

SIXTH DAY

Wednesday 19 February 2014

DRAFT HANSARD

<u>Subject:</u>	<u>Page No.</u>
PETITION	1
QUESTIONS	2
MOTION BY LEAVE	16
SUSPENSION OF STANDING ORDERS – REARRANGEMENT OF BUSINESS	17
ORGANIC LAW ON PROVINCIAL GOVERNMENTS AND LOCAL-LEVEL GOVERNMENTS (DISTRICT DEVELOPMENT AUTHORITY) (AMENDMENT) LAW 2013	17
CONSTITUTIONAL AMENDMENT (INDEPENDENT COMMISSION AGAINST CORRUPTION) LAW 2013	22
CONSTITUTIONAL AMENDMENT (APPOINTMENT OF CERTAIN OFFICERS) LAW 2013	24
ORGANIC LAW ON PROVINCIAL GOVERNMENTS AND LOCAL-LEVEL GOVERNMENTS (AMENDMENT) LAW 2013	29
MOTION BY LEAVE	31
SUSPENSION OF STANDING ORDERS – REARRANGEMENT OF BUSINESS	31
CONSTITUTIONAL AMENDMENT (CITIZENSHIP) LAW 2013	32
CONSERVATION AND ENVIRONMENT PROTECTION AUTHORITY BILL 2013	40
MESSAGE FROM THE GOVERNOR-GENERAL	43
ENVIRONMENT (AMENDMENT) BILL 2013	49
CONSERVATION AREAS (AMENDMENT) BILL 2013	50
CROCODILE TRADE (PROTECTION) (AMENDMENT) BILL 2013	51
INTERNATIONAL TRADE (FAUNA AND FLORA) (AMENDMENT) BILL 2013	52
FAUNA (PROTECTION AND CONTROL) (AMENDMENT) BILL 2013	53
BUSINESS NAMES BILL 2013	54
COMPANIES (AMENDMENT) BILL 2014	58
ADJOURNMENT	62

SIXTH DAY

Wednesday 19 February 2014

The Speaker (**Mr Theo Zurenuoc**) took the Chair at 10.45 a.m. and invited the Member for Usino-Bundi, **Honourable Anthony Yagama** to say Prayers;

‘Papa God mipela kam long yu long dispela moning, mipela givim luksave long yu olsem yu bikpela yu stronpela God, inogat wanpela samting antap long sky, antap long dispela graun na insait long solwara iwinim yu. Save bilong yu na strong blong yu iwinim olgeta samting. Mipela kam long dispela moning long askim yu long givim liklik ap strong blong yu, ap save blong yu insait long ol lidas blong yu long dispela palamen, insait long ol pipol long yu long Papua Niu Gini na olgeta samting insait long kantri bai yu blesim. Yu Papa Blong mipela na yu blesim dispela kantri planti tumas. Mipela tok tenkyu long dispela. Mipela igivim luksave long yu na wokim dispela preia long givim gutpela bel na gutpela tinting long ol lidas blong yu insait long dispela naint palamen. Wanem samting mipela itoktok long en long dispela dei bai igat luksave blong yu antap long en na ol pipol blong yu iken kisim blessing. Amen.’

PETITION

Displaced Manam Islanders Welfare

Honourable Jim Kas, Governor of Madang, presented a petition on behalf of certain Ward Councilors of Yabu LLG and the Kukurai’s of Manam Island in the Madang Province praying that Parliament intervene and resettle the disaster stricken islanders of Manam in the Madang province and its internal displaced people at Andarum Village, in Bogia District as the conditions at the care centers have deteriorated.

Petition received.

QUESTIONS

Mr RONNY KNIGHT – Mr Speaker, I direct my question to the Honourable Prime Minister.

Mr Speaker, the whole world now knows what is happening on Manus Island regarding the Asylum Seekers' Processing Centre. I am referring to the issues that have occurred in the past few days.

02/06

Mr Speaker, I am thankful that the Prime Minister has responded quickly in sending officers to investigate the situation at the center.

On Monday when I heard about the problem I instructed my officers on the ground to find out and report back to me but they were not allowed entry into the center or given any information at all. This sort of approach from them shows that they have no respect for the people of Manus and their mandated leaders.

- (1) If the Prime Minister is aware then can he tell us what actually happened?
- (2) What long term plan is there for them?

I commend our police personnel for responding quickly in saving the properties and lives there.

Mr PETER O'NEILL – I thank the Member for Manus. Mr Speaker, the situation in Manus asylum center is now under control. I want to inform the Parliament that there was a fight that erupted among the asylum seekers themselves which got out of hand and was unable to be controlled by the security personnel at the asylum center. As a result the police was called into the asylum center. There have been reports that there is one death and several asylum seekers and one security personnel are now receiving medical treatment at Lorengau Hospital.

Mr Speaker, there were one or two injured flown out of Manus because they have sustained more serious injuries to receive further medical treatment. Our police went in there and fired warning shots on several occasions to try and control the situation because there were hundreds of people who took part in the disruption at the asylum center. The report confirmed that police didn't shoot the crowd but did fire warning shots in the air.

The fight erupted after many of the asylum seekers were told that they will not be resettled in Australia and elsewhere, as a result of that they are now trying to repatriate some people back to their countries of origin.

I want to stress here that our police men and women and the community have acted professionally at all times. There is no indication of our Manus communities being involved in this issue. The media is trying to imply that we have a lawless situation within the community in Manus Province but at no time were the good people of Manus involved in this conflict.

I want to state here that police were called into the center only at the request of the management of the asylum center. There are reports that one person sustained gun wounds on his buttocks but that is yet to be confirmed and we will make it publicly known if that's the case. If it's true then I assure this Parliament and our people that an investigation will take place to find out how it happened.

I am told that there may have been some firearms in the center as well. Right now our policemen are conducting a search of all the rooms for firearms and other weapons as well.

03/06

I want to assure the people of Manus through their Government that we thank them for their patience in putting up with the frustrations and the inconveniences caused by this issue. We hope that the situation will return to normal.

Ms JULIE SOSO –Thank Mr Speaker; my question is directed to the Minister for Health. I asked this question last year and I am asking the same question again this year. Many of our people in the country are dying from cancer. The Institute of Medical Research has also reported the rise in cancer in the country. Recently a cancer patient seeking treatment overseas, died in the Philippines and the body was sent back to the country.

I want the Minister to state whether or not there is a cancer clinic set up with the required specialists and equipment to treat cancer patients? We need to know because in the Eastern Highlands we have put aside K2 million purposely for the setting up of the specialist cancer unit.

Mr MICHAEL MALABAG –Thank you, Governor. You raised the question and I thought I answered it but I will respond again for the benefit of everyone.

We all know that the special cancer unit is based in ANGAU Memorial hospital in Lae and the Government is doing a few things to upgrade the facilities and bring specialists in as well. And that will tie in with new developments taking place there and in conjunction with the Australian Government.

We are also bringing in a new CEO for the hospital and I can assure the Governor that we are already “touching base” on that issue. Breast cancer affects many women in PNG and we are aware of that so from the rehabilitation of Angau Memorial Hospital, we will be looking at all aspects of the hospital and that includes the special cancer unit.

There are other issues and other diseases that affect our women and breast cancer is one of them. I would like to assure and invite the Governor to come and meet with us at the health department level and you will be briefed in detail of what we are doing.

Supplementary Question

Mr JOE KOIM – In regards to the Cancer affecting women, it is a prevalence issue. Instead of just having the special cancer unit at one location, can we have it spread to other locations as well to may be cover the four regions so that every woman has access to these services?

Mr MICHAEL MALABAG –We are not only looking at Angau but we have four main regional hospitals. In Port Moresby we are upgrading the facilities and that includes the women and children’s wing. I would like to say here that we have also thought of spreading the services to cater for all women in the country.

04/06

Mr DE KEWANU – Thank you, Mr Speaker for recognizing the people of Mendi. My question is directed to the Minister for Agriculture and Livestock, Honourable Tommy Tomscoll.

Mr Speaker, with the economy and GDP expected to double from 2015 and beyond we should equally be ready to tap into this by developing our agriculture sector so that it continues to sustain the economy in the long term.

I'd like to thank the O'Neill-Dion Government for shifting financial power concentration from Waigani to the districts and provinces by allocating K10 million to the districts and PSIP funds to the provinces.

The Government's placing priority on infrastructure development will within the next couple of years open up the economic corridors in this nation. With better roads, ports and airstrips, my electorate of Mendi will see a lot of changes. We have no minerals or cash crops but we can grow the best organically grown vegetables like carrots, lettuce and we are capable of supplying the whole country.

I have already told my people to work the land and the district through DSIP funding, will develop the feeder roads to create easy access for farmers to take the produce to markets.

There will be corridors opening up from Kutubu to Kikori where there will be a major port so through that I can see market access into Port Moresby.

I also have plans to purchase a tractor for my farmers in the district to use in their farms to develop them.

So, my series of questions are as follows;

Can the minister outline the Department's plans to develop the agriculture sector in terms of food security for the ever increasing population and I also believe will be the economic backbone to sustaining the PNG economy in the long term?

If there are such plans, when do you plan to create a market that will be conducive for PNG farmers with guaranteed growth and creating the market and possible imposition of a complete ban on any form of imported vegetables, whether it be packaged, canned, or fresh in the near future?

If such plans are in place, does the Department have plans to carry out extension work by DPI officers in the districts of Papua New Guinea to train farmers to go on mass production to sustaining quantity and quality to supply the whole country?

Mr TOMMY TOMSCOLL – Thank you, Mr Speaker and I thank the Member for Mendi for his questions.

Mr Speaker, we will all agree that the economy of this country which has strengthened through diversification including a shift from the mining and petroleum sector investment into agriculture, fisheries, forestry and education.

Mr Speaker, the fruit and vegetable industry in Papua New Guinea is propelled by the private sector. The government, through the Fresh Produce Development Agency can intervene only from time to time.

The Fresh Produce Development Agency has had a very long and serious funding problem to support our local farmers, especially those who are involved in the fruits and vegetable industry.

Mr Speaker, having said that, the fruit and vegetable industry in Papua New Guinea is worth about K3 billion. The Port Moresby market is worth about K600 million.

Mr Speaker, much of this market is supplied by imported fruits and vegetables. The constraints that our farmers face are many and we are very familiar with many of them.

05/06

Mr Speaker, there are many constraints faced by our farmers and we are familiar with some of them. These constraints affect sectors like the coffee, cocoa and copra industries.

The constraints include lack of transportation. The government has recognised that the farmers will benefit if it invests money in infrastructure, in the construction of roads and bridges and ports. This Government has exactly done that and that is an intervention to assist our farmers in the long term.

Mr Speaker, another problem is the lack of information and communication that we dispatch between the markets and our farmers. The third problem is the issue of quality and packaging and the issue of high cost through the supply and value chain. At the end this results in high production costs.

Many of our fruits and vegetables are perishable goods. They are transported from Mendi to Kagua or from Hela or Kandep and by the time they arrive in Port Moresby they have rotten.

