister inform the people of this nation and this Parliament whether these commitments are Budgeted in the 2013 Budget?

Mr JAMES MARAPE – Mr Speaker, I thank the honourable Member for Nawae for asking a question on a letter that is in circulation. I was shown a copy of the letter this morning. I was also informed last night that the Office of the Opposition Leader has been circulating an internal Memo or correspondence between the Acting Secretary for Finance to the Acting Secretary for Treasury on some outstanding Government commitments.

Mr Speaker, I don't know how the Opposition Leader continues to find in his possession internal communications between Government Departments. Only Government Constitutional offices like the Police Fraud Squad and the Courts can have possession of these kind of information in the course of their duties.

The general public and offices outside of those transactions are not supposed to be in possession of internal Memos like this.

Mr Speaker, I will put on notice the criminal intent of the Opposition Leader if he has by some right taken hold of a letter that is not meant for him. That is criminal in nature and we will look into how his office had access to a letter that is not addressed to him.

02/07

Mr Speaker, reverting to the issue of the letter, this is a letter of request from the Finance Department to the Treasury Department to honor and feature the Government's commitment in the 2014 National Budget.

As you are aware, every Government department write letters to one and another and in this case, the letter was written outlining the Government's commitment whether factored or not in the 2013 Budget, to be honored in the 2014 National Budget. Furthermore, some of these commitments were made by the National Government through NEC or Government Ministers or the Prime Minister to

be factored in the 2014 Budget, and that is the normal process. All correspondence must take place between the departments. We cannot sit back and do nothing. When a Government makes a commitment, we ask for that commitment to be honored or to be factored into the budget. So it was a communication process between the Secretary of Finance and Secreaty of Treasury to ascertain the commitments to be honored this year and next year.

Mr Speaker, secondly, whether funding is available, I have alluded to that. We run a deficit budget this year. The National Government may have made commitments during national and district visits, but we made it absolutely clear that those commitments that are funded in Budget are the ones that we honored this year. However, those commitments that are not captured in this year's budget we will try our best with the Ministers concern to factor them into Government planning process and address them in the next year's budget or a subsequent budget..

Mr Speaker, this is not a Government of Ministers and Prime Ministers who are not conscious of the deficit budget environment we are in, however, on record, we have maintained prudent fiscal discipline and have not ventured outside of our appropriations. Let me confirm that some Minister and Members have written letters of request but we cannot honor their entire request because we cannot afford to pay them. Some Ministers have received directives on their letters of requests from the Prime Minister or Finance and Treasury Ministers, but we have not paid most of these requests because we cannot afford to. If it is not provided for in the 2014 budget, we ask for it to be considered in the next year's budget

Mr Speaker, I think the Opposition Leader in trying to stir discontentment amongst a strong majority government is an effort in vain and for a leader who is taking the wings, so to speak. Let me remind him to leave his temple and I am seriously looking at how he has in his possession this letter which is not meant for his office. Thank you.

Mr WERA MORI – Thank you, Mr Speaker, I direct my question to the Minister for State Enterprises. Prior to Hidden Valley heading into production, it was forecast that by year 2020, Gold price will increase. However, the Minister for Treasury's money plan yesterday indicates a decline rather than an increase. Moreover, in terms of mineral, Hidden Valley is expected to produce more silver than

gold. Having said that, the State has established Kumul Minerals to manage all our mineral resources in the country.

My questions are:

(1) Are there plans to recapitalize, re-open and reactivate the Mine at Tolukuma which is now under maintenance?

03/07

(2) In view of the big acquisition of Ok Tedi Mine, are there any plans on foot to either actively or even acquire Frieda River Mine so that we could be able to use the same facilities at Ok Tedi to develop that mine which has been around since the early 1960s?

Mr BEN MICAH – Mr Speaker, I thank the Member for Chuave for his good questions. In relation to Tolukuma Mine, it is under Petromin at the moment and Petromin as a company comes under the ministerial responsibility of Petroleum and Energy. So my Ministry and the IPBC is not responsible for this company, but the NEC made the overall decision to set up the Kumul structures and shutdown Petroleum and IPBC and move these assets as well as mineral assets to the Kumul Petromin Company where the Attorney-General chairs the Committee. We are still working to establish its structures because it will be a commercial structure.

So the issue on the acquisition of Ok Tedi Mine and any future development of other mines which includes Frieda, Wafi, Yandara and the possible reopening of Panguna will be dealt by the overall Kumul structure once we set up the Kumul Mineral Company and determine the policy of ownership and partnership which will be established between the State and the private sector developers in the mineral sector.

Mr WILLIAM POWI – I direct my question to the Minister for State Enterprises in relation to the cancellation of flights into Mendi. I have consulted the Minister and expressed the concerns of my people and other Papua New Guineans who are traveling this route. As we are coming towards the festive period, it is very important and I stand on behalf of my people of Southern Highlands especially

mothers and children who are facing difficulties when trying to fly out of Mendi to other parts of Papua New Guinea via Mt Hagen.

Mr Speaker, the issues surrounding the cancellation of flights to Mendi is an internal Air Niugini matter and I have directed my Provincial Police Commander and the Provincial Administrator to deal with them. I have already wrote to his department regarding this but I want to ask the Minister if he could directly deal with the Air Niugini management at his level and have the flights re-opened especially during this festive period.

Mr BEN MICAH – Mr Speaker, I thank the Governor of Southern Highlands for his question regarding Air Niugini’s cancellation of flights into Mendi. I will give him the bad news first and later the good news which I am sure all the Members of Southern Highlands will be pleased.

Mr Speaker, the cancellation of Air Niugini Flights to Mendi is not the result of Air Niugini management but is a result of two security firms who provide security service at the airport. This airport has some legacy issues with relating to security. Eventhough there is a fence, people walk through the fence and cross the runway to the other side. We also have other related problems at the airport.

It has been a security risk issue for the airline, so they engaged a security company who were apparently not performing well.

(Rest of the Minister’s response was not recorded due to technical problems)

04/07

Mr JOHN SIMON – My questions are directed to the Minister for Agriculture, but before I ask them I wish to speak on the Minister’s launching of a cocoa project in Yangoru, East Sepik Province just to set the record straight.

According to the paper, Yangoru is said to have produced some of the highest quantities of cocoa but to set the record straight, Maprik produced the highest quantity of cocoa in East Sepik Province and everybody knows that.

The hardworking people, you will find are from Maprik, Nuku, Dreikir and Wosera, not Yangoru.

Since I got elected I walked into your office and made a submission through our provincial government, including an endorsement from PEC for a project worth K5 million to rehabilitate cocoa in Maprik. I remember asking you if there was any funding for cocoa, to consider Maprik. Regardless of how much funds you allocate, I will counterpart it.

And up to now, I have not received any notification from you but surprisingly you launched the project in Yangoru and forgot Maprik.

As per the records, last year East Sepik, as you know, produced the highest quantity of cocoa in Papua New Guinea and Maprik contributed a lot to this figure so we expected the Government to acknowledge our contribution.

(1) Out of that funding, the Minister clarify how much is coming from the Government, how much from their DSIP and where is the source of that funding?

(2) Whatever the amount the Government is contributing, do you also have plans for other cocoa producing districts in the province and also the country.

(3) How much are you going to assist us with because we are also ready to fight this cocoa pod-borer disease and are willing to put in money to eradicate the pest but you need to tell us your plans?

Mr TOMMY TOMSCOLL – Thank you, Mr Speaker. I want to thank the Member for Maprik for his very diligent questions.

I agree that earlier this year the Member for Maprik approached me to seek some allocation of funding of cocoa projects in his district. I asked the Member to connect with the Cocoa Coconut Research Institute which is the research organization that is promoting the new cocoa pod-borer resistant seeds.

I am not too sure as to how far they have gone but I understand from the situation now that it has not reached fruition.

Mr Speaker, the CEO of CCI has resigned and I think that is partly the reason for the disconnection in the communication between the Member and the organization.

Mr Speaker, if I may draw the Member's attention to last year's allocation to the agriculture sector, the Member, I am sure, will concur with me that there was not enough funding to serve every cocoa district in Papua New Guinea. It is a major contrast to the Government's allocation for 2014.

Mr Speaker, I also agree that East Sepik is the leading cocoa producer and exporter in Papua New Guinea. Four years ago, East New Britain was the leader in cocoa export. East New Britain used to produce about 20 000 tons per annum but as of last year, as a result of the Cocoa Pod-Borer Disease, East New Britain only produced 4 000 tons.

So under a span of about four years, we have lost about 16 000 tonnes from East New Britain and as a result, East Sepik is now the leading cocoa export province with 14 000 tonnes.

05/07

Mr Speaker, the Cocoa Industry brings export revenue of about K300 million per annum, of which East Sepik alone contributes K111 million. Therefore, one-third of the cocoa revenue comes from East Sepik. And so, we recognise the importance of East Sepik in the industry and that is the reason why I had visited the East Sepik Province.

Mr Speaker, my visit to East Sepik last week by invitation of the Member for Yangoru-Saussia, Minister for Commerce and Industry is in fact recognition that East Sepik is the leading exporter of cocoa in Papua New Guinea.

Mr Speaker, I also want to acknowledge that the Yangoru District produces about 2000 tonnes of cocoa per annum, whilst Maprik produces about 2800 tonnes of cocoa per annum. Therefore, it is not a marked difference, Mr Speaker.

In terms of value and money, Yangoru brings about K21 million of cocoa revenue into Papua New Guinea while Maprik brings in about K24 million. Therefore, the difference is around K3 million.

Mr Joe Sungi – Point of Order! Can the Minister answer the Member for Maprik's question as to why the Minister gave K5 million to Yangoru and not Maprik even though the Member filed all the necessary paperwork when Yangoru did not?

Mr SPEAKER – Thank you, Member, your point of order is in order. Therefore, Minister, can you keep it brief and directly answer the question?

Mr TOMMY TOMSCOLL – Mr Speaker, I am on the path to answer the question.

First of all, the Member prefaced his question so let me preface my answer.

(Laughter in the Chamber)

Mr TOMMY TOMSCOLL – Mr Speaker, there was a disconnection between the CEO of CCI and the Member's Office. As a result, lack of communication was inevitable.

Mr Speaker, going forward, under the 2014 Budget the Government has allocated K7 million for cocoa rehabilitation. Rehabilitation means that we are going to focus in the establishment of new nurseries and distribution of new seedlings to farmers.

Mr Speaker, that means that with K7 million, I am not able to cater for every district. Therefore, I will look at the potential of each district in terms of population to land that is available.

Mr Speaker, I have been to Yangoru and it has great potential like Maprik. Therefore, under the arrangements an MOA signed between the Cocoa Board and the Joint District Planning & Budget Priorities Committee (JDP&BPC) of Yangoru will be engaged in a one-to-one counterpart funding. The District is putting down K1 million as seed capital for the startup and the Cocoa Board will also put up K1 million. We will therefore roll it over for a 5 year period amounting to K5 million.

Mr Speaker, I want to assure the Member for Maprik that I know that Maprik has great potential for expansion as well. Therefore, under the arrangements we will also go into Maprik but I request that the Member allocate from his JDP&BPC K1 million as a counterpart funding under this program. We will then roll out the same program that we have already started in Yangoru.

