

EIGHTH DAY

Friday 21 February 2014

DRAFT HANSARD

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EIGHT DAY

Friday 21 February 2014

The Speaker (**Mr Theo Zurenouc**) took the Chair at 10.00 a.m., and invited the Member for Nipa-Kutubu, **Honourable Pesab Jeffery Komal** to say Prayers:

‘Bikpla God na Papa, tenk yu long lukaut bilong yu long mipela long nait na tenk yu long lukaut bilong yu long dei. Tenk yu long yu kisim mipela kam long dispela haus. Mipla bilip na luksave olsem yu bikpela God, husat igat olgeta strong na pawa, husat gat olgeta gutpela wisdom, knowledge na understanding, olsem mipela kam. Mipal askim yu Papa God long blesim Praim Minista bilong dispela kantri, Deputy Praim Minista,ol National Executive Council Members, wantaim olgeta Members long Parliament.

Mipal prea tu long Spika bilong mipela, mipela prea long special wisdom, knowledge na understanding bilong yu long wanwan bilong mipela taim mipela i sidaun long lukluk long mekim decisions long dispela kantri inap long hamamasim ol pipol blong yu we mipla ilukautim long em. Tenk yu Jesus, tenk yu Papa, tenk yu Holy Spirit, lidim mipela wan moa taim gen. now mipela bungim maus na tok prea Jesus yu yet yu lainim mipela long em. Amen.’

CERTIFICATION OF ACTS

Mr SPEAKER – Honourable Members, I have to inform Parliament that I have in accordance with *Section 110* of the *Constitution*, have certified the following Acts as having being passed by the National Parliament:

Harbours (Amendment) Act 2013;

Inclusive Education for National Development for Community Education (Repeal) Act 2013;

Prime Minister and National Executive Council (Amendment) Act 2013;

Provincial Health Authorities (Amendment) Act 2013;

Public Hospitals (Amendment) Act 2013; and

Regulatory Statutory Authorities (Appointment of Certain Officers) (Amendment) Act 2013.

QUESTIONS

Mr POWES PARKOP – Mr Speaker, thank you for giving me this opportunity of ask my questions without notice.

Mr Speaker, I direct my questions to the Minister for Forest and Climatic Change and it is in relation to the sea level rising.

Mr Speaker my questions are:

(1) What is the strategy adopted by the Office of Climatic Change to deal with the rising of sea level and its effects on atolls and coastal communities?

(2) Can the Minister tells us if we are adopting a strategy to wait until the atolls and coastal communities are inundated and submerged by the sea before we can relocate the communities and villages elsewhere?

(3) If this is the strategy, has the Office of Climatic Change started locating available land to relocate people who might be inundated and submerged by the rising sea level or are we just going to wait for a disaster similar to what we are seeing in Bogia in relation to Manam island?

(4) If this is not the strategy, will the Office of Climatic Change and the Government generally consider some of the technological and engineering solutions that are adopted by other countries?

Mr Speaker, I say this from examples of countries like Holland which is a small country, smaller than Morobe Province and its land is below the sea level but it has been about to not only contain the sea, but conquer it by using technological and engineering solutions instead of planting mangroves here and there. Mangroves cannot grow on some of the islands.

(5) Will the Office of the Climatic Change also approach some of the mining companies to redirect their tailings to some of the affected coastal and atoll areas so that they can use it to bolster their sea defence and reclaim land instead of just dumping them into the sea?

Mr Speaker, we have a lot of tailings but we are just dumping them into the sea without exploiting their other uses.

02/08

These tailings could be better used in the atolls and coastal communities but I don't see the Office of Climate Change doing that.

Mr SPEAKER – Governor, ask your question.

Mr POWES PARKOP – That is my question.

Mr PATRICK PRUAITCH - Thankyou Mr Speaker. I thank the Governor for constantly probing issues of climate change.

Mr Speaker climate change is a concern for our country, our Government and our people. It is a concern that is gaining momentum worldwide so far as development issues are concern.

Mr Speaker, climate change is a crosscutting issue that needs to be addressed in line with our development aspirations. We talk about moving forward to achieve positive growth but we need to look at our environment and how we do business in terms of how we emit greenhouse effect in our country.

Mr Speaker, for the first question, yes, it is real Climate change effect that is affecting the lower atolls in the country and it is very important for us to take measures to address these issue.

These issues are central to the policy that we are developing which will soon be tabled in Cabinet in the next few weeks. Centre piece of the policy and also the legislation that will follow through is, how we want to deal with the effects of climate change particularly on the atolls. The policy will address some of the strategies that the Government will undertake in dealing with those problems.

Mr Speaker, those issues are addressed in the policy and once it is approved by Cabinet it will come through legislation in a very short time. Climate Change Office did not have to wait for climate change effects to become obvious, the effects are already felt by our people.

Mr Speaker, in the short term, the Government through the Office of Climate Change has entered into some arrangement with Asian Development Bank. ADB has made funds available to address those issues and part of the grants will help in dealing with the lower lying atolls.

Mr Speaker, the Government in a short time will be creating a trust fund that will look at addressing some of those issues not only in the atolls but also for the heavy flooding and landslides in the Highlands.

The Government is aware of that and we are in direct consultation with our development partners. There is money available and as soon as the trust fund is set up, the Minister for Planning driving the development agendas for our Government will be also able to make some funding available.

In terms of getting technologies from other countries, it will require funding and until the funding issues are addressed in climate change, we cannot be ambitious in going outside to look at expensive methods of addressing climate change issues.

As for the final question in regards to the use of tailings from mining companies, it is a very good idea. I think in the policy we took that into account and as soon as the policy is approved these issues will be addressed. Thank you, Mr Speaker.

03/08

Mr KOI TRAPE – My questions are directed to the Minister for Agriculture and Livestock. My questions are in regards to the coffee industry in Papua New Guinea.

My questions are:

- (1) Does the Minister's Department have any records of how many tonnes of coffee are being exported every year?
- (2) Does the Department have any plans to increase to increase the amount of green beans being exported each year?
- (3) Does the Department have any plans to subsidise coffee prices when their market price drop?
- (4) Does the Department have any plans to improve the quality of coffee so as to attain better prices?

Thank you, Mr Speaker.

Mr TOMMY TOMSCOLL – I would like to thank the Member for Mul-Bayer for his questions.

Mr Speaker, coffee is a major commodity for many of us both as revenue for our country and as income for our people. It also limits the rural-to-urban drift by keeping our people in their small scale plantations. Apart from that, many of our people are not so skilled

in business and therefore the people may turn to coffee as an agriculture venture. Many of us know the issues faced by this commodity. The issues are common like those faced by other commodities as well.

Mr Speaker, the tax regime and the way the economic structured is structured today is so different from the 70s, 80s and early 90s. During those times coffee did very well and like all other commodities it was traded on the market using US dollars.

When there is a market fluctuation or Kina depreciation it immediately affects the prices of commodities like coffee. Our farmers are takers and buyers. When there is good pricing, you will find that the production of coffee increases. The volume of coffee will increase when the price is high but when it is low, then nobody wants to go to the coffee gardens.

Added to that fact, because the nature of our people are takers and buyers and when the government provided free education it has thus encouraged them not to go to the coffee gardens. That was because they used to go to the coffee gardens to raise school fees. Today, the farmers do not go to the gardens because they are not obligated to as the obligation is on the State to pay for their school fees.

Mr Speaker, this is just the same for betel nut.

Mr Douglas Tomuriesa – Point of Order! Can the Minister answer the questions please?

Mr SPEAKER – Your point of Order is in order. Minister, there were five specific questions and you have to specify one at a time.

Mr TOMMY TOMSCOLL – Thank you, Mr Speaker. I was getting to it and sometimes it is easy to answer ‘yes’ or ‘no’. If I were to just say yes or no, it would take me a very short time and we will not understand why I arrived at saying yes or no.