Mr Speaker, Kandep is a forgotten food bowl of this country. And the Member for Kandep is responsible for allocating money so I hope that in the future he can allocate more money to FPDA to grow more vegetables in Kandep.

Mr Speaker, despite the hardship the FPDA and the government have continued to assist our farmers in finding the markets. If you go to some of the shops you will find some local fruits and vegetables on the shelf and they are done through the assistance of FPDA.

Specific projects that FPDA has carried out include the Brown Onion Development Project, the Ginger Project in Central province, Sweet Potatoes and seedling project. FPDA has also assisted some farmers to access the LNG market for the first time. We cannot say the Government is not doing anything.

Mr Speaker, FPDA has built a storage centre in Kainantu. It recognised that when we deal with perishable food the concern is about storing, so storage becomes the biggest impediments if we do not have it.

Mr Speaker, I recently accompanied the Prime Minister to New Zealand where we spoke about the assistance that New Zealand could give to Papua New Guinea to assist our farmers in the fruits and vegetables industry.

Mr Speaker, as a result of that visit, the Government of New Zealand has agreed provide with \$16 million New Zealand which is about K26 million to assist Papua New Guinea to grow its food and vegetable industry .

Mr Speaker, just recently the Government also engaged and appointed a State negotiating team to negotiate with an Israeli company, LR Group. This company together with the State team will come up with an agreement to develop a fruit and vegetable industry in the Markham Valley. Markham Valley will become an agro industry centre to produce food for Papua New Guinea. The feasibility will be jointly funded on a fifty-fifty basis this year to be undertaken by both parties.

Mr Speaker, the current Government also recognises the need to equip the Members of each district with K10 million so that they can also assist in providing assistance to our farmers

06/06

Mr Speaker, I am glad to know that the Member for Mendi is allocating money to assist farmers and I hope that other Members from other districts can follow suit.

Mr Speaker, the food security issue is a major issue not just in Papua New Guinea but across the world. It is a major agenda at global forums because of many changes including climate change which is affecting the world.

Mr SPEAKER – Minister, can you make short your reply? You are carrying on for too long.

Mr TOMMY TOMSCOLL – Mr Speaker, the Member asked me and very clearly about how will Papua New Guinea resolve the food security issue.

Therefore, Mr Speaker –

Mr SPEAKER – I believe he only asked three specific questions. Therefore, can you answer those three specific questions?

Mr TOMMY TOMSCOLL – Thank you, Mr Speaker. Food security is a big agenda on this government's platform, and so, in line with it, the government has also approved a rice project for the Central Province. The government also approved a dairy farm to be located at 14 mile, formerly Ilimo farm. These are all the interventions that the O'Neill-Dion Government is undertaking to address the food security issue.

Mr Speaker, I hope that I have satisfied yourself with these answers.

Mr SPEAKER – You have not completely answered his questions. He had asked if you have some extension work for DAL. You have not actually answered his third question.

Mr TOMMY TOMSCOLL – Mr Speaker, the DAL provides policy support to the FPDA. FPDA is the implementing arm of the sector.

Mr Speaker, FPDA is an arm of government in the agriculture sector that provides extensions, training and support services to the farmers. FPDA is where Members of districts must go and consult in partnership to develop your programmes in the districts.

If you want to develop your programmes and projects in the districts relating to fruit and vegetables then the office that you will go to, to assist you to develop is the FPDA and not the DAL. The DAL provides the policy support and the FPDA provides trainings, extensions and support to farmers.

Thank you, Mr Speaker.

Mr TOBIAS KULANG – Thank you, Mr Speaker.

I would like to direct my short but important question to the Prime Minister and it is in regards to the IPIC loan. I believe that the third and fourth months of this year are very important as I believe that the bonds associated with this loan should be retired. I also believe that we have some arrangements with the Arabs.

Therefore, can the Prime Minister give us an update regarding this transaction and loan?

Mr PETER O'NEILL – I thank the Honourable Member for Kundiawa-Gembogl for his question on the IPIC loan.

As many of the Members of this Parliament and people know is that, the IPIC loan was to try and secure our shares and investment in the LNG project. Close to over AUS\$1.5 billion with security over the Oil Search shares were given when we got that loan from IPIC.

Mr Speaker, the Foreign Affairs Minister is leading an official team to Abu Dhabi to try and talk to the IPIC people so that we can conclude this transaction where the time limit as per the agreement will conclude in March.

07/06

We are now nearing March; therefore, I want to inform the Parliament that the Minister for Foreign Affairs, the Governor of the Central Bank and the Secretary for Treasury are in Abu Dhabi as we speak.

Mr Speaker, last week, Abu Dhabi IPIC team has under the agreement gave notice to the Government that they want to use their rights to keep their shares in the Oil Search meaning that they will allow us to forego the loan. We may under the agreement pay the difference where the cut-off price as per the agreement is at \$8.55 per Oil Search shares.

Mr Speaker, so our desire is to try and retain some shares because we feel that Oil Search is a strategic company because they have well over 30 per cent of the LNG Project and they are actively managing and operators of the Kutubu project, and they have very active exploration program going on in the oil and gas industry. So it is important that we main a link with that company and as a result, we are trying to negotiate with the Arabs that they allow us to take-over the shares that they are holding as security in Oil Search.

Mr Speaker, my belief is that there will be a negotiated outcome and of course we need to negotiate the deal where the Arabs will feel that their interest will be also looked after. We have directed the Central Bank Governor to take charge of it because officially, the Central Bank is the banker for our government and the people of Papua New Guinea. So they have been tasked to take responsibility of that and I want to say that once the Arabs agree to the way forward, our negotiating team will go in there which consists of the Minister for Public Enterprises and State Investment and the officials to try and negotiate a outcome.

Mr Speaker, I will table a report once the deal is concluded but either way I feel that the deal is such that the Arabs have got more options than us but we will try and get a better deal out this as we move forward.

Mr Speaker, the Central Bank has already secured enough funding to buy back the shares but it is for the Arabs to agree to where they want to release the shares or not. That is according to the agreements we already have with the Arabs so I will inform this Parliament as we finalise the details of that deal including whether we have additional loans, the interest rates but we are allowing the Central Bank Governor to take charge of this matter and he will report accordingly.

Mr NICK KUMAN – I direct my questions to the Prime Minister.

(1) Can the Prime Minister inform Parliament and the people of Papua New Guinea what preparations have been taking place for the 2017 National Election?

(2) When will the government activate the National Boundaries Commission because Hela and Jiwaka have been already declared as provinces and also the rearrangement and realignment for each district in Western Highlands, Chimbu, the new Jiwaka and Southern Highlands and Hela provinces? These provinces need to fix this before the 2017 Elections.

Mr PETER O'NEILL – Mr Speaker, I thank the honourable Member for Gumine for his questions.

Mr Speaker, the Electoral Commission and the electoral system in the country requires a review since the elections in 2012. Such a review has not taken place yet because of the ongoing disputes in elections that are before court. We are trying to allow those dispute processes to finish so that once the results are fully concluded, we will establish an electoral boundaries commission.

Mr Speaker, I have instructed the Chief Secretary and his team to now establish documentation that is necessary or us to establish a Boundaries Commission.

08/06

And I want to assure the honourable Member that this will be done within the first six months.

Mr Speaker, a new counting system is already being tested out by the Electoral Commissioner in various by-elections throughout the country. It seems this counting system is fairly well accepted but we will do an audit of it so that we all know that it is working fairly and in the best interests of our people.

Mr Speaker, I assure that Member that we will establish a Electoral Boundaries Commission in the next few months.

Supplementary Question

Mr JOE KOIM - My question relates to the counting system. Can the Prime Minister inform the Parliament whether the voting system can be electronically activated before 2017 National Elections?

Mr PETER O'NEILL – Mr Speaker, a lot of work still needs to be done. In fact, the National ID Program that is rolled-out by the National Planning will indicate to us all the data and records of all our people throughout the country for us to structure the voting system for 2017.

Mr Speaker, the government aims at trying to address all these issues well before 2017. We do not want to leave it to the last minute where the Members of Parliament will feel that it is too late to make the changes. So we will propose to this Parliament that the changes will be for 2017 so that we will have a fair level of playing field by the time we go to the elections. So that it is fair to all our people and our leaders.

Mr GARRY JUFFA – Thank you, Mr Speaker for recognising the people of Oro. I direct my question to the Minister for Public Enterprises & State Investments. Firstly, I thank the Minister for assisting the Governor for Milne Bay and myself with the oil palm shares which the National Government is holding as trustee. I also want

to thank the Minister for the bad newsletter that I have received. This letter clearly states that we are not able to receive any benefits from the oil palm dividends from the IPBC.

Over the last 10-20 years we have not received any oil palm dividends therefore, would there be any considerations given in relation to that?

Mr Speaker, the road conditions in the oil palm growing areas are deteriorating and the growers are now badly affected. The provincial governments are working hard to look for funding to fix these roads. Therefore, we urgently need the oil palm dividends to fix these roads and again would there be any considerations given to the outstanding dividends that were never being paid to Milne Bay and Oro provinces?

Mr Speaker, in future, how are we going to have access to these shares for development purposes?

Mr BEN MICAH – Mr Speaker, I thank the Governor for Oro for his questions which also reflects those of the Governor of Milne Bay. The issue of shares with New Britain Palm Oil with regards to the two estates namely Higaturu Estate in Oro Province Milne Bay Estate in Milne Bay Province and Poliamba Estate in New Ireland Province. These plantations were established by the Commonwealth Development Corporation. These plantations were later transferred to CTP Cargill Tamasec a joint venture between an American Company and Singaporean Tamasec Holdings and lately, these three estates were transferred to New Britain Palm Oil.

Mr Speaker, I have been in dialogue with the two governors since taking office in 2012.

09/06

One of the main reasons in the delay of my response is because all the interests of the State in the IPBC in the general business trust has also been mortgaged together with the Oil Search shares under the covenants which binds our commitments to the IPIC loans. And the Prime Minister has just alluded to that deal in his response.

The process is coming to its conclusion and I was able to give that letter, which essentially advises him of the valuation of the shares and the size of the equity, which is about 3 percent.

Mr Speaker, I have not sighted any NEC decision to transfer those shares to your provinces. Whether there is a decision or no; that is still to be established. But I will raise your concerns and views in Cabinet and it will decide on whether it intends to dispose those shares to the business arm of the two provincial governments.

Supplementary Question

Sir JULIUS CHAN – Mr Speaker, the Oro Governor never mentioned New Ireland; we have been in the Oil Palm industry for over 25 years and we have not received any dividends like his province.

Mr Speaker, I cannot find a better man to answer my question than the Member for Kavieng.

Mr Speaker, the Prime Minister is an accountant and he is well versed on all these big companies that sell shares overseas and I thought that there is a right of refusal. They must offer it to us as shareholders of the New Ireland Poliamba Oil Palm. But they instead went to Tamasec or America and sold the shares behind the scenes and they did not even tell us that they had already sold the shares. What other law are they operating from?