Mr Speaker, if we partner together we will have an impact but, if I were to spread the K7 million across all the districts thinly then there would not be any impact. Therefore, we will not see any rise in production.

Mr Speaker, having said that, I would like to take the Members of Parliament to a program of referred to as the Productive Agriculture Partnership Program (PAPP). This program is a loan provided and funded to Papua New Guinea by the World Bank. Under this program since May, 2011, two provinces have been benefiting. They are East New Britain and the Autonomous Region of Bougainville.

Mr Speaker, what I simply what to say is that, these two programs run in parallel and we will not duplicate the funding. Meaning that these two provinces will continue under the program of which I understand that there is K12 million parked. Therefore, they will not have access to the K7 million for rehabilitation. That will only go to districts that have no other funding and it will go to districts that lag behind in the total Government Support Budget.

06/07

Mr Speaker in short I expect the Member and his JDB to place in K1 million and we will partner into the project.

Mr AMKAT MAI – My question is directed to the Acting Police Minister and Prime Minister Peter O'Neill.

Mr Speaker, before I ask my question I would like to thank the Prime Minister for his support of my province Sandaun in terms of increasing Police logistical support this year.

Sandaun Province this year has seen a major boost in our water policing when we received an Australian Police Funded boat and the high ranking police official that we received as our Provincial Police Commander. However due to the Sandaun's strategic border location much more is needed in order to improve and sustain in policing efforts .One major area that has come to my attention is the need for police personal training in my province, in areas such as transnational crime control which, is due to the close international borders that we share with Indonesia. Furthermore, the care, safety and protection of foreign businessmen in my province especially, the Chinese citizen and those of Chinese origin is another area of need.

A way to cater for this would be through the PNG-Australia Policing Partnership Program in the country. I would like to ask the Police Minister and Prime Minister Peter O'Neill.

Mr SPEAKER – Governor, the Prime Minister is also the Minister for Police.

Mr AMKAT MAI – My question to the Police Minister and Prime Minister is; are there any plans in the future to roll out the PNG-Australia Policing Partnership program to other provinces?

If there is, I would like verbally volunteer for my province to be a host to the program with hopes of benefiting from the valuable consultative program on offer by the Australian Police.

Mr PETER O'NEILL – Thankyou Mr Speaker. I thank the Governor for Sandaun for his question. Mr Speaker, the Police Force is now going through a modernization program which includes replacing of many of its equipment and transport systems within the police hierarchy.

Mr Speaker, I know that many of the Police assets throughout the country has been run down for quite some time and as a result our man and women are not able to perform their duties.

In 2013, our Government and this Parliament approved funding to the Police Force. It was more than what they requested so that funding increase is continued this year for 2014 through the budget that we have introduced.

I want to assure the honourable Governor that we will do everything possible to assist him in addressing many of his law and order issues in the province. In respect to the transnational crime that the Governor mentioned Mr Speaker, all these new waves of criminal activities are starting to arrive at our doorstep and Mr Speaker; we need to increase our manpower and our training and skills to address these issues.

From my recent trip to Israel, the Israeli Government has already volunteered to take 20 police men and women to address counter terrorism and transnational crime training program which, they will fully fund.

Mr Speaker, we are going to take advantage of that. After the first 20 we are going to send some more at our own expense.

Mr Speaker, while on the topic of potential terrorism issue in the country, I want to also say that the Police Commissioner and Police hierarchy are also aware of some foreign nationals who are in this country under different passports.

Mr Speaker, there are some Indians and Pakistanis in this country who are associated with our leaders in this honourable House and have passports from different countries other than their country of origin.

07/07

People with passports from different countries not from their country of origin, for instance, a Pakistani holding a Somalia passport, so they live under protection from some leaders.

This is akin to a terrorist behaviour where persons are not holding onto passports of their country of origin. But in the case where they are being held for other countries needs a lot of explanation. The police are investigating and they are writing to the leader concerned to bring this person in for interrogation.

Mr Speaker, relating to the Australian program, I want to assure the Governor that we are in active discussions with the Australian Government and the first 30 officers of the 50 that were engaged to us by the Australian Federal Police have arrived and have taken up posts in NCD stations and the next 20 that will arrive before Christmas will be sent to Lae.

This is due to increase in population minor crimes in Lae. The other 150 additional officers we have been discussing with the Queensland Government will arrive soon but funding is an issue between the Queensland Police and the Federal Police. An understanding reached by this Government and the Queensland Police is that officers are available but who to fund their engagement is the issue that they are dealing with.

Mr Speaker, the Australian Prime Minister has written to me on this matter and we are now going to discuss that at the Ministerial forum, which our Minister for Foreign Affairs will head and we are hoping the Australian Government will fully fund that. And we are also trying to send our own 150 police personnel to many parts of the States in Australia so that they can gain skills and try to get better training and supervision.

This programs are established to make sure that we improve the skills of the Police Force and improve the equipment that are necessary for them to carry out their duties and I can assure that should the 150 police personnel from Queensland arrive, we will distribute them to every provinces.

**DISTINGUISHED VISITORS –
FROM THE REPUBLIC OF INDONESIA –
STATEMENT BY THE SPEAKER**

Mr SPEAKER – Honourable Members, I have to interrupt Question Time as I would like to recognise some very important people who are in the Parliament this morning.

I wish to acknowledge the presence of the Honourable Manuel Kaisepo chairman and head of the delegation, Honourable Diaz Wizange, Honourable Ms Ida RiYanti, Honourable Dr Harry Azah Aziz, and officials from the House of Representatives of the Republic of Indonesia are present in the Speaker's Gallery.

Honourable gentlemen, on behalf of the Parliament I extend to our distinguished visitors, a very warm welcome to Papua New Guinea. Terimakasih!

Mr JOE LERA – Mr Speaker, my question is to the Minister for Agriculture. Can the Minister advise Parliament and my people on the status, on findings made by personnel from the Department at the beginning of this year regarding the establishment of the National Development Bank and the Micro-Finance bank on Bougainville?

These two financial institutions are very important for Bougainville in restoring its economy after the crisis and to drive the recent SME policy instituted by this Government.

08/07

Mr Tommy Tomscoll – Mr Speaker, I thank the regional Member for Bougainville for his question. I wish to assure the Member that there are four branches which we will open in 2014 and one of them is the branch in Puka.

Mr GARRY JUFFA – Mr Speaker, I wish to direct my questions to the Minister for Lands and the Ministers for Police and Forest to take note.

My question is in relation to the portion of land in Northern Province called Collin wood Bay known as portions '113 and 143'. These Portions of land have been restrained through a Court Order for any private companies to enter because of disputes over land ownership and the use of that land by the landowners and the

number of companies. However, that Court Order has been ignored and couple of foreign companies have now entered those areas with their equipment and barges. They even brought policemen there.

Mr Speaker, I believe there is a circular instruction that policemen are not supposed to escort logging companies. But in this instance, there are about five policemen in uniform and armed fully in those areas, which have caused a lot of anxiety and hesitation to the local people. These companies have also transported oil palm seedlings to those areas because they intend to cultivate that area and plant oil palm, which is against the wishes of the majority of the population. This is in direct breach of the Court Order, which is still in place.

The Forest and the Lands Departments have ignored the pleas of the people. The people have hired a lawyer to battle their case and I supported them to get a lawyer to represent the provincial government.

(1) Are you aware that we have written to your secretary for a report and respond but nothing has come forward?

(2) Can these institutions that were created and designed in first instance to protect the interest of the people of this country actually perform the duties?

They should make an effort to take these matters to court instead of subjecting to poor people. They are bombarded with a huge financial and economic hardship by looking for lawyers, who are expensive.

Mr Speaker, my second question is in regard to the very expensive lagis system that has been put in place. Apparently, this system is going to cost us K30 million, but initially it was K3 million.

(3) Are you aware of the anomalies in the procurement system or process upon which these companies were selected? If so, then what is being done to review this huge cost to the State to the people of PNG? I believe these type of unforeseen costs are eating away our budget all the time.

Mr BENNY ALLAN – Mr Speaker, I thank the Governor of Northern of Northern for his questions concerning the portion of land known as Portions 13 and 143. Referring to his first question, I have no knowledge of the Court Order on Portions 113 and 143, and I have not sighted a copy of his letter regarding those portions to the Secretary. I would ask the honourable Governor to direct those questions in writing to me so that we can look into that matter.

09/07

Mr Speaker, in regards to Lagis, I have been informed by the Department that the Lagis system that has been put in place which will be going live has cost the Department K20 million.

The company that has been engaged to set up the Lagis system is doing a fantastic job and it has taken some time but it is about to conclude the process now.

I am pleased to inform Parliament and the people of this country that the system will be going live on 29 November, 2013. This program will address all the problems that we are talking about over the years.

Mr Speaker, I am not aware of the K30 million that the Governor is referring to but I am advised that the program has cost the Department K20 million.

Mr BIRE KIMISOPA – Mr Speaker, I direct my series of questions to the Minister for State Enterprises.

Mr Speaker, it was by mutual consent that he asked me to delay my questions because he was taking a trip to Lae.

Mr Speaker, IPBC in terms of the Budget has been asked to pay property income of K60 million in the fiscal year 2014.

Will the Minister agree that total assets for the entire IPBC valuations, is roughly about K3 billion? If IPBC is going to contribute approximately K60 million in 2014, that is roughly about two percent on return of investments.

Mr Speaker, my questions are as follows;

(1) Given the increase in the huge asset valuations of all the companies declared as State-Owned Entities, is there any time soon the return on investment by the PNG Government will exceed two percent, given the same kind of money will be invested in the inscribed stock will be fetching roughly about six percent could return a sizable investment to the PNG Government at around K160 million a year.

(2) Can the Minister confirm that IPBC is in the process of negotiating the share buy back of 17.4 percent from IPIC shares held by Oil Search, roughly about 196 million shares, which works out to be around K4 billion?

(3) Is there a business case to substantiate or warrant as to why we should proceed into any negotiations to buy 14.7 percent shares in Oil Search considering that the PNG Government and its nominees currently hold about 19 percent in Shares in the PNG LNG Project?

(4) Would there be any possibility anytime soon for IPBC to table the LNG Agreement and if so, I am particularly interested in the concessions in agreement for domestic debts consumption in this country?

Mr BEN MICAH – Mr Speaker, I thank the Member for Goroka for his series of questions.

Yes, indeed the value of IPBC assets through nine State Owned State Entities we have in this country, including some investment in Oil Search, BSP Bank and other small private sector companies is hovering around K4 billion.

10/07

I am happy to announce that once the PNG LNG Project comes into stream next year, the actual value in the IPBC assets including the LNG investments will triple or increase four times. I congratulate the past government's decision to become an investor in this project.

Regarding the Member's second question, Mr Speaker, the IPIC loan was taken without any State guarantee or Government support. It was negotiated as a changeable bomb where should a loan be made and not repaid; the lender or the Independent Public Cooperation of Abu Dhabi will collect our investments from Oil Search. We are the biggest shareholder of Oil Search. This loan was taken according to the strength of IPBC and its assets and the investments from the PNG LNG Projects.