Mr SPEAKER – I think that coffee has common knowledge in PNG and we just need to find solutions. The issues of coffee are common.

Mr TOMMY TOMSCOLL – Mr Speaker, alright, let me start.

04/08

The Department of Agriculture provides policy support to the Coffee Industry Corporation which is the government entity responsible for managing all the coffee exports and trade in the best interest of the State.

It also provides price support in terms of freight surety and pricing support for farmers who are involved in transporting coffee.

How do we plan to increase coffee production? Mr Speaker, a few years ago, the government invested in what we call the district by district rehabilitation program and also invested in NADP funding that was available.

Mr Speaker, we all understand very well the story of the National Agriculture Development Fund. It has now been shifted out of Agriculture and it was parked at the National Planning and now it is parked with the National Development Bank.

Mr Speaker, the Government plans to improve the quality of coffee. Papua New Guinea coffee is maintained and exported into a very small niche market and that market depends on quality. The quality is a very important issue for our farmers and the Government has this year allocated under the Budget, K2.4 million to rehabilitate the export office in Lae.

Mr Speaker, the Government has also this year introduced a productive partnership program for our farmers through the district. We encourage districts to consult with CIC and to partner CIC into this new investment program. The program simply is this; CIC will place K1 million into your district but you have to counter-fund it with K1 million. From that K1 million, CIC will station one core manager on that plantation. We do believe that if we do not take control of the management of that K1 million that we place in there, we will lose the objective of why we are funding it.

Mr Speaker, we hope that this year, we will conduct pilot projects in six districts through this program. This program is basically rehabilitating plantations, providing extensions and training to farmers and is actually involves planting of coffee trees.

Mr Speaker, to increase productivity, we must begin with the basics and the basic is to start planting. A lot of coffee plantations have deteriorated and nobody wants to go back into plantations because the cost of production in plantations is higher than the market price.

Mr Speaker, the ministry has lifted the ban and there have been ban for about three decades for new investors to come in to the coffee industry. This ban was basically place three decades ago, disallowing the issuance of export licenses to foreign investors. This has resulted

in no entry of foreign investors over the last three decades into the coffee industry. That ban has been lifted but lifting that ban, we have also made it conditional to foreign investors.

Foreign investors who want to enter the industry must ensure that they have 10 000 acres of planted coffee trees. They must first have a plantation and if they do not have 10 000 acres of coffee trees, we will not issue the export license.

Mr Speaker, the criteria has been very difficult for our small scale Papua New Guineans who enter the export market. The coffee industry is underpinned by smallholders; small Papua New Guineans who work in the coffee plantations. Mr Speaker, I have maintained that criteria for foreigners to continue to export 100 000 bags yearly to the markets.

05/08

In order for Papua New Guineans to revitalize the industry, I have reduced it from 100 000 – 3 000 bags per annum so that many Papua New Guineans can go and participate. That is also part of the program to improve the Coffee Industry and to involve our farmers and youths to go back home and cultivate the land.

I have also rationalized the criteria for issuing of licences in the industry and for the first time, Mr Speaker, we have made available 79 reserved licences per district. Coffee is growing in 79 districts. I have made available one licence for a lead farmer in one district as well.

Mr Speaker, I have also recognized the importance of corporative to enter into the plantation and small scale markets as well. So, I have through the CIC also introduced two licences for corporative societies per province.

The CIC is doing everything to improve the industry and to bring efficiency, effectiveness and the interest so that our people can go back to the coffee plantations and plant more coffee. We have introduced this year onwards, in terms of support price apart from freighting a district investment productive partnership. There was a review conducted into whether we should introduce the stabilization fund.

Mr Speaker, I should say that the review was completed in January 24 and I am now awaiting that Report. Until that Report is given to me, the Government through NEC will make a decision as to whether it wants to re-introduce the stabilization fund. But given the fact that our people are takers, they only go there when there is price stability so, the

important of introducing price stabilization to underpin the growth of the economy is very critical as well.

Finally, we do keep records of how much we export and that is exactly why we also know that the coffee industry annually bring to this country is K400 million. The best we reached was about two years ago when the government was undertaking a district rehabilitation program and for the first time we passed a 1 million bag mark. It is now dropping after that.

With this new program of a productive partnership in district we hope to increase it with the new licences given to our farmer. We hope this will build a new interest because all the people who are involved in the industry in the value and supply chain, we want to cut them out so that our farmers must maximise the profit in the industry. That is how we intend to keep it.

Mr Speaker, apart from it all, the coffee industry will towards the end of this year and for the first time in Papua New Guinea host a caffeine show. The caffeine show is a new initiative to also attract our people and the buyers in other countries.

Mr Speaker, towards November, we will hold the first international caffeine show for coffee industry. The caffeine show will bring all the buyers around the world to meet all our farmers to the buyers and the farmers can strike a balance agreement and hire contract. Those contracts will be underwritten by CIC.

Many of the buyers do not come directly to deal with small holders because there is an insecurity but I have instructed coffee industry that one of its responsibilities is to grow the industry and to involve Papua New Guineans in the coffee industry to become from small to medium enterprises is to underwrite the insecurities so that Papua New Guineans can start exporting and they can also become businessmen in coffee industry.

06/08

Mr JIM KAS – Mr Speaker, while listening to the Minister for Agriculture I nearly went to sleep.

Mr Ken Fairweather – *Unbelievable nonsense.*

Mr JIM KAS – Mr Speaker, from this side of the Parliament I would like to direct my questions to the Minister for Civil Aviation but before I do I would like to take this

opportunity to thank the Executive arm of the Government in being part of this Parliament in passing very important Bills for our future.

Mr Speaker, we have schools and institutions for doctors, for nurses, lawyers, mechanics and carpenters and so on but we don't have a specific school for pilot training.

Mr Speaker, I have been inundated with applications for funds by interested students to go out and look for schools as far as the Philippines.

(1) Can the Minister inform this Parliament if he has any plans for a short term to establish a school specifically, training Papua New Guineans to become pilots in this country?

(2) If, he has, can the Minister establish that school in beautiful Madang, because the airspace is so free?

Mr DAVIS STEVEN – Mr Speaker, I have the privilege and honour of answering the only question coming from the other side of the Floor.

Mr Speaker, I am grateful that our minds can go back to Civil Aviation and all matters relating to flying in our country today.

The school for pilots and also engineers is a continuing challenge and is one that we must address as a nation.

Mr Speaker, the current Government policy leads in the area of training in the aviation sector to the private sector. That policy was conceived in 2002 –2003 when our nation was going through a difficult patch in terms of managing the aviation sector.

Mr Speaker, for the time being that is the policy that we have worked with and as a result we have seen airline operators like Air Niugini and all the other licensed airlines undertake their own cadetship and training of their personnel.

Mr Speaker, obviously the time has come for a review and that review is currently underway and I am pleased to advise the Parliament that the review is considering the attempts that were made in the past decades where a possibility of pilots and other engineering trainings would be captured in our education scholarship systems.

That review is also now considering successful models like the one that is now been undertaken by MAF in Mt Hagen. I have been in discussions with the MAF Training Institute in Mt Hagen and I am convinced that it is possible for the Government to partner with successful institutes like the MAF in Mt Hagen to actually design a model of an approach that can deliver this nation with the first aviation related training.

Mr Speaker, the Governor for Madang is correct -

07/08

We must be happy and proud that PNG can deliver and we need first aviation related training.

I would agree with the Governor for Madang and he is correct, however, in terms of choosing location, the challenge in providing effective pilot training college or environment, it will be depended on a lot of geographical features. The Madang and Sepik plains, both have been considered to be ideal for a long term purposes. In the medium and short term, unfortunately, the area of training of our aviation sector personnel is left to the private sector.

Supplementary Question

Sir MICHAEL SOMARE – Can the Minister also consider reviewing the Defence Force pilot training establishment? We have some of the best pilots who were trained by the Defence Force of PNG and they are now flying in overseas like China, Abudabi and elsewhere.