Mr Speaker, I thought under the law of the company and the sale of shares, we should have the right of refusal because we are shareholders. Does it apply or are these companies too big for us to handle?

Mr Speaker, we have never received any dividends like the Oro Provincial Government for the last 25 years and they have been changing ownership and even though we have 18 percent shares they don't even tell us what is happening.

Mr Speaker, another issue is those big companies create a lot of problems for us. They employ workers from outside the province in the Oil Palm industry and when they terminate them or lay them off work, these people don't have a home and village to go back to.

I spent K200 000 to repatriate them back to their respective provinces. Mr Speaker, Can the Minister find an alternative to liaise with these companies to assist our provincial governments to repatriate these people back to their various provinces? They have to get involved because they created this problem in the first place.

Mr BEN MICAH – Mr Speaker, I thank the Governor for his questions, but most of them were comments.

Mr Speaker, with regards to the shares in New Ireland, it is slightly different because New Ireland in the beginning became a shareholder with the Commonwealth Development Corporation in this project. When the subsequent acquisition of shares by CTP and later the New Britain Palm Oil were made, they continued to be shareholders.

10/06

New Ireland do have shares in there but what the Governor has asked are quite relevant. I fully support some of the positions where Minister for Trade, Commerce and Industry has created to be in line in terms of the way its trading its shares and how its addressing some of the important issues which the Governor has raised that is affecting the way they are operating in New Ireland and likewise in Popondetta and Milne Bay.

These three projects are acquisitions that they set up from operations in West New Britain and I want to assure the Governors from Milne Bay and Oro that I will work closely with the Minister for Commerce, Trade and Industry to come up with a solution regarding the share issues in New Britain Oil Palm for the three provinces; West New Britain, Oro and Milne Bay as shareholders under New Britain Palm Oil.

Mr SASINDRAN MUTHUVEL – I am happy to hear there is a good discussion on oil palm which is the lifeline of my people of West New Britain. I want to direct my question to the Minister for Agriculture.

As the other Ministers have explained, oil palm was introduced in the 1960s in West New Britain for the benefit of the province and the country to generate income. So far this billion dollar industry has generated huge revenue.

My question is we are in a situation of social tension, what was meant for a family in the sixties now sees between 3-5 families living in it.

(1) Can the Department assist the West New Britain Provincial Government to evacuate some families who are willing to go back to their provinces of origin and settle there as these are some of the skilled workers industry who can be assisted to build the industry in their own provinces?

My other question relates to the price of oil palm. Our people have been paid the same price for the last 15 years and there has not been any price review. I take this opportunity to thank the Minister for finally sending out a tender to invite professionals to review the price of oil palm. They are giving an excuse on having huge operating costs and paying us 30 per cent less than what they are paying other oil palm producing countries.

(2) When will the findings be concluded so that we have some changes in the prices of the oil palm?

Mr TOMMY TOMSCOLL – I want to thank the Governor for raising the questions relating to oil palm. The industry provides 27, 000 jobs for Papua New Guineans compared to the Mining and exploration industry. As the majority of the population of this country rely on agriculture.

I will answer his last question which is in relation to pricing. About mid-2013, I promised Parliament that I would set up a team and issue a tender for the review of the oil palm pricing formula, with the view that the new formula will give better benefits to the people who work so hard under those oil palm trees to produce fruits only, to sell fruit and not oil.

11/06

I have been very clear to the team that this pricing formula will only be accepted if it is compatible to the pricing formula they used in Indonesia and Malaysia.

The pricing formula must be responsive to the market and it must not be one that is irresponsive to the market and is determined by a company that monopolises the industry in the country. The growth in this sector despite the monopoly is being driven by that single company which we must acknowledge and appreciate. But in moving forward we must deregulate monopoly as we can only deregulate it in this industry by setting up an oil palm board and repealing the Oil Palm Industry Corporation and regulating fair trade play in the industry.

Mr Speaker, I am pleased to tell this Parliament that the draft for enacting the oil palm board has been completed and will come before the NEC for approval and referral to the first legislative council and thereafter, come to Parliament and I hope

that the Members of this Parliament will support it. The Governors of the oil palm growing provinces whose economy depends on oil palm will fully support it.

Let me go back to the first question, which raises the issue of whether DAL has any plans to resettle the families who are overburdened? DAL provides policy support and the sector is driven by the private sector so the department is not involved in resettlement of families from one oil palm location to another.

The problem in West New Britain and also in other provinces and as in the sector we do recognise that initially when the program began, it was on a small scale where each family was given six hectares of land, four hectares to grow oil palm and two hectares to grow other food crops for family consumption.

At that time the family was limited to only four. So giving the six hectares was a very good program but over time we did not take control of our population growth and the population increased bringing the burden to the land and the industry as well. These people who grew up in the industry are skilled labourers and they know how to plant, grow and harvest a full mature palm.

Once we deregulate the monopoly in this country I hope that many other companies will come into the market and start new oil palm plantations so that these skilled labourers can be resettled in these areas. And one such area is the Sepik plains where the Member for Yangoru – Sausia has taken the initiative and is in the forefront of running this program. I hope that we can resettle many of the people in West New Britain for I know that many of them are from the Sepik provinces.

12/06

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 –
REARRANGEMENT OF BUSINESS**

Motion (by Mr James Marape) agreed to –

That so much of the *Standing Orders* be suspended as would prevent Government Business and Notices numbers 92, 91, 39, 93, 114, 115, 116, 117, 118, 119, 130, 131, and 89 from being called on forthwith.

**ORGANIC LAW ON PROVINCIAL GOVERNMENTS AND LOCAL-LEVEL
GOVERNMENTS (DISTRICT DEVELOPMENT AUTHORITY)
(AMENDMENT) LAW 2013**

Third Reading

Second required opportunity debate and Second Vote from 26 November 2013
(See page...)

Mr Speaker presented a report from the *Permanent Parliamentary Committee on Constitutional Laws and Acts and Sub-ordinate Legislation* relating to the Organic Law on Provincial and Local Level Government (Districts Development Authority) (Amendment) Law 2013.

Mr SOLAN MIRISIM (Telefomin) – Thank you, Mr Speaker.

Mr Speaker, I rise to make a statement on the report by the Permanent Parliamentary Committee on Constitutional Laws, Acts and Subordinate Legislation on the inquiry into the proposed law to amend the law on provincial and local level governments, District Authority Law 2013.

The proposed law was introduced in Parliament and was referred to the committee on 26 November last year.

As required under the Constitution the committee was given two months to examine the proposed law and prepare our report.

This law, if passed by Parliament would establish the District Development Authority.

Mr Speaker, given the significance of this proposed law the Committee opened our briefings and hearings for the inquiry to the public.

The Committee began by advertising our inquiries in newspapers and calling for submissions. We also wrote to relevant government departments, and non-government organizations inviting submissions.

Mr Speaker, in terms of infrastructure like roads, bridges and basic services like health, education and law and order are still inaccessible by the people in the rural areas of the country.

After almost 40 years of Independence PNG is faced with the reality of delivering services to the districts and rural areas. While the level of development for some districts and rural local level governments may be better than others, the question is, how, can all areas share the same levels of services.

With the government focused on improving service delivery and improving infrastructure in the rural areas of the country the establishment of the District Development Authorities will be the way forward for the country.

However, the District Development Authorities will carry on the functions and responsibilities of the Joint District Planning and Budget Priorities Committee.

Mr Speaker, in this view the Committee considered the politics of JDP&BPC as the hindering factor affecting the development of districts and rural areas. Whether this will be the same for the District Development Authorities is a challenge for us as elected leaders.

The Committee considered that the Organic Law on Provincial and Local Level Governments established the Joint District Planning and Budget Priorities Committee without defects or loopholes. However the applications for the law itself by those in authority revealed that it is not working or achieving its purpose.

13/06

With the establishment of the District Development Authorities this may affect the content and structure of the Organic Law, therefore it is poorer that relevant reviews are conducted into the Organic Law notably from the Constitutional Law Reform Commission

Mr Speaker, while the committee considers the concerns that the District Development Authority will become the fourth level of Government as expressed by some, the national provincial and district authority and the local level Government it

is beyond reasonable doubt that the authority is not another level of Government but it replaces the Joint District Planning and Budget Priority Committee.

The following are the recommendations in relation to the proposed law to amend the Constitution;

The Committee recommends that the *Organic Law* on Provincial and Local Level Government District Development Authority amended Law 2013 be passed.

Given that amendment will affect the law on Provincial and Local Level Government in its current structure and content, the committee recommends that the Organic Law be reviewed.

Mr Speaker, I commend this report along with this recommendation to Parliament. Thankyou

Mr Peter Ipatas – Point of Order!

Mr SPEAKER –Governor, what is your Point of Oder?

Mr Peter Ipatas – Mr Speaker, I think this is a very important legislation and there was supposed to be a briefing from the public servants to the Governors this week on what the relationships are going to be and we must realise that this law alone will change the way government systems are run.

Mr SPEAKER – Honourable Governor, the opportunity for you to make your comments was given during the committees. Ample time was provided. We followed all the processes and we are now here to move onto the second reading so I will not entertain you point of order.

Mr PETER O'NEILL (Ialibu Pangia-Prime Minister) – Mr Speaker, in accordance with *Standing Order 22F*, I move –

That the proposed law be now read a third time.

Mr Speaker, I am pleased to present this amendment Bill for the second vote. This Bill will amend the Organic Law on Provincial and level Government to create a District Development Authorities.

Mr Speaker, this is a significant addition to our decentralised system of Government.

Mr Speaker, as a direct response to the cries of our people in the rural areas our government has decided last year to increase funding to provincial, districts and local governments. In 2013 and 2014 Budgets, each district was allocated K10 million and each provincial governments were allocated separate amounts whilst local level governments received K500 000.

Mr Speaker, the money was paid directly to where it matters the most the districts, provinces and the local level governments.

Mr Speaker, as a result we are seeing some real development changes taking place in these areas. The JDP&BPC around the country are rehabilitating their roads, building bridges and foot bridges across, purchasing much needed equipment for Police and other public servants.

Mr Speaker, the JDP&BPC has been so successful that it is now outgrown its original design. According the Organic Law, the role of JDP&BPC is largely an administrative one. It approves the local level government budget, makes recommendations to the provincial government on budget allocation, and draws up a five year district development plan.

Mr Speaker, we now all know that JDP&BPC does far more than that. It now involves in the implementation of the plans and the programs at the district level. That is why we need a proper legal framework to operate in. This amendment Bill marks the next step forward. This Bill will replace the JDP&BPC as a statutory authority.

14/06

Mr Speaker, a district development authority. This will be chaired by an Open Member and will have the same current membership of the JDPBPC.

Mr Speaker, in due course, for the operational aspect of this I will bring in an ordinary Act of Parliament in the next Parliament sitting, which will provide the details on how this district development authority will function.

Mr Speaker, this means that there will be a chance for all the other Members of Parliament who wish speak on how this district development authority will operate can contribute their inputs.