Because of the increased project cost and the total debts of US\$1.7 billion, we loaned K1.6 billion from IPIC of Abu Dhabi. The Cabinet has already given approval. A review committee comprising the Chief Secretary as the Chairman, the Secretary of the Department of Public Enterprises and State Investment and the State Solicitor will look at the possibility of putting in place re-financing options to regain our shares in Oil Search.

Mr Speaker, I am glad to announce that this committee has now completed its work and have made recommendations that are now before me. Some big finance companies have indicated interests to assist the State in re-finance our interest.

There are two opinions here; some members think that we should not acquire these shares back instead concentrate on revenue received from the PNG LNG Projects. However, the Government has made a decision, to acquire these shares back.

Mr Speaker, the fact that we are serious and being the third largest investor in the PNG LNG Project, we have made our intention known that through the State and Landowner company we are the significant players in the hydro carbon industry in the years to come.

The re-acquisition does not only have financial considerations but strategic considerations for our entry and participation in future LNG Projects. So the Government in its wisdom will acquire these shares back.

I want to also announce to this Parliament that there are four financial institutions that are willing to support Papua New Guinea to acquire these shares. Once we do that, I believe we can consolidate not only our equity interests in Oil Search but also true State participation.

The current LNG Project locked all our gas into long term contracts for supplying markets for Japan, Taiwan and China. There are clauses in the agreement that will enable us through the Provincial Government to acquire domestic supply of gas.

11/07

Through my ministry and IPBC, we are now looking at how we can get the PNG LNG Project to supply some of the gas into some public private arrangement that we have already established for the supply of power in Port Moresby through the domestic supply of gas.

I believe this Government is also in terms of its policy in future projects looking at factoring domestic gas supply into future hydrocarbon business. So the Government is moving into the direction of negotiating domestic supply gas to feed our energy requirements in the future projects.

**AUDITOR-GENERAL OF PAPUA NEW GUINEA – REPORT
OF THE AUDITOR-GENERAL, PART IV, 2012 – PAPER –
MOTION TO TAKE NOTE OF PAPER**

Mr SPEAKER – I present following paper pursuant to statute:

Report of the Auditor-General, Part IV, 2012

Mr BENJAMIN POPONAWA (Tambul-Nebiliyer) – I move –

That the Parliament take note of the paper and that the Report be referred to the Permanent Parliamentary Committee on Public Accounts.

Debate adjourned.

POSTPONEMENT OF BUSINESS

Ordered – That Notice Nos. 13, 14 and 46 be postponed.

PUBLIC SECTOR STAFFING, STATISTICS, PERFORMANCE AND STRATEGIES – MINISTERIAL STATEMENT – MOTION TO TAKE NOTE OF PAPER

Debate resumed from 14 November 2013 (see page ...).

Mr CHARLES ABEL (Alotau – Minister for National Planning and Monitoring) – Mr Speaker, I rise to open this debate on the paper presented by the Minister for Public Service regarding a very important subject for our government from the higher levels of National Departments, NEC all the way down to the districts and the ward level, and that is the issue of our Public Service. It is something that we often talk about and that is our heartfelt attempts to motivate and get our Public Service such as we can deliver all our goods and services through wonderful budgets that we keep bringing down.

Mr Speaker, I commend the Minister for bringing this statement forward but more importantly, I commend him for the efforts he is taking to bring the wholesale approach to this issue we are talking about.

Mr Speaker, shortly, we will be tabling and voting on some very important legislations which are long overdue. The Public Service Minister and the Executive Government are very determined to bring some changes that address the issues of our

bloated and inefficient Public Service that is making it very difficult to deliver goods and services. We have always acknowledged our very good public servants in the system and we continue to thank them and attempt to work with them but at the same time, all of us know and understand that Public Service is bloated with many issues that continue to make it difficult for us to deliver services.

Mr Speaker, in my short experience in Parliament, I often wonder, down at the district level, why it is that some of us work so hard and feel motivated about delivering services. When we see potholes on the roads or rundown aidposts or classroom, why do we feel almost on a day to day basis so concerned, motivated and worried about these issues and end up micro managing the situation?

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Mr Speaker, many of us know that feeling as we go around the districts and of course we are meant to work through the public service but because of the issues within it many of us find ourselves beginning to micro-manage things.

For example, I make calls when I see a pothole on a road in my district, but, having said that, I also notice that by this constant activity, by demonstrating through positive and proactive leadership, I am finding that my district public servants are also starting to react to the situation. And I am finding, in fact, that maintenance work and various activities and work ethics are slowly changing. And it is all happening because I have tried very hard to lead by example, Mr Speaker.

But, Mr Speaker, it's not as simple as that and our Government is determined. We acknowledge and know that this public service is top-heavy in Waigani.

Mr Speaker, as we bring a record K15 billion Budget that we will debate further in debates, we acknowledge that half of this budget, a record K7 billion is recurrent funding. Seven billion kina is going into this government structure that is populated by this public service and all the various goods and services that support it is a huge amount of money.

What we want to know is how will this K7 billion translate into goods and services through the capital budget on the ground. That is why it is very important that we take a good look at this public service and think about how we restructure it.

We think about how we make this top-heavy creature that we talk about a little bit smaller in Waigani and push some of this K7 billion further down to the frontline.

That is why I totally agree with the sentiments that we talk about sometimes; teachers' positions, policemen, nurses and others. We got to get the balance of the public service right so that there is less bureaucracy at the top and less people sitting around in the offices of Waigani, having endless meetings and constructing endless plans and more people actually dedicated to delivering on the ground. And more effort and energy to resourcing and filling those position to ensure that the implementation structure in the provinces and districts are effective.

Mr Speaker, this process has started well and in fact it started at the very top and even when we talk about the new approach to the budgeting process, the realignment of the central agency function, bringing an integrated budget, bringing a five-year outlook, and; pushing funds further down into sub-national levels, are attempts at improving the efficiency of government by our Government. Our Government is all about trying to take money and putting it into the priority areas as we have seen, and we will see through the budgetary process.

Mr Speaker, I want to thank the Public Service Minister for addressing this. He is trying to refine the process, for example, in relation to looking at the Public Service Commission to make appointments happen quicker. He is trying to refine it such that we bring performance-based contracts into the public service so that our departmental heads and line officers are subject to some outcomes because one of our problems is that many of our public servants feel like they are public servants for life. That regardless of what they do, regardless of whether or not they turn up to work on time or not, they will always get their fortnight pay.

Whereas many of us who have been in the private sector or who have got elections coming up have a sense of accountability about what we do. There is also a sense of urgency in getting things done. We feel the pressure from our people and our employers and hence we tend to perform against a specific set of outcomes.

Mr Speaker, the question is how do we translate this through the public service, and that is the attempt of the Public Service Minister through these performance-based arrangements.

Mr Speaker, a very, very important introduction also is the introduction of the district authorities to bring the bosses, so to speak, closer to the people on the frontline; to bring that sense of accountability where we are more involved through the JDP&BPC and this authority structure in actually managing through our district

administrators and the provincial administrators and being closer in terms of exerting that pressure on the public servants.

In terms of delivery structure as well, to guide our public service, we re starting at the top as mentioned by our Prime Minister, with a new, more focused delivery platform. And through the budget, we are funding the urban regional delivery centres and we've talked about Port Moresby, Lae, Mt Hagen and Kokopo and at a lower level, we are also refining, through the PSIP and DSIP guidelines the subsequent public service for delivery structure points that I have been talking about at length.

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Mr Speaker, we are also refining through the PSIP and DSIP guidelines the subsequent Public Service or delivery structure points that I have been talking about at length starting at the Provincial Headquarters or District Headquarters, Local Level Government Headquarters (LLG), the ward councillors. We are clarifying what minimum levels of services including public services should be at those points to give clarity not only to the Public Servants but also to our leaders in the above areas.

Mr Speaker, we are sending record amounts of funding including additional funding for the administration side of the structure. This is so that we can resource these positions.

This is all part of refining the Government's structure by taking this top heavy structure and giving clarity at the top. For instance, what the departments namely National Planning, Treasury are Finance supposed to be doing. The central agencies must get their statistics right and get our EID structure in place and sort out the National Statistics Office. We will then allocate funding to the sub district levels. Also, we must give incentives to the public servants, make the structure clearer and set better examples as leaders so that we can deliver all these plans and Budgets that we are talking about.

Mr Speaker, whilst, we do put blame on our Public Servants we also need to acknowledge the fact that we also have to perform and control the situation. We need to understand, especially when we are implementing projects that are not appropriate to have a junior public servant in charge of implementing a project.

Their mentality is lightly different and it is very important that we keep an eye on this public investment process program cycle. So that when you do have major

projects and programs public servants have a particular role to do in administration, but important projects must go through that cycle. And an important part of that cycle is having a project management team in place. In that project management team you will have specific timelines and outputs and people must be there to deliver on time.

I therefore, think that one of the mistakes that we make is that we have too many line public servants administering projects. They simply do not have the structure around them and the management framework around them to get things done on time. Therefore, as we structure our Budget we still have to protect, as I mentioned in the Budget Lockup. That is the integrity of the Public Investment Program process so that projects are properly designed. And you do have elements of the Public structure and design towards delivery of those programs.

We are looking forward to introduce this legislation and I would like to emphasise this from the Government's perspective. This is all part of a broader package to bring efficiency to Government. We have talked so much about payroll this is a major issue because there have been a lot of ghost names and double names on our payroll. Therefore, our Government must act quickly and clean up the government payroll system.

We also have a payroll system that allows particularly, provincial governments to continue to pay some public servants who should not be on the payroll. This contributes to payments done beyond the budgetary appropriations. This is a critical factor that has contributed towards the Budget over the years.

Mr Speaker, this reform is part of the Alotau Accord and I want to thank all our coalition partners and the Members of Parliament to bring changes in these areas.

I also encourage all of us to debate this issue strongly and we must get behind and support the Bill, as I know we will when it comes for voting. This is because it is critical, Mr Speaker, if we are going to deliver on this K15 billion Budget, I want to encourage our Public Servants to work hard. They are very important partners with us and it is not that we want to put all the blame onto them. We will take the blame equally and we want to work hand-in-hand with them for the effectiveness of service delivery.

We do not want to discourage our Public Servants in terms of leaving the Public Servants on their own. We know that the private sector is booming in our country since the last 10 years. Nevertheless, we have to be conscience of this and make sure that we have the appropriate incentive structure in the Public Service.

Therefore, we want to encourage our Public Servants by giving a significant pay rise in the coming Budget.

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We continue to look at the structures for instance the Teachers and the incentives that will attract them to rural areas, and that needs to be improved because they are very important people in the frontline.

We want them to stay in the public service and we want to look after them, house them and encourage them to continue this partnership with us in terms of getting and delivering on this Budget.

Mr Speaker, that is my contribution to this very important discussion and I commend the Public Service Minister for bringing it and let's work together hand in hand with the determination to get it right for the sake of people of Papua New Guinea.

MR JOE SUNGI (Nuku) – Thank you, Mr Speaker. I would also like to join this discussion regarding the important public service machinery of this country. We can have lots of monies, good houses, buildings, and cars but if we don't have a vibrant workforce, we won't see the services reaching the people.