Can the Minister also consider pilot training program and consult the Minister for Defence for training Papua New Guineans pilots in our own Defence Force Academy?

Mr DAVIS STEVEN – Mr Speaker, I thank the Governor for East Sepik for this question. Insofar as the matters of pilots relating to the Defence Force is concerned it is a matter that falls within the jurisdiction of the Minister for Defence Force.

Mr Speaker, I assure the Governor that I will undertake to discuss this matter with the Minister for Defence Force and provide an appropriate respond to the Governor in due course.

In respect to the fact that we have pilots flying everywhere throughout the nations of the earth, we must be proud of our achievement. It is an achievement of this country and we should be happy and proud that this nation has produced some of the leading pilots in the world today.

Mr Speaker, this reflects that this country is capable of returning to those days when we were producing our own pilots and exporting them in the world market. I am proud to say that that is the motivation of this Government in reviewing the policy in making sure that all our capable pilots are given an opportunity when they so decide to come back and help us.

But in the meantime, they are entitled to fly wherever they feel there is better renumerated packages for them.

Mr GISUWAT SINIWIN – Mr Speaker, I wish to direct my three questions to the Minister for Live Stock and Agriculture to give a short answer to me.

(1) Can the Minister tell this Parliament of what had happened to Shipastian Cattle Range in Markham Valley? It was one of the largest cattle farm and now there is no cattle there.

(2) Can the Minister inform this Parliament to allocate 2000 cattles for farmers in Nawae when they arrive from Australia because of the long drought spell in Australia?

(3) Can the Minister take stock of all the government owned cattle farm in the Live Stock Development Cooperation within the Department of Agriculture in PNG and inform this Parliament?

08/08

Mr TOMMY TOMSCOLL – I thank the member for Nawae for raising the question relating to our cattle industry. Since my appointment as the Minister for Agriculture, this is the first time that the issue of cattle has been raised on the Floor of Parliament.

If I can recall back, the Government purchased 7, 000 cattles from Ramu Agribusiness in 2008 and these were distributed throughout the country. A lot of these cattles were distributed to Koitaki Limited under an agreement with the State to do a joint venture between the State through Livestock Development Corporation.

A partnership was built which was referred to as the ‘Papua Bulmakau’ and there are a lot of issues relating to that and what I have instructed LDC to do is to take stock and return to me what is the available asset left that is owned by the State. We have some difficulties and it is the same with the Zifasing cattle, they come under the same arrangement. The owners of these cattle ranches, despite having agreements with the State do not want to allow the State to do an audit.

Therefore in the case of Koitaki, we went through the National Court to obtain a Court order to carry out an audit and it has been completed and we are in discussions to negotiate a settlement with the owner of Koitaki, however the owner no longer resides in the country as he fled just before the Court order was issued for the audit and I am considering the same for Zifasing.

I am not aware of other cases apart from these two but I want to assure the Member that an audit of Zifasing Cattle Farm will be done this year and I have informed the owner of this ranch through LDC, that I will carry out an audit of all stocks that were received under the agreement.

Mr WILLIAM POWI – My questions are directed to the Minister for Commerce, Trade and Industry and I ask the Ministers for Treasury, National Planning and Finance to take note. These questions are very important for our people in the country.

As you will note that the country is flooded with imported goods, such as second hand clothes, used vehicles and foods such as lamb flaps and counterfeit drinks. And these goods are bombarding our markets through the informal sector.

Some of these goods are harmful to the health of our people.

(1) Do we have national quality control standards to regulate the influx of some of these goods that I have mentioned?

(2) What standard should we apply for the used or second-hand goods especially, clothes, vehicles and food stuff?

09/08

In Australia, you can't just go and import all kinds of things; it must meet the minimum required standards. I want to find out from those relevant Ministers if we have those standards in place?

Secondly, what are we doing in implementing and enforcing those standards? Do we have the appropriate legislation or regulatory framework to deal with this important area?

I think these are important questions that we as leaders have to ask so that we do not let the industry dictate to our people as it will affect our people and ourselves as well.

Mr RICHARD MARU –Thank you, Mr Speaker, and I want to say that the Governor has raised an important issue that has cross cutting implications on various department and agencies that regulate this area that you have queried. What I intend to do is to take your question down and give a comprehensive reply to Parliament in consultation with the Minister for Health, Agriculture and other Ministers who are affected by this question.

I think we will have a good look at it from all sectors and give a very comprehensive response.

Mr PHILIP UNDIALU – My question is directed to the Prime Minister and I would like the Minister for Planning and Minister for State Enterprises to take note.

My question relates to a number of petitions that I believe reached your office and those of the other two ministers mentioned, regarding the outstanding matter on landowner payments.

I am not here to promote handouts to landowners as being the practice so far but important commitments like IDG are a centre of discussion these days. This is a time bomb in waiting as we are approaching the first sale of gas at the end of this year. So many petitions, court orders and a lot of grievances are being shared.

Is your office is aware of these matters? What is your stand as this year is a very crucial year for this Government to see the first sale of gas to the international market?

I have also asked in the previous session about the transfer of important national assets constructed under the LNG project, including the Komo international airport, Paia inlet wharf as well as the Kikori, Hides and Juha road to be transferred to the National Government for public usage. I believe a number of meetings were held with Exxon Mobil and I want to know the outcome of these meetings?

10/08

Mr PETER O'NEILL – I thank the Member for Koroba-Lake Kopiago for his question.

Mr Speaker, yes, I am aware of the petitions that have been presented to my office by various landowners from the LNG Project that is now being prepared for the export of the LNG production that is now taking place in Hela Province and in Southern Highlands.

Mr Speaker, their petitions called for a number of issues including commitments made by the previous government to the landowners and various provincial governments along the project area.

Mr Speaker, these issues are very sensitive and needs to be handled with care. I have instructed all the relevant departments for a meeting on Thursday next week with the reconciliation of what we have paid so far.

Mr Speaker, over 20 years since the first export of oil in Southern Highlands there have been some payments made to MOA commitments of the past. Some of those payments were related to projects and as the honourable Member knows; although the money has been spent none of the projects have ever been implemented. As a result even after 25 years of hosting the project, there is not much changes. For instance, the Pimaga Hospital in the Nipa Kutubu has limited bed space and mothers are delivering babies on the floor, when all these oil have been exported. This is a great shame. I don't want us to repeat the same mistakes therefore, I am asking for all the relevant departments to take serious charge of these issues because there are some colluding going on, where funds are just going out through the door and projects are not being implemented and yet people are coming back for more funds and threatening us . I think the rest of Papua New Guinea is fed up too.

It is important that we take stock of where we are in relation to the MOA funds, the IDG funds, and business development grants. Many of these payments have been made in hundreds of millions of kina. I will be calling a meeting of all the leaders from that particular region and other project areas to a meeting on Thursday where the officers will give us a full briefing on where we are on each of the funds that government has committed.

This Government's responsibility is to honour those commitments but I want to see the project implemented. Projects like Kibru to Komo and Komo to Koroba roads that need to be sealed. The sealing of Tari Township has to be completed. Mr Speaker, the issues are big and there is a lot of work to be done ahead and I have asked the genuine landowners to be patient. We will take stock of these issues and we will address them accordingly.

Mr Speaker, on the issue on Komo International Airport and related handover. I want to inform Parliament that the Government has discussed with ExxonMobil and the ExxonMobil has agreed that over the next three months the responsibility of that Airport will be transferred to the National Government.

Mr Speaker, we have talked with ExxonMobil to transfer the camps they have at Komo site and, they have also agreed to transfer the camps to the National Government.

Our aim is to establish a Defence unit in Komo. We have to establish a Defence unit and possibility of transferring the Defence Air Transport Unit to Komo so that they can utilise the facilities there.