Mr Speaker, at this stage, it is planned that the district administrator will become the CEO of the authority and all public servants including the police,

teachers, doctors, nurses and et cetera will come under the direct control of the district administrator. The district development authority will enable them to enter into contracts, be sued and can sue also.

Mr Speaker, they will be the legal owners of all that will be purchased by the finds that are going to the districts. There will be no more confusion about who owns all the assets including the equipments that we buy using DSIP funds.

Mr Speaker, this is a significant amendment to strengthen the districts where the majority of our people live in the villages and serviced by the district headquarters.

Mr Speaker, services are delivered to their location and not in Port Moresby and other major cities throughout the country. In order for the country to continue to grow we must take steps to strengthen the districts. We return to the original intentions, which were expressed by the Constitutional Planning Committee. And that is, that we need to bring the government to our people and empower our people to make their own decisions about their future.

Mr Speaker, this is a very simple amendment. This replaces the JDPBPC with the district development authority. The details of the district development authority will be provided in an ordinary Act, which I stated, I will bring in the next sitting of Parliament. However, the benefits of this Bill will be enormous and I look forward to the discussions with the Members of Parliament as we finalise the ordinary Act in the coming months.

I commend this Bill to Parliament.

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

15/06

Motion – That the Proposed Law with amendments be agreed to – put.

The Second Vote requiring a two-thirds absolute majority of 74 Members as required by the *Constitution*, the Speaker ordered that the bells be rung.

The Parliament voted (the Speaker, **Mr Theo Zerenuoc** in the Chair) –

AYES – 91

NOES – 0

Motion so agreed to with the concurrence of an absolute majority required by the *Constitution*.

Proposed Law read a third time.

16/06

**CONSTITUTIONAL AMENDMENT (INDEPENDENT COMMISSION
AGAINST CORRUPTION) LAW 2013**

Third Reading

Second required opportunity for debate and Second Vote from 26 November 2013 (See page...)

Mr SPEAKER – I present the Report of the Permanent Parliamentary Committee on Constitutional Laws and Acts and Sub-ordinate Legislation relating to the Constitutional Amendment (Independent Commission Against Corruption) Law 2013.

Mr PETER O’NEILL (Ialibu – Pangia – Prime Minister) – Mr Speaker, I am pleased to present this Bill to amend the *Constitution* which, will see the establishment of the Independent Commission against Corruption for the second vote. Much has been said about this issues which is the government’s main priorities to establish this Independent Commission.

Mr Speaker, this is the first step to establish a fully functioning ICCAC Bill and the first step is to amend the Constitution to establish the Commission. The next step is to amend and establish an organic law. The Organic Law will contain the full details of how the ICCAC should operate and will operate.

Mr Speaker I plan to bring the Organic Law to this Parliament later this year. However, under the Constitutional requirements the first thing to do is to pass this Constitutional Amendment. The Bill was developed through an extensive public consultation enforces covering the four regions of our country. From the consultations, it is very clear that all our people at all levels of the community overwhelmingly supported the establishment of an Independent Commission Against Corruption.

Mr Speaker, they want ICCAC to be free of undue political influence and to undertake its work without fear or favour. They want to see ICCAC different from the other anti-corruption institutions and that it should be able to receive and initiate investigation on its own accord and do the prosecutions on its own accord.

Mr Speaker, this Bill establishes the ICCAC and sets out its purpose, functions, powers and its level of accountability. The purpose of ICCAC is to contribute in co-operation with other agencies and to preventing and reducing and combating corrupt conduct in our country. ICCAC will be headed by a Commissioner, and will have two deputy commissioners who shall be appointed through an appointments committee. The composition of the appointments committee will be provided in the new organic law.

Most importantly the proposed Bill provides that ICCAC is not subject to direction and control of anyone person or any authority except this Parliament. ICCAC will be complementing the works of Ombudsman and the Police but it will not subsume their functions. The Ombudsman Commission will continue to administer the leadership code and ensure that it has remained accountable. The Police will continue to carry out their investigative powers in fraud and anti-corruption work but will support ICCAC to carry independent investigations both in public and in private sectors.

Mr Speaker, this is not the only anti-corruption initiative of this Government, but the Government is also preparing the Whistle Blowers Act and Freedom of Information Legislation which, will come to this Parliament later.

This will enable our people to have access to information and it will allow them to make complaints. They must expect certain level of protection from our legislation. I want to encourage every member of this Parliament to support the ICCAC Bill without any fear but embrace it as a step in the right direction in reducing the tide of corruption in our country.

Mr Speaker, I commend the Bill to this Parliament.

Motion (by **Mr Solan Mirisim**) agreed to –

That the question be now put.

17/06

Motion – That the proposed law be now read a third time – put.

The Proposed Law requiring a two-thirds absolute majority of 74 Members as required by the *Constitution*, the Speaker ordered that the bells be rung.

The Parliament voted (the Speaker, **Mr Theo Zurenuoc** in the Chair,)

AYES – 91

NOES – 0

Motion so agreed to, with the concurrence of an absolute majority as required by the *Constitution*.

Proposed Law read a third time.

18/06

**CONSTITUTIONAL AMENDMENT (APPOINTMENT OF
CERTAIN OFFICERS) LAW 2013**

Third Reading

Second required opportunity for debate and Second Vote from 26 November, 2013 (See page...).

Mr SPEAKER – I present the Report of the Permanent Parliamentary Committee on Constitutional Laws and Acts and Sub-ordinate Legislation relating to the Constitutional Amendment (Appointment of Certain Officers) Law 2013.

Mr SOLAN MIRISIM (Telefomin) – Mr Speaker, *Constitutional Amendment of Certain Officers Law 2013*. The proposed law was introduced in Parliament and was referred to the Committee on 26 November, 2013. As required under the *Constitution*, the Committee was given two months to examine the proposed law and to prepare its report. This law if passed by Parliament, will provide for the improvement on the election and appointment of departmental heads, provincial and district administrators.

Mr Speaker, given the significant of this proposed law, the Committee opened our briefings and hearings for inquiry into public. The Committee began by advertising our inquiries in the news papers and calling for submissions. We also wrote to relevant government departments and the non-government departments inviting them for submissions.

Mr Speaker, the Committee has considered relevant of the proposed law/Bill as it hence to improve the selection and appointment process for heads of departments and provincial and district administrators. While the Government is geared up towards improving services delivery in the rural areas so as to strengthen the government institutions. The Committee is very much supportive of these initiatives. The Committee believes that these reforms are long overdue.

This Bill together with other Bills introduced in Parliament by the Minister for Public Services, Honourable Sir Puka Temu will contribute immensely towards much needed administrative reforms for the Public Services.

Mr Speaker, the Committee considered the role of the Public Service Commission (PSC) in light of the amendment to the *Constitution*. The PSC has been the traditional custodian of the appointment process in the Public Services. This will cease with the proposed reforms in the *Law Bill*. This will mean that the PSC will cease to influence the selection and appointment process and will insert act as word ‘doc’ over the selection and appointment process.

19/06

Under the new arrangement, the Minister for Public Service will have a direct influence over the appointment of a departmental head and provincial administrators.

At the same time the Members of Parliament, both at the provincial and national level will have the same influence on the appointment of provincial and

district administrators. The committee noted that integrity of the selection and appointment process must be strengthened and maintained at all times.

Mr Speaker, written and oral views submitted and factual information from the department are crucial to the committees' inquiry process. Submissions and advice assist the committee to form its views on matters before it and to formulate recommendations to Parliament. The committee regrets that despite writing to a range of stakeholder bodies and individuals and inviting them to the inquiry, no submissions on the law were received.

The following are the recommendations to the proposed law;

(1) Given the Government's strong commitment to improve the performance of the public service and the delivery service to the districts and rural areas, the committee recommends that the constitutional amendment on the appointment of certain officers law 2013 be passed.

(2) The Committee recommends that more needs to be done to ensure that the new process of election and appointment of officials are solely based on merit and the integrity and dependence of this process must be strengthened at all times.

Mr Speaker, I commend this report along with its recommendations to Parliament.

Sir PUKA TEMU (Abau – Minister for Public Service) – Mr Speaker, in accordance with *Standing Orders* 222F I move –

That the proposed law be now read a third time.

Mr Speaker, I wish to firstly thank the Permanent Parliamentary Committee on Constitutional Laws and Acts and Subordinate Legislation for the support provided through the Chairman and all the honourable Members.

I take this opportunity to provide a summary of the changes that we are bringing to the public service and I note the Chairman's comments that when the public was invited to bring proposals to this amendment, nothing was brought forward.

This is a very complicated matter and it is a privilege for me as the Minister to recommend to Parliament these overarching changes in order for us to strengthen the institutions of State called the Public Service. As you know every nation on earth's

strength is based on strong institutions of State. And therefore the public service must also be strengthened.

In this regard, the tide today after the 2012 Elections is under the term PPBL that is Partnership in Political and Bureaucratic Leadership. I believe that the nation is moving towards that direction that in terms of the political and bureaucratic leadership to deliver the public goods and services to our people, there needs to be a strong partnership.

And under the direction of the Prime Minister and our agreement at the *Alotau Accord*, this is the direction under which this new amendments are coming from. The Prime Minister has just led the debate on the proposed Constitutional Amendment on the District Authority and the detailed changes that we will bring about.

Mr Speaker, I also note the second recommendation of the Permanent Parliamentary Committee's report and I reiterate that the committee recommends that more needs to be done to ensure that the new processes of selection and appointment of officials are solely based on merit and that the integrity and the independence of the processes must be maintained at all times.

That is a very important recommendation, therefore all the changes both the constitutional and organic law that we are going to pass today, are that the merit based appointment processes has not been touched, it remains.

20/06

And that is for all heads of agencies, provinces and districts the advertisements will be done and those who believe that they are qualified to occupy these very important bureaucratic leadership positions can apply.

The Department of Personnel Management, as the lead agency in human resource management in the country will then screen all the applicants and then there will be a matrix developed.

For the provincial administrators, all the applicants will be assessed on merits, their qualifications, their experiences and so on, and that list will then go to the provincial executive council in the case of the provincial administrators. They will have everything in front of them.

What these changes are requesting is, that the governor and his PEC look at all the applicants that have been assessed by DPM and recommend a list of three top candidates in order of preference whom they want the Cabinet to appoint. Only one of

the three will be appointed. Cabinet will not appoint anybody outside of the PEC recommendation.

Mr Speaker that means that the National Executive Council will remain, under this amendment, the appointing authority rather than the PEC. And hopefully over time some changes might take place in order to transfer some of these powers to the PEC.

These constitutional amendments also provide for the establishment of the Ministerial Executive Appointment Committee chaired by the Minister for Public Service and all the applicants will then come through. In the case of departmental heads for example, DPM will have to shortlist everybody, bring it to the Ministerial Executive Appointment Committee which will then provide three recommendations to the National Executive Council.

In the case of public authorities, as you and I are aware, the public authorities are subject to the provisions of the *Regulatory Statutory Authorities Appointment to Certain Offices Act* which was provided for under the Constitution. That has also been removed under these amendments.