I, therefore, would like to commend the Minister for the good statement he presented on how we can make our public service machinery work better for our country and our people. I have served in the public service for a very long time starting right from the district.. Sometimes we put a lot of pressure on our public servants and think that they will achieve our goals but we don't look at the struggles that they encounter.

Mr Speaker, it is a two-way thing and the response and the ideas that this Government is bringing in is good. I commend the Prime Minister, the team of Ministers and the Government for paving a new way forward for us to change and see that our people deserve and get what actually belongs to them, and it is already happening. I am happy to be part of the Government as well and I would like to contribute to this discussion.

Mr Speaker, I would like to also stress that the problem with our country is we continue to come up with so many reforms and when that happens we try to concentrate more on the means but we find it very difficult to get to the end. While we

are still discussing on how we will get to the end, we haven't reached the end yet. So we have to cut the means short and get there to our people.

Mr Speaker, this is the right time. This is the Government that is well resourced and ready. We should not waste more time talking about plans and new ideas, we must now move faster to serve our people, and we have already started.

One of the problems that we may encounter right down to the administration level is the problem of identifying leaders and managers. You may be a very good, teacher, doctor and lawyer but if you are not a manager and a leader you may not be able to manage that organisation from the province to the department to the statutory organisations and even to the private sector as well.

Mr Speaker, it is important for this country to create programs that will build these leaders and managers to manage the public service from the departments, the province, and district and down to the local level governments.

Mr Speaker, my contribution is from my personal experience and I think we should have a well-defined program for us to mentor and groom and make sure that we coach this upcoming leaders and managers of this country. If we do not have these people, we may have all the money sitting there and all the good plans, but we will never see services and development taking place in this country.

Mr Speaker, it is about time that we support the Minister for Public Service and all the departments to work together to make sure that we have a school. The school of Public Administration is already there, and we not only must groom and train them but follow through their work wherever they are assigned to work.

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For example; if Divine Word is running a district administrators program while the lecturer teaches in the classroom we need to have a flow-on program to follow that through so that the district administrator is practically applying what they have been taught.

We need this mentoring and coaching program as soon as possible because the fear is that if we have the district authorities in place, we will not be able to find leaders and managers who are capable of managing and leading the districts. And we are already on the right track but we need to get this program running so that we can have these people readily available so that they can be absorbed into these positions to assist in delivering services.

One of the things that is critical and one that is mostly ignored or forgotten is the performance management in the public service of this country. We cannot be able to reward and discipline our public servants because we do not have a system in place. We may have it on paper but it is not working.

That is why most of the public servants who are disciplined go to the Public Service Commission and get re-instated. We are talking about solving problems but we have not gone down that path. We need to have the performance management system and I suggest we contract the responsibility out and away from the Government system.

We have competent companies who can be able to assess the performance of all public servants from the National Government down to the district level. They assess them based on the contract, job specifications and their duty statements. If they have a contract they must achieve them within certain time frames.

If they do not achieve this, they will be disciplined as we are now very used to hiring and firing staff that do not perform. The question is; how do we hire and fire? If you do not have a performance assessment in place and if it is not working, how are you going to fire public servants that are not performing?

Mr Speaker, we always fire public servant using the phrase for the interest of the state. What is the meaning of in the interest of the state? It is just politics. You do not want the person in the office then you remove him. This person has built his reputation up and for some reason you tell him, for the interest of the state, you may leave.

We must fix this and be honest to make sure we look after our public servants. It's just like if you look after your wife and family, you are happy and your family is happy.

We need to be very careful before we ask for powers to hire and fire. We have competent HR companies who can do that job but we have to have a system in place to justify our hiring and firing of officers. We need to support our Minister for Public Service who was a serving public servant who once led the Health Department. This Parliament must achieve this and not wait for the future.

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We need to support and contribute to debates in this Parliament so that as Members of the Ninth Parliament we must not wait for the future but build the future

now. We can only build this country through a service delivery system when we have public servants that are working and if we make sure that we support them, we can see services delivered to our people.

Another issue that I want to comment on is the hardships faced by public servants working in the remote areas of our country. Most of these officers are living in IMQ houses that have been rundown over the years. You can't even believe how they survive. You all come from that background. Most of us lived there and some of us were there for the campaign and we came back but some of us stayed there and we feel the pain of the public servants.

Mr Speaker, what we need to do is to look at the welfare of the public servants as well, it is a two way thing. They don't even get paid on a fortnightly basis. They got their last pay two months ago and yet, we expect them to deliver. There are so many factors contributing to the performance of our public servants.

Mr Speaker, a collective effort is needed to address these factors. We need to get the support from the Transport Ministry, from the State Enterprises Ministry and Civil Aviation to make sure that we have transport system that will have extended third level airlines or services of Air Niugini down to the remote parts of this country. This will assist the District Administrator to perform his duties such as paying the public servants or if there is a situation that requires Medvac, you just press the button and the plane is there or the helicopter is there. We should talk about chopper now because we have a lot of money now. The days of flying in Cessnas and other small planes is now over.

We should be proud of ourselves. We should take pride in our public servants. They are our image, when we are not there, they are there. If the people see the public servant representing you, they know that it's you, it's us. So we must look after our public servants, if a health worker flies in a chopper to pick up a patient, a mother who is struggling to deliver her baby, it reflects us. So why can't we change and look after these frontline public servants to deliver services for our people.

To conclude, I thank the Minister for this statement and my thoughts and contribution to the debate in summary is firstly that we contract out the Public Service Performance system to a private sector company so that they can do it better for us. You only get the report and know whether your workers are working or not working and then you make a decision based on that report. Secondly, let us look at the

transport system for the remote areas of our country and support our public servants so that they get there on site especially for teachers so they perform their duties.

Finally, Mr Speaker, we must look at the National line public servants like the Police and we have now have a situation where all health workers in the districts are now looked after by the Provincial Health Authority from the National level all the way down to the aidpost which means it now being centralized again. If this system is in place in your district we must look after them, instead of throwing them around. For example, we are now going to look after policemen at the district level, and yet, the Police Department gets a large allocation, the third or second largest amount every year from the Budget and yet, all the police houses in the district are rundown, so when we request for more policemen, they cannot send them because of a lack of housing for police in the district level. These are the issues that we need to address for the good of our country and Mr Speaker, I want to thank the Minister who we support and we will support the Prime Minister and this Government.

Mr Speaker, these are some of my ideas and experiences and I believe if we all contribute our ideas and experiences and support each other to see that the Public Service machinery works for the service delivery for the good of this country.

Thank you.

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

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Ms LOUJAYA TONI (Lae – Minister for Community Development) – Mr Speaker I rise to continue in this debate. Let me commend the honourable Public Service Minister for his initiatives for bringing clarity to my department and enabling us to sign up on and meeting the requirements of the priorities set by the honourable Prime Minister.

Mr Speaker, on that note, under the District Authority arrangements we also have the District Administrator and the District Treasurer sign up on priorities with the Open Member to deliver projects and services, and to tie down our public service machinery to be more focused in our expenditure of funds that are going down to the districts.

Otherwise, I stand in support of the other colleague Ministers and Members and commend the Minister.

Mr TITUS PHILEMON (Milne Bay) – Mr Speaker, I rise in support of my colleague Members and Ministers in this debate. Mr Speaker, let me thank the Minister for Public Service for assisting me and my Provincial Executive Council and also the Milne Bay Provincial Government for helping us to make some changes we really needed to do in our province administratively.

Mr Speaker, in February this year, we had a national conference at the Gateway Hotel. The Prime Minister announced that 2013 was the year of implementation. That was one year after the beginning of the new year and today we are a month away from the year ending.

We can all judge from the statement of the Prime Minister and as individuals and as Members of Parliament in our various provinces as far as implementation is concerned.

Mr Speaker, truly in the past, people said that lack of development in this country was the lack of funding. Today, under the O'Neill – Dion Government, we have funding for all the provinces and there is no reason or excuse to deliver goods and services to our people. We have all the money and all the good policies in place.

Mr Speaker, sadly, implementation is an issue that really needs to be addressed. Our capacity to implement our Budgets every year and the roll out of projects is becoming very huge.

Every year, as we increase in our Budgetary allocations, the implementation aspect becomes a very big problem.

Mr Speaker, it is important how we implement our programs and our plans because we are people who are mandated for only five years and we have a timeline or date when we go back and be answerable to our people.

Mr Speaker, I support the call that this Ninth Parliament should not be judged like the Leader of Government Business who continues to say that this Parliament is the only Parliament that has passed more Bills and more Acts in the past. This Parliament should be commended for that. It is only in the implementation aspect that is a big concern.

Mr Speaker, on many occasions the Public Service Minister has made sure that the public service machinery functions moves to the expectations of the government.

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So, as we approach the end of 2013, we can reflect on the past to see whether or not we have achieved our budgeted programs.

Mr Speaker, during our provincial meetings many leaders have expressed concerns on a lot of things that are not done correctly. In my case, when I held office, it took me one year before meeting up with the Milne Bay Provincial Government's Consultancy and Monitoring Committee (PCMC).

Mr Speaker, we have a PCMC in the province but I did not meet up with them or the Provincial Management Team (PMT). But I met up with them after holding office for one year. I told them that we were going to work together as partners. The PMT comprises of Officers from Milne Bay Provincial department, PNG Power, Water Board, PNG Ports and Police. A lot of State entities think that instead of being answerable to provincial governments they answer to those in Waigani and as a result operate on their own. As far as we are concerned, as Leaders, they must listen to us.

Mr Speaker, I have identified this weakness in my province, therefore, I urge the Ministers responsible to explain the functions of the stakeholder because I want to see my province progress forward.

Mr Speaker, the allocations this year under the PSIP, DSIP and LLGSIP is good enough. We ask for so much money yet we do not have the capacity to implement these projects in our districts or province and worse of all in our LLGs.

Mr Speaker, we had an audience with the Department of Mining, the Minister for Mining and the Vice Minister today. The consultation was good and I suggest that such consultation must continue to keep informed everyone because we only have five years to achieve our goals.

Mr Speaker, in my province, people want to become district administrators as well as project managers because they want to see changes and things are done correctly. Therefore, I want to thank the Minister for Public Service for making changes to the public service system. We want to effectively deliver services to our people.

Mr Speaker, the Member for Nuku raised concerns regarding the status of the public servants in the provinces who work under difficult situations. There are people who work in isolated areas too.

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When the Misima mines was in operation, the cost of living increased as a result of high salaries paid to the mine workers while the public servants could not afford the cost of goods and services because of their low income.

I believe the Minister for Public Service is also looking into the conditions of the public servants especially in the mining provinces or in isolated areas where they can be able to benefit against the cost of living in isolation. In some areas, we have difficulties in transportation and the delivery of salaries and wages are also contributing factors. So we have to look at all these things.

In Milne Bay, I am inviting not only the Public Service but also State agencies and stakeholders like the churches to work in partnership for a change. We all have to work together in partnership so that we can achieve the changes we desire in our province and the districts.

Mr Speaker, I want to commend the Minister and I know that this Parliament is geared up to bring these changes for the sake of our people who we represent.