Mr Speaker, we also discussed with ExxonMobil to maintain their management of the facility. Many times our people take over facilities that are being built and do not run it well

resulting in decline of services. We are also trying to use the camps to introduce a National Youth Service.

11/08

Mr Speaker, we will pilot it in Komo and Exxon Mobil with other joint venture partners have agreed that all the camps throughout the country where the project sites are, including section 152 which, will also be transferred to the government.

The idea behind this is so that we will transfer many of these facilities to Goldie River, Igam Barracks and Moem Barracks where we are trying to introduce the National Youth Service.

Mr Speaker, as I have said before, our country is lacking manpower in our discipline forces. Many of our discipline force members are becoming old and they need to be replaced and retired.

Mr Speaker, therefore, one of this Government's priorities is the National Youth Service Programme, which utilise the disciplinary force based training. Many of our young people who will be trained in the initial Youth Service Programme will be graduated to the Defense Force, Police Force and CIS.

We are trying to have a State's approach to this rollout programme with support from Exxon Mobil regarding the camps to accommodate the trainees that will be going through this programme.

Mr Speaker, regarding the Kikori to Hides to Jiua road, we are having discussions with Exxon Mobil regarding this issue. The project is an important one but they have also got conditions that are being put to them by the lenders of the money for the PNG LNG Project.

They do not want any logging to take placed in that area and secondly, they do not want a settlement along the pipeline area. Those are the conditions of the lenders and right now we are negotiating with the lenders to uplift those conditions so that we can utilise the road for public transportation.

Mr Speaker, another condition of the lenders was that they would remove a key strategic bridge in Kikori.

I would like to say that Exxon Mobil is in support of our National Government's desire to have that bridge remain so that we can use that road from Kikori. Thus, we will be able to drive from Kikori to Tari and then to Lae.

We are setting a few arrangements in place where we will control the movement of people along that pipeline road. Therefore, we are working closely with Exxon Mobil and it will be transferred to the National Government.

MOTION BY LEAVE

Mr CHARLES ABEL (Alotau – Minister for National Planning) – I seek leave of the Parliament to move a motion without notice.

Leave granted.

SUSPENSION OF STANDING ORDERS – REARRANGEMENT OF BUSINESS

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

That so much of the Standing Order be suspended as would prevent the Minister for Treasury presenting the Supplementary Appropriation Judiciary Services Bill 2014 forthwith.

SUPPLEMENTARY APPROPRIATION (JUDICIARY SERVICES) BILL 2014

First Reading

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

Second Reading

Leave granted to move the second reading forthwith.

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

That the Bill be now read a second time.

12/08

Mr Speaker, the Bill proposes the provision of a sum of K82 million for expenditure for the year ending 31 December 2014 as required under *Section 209(2)C* of the *Constitution* as amended.

Mr Speaker, this expenditure is funded in part through reductions to the *Appropriation (General Public Services Expenditure 2014) Act 2013* of K82 million and the increase of Appropriation (Judiciary Services 2014) Act 2013 of K82 million.

Mr Speaker, the bill has three parts. Part one is the appropriation of K82 million to be admittedly transferred to Judicial Services to support additional operational expenditure as outlined in the 2014 Supplementary Budget. Part two reduces the appropriation of the *Appropriation (General Public Services Expenditure 2014) Act 2013* by a total of K82 million to support operational expenditure for Judicial Services.

The appropriation for Judicial Services Infrastructure Development and the Secretary's advance in the *Appropriation (General Public Services Expenditure 2014) Act 2013* is reduced by K20 million and K62 million respectively to support funding as highlighted in part one above.

Part three appropriates the following items for the Judicial Services to allow additional expenditure in the 2014 financial year with an additional appropriation of K82 million.

Mr Speaker, I commend the Bill to Parliament.

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

Motion (**by Mr Don Polye**) agreed to –

That the Bill be now read a second time.

Bill read a second time.

MESSAGE FROM THE GOVERNOR-GENERAL

A Message from his Excellency the Governor-General dated 21 February 2014 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.

Third Reading

Leave granted to move the third reading forthwith.

Motion (by Mr Don Polye) proposed –

That the bill be now read a third time.

Motion (by Sir Puka Temu) agreed to –

That the question be now put.

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

Bill read a third time.

GRIEVANCE DEBATE

Question proposed –

That the grievances be noted.

13/08

Mr PETER ISOAIMO (Kairuku-Hiri) – Thank you Mr Speaker, Members of this honourable Parliament and my good people of Kairuku-Hiri, Central Province and Papua New Guinea.

Mr Speaker, firstly, let me thank all those who have assisted me in having me to be present here in this Parliament and be speaking here today and they are the people of Kairuku-Hiri electorate who supported me by voting me, all the candidates and their supporters.

As we all know, at the end of the day, there can only be one winner and I thank all of them for accepting the verdict of the people. My family Members from Kairuku-Hiri who stood by me and persevered in this very long and enduring race to overcome all the road blocks to finally make it here.

The National Alliance Party members and the executive gave undivided support throughout my campaign right through the conclusion of the counting and declaration, and all my friends who believed in me and what I stood for and for not giving up on me for the unwavering support in making my dreams and our dreams a reality.

Last but not the least, the staff and officials of the Electoral Commission, Central Provincial Administration and Central Province Police Commander and his Policemen who tireless and professionally conducted a fair, transparent and a peaceful by-election. I thank them all for a job well done.

Mr Speaker, together with you and the Members of this Parliament, I stand proud to be representing my people of Kairuku-Hiri in this Parliament representing one of the greatest pillars of a robust vibrant democratic society in the family of Commonwealth countries.

Mr Speaker, I got sworn into this Parliament and am reminded to uphold the National Pledge of our beloved nation; Papua New Guinea and also the Five Golden Principles of our National Constitution as my beacon and sign post to carry out my duties and responsibilities as the Member of Parliament.

It is not an easy road to travel to get admitted to this Parliament, it is a task long and rugged travel to achieve this stage. For the past 15 years, I have endeavoured to achieve my long life dream and I am now humbled by the wishes of my people of Kairuku-Hiri who have put me into this seat at this time of our electoral history.

Our generation of leaders must be thankful for the forefathers of our great nation who chose to bring this great nation under a rule of law; the National *Constitution* which gives strength to our foundation as citizens in a democratic society.

Mr Speaker, we stand the test of times in our young democracy and my story tells it all that we must at all cost protect and defend our rule of law, and be free people in a free society and maintain universal suffrage as our pillar of a free democratic society. That is what we enjoy and celebrate today in this Parliament.

I now turn to the Kairuku-Hiri Electorate. Mr Speaker, as the incumbent Member for Kairuku-Hiri, I would like to use this first opportunity to point out and in doing so to remind

this Parliament about my electorate and its hardships which are dear in the close and dear to the heart of my people.

Mr Speaker, the electorate of Kairuku-Hiri is unique but significant, in that, it is the host of the Nation's Capital as well as Central Province.

My electorate is too big and it is the largest electorate in Central Province with a population of 121 586 people and an annual growth of about 3.5 percent between years 2000 – 2011 and a land mass of 10 215 square kilometres.

The need to create two electorates is long overdue. We need to create the Kairuku Electorate and the Hiri Electorate with adjustments to existing boundaries.

Mr Speaker, I appeal to the Prime Minister and honourable Members to support me in having not only my electorate but other similar electorates which have been prioritised by the Electoral Boundaries Commission to be created as Open Electorates in the life. Term of this Parliament in time for the 2017 General Elections.

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So that better and improved services reach the affected people through good and effective governance.

Mr Speaker, almost after two decades now since 1995 with the passage of the reforms through the Provincial and Local Level Government system with the underlying objective to empower our people and bring services closer to the door steps of 85 percent of our rural people and I am sure you will join hands with me and say that we haven't got it right as yet. The system still has its weaknesses.