So, the ministers responsible for these public authorities will bring their board's recommendation to the Ministerial Executive Appointment Committee which will then bring it to the National Executive Council.

It will no longer be going through the RSAA Act and so this constitutional amendment, as the Chairman has said, will remove the roles of the Public Services Commission, the Central Agencies Coordinating Committee and so we are cutting that long neck. It is now very short and therefore the appointment process will be very fast.

In this regard I wish to now commend this proposed law to the honourable House.

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

Motion – That the Proposed Law be now read a third time – put.

The proposed law, requiring a two-thirds absolute majority as required by the *Constitution*, the Speaker ordered that the bells be rung.

21/06

The Parliament voted (the Speaker, **Mr Theo Zurenuoc**, in the Chair) –

AYES – 92

NOES – 0

Motion so agreed to with the concurrence of an absolute majority as required by the *Constitution*.

Proposed Law read a third time.

**ORGANIC LAW ON PROVINCIAL GOVERNMENTS AND LOCAL-LEVEL
GOVERNMENTS (AMENDMENT) LAW 2013**

Third Reading

Second required opportunity for debate and Second Vote from 26 November 2013(See page...).

22/06

Mr SPEAKER – Honourable Members, I present the Report of the *Permanent Parliamentary Committee on Constitutional Law and Acts and Subordinate Legislation* relating to the Organic Law on Provincial Governments and Local Level Governments (Amendment) Law 2013.

Dr PUKA TEMU (Abau-Minister for Public Service) – In accordance with *Standing Order 222F*, I move –

That the proposed law be now read a third time.

Mr Speaker, once again, I would like to thank all the Honourable Members for their support. I will just briefly outline the Organic Law on Provincial Governments and Local Level Governments Amendment.

It relates to two key provincial leaders, and that is the provincial administrator and district administrator. In the event of the provincial administrator, which I have already explained, advertisements and lists are provided by the DPM go to the PEC for recommendation to the NEC where only one will be appointed.

For the district administrator the provincial administrator, and when we pass the Organic Law on the District Development Authority we will then make the consequential amendments. Nevertheless, for the moment the provincial administrator and his appointment committee will advertise the position of the district administrator. The committee headed by the provincial administrator will be made up of the representatives from the Department of Personnel Management and representatives from Inter-Governmental Relations. They will be in that provincial appointment committee. That appointment committee will then look at all the applicants and short list them or list them on their recommendations.

This legislation requires that the provincial administrator consults the Open Member of Parliament. Then the Open Member will then have his or her say on who would be the preferred district administrator. Then that committee headed by the provincial administrator will then appoint the district administrator. The district administrator will report to the provincial administrator. The provincial administrator will then report to the Provincial Executive Council (PEC).

The provincial administrator regarding these changes also reports to the Secretary for Finance on the event of the provincial treasurer and the district treasurer. So, that is how the arrangements are therefore now made.

I therefore commend the Bill to Parliament.

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

Motion – That the Proposed Law be now read a third time – put.

The Second Vote requiring a two-thirds absolute majority as required by the Constitution, Mr Speaker ordered that the bells be rung.

23/06

The Parliament voted (the Speaker, **Mr Theo Zurenuoc**, in the Chair) –

AYES – 92

NOES – 0

Motion so agreed to with the concurrence of an absolute majority as required by the *Constitution*.

Proposed Law read a third time.

MOTION BY LEAVE

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

Leave granted.

SUSPENSION OF STANDING ORDERS – REARRANGEMENT OF BUSINESS

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

That so much of the *Standing Orders* be suspended as would prevent Notice No. 89 of Government Business this day being called on forthwith.

CONSTITUTIONAL AMENDMENT (CITIZENSHIP) LAW 2013

Third Reading

Second required opportunity for debate and Second Vote from 26 November 2013 (See page ...)

24/06

Mr SPEAKER – Honourable members, I present the Report of the Permanent Parliamentary Committee on Constitutional Laws and Acts and Sub-ordinate Legislation relating to the Constitutional Amendment (Citizenship) Law 2013

Mr SOLAN MIRISIM (Telefomin) – Mr Speaker, the proposed law was introduced in Parliament and was referred to the Committee on 26 November last year. As required under the *Constitution*, the Committee was given two months to examine the proposed law and prepare a report. This law would, if passed by Parliament will establish dual citizenship in Papua New Guinea.

Mr Speaker, given the significance of this proposed law, the Committee opened our briefings and hearings for the inquiry to the public. The Committee began by advertising our inquiry in the newspapers and calling for submissions. We also wrote to relevant government departments inviting submissions.

Mr Speaker, the proposed amendment to the constitution is an important legislation and warrants careful scrutiny by the Parliament and the people of Papua New Guinea. The views from submitters, both written and oral and factual information from departments are crucial to the committee's inquiry processes. Submissions and advice assist the Committee to form its views on matters before it formulate its recommendations to Parliament.

The Committee regrets that despite writing to a range of stakeholder bodies and individuals and advertising its inquiry and the call for submissions in the national newspapers, no submissions on the law Bill were received from members of the public.

Mr Speaker, the opportunity to hold citizenship of two or more countries is an important issue for citizens. The epoch of globalization has pushed boundaries of

nation-states further and further back thus making them become porous. Globalization is the interconnectedness of states.

This has come about through factors like the revolution in information technologies, increasing movement of people due to natural and human elements and the growing economic influence of multi-national companies.

The amendments to the Constitution proposed in the Constitutional Amendment (Citizenship) Law 2013 to establish dual citizenship for Papua New Guineans and non-Papua New Guineans are timely given increasing globalization. While it is still not clear which country Papua New Guinea will have the dual citizenship arrangement with, the Committee considers this as an important factor which will drive the dual citizenship legislations.

Mr Speaker, under the current citizenship arrangement, the Citizenship Advisory Committee (CAC) has played pivotal role in determining citizenship processes since Independence. However, CAC has lost its focus and direction in upholding its Constitutional duty in relation to the granting of citizenship to non-Papua New Guineans.

The Committee considers that under the new dual citizenship arrangement more needs to be done to improve the integrity and independence of Citizenship Advisory Committee. As explained from the Minister for Foreign Affairs and Immigration, once the proposed law is passed responsible government agency will take nation-wide consultation on the new citizenship arrangement.

25/06

The Committee considers this as the least the Government agency can do prior to the proposed law being introduced in Parliament given the short time frame, which the law bill was developed and introduced to Parliament and the lack of public consultation of the law bill.

The Committee would welcome the formulation of the Dual Citizenship Policy by the Government and the public education to raise awareness on the new Dual Citizenship arrangements.

Mr Speaker, the following are the recommendations in relation to the proposed law to amend the Constitution;

- (1) The Constitutional Citizenship Law 2013 be passed.

(2) That the Papua New Guinea Migration Citizenship Services Authority develop a dual citizenship policy and provide public education to raise awareness on this citizenship arrangement.

(3) Given that the role of the Citizenship Advisory Committee is not clearly defined in the dual citizenship arrangement, the Committee recommends that the Government review the role of the Citizenship Advisory Committee to improve its integrity and impartiality.

Mr Speaker, I commend this Report along with its recommendations to Parliament.

Mr KERENGA KUA (Sinasina – Yogumuggl – Attorney General) – I move –

That the proposed law be now read a third time.

Mr Speaker, since independence in 1975, this issue was contemplated but no resolutions were made because at that point in time it was not considered that the circumstances were right in this country for us to qualify any policy into *Constitution*.

Mr Speaker, 40 years on the issue has become necessary and it has forced itself onto our laps do to speak and the leadership of this country had to make some policy determination on it.

The matter was first introduced onto the Floor of this Parliament for the first reading on the 26 November 2013, and you will recall quite clearly that there was overwhelming support in favour of the proposition to amend our Constitution and make provision for dual citizenship provisions to exist so that people who are caught in those circumstances that is envisaged by the amendment can be processed and an opportunity created for them for us in this country as well.

A vote was taken and the result was 84 Members voted for it and none voted against it.

Mr Speaker, between that time from the 26 November 2013 to now when the opportunity for the second and third reading has presented itself I have seen nor heard nothing that would have changed my mind about the way this Parliament has approached the issue.

Mr Speaker, I am gratified by the report that has now been presented by the Parliamentary Committee on Constitution and Sub Ordinate Legislations that fully supports this endeavor and I have noted their three recommendations, firstly

supporting the amendment to take place and for clear policy guidelines be established on the criteria by which we will go about that process and for defining and more clear role for the Citizenship Advisory Committee in respect to the dual citizenship issue.

Mr Speaker, those recommendations are highly relevant and they will be looked into and it is envisaged that there will be a supporting Act of Parliament or legislation that will be coming to Parliament to tell us more details on how we can go about carrying out this important function that will capture how we propose to deal with these issues in more detail.

Mr Speaker, there is nothing further to be said. The atmosphere and circumstances are right for us to now formally create the systems and procedures by which this country can now deal with this issue.

26/06

And before I conclude, there is one issue that was being raised since the First Reading on whether this will open the flood gate unnecessarily allowing foreigners to come into this country.

I want to assure this Parliament and the people of Papua New Guinea that, that will not be the case, there is a need for this system to operate on a reciprocal bases, only for those country to which will not give us the reciprocal recognition of our citizenship, will not be accorded this privilege and it will operate vice versa. It will only apply to those countries that will recognize our dual citizenship and it operates on a reciprocal bases and that by itself operates as a control mechanism to make sure that unnecessary people just do not flood into this country from all over the world.

So, there is nothing else that I've heard that would raise serious concern or to bring notice to this Floor of Parliament and on this notice I formally recommend this amendment to Parliament.

Sir JULIUS CHAN (New Ireland) – Mr Speaker, I support the Bill but I think there is a section there in a law that gives almost absolute power to Foreign Minister that could be dangerous. I want the learned Attorney-General to just clarify whether it is almost absolute in the hands of the Foreign Minister. This means that his decision is non- justiciable. It cannot be challenged and that can be dangerous but I seek the Attorney-General's clarification.

Mr SPEAKER – The Chair understood that the Grand Chief Sir Michael Somare also have something to say and I will now allow him before the Minister will summarize.

Sir MICHAEL SOMARE (East Sepik) – Mr Speaker, I support this legislation and I wish to briefly highlight some issues regarding dual citizenship about our old and aging missionaries. I believe your missionaries in Finchhafen and my missionaries in East Sepik and throughout Papua New Guinea and have been staying in Papua New Guinea for long time.

Mr Speaker, the missionaries come and gone yet, they did not come here with money to make money and when they want to go back to their countries like Germany, they do not have money to pay for their ways to their countries. We do not have the provisions for that so we must critically look at this provision to allow them to travel back to their countries. They are foreign citizens and they do not want the citizen of PNG and they want to go back. Some of them are over 45 and 55 years old and they cannot travel anymore.