Mr GARRY JUFFA (Northern) – Mr Speaker, I also want to join the debate. I was once a public servant as were many Members of Parliament here, and I just want to contribute my thoughts based on my experiences. I would like to add to what Member for Nuku has said. He shared a lot of things based on his experiences as a public servant.

It is time for us to review the Public Service machinery. Without this machinery, our dreams to implement will not occur or they will not occur in a timely fashion or be effective. This machinery was given to us in 1975 and it is broken down, rundown and rusty and has not been modernised. It has not been overhauled. You can put whoever you want in that machine but that machine is not moving or will not get far. You will have to get out and push it and that is what we are doing; we are pushing it up a hill.

Modernisation is crucial. We need to take stock of where we are in this world and what we need to do to position ourselves so that we can recognise opportunities and threats and put in necessary measures.

We also have to look at standards. What are the standards that we have set? In Papua New Guinea, we set very low standards and then we struggle to maintain or keep those standards. It is evident wherever you go. Everywhere there is a Public

Service and when you walk into that office, would you tell me that you are filled with pride? I don't think so. Often, you are disgusted because public servants come late to work, dress in a shabby manner and you cannot tell the difference between some of our public servants and the betel nut sellers and even the most senior officers do this. I have been to a senior office here and saw a lady breast feeding in the hallway and an old man sleeping under the desk. Look at the carpets, walls and toilets; they are stained with betel nut and rubbish.

This indicates that somewhere along the way, we have lost our way. Once upon a time, we had those standards. I recall as a child growing up in Kokoda, I would follow my grandfather to the Kokoda station and the public servants there would be in their office, dressed immaculately and were professionals. They had high standards. Most of them were not as educated as the type of public servants we have today and yet they had those standards. They had a sense of professionalism and dignity about them, a sense of purpose. We have to find that again and redevelop that. We have to understand that we are now being judged by global standards and our standards should either meet or surpass those standards.

Let us look at Singapore. We have mentioned this country many times, and why?

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Many of us have passed through that country or have been there and we have always marveled at the standards that they have.

When Singapore set out to be a nation, it scanned the world and looked at world standards and it said to itself, we will beat the world standards. So now you have world standards and beyond that you have Singapore standards. They are a small nation with absolutely no resources other than themselves and the beliefs that they have in themselves.

So we have to take those steps too. We have to instill discipline, honour and respect. Respect not only for ourselves but also for our people, the people that we claim to be serving.

We have to set those professional standards so when anybody turns up, whether he's a Papua New Guinean or a foreigner, at any government office, they should be somebody there at 7.45 a.m. waiting to serve them.

We lack those standards. Why do we lack those standards? I believe that over time we have neglected our public service. We have forgotten about them. We demand the best from them, but do you know how hard it is to live in a settlement or a village and come to work and be expected to do the best you can? When you open your pay packet and you see that you are only getting K7 a fortnight for your housing allowance.

Do you know how impossible it is to feel happy so that you can be productive and serve an organization called the Government with loyalty? You will only serve an organization with loyalty if that organization is loyal to you.

Many people in the private sector do not realize the difficulties and tribulations that public servants are facing. We demand the best from them and yet we are not able to take care of them.

If you look after your dog then your dog will look after your house. If you do not feed it, it will go foraging where it wants and when you come later, it is not there. Meanwhile thieves have come and stolen from you and did whatever pleases them but where was your dog? It has gone looking for food wherever it wishes because you did not feed it, isn't that the truth?

So I am one of those dogs and was not properly taken care of too but somehow I expended my energy in the fight for survival and now I have come in here and intend to make some changes.

I would like to make some recommendations. The Department of Personnel Management, a very important organisation, could better focus its attention and energies on performing an audit function.

I am glad to see that the Public Service Commission has now been brought into the Department and will be merged with the Department.

The department should be given the very important role of developing standard policies defining what our PNG standards are. And PNG standards should be the best in this region.

That organization can then perform the task of traveling around the country and auditing provincial governments' statutory bodies, government departments and making sure that they are doing what they are supposed to do.

There must be effective controls; a mechanism for review and to conduct audits and investigations. There are only two organizations that have an internal

investigation capacity in this country. These are the Police and the Customs Department, although the IRC also has one now.

That organisation's purpose is to conduct, determine where there is a lack of controls and where improvements can be made and provide such information to management so that management could improve in its efforts to become ever efficient and effective in the delivery of its programmes.

Internal investigations perform another very vital role. And that is to conduct investigations into allegations of improprieties that have been made against public servants, so that we can determine what the truth is. And those public servants who have been wrongfully accused can be cleared so that they can perform their roles with dignity, get promoted and be allowed to carry on with their duties. It can also carry out those investigations to determine whether or not a public servant had erred and committed a crime so that he can be dealt with immediately.

I would, therefore, suggest that we do away with the *Public Service General Orders* and the *Public Service (Management) Act* where are very thick cumbersome colonial documents created for us and are weighing us down. They are burdens that we are struggling to carry.

That is why everywhere you turn there is bureaucracy and red-tape which makes it very difficult for us to progress. Every time you want to do something, they will tell you that you cannot do it. You need to consult this committee which will form a sub-committee and then kill whatever good ideas you have at that level. And nothing gets done.

You will get a stomach ulcer, become a frustrated person and have a mild heart attack before you go for your next election.

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Therefore, I would like to propose that we must have in place those mechanisms. We must have performance based contracts and that is how we should review the performance of every public servant whether he is a tea boy all the way up to the CEO. I agree with, but I cannot recall who it was but somebody suggested that we should have private company to carry out this function. I think that it was the Member for Nuku who suggested that, and I believe that this is true. There should be an independent organisation that can review the performance of Public Servants to determine whether they should be promoted, have a pay increase, sacked and so forth.

The Public Employers Association (PEA) has become a defunct organisation and does it even exist? That organisation's purpose is supposed to be to fight for the rights and interests of the Public Servants, but it has not been doing that. It has been very quiet and so Public servants continue to live in some of the most deplorable conditions. Some of our most senior Public Servants that come here looking very sophisticated with their neck ties and giving us great advice and looking very professional live in terrible conditions. Some of them live single room apartments and flats and even in the settlements but they are diligently carrying out their work.

Therefore, we need to empower that organisation so that it can also play the role of check and balance with the Government informing us when and where we can improve. We have to remember that it is the Public Sector versus the Private sector. The Private Sector's primary function is to generate profit. That is its ultimate role and then they pay taxes as they go along and usually begrudgingly.

The Public Sector's primary calling is to build a nation. It is a higher calling and so it only makes sense that we should try to attract the best possible people into the Public Sector. Nevertheless, we are losing the best possible people to the Private Sector because we cannot look after our Public Servants. Our accountants, engineers, lawyers and et cetera are all leaving Papua New Guinea and working elsewhere simply because we cannot pay them enough. With current technology available to downsize the Public Service and make it a more effective and efficient machinery, but one that is sufficiently remunerated and taken care of.

Those are my views and points but furthermore, I would have to say that we have to look at the public institutions that are producing our Public Servants. They are only as good as the institutions and have any of you been to those institutions. I visited a particular teaching college and was shocked at what I found. At this teaching college there was betel nut stains all over the walls so that you could not see the actual paint color of those walls.

I have been to cells and prisons that were even better off but not as a prisoner but as a visitor. I have been to those prisons and I have seen that those prisons were in better conditions than some of our institutions that are supposed to be generating or teaching the next generation of Public Servants. Even the current Public Servants go to work looking unkept and unclean.

How can these people come and be our Public Servants? Many of our government offices when you visit them you cannot tell if the person you are looking

at is the cleaner or betel nut seller. Sometimes you will get the shock of your life when you find out that this person is the First Secretary of that office. These raises questions on what standards do we have for our Public Servants. When foreigners come and see such things what do you expect them to think about us.

These institutions that we expect to produce the next level of Public Servants we have to go and ensure they are functioning and professional in their undertakings. If we have to completely dismantle those institutions then we should elsewhere. We should look at Japan, Singapore and Malaysia where they have high standards and if we need to we can bring in those people to start the process of teaching us to be like that. That is what they did when they started out as small economies. They went out and got the best people to come and teach them. Then after they produced their own best they were then able to then get on with the business of building an economy.

If we are going to get these characters and expect them to deliver our programs, services and transform this economy it won't happen. They are going come to work late, relax around and chew betel nut. This kind of work ethics is the reason for our failing Public Service machinery because we do not have any standards. Therefore, to install and develop standards we will have to look at overhauling and reviewing those institutions.

Finally, I would like to propose that, instead of having Private Public Partnerships (PPP), how about Positive Private Public Partnerships? How about we look at doing that and have means whereby we can measure that effort?

22/07

I'm heartened by seeing the Government reviewing a lot of these, and taking a concerted effort to overhaul, for instance, the Public Service Review Committee that was established, the *National Security Policy* that is in the process of developing and other fundamental changes that it is undertaking.

I would like to propose that we make a more aggressive effort. We go out there and demand those changes and make them happen. Taking note of what the Minister for National Planning said, we have to really be leaders and be on the ground. Pay a visit to your staff, where are they, are they at work? I do that when I'm operating. I visit the offices and sometimes I am very impressed to see that despite all

these difficulties, there are people there who are doing their best, so we have got to look after and reward them. As for those that don't comply, sack them.

Those are my few words in regards to the public service machinery and I think if we can rebuild this machinery we are no longer pushing a rusty old wheel burrow but we are driving a nuclear powered turbo vehicle then we can implement that program that we are determined to implement.

Mr MARK MAIPAKAI (Kikori-Labour and Industrial Relations) – Thank you, Mr Speaker. I will start on a few clarity issues on the presentation done by the Public Service Minister.

For comfort of Parliament, the Cabinet has actually made a decision in terms of getting an audit team. From my understanding, the audit team will audit a province, and Central Province has been selected. They will audit the jobs of administrators, district administrators and align them against their responsibility or their jobs and that has been done. I think on a national department level, the Social Welfare division of the Department of Community Development has been selected to undergo this audit. This Government has attended to the issue of audit and I salute the Prime Minister and the Cabinet team so for the comfort of Parliament, an audit team is now in the process of being appointed.

After those findings come to the Cabinet, we then select the next lot of provinces to undergo auditing so whatever the findings, that is the way the public service will be geared.

The Public Service Minister is also working out on programs to be thought at the Institute of Public Administration College to tailor those public servants based on the outcomes of the findings as to what type of courses our public service would undergo to equip them to hold those responsibilities that we appoint them to do.

On the housing program, recently from my understanding, Cabinet has also made some decision and each district will be given half a million and the governors will partner with us because the Prime Minister's focus is to have at least 10 institutional houses per district, over the country starting next year. An appropriation of about K200 million has been put in the budget and that is the comfort we can give to the nation today. Next year, some of you Members have to put in K500 000 through partnerships with your Governors to roll out the first Housing program for

our district. We are starting somewhere as a government and I am proud of that so I'm just putting the records right for those who are not in the decision room.

Now, this mishap between provincial governments JDP&BPC programs and LLG must be identified and I am thankful that the Public Service Minister is working towards it. He knows each model of what each district should look like and what type of services should be there in terms of social services like education and health.

If you are planning for District model, he has got that in place already and that will be made known to us through some of his presentation later. For instance, what should he make of a district like Kikori? That is already in the planning process and I understand Cabinet has already cleared the paper and it's yet to come through to this Floor. But the mismatches are very important.