Mr Speaker, at this juncture I would like to commend the O'Neill-Dion Government in its initiative to review the Organic Law on Provincial and Local Level Government in order to develop the development authorities with the objective to improve service delivery where it matters most and where the bulk of our rural people live.

Mr Speaker, in this regard I would like to share my experience as a former Ward Councilor and a two term Member of the Central Provincial Assembly for the past 20 years.

Mr Speaker, with the size of the population of Kairuku – Hiri at 121 586, and a land mass of 10 215 square kilometers and 4 huge local level government constituents of Hiri, Koiari, Kairuku and Mekeo Kuni, and 75 Wards the service delivery mechanism which is part and partial of the Local Level Government and Ward level governance system is defunct and or nonexistence at all.

Mr Speaker, further, 4 of my LLGs and 75 Ward committees are dis-functional owing largely to the fact that development planning and priority setting is top down then bottom up.

For example, Government stations once the envy of our people are all dilapidated and rundown and many our mothers and children are still looking for basic Government services.

Mr Speaker, where there is no participatory planning approach involved in our warm blooded people who constitute the wards and village communities our development priorities are lopsided and are at the mercy of the people.

Mr Speaker, that is our case in point and the consequences of these inadequate delivery of basic but simple services which, are much needed by the people who live in the villages.

Mr Speaker, therefore it is one of my priority areas of attention to improve upon.

My main objective here is to empower the local level government and ward government systems to allow the people to effectively participate in a participatory planning process where their concerns, views and aspirations are captured through their mandated ward councilors and local level government presidents and this will make up my five year development and implementation plan.

Mr Speaker, with the increase in the recurrent Budget allocation and resources and an increase manpower capacity at the local level government we will see the impact of service delivery system complimenting our five year development plans.

Mr Speaker, in addition to its large population and landmass we have a unique situation where right inside my electorate in the National Capital District to the North of NCD is the Hiritano Highway to the West is the Porebada – Papa – Lealea Road and to the East is Magi Highway.

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Mr Speaker, when the decision was made by our predecessors to create National Capital District (NCD) inside my electorate and the Central Province, they obviously overlooked the fact that access to other parts of my electorate will have to be through NCD. In fact there are no roads linking with our main highways and our people from the North-East and West in the Central province how to come through NCD.

This means that my people to visit their relatives and participate in traditional activities in Hiri, Koiari, Rigo and Abau villages in my electorate and Central Province will have to go through NCD because that is their only port of entry by road access.

Mr Speaker, similarly if we want to travel to or send some betel nuts from Mekeo to our love ones in other parts of PNG, we also have to go through NCD air and sea ports because Central Province has no sea and air ports.

I must reiterate that our lost have been NCD's gain. I must say that Central Province does not have the needed infrastructures and we are lacking behind other provinces and we call for the National Government to support us to build this vital transportation infrastructure so that we do not have to depend on the NCD's conduct our normal business.

Mr Speaker, the effect of all the above is that whenever NCD makes the decision or page the decision, my people are affected; so if there is a road block by NDCCD on any of one of the highways into NCD, inevitably, the majority of our people will be most affected and their travel and freedom will be restricted.

The betel nut Control Law is affecting adversely day-in-day-out, 24 hours a day, 7 days a week to my people of Kairiku-Hiri.

Mr Speaker, thirdly, as I speak here today some of my people are at the NCD Laloki bridge check-point being body checked harassed, their bags of food being cut opened in search of betel nut with no contempt for their dignity by NCD city rangers and Police. While there is no betel nut in my electorate and the Central province, my Mekeio people are denied the right and prevented from bringing to the Motuan side of the electorate by NCDC rangers and Police at the Laloki bridge check point.

The NCD betel nut ban has affected my people a lot. They are treated with contempt, sometimes manhandled, denied their self-respect, denied their freedom and so on. Some of these people are leaders in my electorates like the chiefs, LLG members, pastors, priests, senior citizens and older people.

Mr Speaker, may I ask how many of you have to endure this every day only because of betel nut.

On this note, I must thank my honourable Governor, Mr Kila Haoda for bringing this matter to this Honourable House by presenting our people's petition on Friday 14th February, 2014. I fully support him in strong leadership on this matter and assured him that I will reach an immediate solution rather than a long drawn out war between the Central Provincial Government and the NCD Government.

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Mr Speaker, I must also thank the Member for Abau, Sir Puka Temu, Member for Rigo, Mr Ano Pala, Member for Kikori, Mr Mark Maipakai and Member for Goroka, Mr Bire Kimisopa and other Members for Parliament to show support in this important issue.

I should also thank my party Leader and I have assured the people of Mekeo during the campaign that I will take up the issue of the betel nut ban upon being elected.

Again, thanks to my party leaders and the executives that this matter has been on their radar as a priority matter which, they have been handling so far and in the given time I will also present to the Parliament a petition revealing all the concerns and reports that I have received from Kairuku and Mekeo as I speak.

Mr Speaker, the Parliament needs to take note that despite the harsh decision by NCD, in the way they are administering the ban, my people have been very patient, obedient and responsible and we expect a similar approach from NCD in dealing with this matter. I am very privileged to be from both Kairuku and Hiri so I know what I am talking about.

I also go through the Laloki road block daily so I know what goes on there and how it feels. We are not in a state of emergency or at war but that is the reminder that my people get daily when passing through the Laloki check point. Quite rightly or wrongly, my people believe that there is a war between NCD and Central province or rather NCD is staging a war against people of my electorate and that nothing is been done about it.

Mr Speaker, what my people want to know and are asking is; what have they done wrong to deserve this treatment from the NCD Governor and his agents. This Parliament must not be seen to be condoning the actions against a particular ethnic group and a particular electorate. I call on the Governor to immediately lift the ban on betel nut in Central Province and I repeat the ban on betel nut in Central Province be lifted.

I call on the Governor to carry out the ban within the geographic and political boundaries of NCD.

My people have not only been divided and separated but those who are in NCD have been pushed to the boundaries of NCD and provided with limited resources, powers and either not serving its purposes or have become dysfunctional as a form of LLG within a scheme of NCD government system.

They are now strangers in their own land and in the views of many of my observers and residents of NCD, they have become second class citizens and this must be addressed by

this Parliament with a win-win situation for the Motu Koitabuans both in NCD, Central Province and the Kairuku Hiri Electorate.

Mr Speaker, with the political, geographical and cultural boundaries redrawn, the Motu Koitabu deserve nothing less than an open electorate as part of Central Province, to give it prominence but more over to realise the humanity as people and not a minority ethnic group in Papua New Guinea. We know that there is increasing ethnic groups in PNG.

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Border and power sharing arrangement

Mr Speaker, the other outstanding issue that this House need not reminding of is the fact that when Port Moresby was absorb into NCD, nothing was done to compensate my electorate, the people and the Central province for the loss of our land and our capital city.

The truth of the matter is that Central province has no capital city since Port Moresby was taken away. We are unlikely to get one in the near future if nothing is done about it now. I am aware that there were some money given in 2008 to build a Central city but we have yet to see the city.

Despite this, Mr Speaker, Kairiku-Hiri and Central province resources continue to provide power and water to NCD even when there is reciprocity in the benefit to my electorate from NCD. How long are we expected to generously provide our resources without any return to our electorate and people?

Mr Speaker, this is one of my priority concern and I will be working closely with my colleague Members of Parliament from the Central province to review power and water benefit sharing arrangements as well as the Government line agencies and concern departments so that my people of Koiari are not by-standers and rent collectors. But they must be recognised as part and partial of the development package and benefit sharing arrangements which must be re-opened for discussion now.

LNG Projects and Benefit Sharing Arrangements.

Mr Speaker, for the multi-billion kina LNG project, Kairiku-Hiri is the host of the plant side and that the LNG Pipeline has also touched its land and coastal marine zones. The benefit to share in the monitory terms under the UBSA benefit package are enormous and will continue beyond our life time. These benefits are in terms of legislated equity entitlements, legislated royalty benefits, legislated development levy benefits, project rent and additional project equity.