Mr Speaker, I want that provision to be in place and if the Attorney-General wants to make amendment or make changes, I suggest that the Committee on the Citizenship should be given power to give discretion to those old missionaries who left their countries to come and work in our country. They have been working in our country for long time and they do not want to go back to their countries. I want some clarification on this matter.

If they want to go back to their countries, we must let them go and if they do not want to be the citizen, we must let them go. If they have already become citizen of PNG, we do not have provisional health to take care of their health. Consequently, most of the missionaries went back to their countries like Germany or Australia. So, I suggest that such provisions must be in the Committee of the Citizenship to consider the health conditions of the old missionaries. They become old and they cannot become citizen and citizenship too will not accept them because they are retired and they cannot work anymore. In addition, they do not have any pensions, their culture is not like our culture where our families and relatives look after the old people. They are foreigners and they have their own culture to look after them but we must have provisions to let them go back to their respective countries.

27/06

Mr BEN MICAH (Kavieng – Minister for State Enterprises) – Mr Speaker, I would like to seek clarification from the Acting Minister for Foreign Affairs on the issue of the rights of persons with dual citizenship. From the notes that I have, in other countries people with dual citizenship have certain rights. They have rights to employment, start up a business, to vote and stand for office.

Their rights to vote is alright but I want to know whether standing for public office is alright or not because I believe that a person standing for public office must be for those who are loyal, to be from one country only. It is not fair to those who are genuine and loyal to one country; it is like letting someone to eat out of two plates.

People who are genuine and loyal to one country should be the only ones allowed to run for public office. We can allow dual citizenship but the positions involving making decisions for our land and the future of our people must be solely for the people of our country and those who decide to be leaders of one country.

Sir Michael Somare – Point of Order! Mr Speaker, he does not understand what I was referring to. I was talking about residents who are missionaries.

Mr SPEAKER – Honourable Governor, he is debating on another issue. I will let the Attorney General make some clarification after the Member for Kundiawa-Gembogl speaks.

Mr TOBIAS KULANG (Kundiawa – Gembogl) –I would like clarification on the issue on rights as well. The bill is alright, I'm afraid the anxiety will come from ownership especially on the rights of these dual citizenship holders to own land, property et cetera.

A lot of our citizens here today do not possess great economic power and we might push our own people away.

Mr KERENGE KUA – Mr Speaker, the dual citizenship is also creating economic opportunity for those persons with some good wealth who feel the need to invest in our country to come in and giving them dual citizenship will enable them to enjoy privileges that our people have and invest their capital in the country. This will assist in generating our economy in a big way.

We will not randomly do this; it will involve discretion to make sure that only genuine applicants who will contribute towards the development of this country will be allowed to gain dual citizenship. It will not be for those who will exploit our country. I am hoping that we will have to set criteria to ensure that people with a lot of money have to be properly screened so that we are fair. Otherwise we allow people with too much money and they have other ulterior motives to gain citizenship.

It is a natural human tendency for dual citizenship holders to have conflict of interests; therefore we must make provisions for this as well.

28/06

I think in the main anybody with dual citizenship should operate in the private sector because if you look at the draft constitutional amendment, in Section 2 you will see that people with dual citizenship in other countries cannot hold elective public offices.

This will ensure that their loyalty is not brought into question. It is not good for them because they will be placed in an uncomfortable situation about conflicts of interest and we will also be placed in an awkward situation so it is better to avoid it right from the outset. So Section 2 of the proposed amendment specifically excludes people having dual citizenships from seeking or holding elective public office.

Moving on to the questions from Grand Chief Sir Michael Somare, dual citizenship will not revoke the existing citizenships on missionaries or any other foreigner who has lived here for a long time and seek to obtain dual citizenship can also apply and be considered but we must bear in mind that he will still hold onto his previous citizenship thus giving him citizenship of two countries, country of origin and Papua New Guinea if he so wishes.

Of course if he is too old, the relevant consideration that the applicant should consider, looking at the health facilities and the support system we have, they feel it is inappropriate for them they can retain their citizenship of origin. And they can refrain from applying for citizenship in this country.

There will be some procedures, may be some cut off points, these and other details will come later in the supporting legislation.

Mr Speaker, the kind of issues that Grand Chief Sir Michael raised will be accommodated and given clarity to all concerned.

Back to the question of Grand Chief Sir Julius, there are two drafts. In the original draft of this proposed amendment there was the Section that the Grand Chief mentioned which made it non-justiciable but I was advised that this was erased during the Committee stage. It is not in the final draft which is now presented to Parliament.

If the Foreign Affairs Minister and the Citizenship Advisory Committee made decisions which brought grief to certain parties those people still retain the right to go to court and seek judicial review. This is allowed for under the new draft.

This is all the clarification I have to give to all the Members who have raised questions.

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

Motion – That the Proposed Law be now read a third time – put.

The proposed law, requiring a two-thirds absolute majority as required by the *Constitution*, Mr Speaker ordered that the Bells be rung.

29/06

The Parliament voted (the Speaker, **Mr Theo Zurenuoc**, in the Chair) –

AYES – 90

NOES – 0

Motion so agreed to with the concurrence of an absolute majority as required by the *Constitution*.

Proposed Law read a third time

30/06

**CONSERVATION AND ENVIRONMENT PROTECTION
AUTHORITY BILL 2013**

First Reading

Bill presented by **Mr John Pundari** and read a first time.

Second Reading

Mr JOHN PUNDARI (Kompiam-Ambum – Minister for Environment and Conservation) – I move –

That the Bill be now read a second time.

Today, I am here to speak for the Bill to transform the Department of Environment and Conservation into the Conservation and Environment Authority.

Mr Speaker, at this juncture, let me acknowledge the presence of the Governor of Madang who is the only Member of the opposition I believe who has been present in the Chamber supporting all throughout the government Bills. Therefore, I thank the Governor for Madang.

Mr Speaker, this transformation is critical in my view to enable the full and proper protection of the environment and our bio-diversity as provided for under the fourth goal of the *Constitution*.

Mr Speaker, the Department of Environment and Conservation have been poorly funded by governments over many years. Thus, it has lost a substantial proportion of its staff to the private sector, and in particular, the resource development sector in recent years.

Mr Speaker, as a result of the poor funding and staffing situation, the Department does not effectively monitor compliance effectively.

Mr Speaker, there is about 480 permits that the Department has issued over the years and it finds it difficult to manage the compliance of those permits. We might as well say that the Department is very good at issuing permits but not as good in monitoring compliance of those permits.

Mr Speaker, for example, the forestry and SABL projects are not audited even though we are aware of frequent breaches of permit conditions by project investors.

Mr Speaker, the Department is also responsible for the protection of bio-diversity in Papua New Guinea, in particular, the establishment and management of protected areas. Until this year the Department has had no funding for this important function as well.

Mr Speaker, our inability to maintain existing protected areas for our people to enjoy whether resident or visitors to Papua New Guinea is affecting people's quality of life. And may I also say the economy of the country.

Nature and culture based tourism should be a key part of the economy but we have failed to invest resources in protecting our greatest natural attractions and promoting them to the international community.

Mr Speaker, look at the Great Barrier Reef in Australia and I have said this before and I will say it again. It attracts over 1 million visitors a year to Australia. The Great Barrier Reef extends to the South of our country and it generates several million dollars of revenue for the Australian economy.

Mr Speaker, we need to see the beauty of our own country in flora and fauna and bio-diversity, and make appropriate investments.

Mr Speaker, for example, look at the Variarata National Park and the Bayer River Sanctuary. They are protected areas and for many years these have popular places for tourism and our own people.

Mr Speaker, there has been no investment in either of these areas for over 20 years and look at the state of them right now. They have lost their glory days.

Mr Speaker, I am pleased to be working with the Governor of NCD to restore Variarata National Park and the Member for Mul-Baiyer to restore Bayer River Sanctuary so they can once again become special places to provide recreational and tourism opportunities that promote local economy.

Mr Speaker, other important places that we need to invest in include the Kuk World Heritage area in the Western Highlands and US Conservation area in Morobe.

31/06

Mr Speaker, to achieve our goals for Variarata and Baiyer River, we will need to work with the private sector to public/private partnership to generate the funding to return these places to their former status as jewels in the crown of Papua New

Guinea's protected areas. For example, the excellent work that the Port Moresby Nature Park and the Adventure Park are doing in partnership with the National Capital District Commission shows how public/private partnership can improve recreational opportunities in a manner which promotes economic development.

Mr Speaker, I have been to the 14 Mile Nature Park and saw that of the 18 different birds of Paradise species we have in Papua New Guinea, eight of them are at this Park. One of the species called the *Regianna* are tamed and bred at this nature park. I am encouraged very much as a Minister for Conservation that we need to promote this and do a lot more of this to promote our unique diversity, not only to the global community, but for our own people.

Mr Speaker, our biodiversity is there to be enjoyed and whilst I present this Bill, I would like to acknowledge the good work that the National Capital District Commission and the Minister for Sports are doing.

Mr Speaker, the Department was established to protect the environment and biodiversity and reduce the impacts of development on natural environment. The department cannot deliver on its mandate because of its limited human resources and funding and as a result, we are seeing widespread degradation of the environment which replaces its impact on the livelihood of people and causing social impact. I do not have the list but a whole lot of examples have been debated here in Parliament including the Ok Tedi River system.

Mr Speaker, this situation is not sustainable so I am presenting to Parliament today this Bill to transform the Department into an Authority called the Conservation and Environment Protection Authority. This organisation will overtime development the capacity over time and have the resources to properly regulate development in this country with the support of the provinces and local-level governments and ensure the environment biodiversity is protected for current and future generations.

Mr Speaker, the Bill to create the Conservation and Environment Protection Authority is different to other resource authorities in several ways and maybe other authorities might want to follow suit. The Board of the Conservation and Environment Protection Authority does not have any industry members so there can be no interference by industry decisions relating to the protection of our environment.

Mr Speaker, the Conservation and Environment Protection Authority will be subject to higher levels of financial accountability than other authorities. It will be

required to have independent financial audits every six months and must return surplus revenue back to the government or the consolidated revenue.

Mr Speaker, the creation of the Conservation and Environment Protection Authority changes the administrative arrangements for heads men as well as the department and has resulted in consequential amendments to this *Act* to ensure they align with the Conservation and Environment Protection Authority Bill.

Mr Speaker, I wish to share two minor Committee amendments to the Bill for the Conservation and Environment Protection Authority which will strengthen the financial governance of the Authority and clarify the Authority's ability to raise revenue.

Mr Speaker, I encourage all the honourable Members to support the Bill to establish the new Authority and the consequential amendments at the Committee stages.

Thank you Mr Speaker.

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

That the question be now put.

Motion – That the Bill be now read a second time – agreed to.

Bill read a second time.

32/06

MESSAGE FROM THE GOVERNOR-GENERAL

A message from his Excellency, the Governor-General, was announced recommending the imposition of taxation in accordance with *Section 210* of the *Constitution* insofar as the Bill relates to and provides for such imposition.

In Committee

Bill, by leave, taken as a whole.