23/07

Even as a third term parliamentarian, I am confused as to what is the responsibility of Provincial Governments as to what programs they should undertake in the districts. Should the high school and the Government station come under my DSIP responsibility? And some of our provinces are very rich because apart from their normal appropriation they earn revenue from the mineral and gas projects in their provinces and have access to tax credits and others.

As for others we have limitations and we are only subject to DSIP for our expenditure budgets. That mismatch must be sorted out and we must define what the local government council presidents and ward members should be in charge of in terms of implementation.

What an Open Member who, is the Chairman of the DSIP, should spend on and unless we resolve that issue then we will save a lot of money. That is an area that we are working towards but once again it is important that we try to work closely with our Governors so that we can understand that mismatch. Some Governors are receiving K5 million for their districts and some of us have not seen this to date. We are now in November and I have not seen any funds. For instance there might be eight Open Members for a province and altogether they have K40 million or K15 million depending on the number of open electorates a province has.

These are the facts that we have to resolve. Why should that particular fund be in the districts? We have to discuss this thoroughly, otherwise we are duplicating and

not delivering what is intended to our districts. The districts must have their own district management team.

The districts should have competent accountant or an engineer who can design your projects because the funding received is inadequate. We have to take note of these because some officers in the provincial government cannot design and scope projects. They do not have the ability to do what is required of them.

In the absence of tender processing in my province as a third term Parliamentarian is I did the projects myself. I will give an example of how I survived. I was in Court for six months under the Leadership Tribunal and only had two weeks of campaigning.

I succeeded because I have never been a public servant in my life. I come from the private sector and use that experience. When the Angabanga Bridge was down, I would have a load of PMV leave at 12 midnight. We hire PMV and dinghies but it was not easy when you are transporting hardware materials and you have to unload from PMV to dinghy and dinghy to PMV. It was not easy but we had to do what we had to do, in order for the materials to be taken to Kikori. It's not a easy task because we had to not only overcome a broken bridge but mother nature in trying to manoeuvre through rough seas with the weight of the cargoes.

And to add onto those woes we had to have the materials carried to the construction site as I do not have a wharf or an airstrip for that matter as they are all closed. I am not a kiap or a work boy and no public servants helped because there was no management to design and scope the project. Public servants did not do this I did it on my own and I cannot be seen as a little cargo boy doing the work public servants should and are paid to do.

Public servants do not care if they win or lose. It does not worry them. For a politician we are caught against time if you don't deliver, your days in politics are numbered.

24/07

I don't have proper seaport in my District despite hosting two very important State assets. I don't have a telephone system, power lines and I don't have seawalls but these are some of the difficulties that some of us have operated with. So we understand the difficulties the public servants are going through and the Government is trying to address this through the Housing Program. But for us, the districts to

survive and expect to deliver this K10 million or K50 million for the next five years, you got to have a competent management team.

Mr Speaker, you got to have the management team because you have no choice. In order for you to effectively deliver your program in the PIP, there is deadline that you have to meet. If you miss that, you miss the boat. We can save a lot of money for this nation through our normal budgetary appropriation. There are donors waiting but they do not work on guess figures. If you have a competent management team at the district to design your scope, comes June which is the cut-off point, all your costings should have all been done and gone through the system from the Local Government Council through to JDP to the Provincial Government management team straight to PIP and come the type of the budget appropriation, whatever your design and scope it is ready for presentation through the budget process. This is why we are missing out on a lot of these donor aid programs apart from our normal appropriation and our budget team have a difficult time trying to capture everybody in this Parliament because some of them are coming at the last hour, there is no design and scope for anyone of them, it's just the pressure that we have to put something to make you happy.

So from my experience, we just only need a good size funding to help our project management team and somewhere along the line, we have to allow for the team to be established and, properly equipped so that we can properly design scope and we don't have to be little workboys running and trying to do the work of a public servant. The District Administrator is also loaded with district responsibilities from the provincial government. Of course, you must understand that staff of the provincial administrations are subject to the PEA apart from the DSIP programs that we have. And for us to effectively deliver, we have to have our own team. We have to have an effective construction manager so that he can from day to day supervise your project, you are not supposed to be out supervising but we have no choice. Some of us have to go that low just to make sure that things are moving. Of course, we have very limited time to deliver these programs.

And from my experience, I can say that for the first time, the O'Neill-Dion Government has set the direction in the right way. The mismatch is the imbalances between the districts. For the first time, we are seeing the cities are growing and more people are coming to the urban areas. Now with the intervention program through the DSIP direct to the provinces, we are going to stop this urban migration practices so

long as we have the effective Public Service machinery properly housed and with proper determinations and the project management team directly answerable to the DSIP Chairman and his members, the District should go. And I think we are doing the right thing. There are certain statutory authorities and government agencies who have employees who are highly paid and earn more money than you and I. This is the audit team that will check on them whether they get their job through wantok system and there are certain members who influence the decision of appointment or they do really qualify for the job they do as a public servant as departmental head or managing director of a statutory body.

The good news is, we have an audit now in place and I am very proud that we have done this because most of the speeches I make is on the audit of the Public Service performance whether he is really doing the job list that we have given him or he is worth the title that he holds because I don't believe in some these Phd degree holders. I am a practical man and I have worked my rank and I am proud to be standing here as part of the decision making body. You can have all the colourful decoration titles but I believe in productivity. You deliver, I will believe the Phd, you deliver, I will believe the Masters degree you have and you deliver, I will believe the BA or whatever university degree you have. That is how I measure you, whatever title you have, but Mr Maipakai, only believe what you can deliver.

You compare the Public Service during our young days when the Kiap was around. If you did not look after your toilet when I come back, you will end in jail at Kikori.

25/07

Mr Speaker, we are continuing to be dictated by overseas advisors. Where have we gone wrong? We have progressed very well until some of our big boys got PHD's and started to associate with the so-call foreigners and we listened to all the garbage advice which confused us profoundly.

(Laughter in the Chamber)

Mr MARK MAIPAKAI – Lets be proud Papua New Guineans. You cannot compare us with Malaysia or Singapore or even Australia.

Mr Speaker, this people were civilized a long time ago and we just got introduced to civilization just recently. Lets not confuse ourselves by thinking like the Australians. Of course that is our dream plan but lets be proud Papua New Guineans first.

Mr Speaker, can you tell me when we gained independence were there any high-rise buildings in Port Moresby? No! They were never there. There was only a twelve-story building. We have done ourselves proud.

Mr Speaker, the introduction of the elementary education has drawn our future generations backward. No one will get his or her PHD in this elementary system. That's why we are now going back to the drawing board.

Mr Speaker, I went through the hard way through the Australian academics and I speak better English today.

Mr Speaker, what I want to say here is that we have been confused by outside influence that has taken advantage of our young growing nation. We have gone outside of the basics. Since Independence and midway to now many educated people who were exposed to outside influence have led us astray.

Mr Speaker, when Members and Ministers compare us to countries like Singapore or Malaysia it is very distasteful. We have to be proud Papua New Guineans.

We have a capable leader in the Prime Minister, Honourable Peter O'Neill, who hails from a rural village in the Highlands and he knows exactly how we suffer daily trying to make ends to meet the cost of a packet of sugar just to survive.

For some of these foreign ideas compared, they have never been a village man like us to understand how we suffer daily. That is why we have gone wrong somewhere.

Mr Speaker, now the comfort is that we have a team now and we are moving forward.

Our fathers were subject to advisors but today I am proud to say that in my three terms in Parliament, we have very distinguished, highly intelligent people who have been former public servants who produce provide high class debates.

Mr Speaker, all I can say is that we are on the right track and this is the right place to make decisions.

Mr FRANCIS POTAPE – Mr Speaker I rise to join my colleagues in this debate on a very good statement by the Minister for Public Service.

Mr Speaker, the Minister for Public Service has been a public servant all his life and he has risen from the rank and file. He is doing a great job and I commend him for the statement and also satisfactorily answering my questions yesterday on blending the public servants in Papua New Guinea.

Mr Speaker, I have never been a public servant myself and I worked in the private sector before I became a Member of Parliament. When I became the Member for Komo – Magarima I became the number one public servant in my district. We all have become the number one public servants in our respective districts and provinces.

If your district is doing well, then you can do well in this country here at Waigani. Despite all those things we say about public servants in Papua New Guinea they are the best.

26/07

Based on my observations, we have the best public servants in Papua New Guinea, given the working conditions, the living and geographical environment, the hardships faced and the timing and type of wages received.

We have to send our public servants to international forums. I think public servants in other countries have high standards of performance, high standards of living and are well equipped. But I think our public servant can work side by side with these people and negotiate. They have done well, Mr Speaker.

It is time to stop talking negatively about the public servants. It is time to highlight which departments or provinces are not performing and expose them to the authorities concerned. Public Service machinery is a very big name and it is not in the jurisdiction of the Public Service Minister to fix it. It is our job to fix it.

We all know that the Public Service machinery is the engine room of this government. If you harm the engine room how do you expect the policies to work? It is about time we protect the engine room. If one part of the engine is not working, the Prime Minister is there to fix it at the national level but if it is at the provincial level then the Governors are there to fix it. If it is at the district level then I am there as an Open Member of Parliament to fix it. The time has come for us to stop generalising.

When our public servants go to Australia, Australia might say these are the people living in the settlement but they are public servants. And already they are

being labeled with a bad name. In reality most public servants are not living in the settlements.

The Minister for Public Service and his department need to conduct a survey district by district. They need to find out what type of house do public servants in the districts live in and likewise conduct the same survey at the provincial level. Many times we blame the public servants but in other parts of the world, they do not blame their public servants. Their news outlets do not expose such reports.

Lately, I have been watching the Australian Parliament debates and questions without notices on television, but I have not seen any Minister or Member of Australian Parliament blame their public servants. Why? Because they are performing but the Prime Minister only takes action when the Minister and the Department is not doing their job.

We do not need to blame anyone in Parliament because we have placed people in charge to fix the problem. I urge you all to fix the problem. We are from Papua New Guinea and we all know the Prime Minister and we know how much public servants are receiving. I urge the departmental secretaries to identify the problems and have them fixed.

We already know the problems so let us not waste time talking about them. We are only telling outsiders that this is how we are?

Mr Speaker, I am happy that this government is now making a move to resolve these issues such as departments that are not functioning because these are the things that are demoralizing the functions.

I have never being a public servant and I do not know how the system works when there is a government department and an authority. How does that work? There are too many authorities and agencies and this is why some people are going to sleep and getting paid for doing nothing.

27/07

I think it is about time we start streamlining and this Government is taking the right step. We need to do away with some of them and if some of them have to be without jobs, I know the Prime Minister does want that to happen, but if we have to keep them out of job, then so be it. All those unproductive public servants have to go.

Early this year, I went to Israel with the Governor for Hela and Member for Koroba-Lake Kapiago and I found that most of the Israelis do not know Papua New

Guinea. All they know is that Papua New Guinea is a paradise. Papua New Guinea is a paradise and to be honest, I am a very proud man because I belong to a country they call paradise. This name tag is not given anywhere else in the Pacific except for Papua New Guinea.