Mr Speaker, I as the Member for Kairiku-Hiri; I am accountable to my impacted pipeline and plant site people to leave them with an open transparent and sustainable management of cash flow benefits.

This is absolutely essential as the cash flow must translate into tangible and observable benefit that must improve the standard of living and the quality of lives of landowner beneficiaries both present and future generations.

Mr Speaker, given the nature and the magnitude of the issues and challenges that are faced by the landowners and the provincial and the Local-level governments in relation to the PNG LNG project, my impacted landowner beneficiaries require immediate assistance in these areas:

- (1) Awareness on the 2014 Budget announcement of risk related to fall down of landowner equity
- (2) A beneficiaries group's structures to manage the additional 4.22 per cent equity option under the UBSA
- (3) Raise the Finance required to secure as additional 4.22 per cent equity inline with relevant provisions of the UBSA including financing option and a financing plan
- (4) Assist in securing the adjustment and or amendment to the UBSA to bring forward the 2016. From 2016 the 4.22 per cent equity, the commercial purchase option with immediate; and
- (5) Assist in securing financial approval.
- (6) Assist to secure approval and establish an interim corporate entity.

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Mr Speaker, once these issues are resolved within the next several months the second phase would focus on the delivery of the following;

- Explore and propose options for the beneficiary group structure including board management, governance guidelines, savings guidelines, investment guidelines, disbursement processes and procedures, tax advice and the like for 4.22 per cent additional equity under the UBSA.
- Secure approval of the beneficiary group structure in relation to the additional 4.22 per cent equity.
- Set up the beneficiary group and company to manage the additional 4.22 per cent including the board and management.

- Provide initial fund management and investment advice.

Mr Speaker, I will compare notes with my colleague Governor Anderson Agiru of Hela Province and Governor Havila Kavo of Gulf province. We face similar challenges and issues so that we can assist each other in the way forward in assisting our people.

The Central Province Commercial Rice Project. Mr Speaker, in addition to my concern and determination to ensure my peoples are fairly benefited from the LNG Project. I am also equally determined that the same applies in the much talked about ongoing Central Province Commercial Rice Project also known as the Naima Rice Project in my electorate.

Mr Speaker, while it is in the interest of my people the Central Province and the Papua Region for this project to get off as early as possible, I do not want my Kairuku and Mekeo people to be mere spectators and rent collectors on their own land.

As landowners they must be active participants and hold equity in the business and priority of employment. This is an important project and as such, it will not only create other means of income generation, but will also be the trigger agriculture development for my people.

Mr Speaker, it is my earnest appeal to the Government and the relevant government agencies to do their best to bring this project into fruition. I support the project and I will do whatever required at my level on behalf of my people for the project to start.

Mr Speaker, I have come to this House with the determination and the spirit to work together with all the Members to address those issues affecting my electorate and also those that are affecting other electorates in the interest of the people we are here to represent.

Mr Speaker, Kairuku-Hiri by-election is over so we must move on. My appeal to the Members of my electorate is to come together and work together for Kairuku. Our electorate needs all of us to do our path to move forward.

Thankyou Mr Speaker, and honourable Members of this House for allowing me to present my first maiden speech as the Member for Kairuku Hiri and thankyou for patiently and attentively listening.

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Mr JOE SUNGI (Nuku) – Thankyou Mr Speaker. I would also like to thank the Member for Karuku – Hiri for his speech.

My grievance debate is about rural livelihood and the means of income for the majority of this country. While the Minister for Agriculture and Livestock as outlined in his

policy last year, I believe that any exports that we sell must be regulated by the government and also believe that government should take control of securing markets overseas. This is because, if we let the private sector and private companies to go out and secure markets then we will not be able to see the best prices and also provide the price support for our rural farmers who depend entirely on these cash crops.

Mr Speaker, currently with cocoa there are far too many exporters. These exporters are buying cocoa at all kinds of prices. Therefore, how can the government regulate and support the price of cocoa?

For example, to go to the extreme of selling round logs or timber why does the government not do that instead of private companies? We do not even know how much they are selling our products out there in the open markets overseas.

Therefore, I think that we have to try and have control over some markets regarding this country's product exports. This is because our concerns are centered on cocoa in the coastal areas and coffee in the highlands where the majority of our cash crop farmers are involved in. This means that, for the sale of green bean coffee there should be only one exporter. Or in that case, we can make sure that we give the responsibility and mandate to the Cocoa Industry Board to be in charge of the selling and exporting of all our cocoa.

This is so that we know that they will go out and market for the best prices to sell our cocoa and have a pricing system that we can guarantee to our people. Are there plans to address this issue immediately? Because I see that our rural farmers only have these cash crops to rely upon and this also applies for copra. The status of copra in the country is a bit better because a lot more people are now processing it themselves. Nevertheless, I am only concerned about cocoa because my district only has cocoa as a cash crop. We would like the government to control the prices and make it stable for longer periods.

If you look at Bougainville, for example, in my time as when I was a scientist before, they were the largest small holder cocoa production in the country. Apart from that, the Numa Numa Plantation is actually the largest cocoa and copra plantation in the Southern Hemisphere.

With the efforts of the Prime Minister in trying to restore and bring support to Bougainville the industry will surely increase in development. Nevertheless, our situation now is that we are not sure that our products are now sold to the overseas markets.

Therefore, can the Cocoa Board play a major role in terms of selling and regulating the cash crop so that we can have stable prices?

(Sir Michael Somare interjecting)

Mr JOE SUNGI – Mr Speaker, these are some points that I wanted to raise because I think that we are not doing enough for our people as a government. The government is going to pump in a lot of money into the districts and these funding is having an impact on our farmers resulting in a lot more people going into farming and putting money into their pockets.

I had had a bad experience in my district when I did the accounts and found out that all the local buyers received funding to become cocoa exporters. Nevertheless, to date, there is no one buying cocoa in Nuku to export. All our cocoa is then sent to Wewak to be sold and exported. Therefore, companies are lying to obtain money.

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Can we as a government regulate and have Cocoa Board to go into exporting, just one exporter? That exporter can be responsible so when we establish the price support system, we will know where to put it. But if you want to put the price system now, it will be difficult because some of the exporters will still buy at a lower rate giving excuses of transport costs and the farmers who sweat their guts to plant coffee or cocoa will benefit less while the middlemen get a lot of money for virtually doing nothing.

These are my grievances that I wanted to share because I feel that our small people in the villages are missing out. My electorate depend entirely on cocoa production and it is good that now we are opening up roads into the remote areas. Previously when there was no access roads the price was at 30 toea per kilogram but as soon as the road was fixed, it increased to K1.20 per kilogram. It was just the road access that made the difference.

All the Members have big plans and we will be injecting money into the electorates that will change the rural sector but can we have some control as the government so that we can get the best price for our produce whether it is logging, cash crops or fishing. For instance, we do not know how much our special logs are sold overseas, the price could have gone up.

This is the backbone of Papua New Guineans that I am talking about. I am not talking about LNG or non-renewable resources. We can get money there and invest into where our people are going to be. We have to attract them back to where they come from and should not grow our economy by relying heavily on Asian products. Now on the streets of Port Moresby,

all the youths are selling Asian products; things that are normally sold in the shops. We do not want to see this happening. We want to see our young people planting cocoa or coffee. We want to see them catch fish and sell them. This is the kind of rural economy we want to see happening but instead, they are selling Asian products in the streets and giving back the money to Asians. This is not our way and it should not happen.

Mr Deputy Speaker, we must set the direction for our children and grandchildren where they are going to be in the next 30 or 40 years. Are we going to allow them to rely on this fake economy or are we going to settle them in where they are supposed to be. I believe that with the road access opening up the rural areas, we will be able to really development our rural economy and change the way of life of our people in the rural parts of this country.