Mr JOHN PUNDARI (Kompam-Abum – Minister for Environment and Conservation) – I ask leave of the Parliament to move the following amendments and new clauses.

Leave granted.

Mr JOHN PUNDARI – I move –

That the following amendments be made:

1. PAGE 19, CLAUSE 33 (ENVIRONMENT MANAGEMENT FEES)

Omit Clause 33 and substitute with the following new clause:-

“33. ENVIRONMENT MANAGEMENT FEES

- (1) A person who –
- (a) is the holder of or applicant for an environment permit under the Environment Act 2000; or
 - (b) has carried out, is carrying out or is proposing to carry out an activity within the meaning of the Environment Act 2000 –
 - (i) which has resulted, is resulting or is likely to result in a change to the environment; or
 - (ii) which has caused, is causing or is likely to cause environmental harm within the meaning of the Environment Act 2000,
Shall pay an environment management fee in respect of that environment permit or applicant or the carrying out or proposed carrying out of that activity, irrespective of whether or not that person holds or is required to hold an environment permit.
- (2) An environment management fee is imposed as prescribed.
- (3) The Managing Director may, by written notice in the prescribed form, issue to a person referred to in Subsection (1) an assessment of the environment management fee calculated as prescribed in respect of his environment permit or application or his carrying out or proposed carrying out of an activity of the kind referred to in subsection (1)(b).
- (4) A person to whom an assessment is issued under Subsection (1) may object to the assessment by notice given to the Board in the prescribed form and within the prescribed period.
- (5) Where the Board receives an objection under Subsection (4), it shall within 45 days of receipt consider the objection and issue a decision in the prescribed form confirming or reducing the amount of the assessment.

(6) Notwithstanding anything to the contrary in the Environment Act 2000, payment of an environment management fee is a condition of a permit.

(7) Where a permit holder fails to pay an environmental management fee within the prescribed time, in addition to any proceedings for recovery under Section 43, the permit is suspended until such time as the fee is paid or further action, including cancellation of the permit in accordance with Section 72 of the Environment Act 2000, is taken in respect of the permit.

33/06

The permit is suspended until such time as the fee is paid for further action including cancellation of the permit in accordance with *Section 72* of the *Environment Act 2000* is taken in respect of the permit.

(8) When an applicant for a permit fails to pay an environment management fee or any part of it without the prescribed time in addition to any proceedings for recovery under *Section 43*, the process of application under the Environment Act 2000 is suspended until such time as the fee is paid or further action is taken in respect of the permit.

(9) Regulations may provide for:

- (a) the person or category of persons being required to pay an environment management fee; and
- (b) the permit or activity in respect of which the environment management fee is payable; and
- (c) the basis on which the amount of Environment management fee be payable as calculated; and
- (d) the time at which the Environment Management Fee becomes available the period of time in respect for which it is to be paid; and
- (e) the variation waver and exemption from payment of environment management fees; and
- (f) the appointment of agents for the collection of environment management fees; and
- (g) the recovery procedures for environment management fees; and
- (h) The penalties and default penalties for non-payment of environment management fees; and
- (i) Actions which may be taken including the suspension or cancellation of permits in relation to the non-payment of environment management fees and default penalties; and
- (j) Any other matters necessary or convenient for carryout or giving effect to the calculation, imposition and collection of environment management fees.

10. The calculation of Environment Management Fees under these sections have been made in regard with to the following general principles:-

- (a) the principle of certainty, so that annual volatility in fees is minimized or manner of calculating fees is known in advance; and
- (b) the principle or cost recovery so that the Authority ensures that the aggregate fees proposes to recover are sufficient to recover its focus for ongoing expenditure and to provide for unforeseen and emergency risk management expenditure; and
- (c) The principle of fee minimization so that the Authority endeavours a minimized fee is payable subject to the principle of cost recovery; and
- (d) the principle of non-discrimination so similarly situated persons undertaking the same activities are subject to similarity structures; and
- (e) The principle of transparency so that persons to be charged and Environmental Management Fee are informed of the rational behind the feature of the structure proposed by the Authority.

2. PAGE 21, CLAUSE 37 (BUDGET AND TAXATION)

Omit Clause 37 and substitute with the following new clause:-

“37 BUDGET AND TAXATION

- (1) The Managing Director shall, no later than three months before the commencement of each financial year, submit to the Board for its approval-
 - (a) An annual plan for the next financial year, which conforms to the priorities (if any) issued to it under *Section 5* and;
 - (b) A Budget which consists of the Authority’s receipts and expenditure for the next financial year.
- (2) Where the Board approves the Annual plan and Budget it shall forward them to the Minister for his approval, and the Minister may –
 - (a) Approve the annual plan and the Budget; or
 - (b) Return one or both of them to the Board for amendment.
- (3) Where the Minister approves the annual plan and Budget under Sub *Section 2* he shall submit to the Minister for Treasury matters of Budget consisting of;
 - (a) The Authority receipts and funds under *Section 32 (1)* excluding those received under *Section 32 (1) (a)* and (e); and
 - (b) Proposed borrowings under *Section 35*; and
 - (c) The Authority’s expenditure of the funds and monitory referred to in paragraphs (a) and (b).

(4) Where the Minister responsible for Treasury matters is satisfied as the Budget under subsection 3;

- (a) He shall table it in Parliament as soon as practicable and in any event within 7 Sitting days of Parliament and;
- (b) It is subject to this allowance to whole or in part by decision of the Parliament taken within 7 days and;
- (c) Where the Parliament has not disallowed it within 7 days of the tabling it is deemed to have authorized the expenditure identified in the Budget.

(5) Where in respect to any here the Board considers the amount to be received for environmental management fee will exceed the amount authorized by the National Parliament that year if any the Board will prepare a revised Budget to submit that revised Budget to the Minister for approval or amendment.

(6) Where the Minister approves the revised Budget submitted to him under *Subsection 5-*

- (a) the Minister responsible for Treasury matters shall table it in the Parliament as soon as practicable and in any event within 7 Sitting days of the Parliament; and
- (b) it is subject to disallowance in whole or in part by the decision of Parliament taken within 7 days of its tabling; and

34/06

- (c) Whether, the Parliament has not disallowed within seven days of this tabling, it is deemed to have accepted a revised budget and authorized expenditure identified in it.

(7) Nothing in these sections of constitute as limiting an amount that may be appropriated to the authority from the consolidated revenue fund.

(8) For the purposes of the *Section 24(1) of the Income Act 1959*, the authority is a public authority constituted under this *Act*.

Mr Speaker, if I made the budget for the new authority, it will actually come to Parliament for Parliament's sanction and approval unlike any other authorities and Mr Chairman, I am pleased to be proposing those amendments for Parliament's approval.

Amendments and new clauses agreed to.

Bill, as amended, agreed to.

Remainder of the Bill, by leave, taken together and agreed to.

Bill reported with amendment; report adopted.

Third Reading

Leave granted to move the third reading forthwith.

Mr JOHN PUNDARI (Kompam-Ambum – Minister for Environment and Conservation) – I move-

That the Bill be now read a third time.

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

Motion (by **My John Pundari**) – put.

That the Bill be now read a third time.

The Bill requiring an absolute majority of 56 members as required by the *Constitution*, Mr Speaker ordered that the bells be rung.

The Parliament Voted (the Speaker, **Mr Theo Zurenuoc**, in the Chair) –

AYES – 85

NOES – 0

Motion so agreed to.

Bill read a third time.

35/06

ENVIRONMENT (AMENDMENT) BILL 2013

First Reading

Bill presented by **Mr John Pundari** and read a first time.

Second Reading

Leave granted to move the second reading forthwith

Mr JOHN PUNDARI (Kompiam-Ambum – Minister for Environment and Conservation) – I move –

That the Bill be now read a second time.

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

Motion (by **Mr John Pundari**) agreed to –

That the Bill be now read a third time.

Bill read a second time.

Third Reading

Leave granted to move the third reading forthwith

Mr JOHN PUNDARI (Kompiam-Ambum – Minister for Environment and Conservation) – I move –

That the Bill be now read a third time.

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

Motion (by **Mr John Pundari**) agreed to –

That the Bill be now read a third time.

Bill read a third time.

CONSERVATION AREAS (AMENDMENT) BILL 2013

First Reading

Bill presented by **Mr John Pundari** and read a first time.

36/06

Second Reading

Leave granted to move the second reading forthwith

Mr JOHN PUNDARI (Kompian-Ambum – Minister for Environment and Conservation) – I move –

That the Bill be now read a second time.

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

Motion (by **Mr John Pundari**) agreed to –

That the Bill be now read a second time.

Bill read a second time.

Third Reading

Leave granted to move the third reading forthwith.

Mr JOHN PUNDARI (Kompian-Ambum – Minister for Environment and Conservation) – I move –

That the Bill be now read a third time.

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

Motion (by **Mr John Pundari**) agreed to –

That the Bill be now read a third time.

Bill read a third time.

CROCODILE TRADE (PROTECTION) (AMENDMENT) BILL 2013

First Reading

Bill presented by **Mr John Pundari** and read a first time.

Second Reading

Leave granted to move the second reading forthwith.

Mr JOHN PUNDARI (Kompian-Abum – Minister for Environment and Conservation) – I move –

That the Bill be now read a second time.

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

Motion (by **Mr John Pundari**) agreed to –

That the Bill be now read a second time.

Bill read a second time.

Third Reading

Leave granted to move the third reading forthwith

Mr JOHN PUNDARI (Kompian-Abum – Minister for Environment and Conservation) – I move –

That the Bill be now read a third time.

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

Motion (by **Mr John Pundari**) agreed to –

That the Bill be now read a third time.

Bill read a third time.

**INTERNATIONAL TRADE (FAUNA AND FLORA)
(AMENDMENT) BILL 2013**

First Reading

Bill presented by **Mr John Pundari** and read a first time.

Second Reading

Leave granted to move the second reading forthwith

Mr JOHN PUNDARI (Kompian-Ambum – Minister for Environment and Conservation) – I move –

That Bill be now read a second time.

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

Motion (by **Mr John Pundari**) agreed to –

That the Bill be now read a second time.

Bill read a second time.

Third Reading

Leave granted to move the third reading forthwith

Mr JOHN PUNDARI (Kompian-Ambum – Minister for Environment and Conservation) – I move –

That Bill be now read a third time.

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

Motion (by **Mr John Pundari**) agreed to –

That the Bill be now read a third time.

Bill read a third time.

37/06

**FAUNA (PROTECTION AND CONTROL)
(AMENDMENT) BILL 2013**

First Reading

Bill presented by **Mr John Pundari** and read a first time.

Second Reading

Leave granted to move the second Reading forthwith.

Mr JOHN PUNDARI (Kompian-Ambum – Minister for Environment and Conservation) – I move –

That the Bill be now read a second time.

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

Motion (by **John Pundari**) agreed to –

That the Bill be now read a second time.

Bill read a second time

Third Reading

Leave granted to move the third reading forthwith.

Mr JOHN PUNDARI (Kompiam-Ambum – Environment and Conservation)

– I move –

That the Bill be now read a third time.