As the Minister for Labour and Industrial Relations said, we have built high rise buildings in a short period of time. We have come this far while having all these public servants under the same conditions and now we are trying to improve it. Let us not throw the baby away into the dirty water. We need to do with what we have and we are the leaders of this paradise and we just need to work together.

Let us pinpoint the departments and agencies that are not working and talk about the public servants in those institutions. Let us not blame everyone or put a blanket blame because I believe that is not fair.

I also support the Member for Nuku. How does the Public Service Department look after that teachers and nurses in remote areas like Mt Bosavi, Watut or Menyamya. They hardly go to towns and cities to collect their pay; they probably collect them at the end of the year or after every six months. If we can advertise and offer attractive salary package and other special incentives for the public servants to work in those conditions, then I believe it will help most of us who are representing the remote electorates. The current DMAs and other allowances in the Public Service system are sometimes not working effectively for them.

A few days ago, I visit the UPNG and University of Technology and noticed their dressing. When I was at the university, we used to wear neckties every day like the universities in other countries. In Papua New Guinea in the past, university students had decent dressings because they were required to dress up that way, think and talk and be at that level. But today, you will never see the difference between a university student and someone who is trying to catch a bus to Waigani or Gerehu. This is where the Higher Education Department and the Ministry has to step in. If you are going to attend the University of Papua New Guinea, you are required to bring five neckties and 10 white shirts. This sort of thing should be enforced in the universities.

When a person dresses appropriately with a necktie and goes to university, he will set his sights on what he will do after he graduates. Even students attending the teachers college in the country should do likewise. If they don't want to do this, send them home. Home is also where the heart is.

If we do this, we will have a high standard of leaders in the future and when they enter Parliament, their performance will be outstanding and likewise, if they enter the public Service.

Those are my few remarks and I commend the Minister.

Mr WERA MORI (Chuave) – Thank you, Mr Assistant Speaker, it is about time that we restore the efficiency and pride of the public servants back to those days after independence.

Mr Assistant Speaker, I also want to contribute a few remarks in this debate but before I do so, I wish to acknowledge the contribution of the Minister for Public Service because there is no better person to bring this subject in than him because he was a former top public servant who is now serving this country in a different capacity as a politician.

28/07

I also wish to make mention of the contributions from other speakers because some of them, like the Member for Nuku and Governor of Oro, were previously senior public servants.

Unlike the Members for Komo-Magarima and Kikori, I was not a public servant but I wish to give my perspective.

Mr Speaker, this country is richly blessed with resources. I had the opportunity, in my working life to go to many parts of this country, some of which are so remote you can't even imagine them.

And it is so sad to see that services which were enjoyed in the past, either during the colonial administration or shortly thereafter have fallen apart. Many a time when I asked them, their reply was, sorry, the last patrol officer visited here five or six years ago.

What I am trying to say here is that systematically the Public Service may have collapsed except for those which are concentrated in Port Moresby and in the main provincial centres.

In many districts, the patrol officers are not in the districts and on many occasions when you attempt to see them they have already disappeared somewhere else.

I am glad that this Bill is brought in now so that we must streamline it and bring back the efficiency of the Public Service.

Mr Speaker, I wish to speak strongly about the Public Service at district level because if public servants can perform at the district level, it will contribute to a lot of things.

Our people would like to see how the benefits that are derived from the extractive industry, we have got a lot of mines, Hides is coming up, we have oil that is flowing out of the country, which could flow on to the lives of the people and impact upon them materially with tangible changes.

Thanks to the O'Neill-Dion Government, and we are going along that track, funds have been made available through DSIP and other sources. But it is how we disburse those funds and implement them.

I want to inform you because I have seen that many times public servants such as our district managers don't read the district plans to work out how we can marry the money we receive through DSIP with the priorities that underpin our five-year district development plans.

I wish to admit that I am one of the Members from districts which have yet to submit a five-year development plan. I know that many of you have already submitted your plans and that is good.

As for me, when the so-called consultant came and gave it to me and said this is the five-year development plan, you should submit. I told them that it is bullshit and lies and I am writing the five-year development plan myself. So what I will submit will be from the one I will write outlining how I will spend the money and how I want the public servants to focus on it.

Mr Speaker, this is very important because only once in a while we have visits from ORD to inspect whether the money is spent as planned or not. But the public servants have regional public service offices there, so we have to impress on them that they must make regular visits to the districts to make sure that public servants are working.

Also, Mr Acting Speaker, as you know Bundi is remote and Chuave is also remote. Sometimes you hardly see the name of Chuave on maps. I almost tore the map at the Jackson's International Airport because the name of Chuave was not on it.

29/07

What I am trying to say here is that many of our public servants that live in the rural areas, especially teachers, go and collect their pay in towns such as Kundiawa. So, on a fortnight week they leave on a Tuesday or Wednesday or whenever transportation is available. They get their money and leave for the weekend. By the time it is Monday they start to recover and on Tuesday or Wednesday they start walking slowly back from wherever they are. When they finally arrive it would be on a Monday or Tuesday of the next fortnight week. Thus, this cycle repeats itself again.

Mr Deputy Speaker, these are some of the problems that I have noticed. If we are going to address the issues facing our Public Servants with reforms I would like to ask if the banks could also open on Saturdays so public servants do not have to leave their work places so early in the week to do their banking.

Our Public Servants need boosting because sometimes as leaders we criticise them a lot, like what I am doing now. I have realised that we must encourage them and provide incentives at the places and areas where they work.

Mr Deputy Speaker, what I did in Chuave and I am sure some of you Members have also done the same thing is, I went and bought white goods for all the houses for the public servants. I realised that if they are content with their living standards they would be much happier to do their work.

Sometimes I deliver cheques to schools or aid posts without their knowledge just to surprise them. I do not tell them when I would come because I am the head of the district. If I told them then they would put up a gimmick and do a ceremony to welcome me. Therefore, I would know the real problems being faced by them. At that time when I was talking to a school teacher when a pig escaped from its fencing, and I told that teacher that, that was what I want to see.

Mr Deputy Speaker, my point here is that, we have to be very practical. We have to know what our problems are and make assessments. In the past public servants had a primary data and all the planning was based upon it. I have raised this issue time and time again in this Parliament. And one of the things that I would like to point out is that we make it mandatory at the district level so that some primary data must be made available.

I have seen e-data come out of some of the country's districts with imaginary figures. In the colonial days the kiaps in each district maintained simple data collection like rainfall. Some of you may be wondering what I am talking about. What

I am saying is that global warming will have major impacts in this country; not only here in Papua New Guinea because the impact of global warming worldwide.

In the past the roads were designed according to the weather patterns of certain areas. Now that we are faced with the problem of global warming we do not have relevant data so that our engineers can plan. I would like to see what a colleague Member suggested that our district managers should use experts to address our various issues, especially when it comes to designing and scoping work et cetera.

I had wanted to fix up a small patch of road in my electorate but I realised that before I could do that, I had to fill up various forms and get various requirements done. By the time I am half way through the process the rain will have washed that road away and I find myself doing the process all over again. Therefore, I would like to state here that I will spend money and whether I go to jail for it will be in the name of the people because I must get the problem solved. Sometimes we must streamline the processes so that at least when we try to solve a problem, it must be done there and then so that we can find a lasting solution.

Mr Deputy Speaker, when we talk about streamlining and breaking efficiency we are talking about people who are very competent public servants. The day before yesterday I was a little upset when the Member for Kerowagi directed questions, with due respect to the Governor of Chimbu who is not here. He asked the Public Service Minister to confirm the appointment of the Provincial Administrator of Chimbu. He asked what the status was and the reply was that they were going back to the drawing board.

Mr Deputy Speaker, what I wanted to point out here is this, as much as we try to bring changes and efficiency we must not also shoot ourselves in the foot. In the case of the Provincial Administrator of Chimbu, we in Chimbu have been ranked three years in a row for service delivery. That was because of that Provincial Administrator. Therefore, why are going back to the drawing board again?

30/07

In the case of the Provincial Administrator for Chimbu. I think Chimbu province has been ranked number one for three years in a row for service delivery and that was because of the Provincial Administrator, so why are we now going back to drawing board again to move the person who has been responsible for improved service delivery in the province.

Please, common sense must prevail in such circumstances Mr Acting Speaker; I will not talk too much, as my other colleagues will be also speaking in this debate.

Motion – That the question be put - proposed

The Parliament voted, the Acting Speaker (**Mr Anton Yagama** in Chair).

31/07

AYES – 0

NOES – 41

Motion so negatived.

Mr DE KEWANU (Mendi Open) – Thank you Acting Speaker, for recognising the people of Mendi. I would like to commend the Minister for Public Service for taking the lead in setting the stage for the public service machinery in the country.

I've been in the private sector and as a politician; this is my first year as a public servant. And we are all public servants serving our people. That challenge has come and for a first time politician, my first responsibility was to take stock of what was in the district.

I have a district office that was built in 2010 and when I took office I had to take stock of what was in that building and as I went to check, there was nothing in that office. When I looked in all the corners, there were cobwebs. There were signs of work stations but there was nothing to work from.

32/07

When I resumed office after winning the election, I had to start from scratch. When I say scratch, I mean they may have been public servants but when I directed the District Administrator to see where everyone was, they were all over the place. There was nobody to lead, there was no way to start so when I took office, I had find a way to start somewhere.

In the first instance, you got to have the tool to do your job. When I realised that the public servants were all over the place, the basic thing is communication. The world around us is changing, the country is changing, Papua New Guinea is changing so when it comes to the district, we got to realise the change. I am coming from the private sector and I am going to make sure that the public servants are fully equipped. So for the first instance, I got to make sure that there is communication and I am going to tell you practically what I have done.

I saw that there was a need to buy and set up a VSat for the district. After doing this, I realised that I had purchase computers and then I had to network my district office. So I had to practically build and setup the VSat equipment, networked the computers and automated both floors of my district office, brought the Internet in, what I needed next was for people to use these equipment.

I then told the public servants I have bought what you need for your office, now you can use them and do your work. I was really surprised to hear from the 15 of them that they don't know how to use the computer. I don't know about you guys but I am talking about Mendi and none of the public servants up there knew how to use a computer.

Mr SPEAKER – Honourable Member, please respect our colleagues and address the Chair.

Mr De KEWANU - Mr Speaker, I withdraw the word 'guy' and address them as Honourable Members.

Mr Speaker, what I am about to say is basically something that I saw about public servants meaning that they know basically how to use the computer. I am not sure about other districts but this must be the reality for all public servants in other districts as well.

Basically, what I did was to devise a training program for them on how to use the computer, I hired a IT specialist to set up the computer network system for my district and to come in and train them on how to switch on the computer, learn the basics on Windows and Excel and Spreadsheet programs and for them, this was something totally new. Some of them had been public servants for 20 to 30 years and none of them could use the computer.

If that is the case in all the 89 districts, let us see what we can do to address this issue by empowering them and put some value into our public servants and to see our needs in the respective districts and make them to realise our potential.

The IT specialist came in and trained them for one week on basic computing. The public servants were excited that they sat up all night and finished their training and on the last night when I went to present them their certificates, they went on and stayed until 1 a.m. working on their computers.