Mr NIXON DUBAN (Madang – Minister for Police) – Thank you Mr Deputy Speaker, I would like to congratulate the Member for Kairuku-Hiri for his election victory and on the same note, I would like to thank the people of Madang for returning me to Parliament as their Member for the second time. I also thank the Prime Minister for his support.

I am happy to participate in this grievance debate basically to share some experience in the Court of Disputed of Returns. To win an election, we do a lot of work and when we win, we have people who file petitions with some unnecessarily and some with facts. As a young Politician, I felt offended in the process that we have to go through.

Mr Deputy Speaker, when I went to Court, I found that the Court process was very long and there were so many hike-ups on the way and we did not have the opportunity to perform responsibilities as Members of Parliament. It denied us many times to attend meetings of Parliament and perform our duties as elected Members of our electorates.

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We should be attending Parliament Sessions because that is what we have been mandated to do but I have realised that many elected members have wasted a lot of their time doing other things outside of their mandated responsibilities.

Mr Speaker, the court of disputed return is another issue that I would like to mention here. I urge the Law Reform Commission and the Electoral Commissioner to scrutinize the petitioners before taking a Member of Parliament to court because some of these petitioners are not fit to become Members of Parliament at all.

Mr Speaker, by taking the leaders who have entered Parliament through a genuine vote to court, the petitioners are wasting a lot of time for the good leaders too. The other point is that the Judges are not publishing their decisions in the daily newspapers in order for appeal to be made by the other party. The decisions made by the Judges are important for the appeal case so that the next level of court can proceed. But if the Judge is not doing his job correctly, how can he be penalised as well. For instance, in the case of Supreme Court, the responsible Judge did not publish his decision so how can he be held accountable for his actions. This is something for the Judiciary to take note of and be responsible for their actions. It is very unfair for an individual Judge to make a decision when an MP is mandated by thousands of people. One man decision is always biased even if he can use all the law languages in the world supported by all the reference books that have no merits to make his final decision.

Mr Speaker, I am offended because I have not received my decision as yet. That is a very insulting judicial system we have in this country. I want to also mention that during the Madang Open by-election period, many candidates nominated were not from the respective electorate. An individual from Goroka also nominated in the Madang Open by-election race. So, how can an individual have his name in two different electorates? The authorities concerned must check it out. Another incident, was that a person went to Rivo Village to cast his vote but his name was not listed in the common roll instead he was allowed by the Electoral Commissioner to go ahead and vote.. Another candidate who is now petitioning the current Member for Usino-Bundu was also allowed to nominate as a candidate to contest the Madang Open seat. It is shameful for the Electoral Commission and the Law Reform Commission because they are not paying attention to such.

Mr Speaker, we need to enforce tougher measures to combat such issues. Given the above scenario, one would like to ask whether the person who nominated in two different electorates is two persons in one and can divide himself at any one time. This is not right. There are too many opportunists, carpet beggars running into the race to become members of Parliament and not genuinely trying to represent the public.

Mr Speaker, we must alter the requirements to race for the public office. There must be quality checks made on who should contest or not. Residential qualification must be increased to more than six months and whether he is a real genuine resident of the electorate concerned. If he is coming from a village, it must be seen that he has a house built in that village. Financial status must also be scrutinized and whether he is insolvent or bankrupt; all

this must be checked prior to him becoming a candidate in the election. Medical scrutiny must also be carried out.

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Mr Speaker, we must also consider health aspects whether the candidate is fit and healthy to be in public office and they must go through proper medical checks to represent our people. Let's not mandate sick people.

Mr Speaker, there are many who have criminal records and the process of nomination is not defining because anybody can just go and pay K1000 and nominate and contest the elections.

We must screen candidates for 6 months or for one year and they should be approved by the Electoral Commission or an independent Board and allowed to go and nominate in any elections.

This process is not stringent and it has allowed too many people to run for public office and its take advantage of this electoral process.

Mr Speaker, when the Government is embarking on doing electoral reforms we should empower the Law Reform Committee and make Madang Open as a case study to amend some of this current laws.

Mr POWES PARKOP (National Capital District) – Mr Assistant Speaker, basically in my grievance I don't intend to raise a lot of points but a lot of issues have been raised about the betel nut and I deem it proper if I did do a little bit of responding.

Mr Assistant Speaker, in response to what the two Members have I deeply understand the concerns and grievances raised by our people of Central Province.

Mr Assistant Speaker, I accept all the criticisms that have been raised and what I want to say to this Parliament and to the people of NCD and Central Province is that we will be working with all the leaders of Central Province so that we can address all these issues. Most of it is management issues and are causing a lot of grievance and inconvenience and hardship to our people.

Mr Assistant Speaker, I want to thank the Governor for Central Province for being really supportive of our efforts as to the outcome we want for our city and also for our people in the Central Province.

Mr Assistant Speaker, I believe he is creating a situation where it is causing a lot of inconvenience to our people but I accept that.

I would like to apologise to the Governor for Central Province and his people through this Floor of Parliament for any breach of protocols in our efforts to raise the ban in NCD to reach the outcome we want to achieve.

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Mr Speaker, in our endeavor to achieve the outcome we want to accomplish in NCD we have obviously breached some of our protocols and I want to offer my deepest apology to our Governor and thank him for understanding. I am ready to work with him and other MP's of Central Province and have a win-win outcome.

I would like to thank the Member for Abau, Minister for Public Service, Dr Puka Temu for his very positive contribution and I will take into account some this contribution, but we have already started the process.

Mr Deputy Speaker, our committees have taken the petition, we have started discussing it and finding ways which, we are going to address them and we will get back to our colleagues in the Central Province so we can work towards a win, win outcome.

Mr Deputy Speaker the decision to have a betel nut ban in Port Moresby is not an easy decision to make. As we all know we have been trying to manage it since 2008 and it's because of the attitude problem in our people in the City that has caused a lot of inconvenience to the people in Central Province.

For me as Governor, it's a risky decision to make, we all know we are political animals in here, God our creator did not put us here from the sky to come here so for me to make such a decision that has a lot of political risks but I have to think about our city's image, the values and virtues which are important for our city and to have a good environment where all people can come and run the government from here including the international guests, embassies, and foreign missions.

We have to create an environment that is conducive for everybody based on values and virtues that are common to all of us and not submit to one small group who are going to dictate the culture and way of life and the values that we should be promoting in our city.

So this is the risk that I am taking. I have calculated it and I am ready to take the risk and let the people to decide in 2017, whether I should stay or go. But if we leaders do not make this type of decision we are going to be sorry about this type of behavior and give

excuses for this so it's not an easy decision in terms of making it and also in managing it and making it work to achieve the outcomes. There are issues with police and road blocks, but people are still smuggling betel nuts. Our people are innovative and creative and the laws that we are making are with good intentions but they always find a way to defeat it for their own selfishness and interest and that is the problem we have. I am not asking everyone to have sympathy with me, but to understand that this is a very difficult decision we are making and we believe is very good for everyone and hopefully we will arrive at an outcome with limited hardship towards our people.

Mr Deputy Speaker, I thank Members of Parliament for their support and understanding. Some Members have grievances on this issue too but can see the bigger picture and give constructive criticism and I accept that and I thank you all for the moral support and other forms of support.

I want to comment in relation to what the Member for Goroka has mentioned during the grievances debate. Perhaps, we might not be as passionate enough about our people or maybe we are bit blind to see the hardship that our people face but I want to put on record that we have set up market in Rubugoro in Brown River exclusively for our people in Central and Gulf Provinces to come and sell their betel nut in wholesale. In this way, show them that we have not totally deprived them to sell their betel nut.

The outcome that we want in Ruburogo is a market environment that is peaceful, there are amenities there, toilets, shower, perhaps a place to rest and a place where they can go and sell their betel nut at a price that they can agree to bargain with the wholesale buyer.