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

Motion (by **John Pundari**) agreed to –

That the Bill be now read a third time

Bill read a third time.

BUSINESS NAMES BILL 2013

First Reading

Bill presented by **Mr Ricahrd Maru** and read a first time

Second Reading

Leave granted to move the second reading forthwith

Mr RICHARD MARU (Yangoru-Saussia –Minister for Trade, Commerce and Industry) – I move –

That the Bill be now read a second time.

Mr Speaker, as you know our country is known to be a very high cost place for doing business and it is also not easy to do business in PNG. My ministry, through IPA and the World Bank Group have been working on reforms to try and assist our country to make it easier for companies and investors to do business in our

country including our own small medium entrepreneurs, our business groups in the villages and land owner companies.

Mr Speaker, as a result of the work that has been done in the ministry, it now gives me great pleasure to introduce the Business Name Bill of 2014 which will repeal and replace the *Business Names Act of 1963*. The purpose of introducing this Bill is to get legislators to update the updated provisions of the *Business Names Act 1963* to bring it in line with modern trends aimed at simplified business names registrations and making the legislations easier for small enterprises to understand.

Mr Speaker, the House of Assembly passed the Business Names Act in 1963 which was modelled on the Queensland Business Names Act then. Since 1963 there has been significant changes taking place in the roles of businesses and the way business are done today.

38/06

They are no longer the same as they were in 1963.

Mr Speaker, this Bill is only a technical update to ensure that the Bill accommodates new developments in terms of corporate governance simplifying filing processes ensuring a greater compliance and to remove confusing provisions of the legislation. There is no philosophical shift or change in policy to the current *Business Names Act*.

Mr Speaker, the proposed amendments will therefore, simplify the filing requirements to allow clients on the online registration system, which was launched on the 29 of November, 2013.

Mr Speaker, for example, currently all documents lodged with the Registrar of Companies must have a physical signature in original ink pen. The proposed changes will make it clear that a document can be filed online without a need for a signature or consent. The amendments will require the business name to keep the business name to keep the consents as part of the owner's records, which may be subject to anytime for inspection by the Registrar of Companies.

Changed provisions regarding the manner in which an individual name is on the records. For example, the current *Act* contains language that is confusing with regards to how to write an individual's name. Section 4 of the current *Business Names Act 1963* allows for a person to give his or her full name or surname together with their given names and initials of the remaining names.

The corresponding provision under the proposed Bill is to eliminate all the other references and instead simply set out a new definition of true for all entities eligible to use and file a business name registration amending filing requirements to make it more straight forward.

The current *Act* contains language that is confusing with regard to amending an existing a business name registration. Section 13 of the current *Act* provides a cumbersome process for change of registered business names. The corresponding provision in the proposed Bill will simplify that process and make it easier for individuals to change or renew their business names.

Simplifying the rules with regards to how to register serves notices on the owners of the business name. For example, the proposed provisions will now allow for any notices to be sent by the Registrar to be addressed only by the principle place of business, and more importantly, for owners that have provide email addresses to have those email accounts. This will allow the Registrar to take great advantage of the technology available in communication with business owners.

Simplifying and making consistent with other laws the rules with regard to the service of legal documents on the owners of a business name. the proposed changes make it clear that the service of legal documents are to be made on owners of the business name in manner called for in the National Court Rules or any other laws applicable to owners at any time. For example, if a company is the owner of a business name. Service on that company would be made I accordance with the National Court Rules and with the *Companies Act, of 1997*.

The penalties in the current *Act* are so simple that there is no incentive to comply with the law. There are so many violations by those who own business names. Therefore, penalties have to be increased to reflect the realities of today,

To clarify certain duties of the Registrar of Companies as to allow better management of the buss name 33. For example, under the current law when the change in business records occur the Registrar is notified by way of a formal lodgment overform. If there are areas including spelling errors the form is then rejected and the client is advised to re-submit. This process surely take weeks and sometime months, especially, located outside of Port Moresby. With the proposed Bill the registrar is allowed to correct the areas and thus, save time and money for the business client.

Mr Speaker, the task of the proposed Bill is to simplify registration and filing processes, and make it easy and accessible for our people to use.

39/06

This amendment will also allow for a new online lodgement system where business people can conduct their businesses, including new company registrations, lodgement of annual returns, conduct of searches, printing of certificates and extracts through the internet from the comforts of their homes, offices or from where ever they are conducting businesses anywhere around the world.

Mr Speaker, this amendment also fully implements one of the twelve SME Stimulus packages, the Prime Minister launched in 2012. This in line with this Government's policy on increasing more Small to Medium Enterprises (SMEs) from current 40 000 to 500 000 SMEs by 2030.

Mr Speaker, I now commend this amendment bill to Parliament.

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

Motion (by **Mr Richard Maru**) agreed to –

That the Bill be now read a second time.

Bill read a second time.

Third Reading

Leave granted to move the third reading forthwith.

Motion (by **Mr Richard Maru**) proposed –

That the Bill be now read a third time.

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

Motion – That the Bill be now read a third time – agreed to.

Bill read a third time.

COMPANIES (AMENDMENT) BILL 2014

First Reading

Bill presented by (Mr Richard Maru) and read a first time.

Second Reading

Leave granted to move the second reading forthwith.

Mr RICHARD MARU (Yangoru-Saussia – Minister for Trade, Commerce and Industry) – I move –

That the Bill be now read a second time.

Mr Speaker and Members of this honourable House, it gives me great pleasure to be able to introduce the Companies (Amendment) Bill 2014 which, will amend the *Companies Act 1997*. The purpose of introducing this Bill is to get the legislature to update the *Companies Act 1997* to bring in accord with the ever-changing corporate governance and practices and simplify the business registration process. To give you an example, now it takes us five steps to complete and 51 days from the time you apply for company registration and the time your company is registered.

Mr Speaker, the Parliament in 1997 passed the current *Companies Act 1997*, which was modelled on the *New Zealand Companies Act* to simplify the business registration processes. Since then, there have been significant changes in the way businesses are conducted.

Mr Speaker, this amendment is only a technical amendment to ensure that the certain provisions of the *Companies Act 1997* are amended to accommodate new developments in terms of corporate governance, simplify filing processes and greater protection of shareholders. There is no philosophical shift or policy change to the current *Companies Act of 1997*.

40/06

Mr Speaker, the proposed amendments will therefore, simplify the filing requirements to allow clients to conduct filing on the online registration system which

was launched on the 29th November 2013. For example, all documents currently lodged with the registrar must have a physical signature in original ink pen. The proposed changes will allow documents to be filed online without a need for a signature or consent. The amendments will require the company to keep the consents as part of the company's record which is subject to inspection any time by the registrar of companies to protect company filing from authorized changes. For example, currently, the registrar is faced with issues relating to individuals changing records of company directors and shareholders without being authorized by the current board of companies.

This is a prevailing issue in Papua New Guinea especially with landowner companies from the resource sectors. The proposed amendment through the online system will allow only directors approved by the registrar of companies to conduct changes to the capital records. A director or an agent approved by the board of the company will be required to be registered as a user under the new online system and will be issued with a special ID and a password.

The only persons approved by the registrar will conduct the lodgment. This will overnight get rid of those who have been conducting business and making unauthorized changes to company records, bring greater transparency to the internet governance of companies to protect shareholders. For example, under the current *Companies Act of 1997, Section 102* allows shareholders of the company to call a special shareholders meeting when the need arise. But sometimes the boards refuse to call the meeting.

Mr Speaker, currently there is no provision available for shareholders to take action against the directors once the board refuses to call the meeting. Therefore, the amendment Bill will introduce a new provision *Section 102 (c)* which gives powers to the shareholders to request the National Court to order the board to convene the special shareholders meeting. This problem is currently faced by many landowners companies where the boards are not listening to the shareholders.

The process of issuing shares in the company. For example, the current law requires that when a company acquires a redemption with shares. Those shares must be immediately be cancelled. The proposed amendment will allow a company to keep a hold those redeem those or acquire shares and later we should go to another entity or new shareholders.

To bring a more transparent and business like approach to the liquidation process. For example, a proposed change is to permit a improvement to personal liability upon one or more of the directors of a company that enters liquidation. The reason for this is that where directors have failed to keep proper accounting records such failures have resulted in the company not been able to face that then that the directors should be held liable.

They should imposed duties and responsibilities on company directors. For example it is recognized that any company law must seek a balance between protecting shareholders, directors and entity alike which are too lose for directors to engage in self serving conduct is not accepted. Likewise, rules which are too restrictive causes good people avoid becoming directors for the fear of liability which gives rise to people's reluctant to take entrepreneur risk.

The proposed amendment aims to strike the balance by imposing a reasonable standard on business decision that considers all the circumstances and to provide encouragement for people to become involved in business leadership.

Mr Speaker, to simplify annual lodgment process, for example the current provision on annual returns is confusing and cumbersome. This has led to non compliance by a lot of companies including many SMEs today. Currently, the laws prescribed that at the date of registration, the company owner is 18 months before he can lodge the first return and thereafter six months after every 31st of December. This has created a lot of confusion with company owners and directors. The proposed amendment is to simplify the processes and therefore, requires the company to lodge the annual returns each year on the month of their original registration. Alternately, the company may write to the registrar to nominate a preferred date of lodgment of annual returns and also to tie in with the accounting dates to clarify certain deals of the Registrar of companies so as to allow better management of the company registry.

41/06

This lodgment process is working well in countries like New Zealand. For example, under the current law, when a company changes incoming records the registrar is notified by way of a formal lodgment of a relevant form. If there are errors including spelling errors and the form is rejected the client is then advised to resubmit. This process usually takes weeks and sometimes months especially, when the client is located outside of Port Moresby.

With the proposed amendments the Registrar is allowed to correct minor errors and saves time and money for business clients.

Mr Speaker, the crust of the proposed amendment Bill is to simplify the registration and filing processes to make it easier and accessible for our people to use.

The amendment will also introduce a new online lodgment system where these people can conduct their business including new company registrations, lodgment of annual returns, conduct of searches, printing of Certificate of Incorporation an extract through the internet from the comfort of their homes, offices or from wherever they are and doing business both Papua New Guinea and abroad.

Mr Speaker, these amendments also fully supports one of the 12 SME stimulus packages, which the Prime Minister launched in 2012 that is to have the online registration system up and running.

This is in line with the Governments policy on increasing more SME from the current 40 000 entries we have that will encourage more people in the informal sector to register their companies because it is much more easier now.

Mr Speaker with that I commend this Bill to this Parliament.

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

Motion (by **Mr Richard Maru**) agreed to –

That the Bill be now read a second time.

Bill read a second time.

Third Reading

Leave granted to move the third reading forthwith.

Motion (by **Mr Richard Maru**) proposed –

That the Bill be now read a third time.

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

Motion – That the Bill be now read a third time – agreed to.

Bill read a third time.

ADJOURNMENT

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

That the Parliament do now adjourn.

The Parliament adjourned at 4.45p.m