So let us not write off the public servants, but we identify the skills and knowledge that they lack and we train them and put some value into them. What we need to do now is go district by district, assess their needs, come up training packages and supply them with the necessary equipment to use for their jobs. In my case, I had them trained on basic computing skills for one week but there are other areas that they need training in.

33/07

After the training when I went there, their offices were full and everyone was looking forward to work because they had equipment like computers and the morale was high.

What I am trying to say is that lets be practical about what we are going to do in the districts. If we are going to outsource training we should do so. There is a need for us to interact with respective Departments like the health and agriculture.

The District Authority Bill will be presented and the District Administrators will have a lot of powers and responsibilities and so we need to train our public servants in the districts so that they can effectively and skillfully deliver services to the districts. Lets not just talk on theory but lets be practical on what they can do in the districts.

Mr Speaker, I have never been practically out there but it is paramount to be with them and understand their problems. Their expectations will rise and their commitment will also rise because we are actually putting value in them.

Mr Speaker, by giving them the proper training we will instill value in them. And we can see the national need and devise training at the district level so that there is a uniformity in the training from the national and district levels.

Mr Speaker, these will cut down some of the delegations from the departments and we can empower and increase the Budgets in the districts.

Mr Speaker, in my district that is what I am doing because I am sick of seeing public servants carrying their work around to the typing pools. They waste time and half the day is wasted.

Mr Speaker, with the roll out program on public servants staff housing, we can improve their standards and hold them accountable for their performance because they will be well looked after.

Mr PETER O'NEILL (Pangia- Ialibu – Prime Minister) – Mr Speaker, I rise to commend the Minister for Public Service on a very good Paper.

Mr Speaker it is good to hear some very provoking debates that are taking place and it is good to see a lot of interest on how we manage our public service in the country. This debate is very constructive.

Mr Speaker, many of us have talked about the public service machinery and the lack of morale boosting in the country. We don't need to continue to be negative about their performance.

Mr Speaker, there are a lot of very good people out there who are sacrificing their time under very difficult circumstances to contribute to our nation's development. A lot has been said and we do not need to continue to be negative about that performance.

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Mr Speaker, there are a lot of good people out there. Thousands of them are sacrificing their time, under difficult circumstance contributing to nation-building. There are few individuals who continue not to perform their duties instead receive their salary and continue to lack discipline, as a result we think that the entire Public Service machinery is collapsing.

The systems are still there and so we need to follow these system to try and safeguard public interest. I think we should be able to uplift our performance when we deliver government services.

Mr Speaker, 70 per cent of our population continues to live and work in the provinces, district and the rural settings throughout the country. About 20 years ago, we introduced the provincial government system. We have seen the good and bad sides of the system. There have been talks about changing the provincial government system and structure but we cannot continue to change systems because they are not

working. We need to try and make it work. The intentions are clear and good but it is both the critical and public service leadership that we are not providing.

Mr Speaker, it takes a person to drive this institutions and not the other way around, the institution does not drive the person. If we all provide that leadership that is required of us, I think the public service machinery can function. It is the same system that is functioning in other parts of the world, and we have inherited from them. The Westminster system of governance around the world is functioning well and I do not see any reason why it is not functioning in Papua New Guinea.

Mr Speaker, when we introduced the District Development Authority concept for this Parliament to deliberate on, we are looking for a better management of a Public Service delivery mechanism on the ground.

Many of us grew up in the 70s and the 80s and we know very well that right after the Independence, Papua New Guineans took over and localized many of the positions in the districts that were still functioning. But somewhere, somehow along that road we lost our sight and shut down institutions like the in-service colleges. This is where public servants go to re-skill on professionalism for instance, the Education Department. I remember, many years ago the Education In-Service college here in Port Moresby was always filled with teachers every Christmas. They were there to upgrade their skills. And by the time the school year began, they were back in their classrooms putting into action what they learnt.

Mr Speaker, with the closure of the core institutions like the administrative college and et cetera, that enabled public servants to perform better but over time, the governments have not given priorities to these institutions and as a result there is no motivation in the Public Service today. We must look at these issues through our allocated funding because I think we need to go back to the basics and rebuilt these institutions.

Mr Speaker, through the District Authority we are putting Budget allocations to the District Services Improvement Program and the Provincial Service Improvement Program. Knowingly, the districts and the provinces are in charge of the massive population of our country.

When we introduced the provincial government system, we put the persons there without the funding and as a result, people were receiving their wages but they did not have the expenditure, the assets and equipments to carry out their tasks.

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So it was completely uncoordinated, Mr Speaker. As a result you can see that in framing the Budget, we are now putting capital expenditure behind every department that we are allocating funds to.

Mr Speaker, for the first time we are giving powers to the districts and the provinces to intervene in the management of public servants directly themselves. Over time in the next few years, you will see that these functions are going to be given to the districts and the provinces.

What we have been doing, Mr Speaker, is trying to macro-manage issues here in Port Moresby and Waigani. We have allocated funds for the maintenance of roads in the districts and other remote areas without knowing the exact conditions of those roads. Nobody in Waigani or the Works Department knows the exact condition of those roads. They could be in a good condition but we are just allocating money. That is why we are working towards the provinces, districts and local level governments so that we will be better informed and allocate scarce resources in a better way.

The second issue that I want to mention is -and as the Minister for Public Service mentioned the other day during Question Time-we are also contributing to the inefficiency of the Public Service in our provinces and districts.

As leaders we should try and avoid “tribalising” and regionalizing the positions in provinces, districts and at the regional level. When we do that-and you know that sometimes when the person is not performing-we find it very difficult to remove him because of the obvious reasons. Sometimes when we try to remove him we bring their tribesmen into the office as well. So, the tribesmen become employees of the state as well.

Mr Speaker, just in the case of today when our good Governor from the Southern Highlands asked about Air Niugini not flying into Mendi, a similar thing; we tried to sack a security guard who was not performing and the entire tribe then comes on to perform the job.

(Members laughing)

So Mr Speaker, I think we need to strengthen these regulations that governs appointments. If you are from that province, it does not mean that you are not qualified or not welcomed, but there are similar jobs elsewhere in the other provinces.

We should get people from outside of the province to come in and provide the balance and they can independently run the services that our people so desperately need.

The other issue that we should also explore is that many years back when some of us were still young and at the University, many of us know that many of the line departments used to go to the universities and colleges throughout the country and recruit young people so that they can join the departments as cadets under the cadetships of the various organizations.

And the departments recruited ten or twenty people; some will leave and the others will stay on and they become very good career officers over time. That has now fallen away and as a result we are not getting new blood into the departments so the performance is very much stagnant and because of that, you can see that there is an aging population within the line departments throughout the country.

Mr Speaker, I take note that there is a proposal before us to increase the compulsory retirement from 60 to 65 years of age. Mr Speaker that is fine. It is good to retain experience and make sure that able Papua New Guineans are not running around doing nothing but at the same time we must avoid allowing them to continuing the bad habits. Some of them are used to carrying out their bad habits in managing some of the government services throughout the country. I think the in-service and upgrading of the skills must be a priority and we should send some of them for retraining. Infact some of them nearing retirement age, should be allowed to attend to learn new skills so that in retirement they will still be contributing members of our society rather than mere pensioners.

Mr Speaker, the government from time to time over the last few years have been involved in the Public Service and I have noted that every year we have increased the salaries of public servants. Just increasing pay does not necessarily mean that it increases performance.

This year again through the Budget, we are putting in funding to increase public servants pays but it must correlate to performance. I think for the first time in many years we are addressing the housing issue in the districts. We are now trying to roll-out ten houses per district per year over a period of 4 years.

In some remote districts like mine in Ialibu Pangia, the last time I think a government building was constructed was around Independence in 1975 or 1976. So this is a major issue for us. Some remote districts have never seen a new government

building for many, many years. This is going to have a huge impact because then you can accommodate decent public servants who can live in decent houses.

Mr Speaker, I fully commend the Minister's statement.

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Mr Speaker, I fully commend the Minister's Ministerial Statement and we look forward to debating the Bill that is before the House.

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

Motion – That the Parliament take note of the Paper – agreed to.

MOTION BY LEAVE

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

Leave granted.

SUSPENSION OF STANDING ORDERS – RE-ARRANGEMENT OF BUSINESS

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

That so much of the *Standing Orders* be suspended as would prevent me moving a series of motions to discharge and appoint Members of certain Parliamentary Committees.

**PERMANENT PARLIAMNTARY COMMITTEE ON APPOINTMENTS –
DISCHARGE AND APPOINTMENT OF DEPUTY CHAIRMAN**

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

That Mr Paul Tiensten be discharged from attendance as Deputy Chairman of the Permanent Parliamentary Committee on Appointments and that Mr Aide Ganasi be appointed Deputy Chairman of the Committee.

**PERMANENT PARLIAMNTARY COMMITTEE ON ECONOMIC
AFFAIRS – APPOINTMENT OF MEMBER**

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

That Mr Paul Tiensten be appointed Member of the Permanent Parliamentary Committee on Economic Affairs.

**PERMANENT PARLIAMNTARY COMMITTEE ON EMERGENCY –
DISCHARGE AND APPOINTMENT OF CHAIRMAN**

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

That Mr Bire Kimisopa be discharged from attendance as Chairman of the Permanent Parliamentary Committee on Emergency and that Mr Waigavara be appointed Chairman of the Committee.

**PERMANENT PARLIAMNTARY COMMITTEE ON LEGISLATION –
APPOINTMENT OF DEPUTY CHAIRMAN**

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

That Mr Salio Waipo be appointed Deputy Chairman of the Permanent Parliamentary Committee on Legislation.

**PERMANENT PARLIAMNTARY COMMITTEE ON PENSIONS AND
RETIREMENT BENEFITS – DISCHARGE AND
APPOINTMENT OF CHAIRMAN**

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

That Mr Joseph Yopyopy be discharged from attendance as Chairman of the Permanent Parliamentary Committee on Pensions and Retirement Benefits Appointments and that Mr Joseph Lelang be appointed Chairman of the Committee.

**PERMANENT PARLIAMNTARY COMMITTEE ON PRIVILEGS –
DISCHARGE AND APPOINTMENT OF CHAIRMAN**

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

That Mr Isaac Waigavara be discharged from attendance as Chairman of the Permanent Parliamentary Committee on Privileges and that Mr Aide Ganasi be appointed Chairman of the Committee.

**PERMANENT PARLIAMNTARY COMMITTEE ON PUBLIC ACCOUNTS –
DISCHARGE AND APPOINTMENT OF MEMBERS**

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

That Sir Julius Chan and Mr Ross Seymour be discharged from attendance as Members of Permanent Parliamentary Committee on Public Accounts and that Mr Salio Waipo and Tobias Kulang be appointed Members of the Committee.

**PARLIAMNTARY REFERRAL COMMITTEE ON JUSTICE –
DISCHARGE AND APPOINTMENT OF CHAIRMAN**

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

That Mr John Hickey be discharged from attendance as Chairman of the Parliamentary Referral Committee on Justice and that Mr Joseph Yopyopy be appointed Chairman of the Committee.

ADJOURNMENT

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

That the Parliament do now adjourn.

Parliament adjourned at 3.50 p.m..