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The problems in the past associated with the trading of betel nut. These sellers from Kerema, Kairuku and Mekeo had no proper designated market place and were and are often subject to harassment and thuggery by people in the city who set a fixed price for them.

By this change we are trying to eliminate the practice of thuggery by creating a place for them to sell their betel nuts as well as recuperate after long hours of driving to get to the market. In terms of managing it; it is a challenging thing what we are trying to do and I want to assure the people that we are trying to cater for them by providing a market for them.

On the same token, I want to say that other crop vendors from Central province are free to come to the city. The ban we have is on betel nut; it is still your capital city.

Mr CHARLIE BENJAMIN (Manus Provincial) –Thank you, but before I go onto my actual debate, I want to briefly mention something on the betel nut ban. I want to say here that Manus will be the next province to ban betel nut.

So the NCD Governor is not alone on his quest to rid the city of betel nut, we will soon follow; however, I will not really dwell on with a long debate on this issue but I want to say that all our arguments for and against the ban is related to the economic aspects of the betel nut but not on the health side of it.

An article that I came across said that PNG has the highest rate of mouth cancer in the world. If betel nut is the cause of the rise in mouth cancer, then why are we using it? Of course we have used betel nut for generations and it has a cultural link in our societies but it is not good for our health. Why are we still arguing for it?

And as leaders we have a responsibility to consider the health and wellbeing of our people. Betel nut is not the only commercial crop in central province, there are other food crops as well.

Recently it has been widely reported that the people of Manus were involved in assisting to fight with the transferees at the Asylum Centre. I want to clarify here that the people of Manus are educated and not stupid enough to go around fighting with the transferees.

The centre is located within the PNG Defence Force boundary and ordinary locals will not be allowed to get in. The area is fenced and guarded so how would you expect locals to just walk in?

The incident occurred at night, how would you expect locals sleeping in their homes to get up and go to the centre and create a commotion and not be bothered by security personnel and others deployed on the island?

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It does not make sense and it is not true. The investigations will eventually reveal the real causes of the violent uprising in the Asylum Processing Centre. But it is common knowledge that from the beginning, they were not happy about the manner in which they were being processed especially the delay.

Secondly, they do not want to come to Papua New Guinea; they want to go to Australia. So let us not beat around the bush in explaining the causes of the Manus incident.

Let us not forget that some of them were actually in Nauru and were involved in the burning of the Asylum camp there. And let us not forget that their ways of protesting is different from ours as they tend to be much more violent.

We should not level negative criticisms at our people including police men and women and those taking care of the Asylum Seekers. We must also be reminded of the fact that they broke through the perimeter fencing and it was not for the intervention by members of the police force, we might have had the kind of situation experienced on Nauru. So let us give credit it is due and credit must be given to the people of Manus and those at the camp site who assisted in ensuring that the situation did not get out of hand. I think that is what the Australians must be told.

(Members Interjecting – Tell them! Tell them! Tell them!)

We are helping them; we are doing it for them; they do not come and tell us that we are not doing a good job because we did a better job than they could have done. And that I think the Australians should appreciate.

I just have that point to make; they are saying that the people of Manus are not happy because of the assistance given to them. Yes! We are not happy but we understand that is an issue to be discussed between the two governments. We are not uneducated.

The minister for foreign affairs is not here. He said when I asked him that four – hundred- twenty-million Australian dollars was for both the Asylum Processing Centre and the Manus province. We all know that, the Minister was not telling the truth; that money was for the Centre alone for its construction. He failed on his part to secure assistance for Manus province in that package. I will not dwell further into that area because it is for me and the government to discuss. But I would like to stress again that sometimes the Australians must know and must appreciate what we are doing and they should not be blaming us for what has happened. We did our best; we saved that camp and the situation is now under control.

Ms DELLILAH GORE (Sohe) – Mr Assistant Speaker, I would like to contribute to this grievance debate and I am happy that many of my colleague members of parliament have raised some very good points on a number of important issues like the environment. Before I do so, I would like to welcome the new member for Kairuku – Hiri.

Mr Speaker, I share the sentiments of the people of Central province regarding the betel nut ban not because I am married to a man from Central province but also of my conviction that our people must be participants in the economic activities taking place in our country. I support what the governor for NCD is doing in imposing the betel nut ban and we in Oro are thinking of following suit.

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Mr Deputy Speaker we have talked too much about the effects of mining in our water system and in our environment but in my electorate we do not have mining but we have Oil Palm. Whilst we are pleased about the industry in my province with the much talked about revenue which, we are not benefiting directly from. The effects of this industry have been affecting the environment and the people's livelihoods because the waste from the factory goes down the river system and affects the people's livelihood especially, in my electorate where the current factory is situated. We have a big population living along the river in my electorate.

We also have another factory at Kokoda, where Mamba River is situated and serves a lot of people and there is another factory there which is really polluting the river system. While we appreciate what this industry is bringing to Papua New Guinea, I also have concerns about the way the river systems are being used for waste disposal.

Mr Deputy Speaker, I thank the Minister for Environment and Conservation for the Bill he passed and I support his efforts. This Bill will help us manage our resources and our environment properly.

We must not only be excited about what it is bringing but we must also think of the long run for our future generations. Are we building or destroying them?

Mr WERA MORI (Chuave) – Thankyou Mr Speaker.

I want to begin by saying; it becomes a problem when we do things on ad hoc basis.

Mr Speaker, recently the Minister for Environment and Conservation has converted the Department of Environment and Conservation into an Authority.

It is one of the many departments that had to be converted but there are other government departments like the Department of Agriculture which, have their own research institute. I recall back when Sir Michael was leading the Government, they wanted to set up a satellite system to assist in monitoring these environmental activities, but there was no

institute established to bridge all these activities to ensure that all activities were coordinated under one aspect to effectively benefit and achieve its purpose.

I want to stress that the PNG must establish a research institute for science and technology so that we can be able to have scientists who are trained here and offshore to be able to conduct researches because we have one of the richest biodiversity apart from the Amazon Forest of South America.

Mr Deputy Speaker, I have mentioned this because I was listening to the Grievance Debate by the Governor for NCD. He talked about using mine tailings to build seawalls against sea rise especially, to protect lower lying atolls.

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This is not necessary because of the harmful impacts of mine tailings but the way forward is that, we must have this institution created. If we cannot create it then we must spend a lot of money funding our universities to conduct research, especially, the University of Papua New Guinea and the University of Technology.

Certain amount of money must be appropriated every year asking them specifically to conduct researches. This also includes the Medical Institute in Goroka because they have done some of the innovative researches not in the country but also in the world. That also must be given recognition that it deserves.

Mr Assistant Speaker, this brings me to the next point, because I am from the Chimbu and I must sometimes talk about the interests of the people of Chuave and Chimbu. Many times we Chimbu people do not say much because in terms of natural resources people think that we do not contribute anything in terms of revenue to this country.

Mr Assistant Speaker, this brings me to the point of the development of our lime stone resources in Chimbu. Last year I had raised this issue and the Minister for Trade and Industry promised me K2 million from the 2014 Budget. Unfortunately, that funding was not appropriated but that's still okay and we understand that.

Mr Assistant Speaker, we have this opportunity now where this resource is in Chimbu in my electorate in Chuave. We have the capacity to produce up to 2000 to 2500 tonnes a day and that equates to about 60 000 bags of cement. Annually, we can produce close to 1 million tonnes with a revenue close to K1 billion. This is just to show you the economic scale this resource can bring.

When the PNG LNG Project began about 100 to 200 trucks use the highway for the construction phase of the PNG LNG Project, which will last for only 2 or 3 years. When that phase is completed then traffic will then reduce. So, with the lime stone resources that we have we can produce cement or other products. Therefore, if we produce 2000 to 2500 tonnes a day we would produce 60 000 bags of cement. We would need a100 trucks to transport them from Chuave to the port of Lae every year for the next 40 or 60 years as long as the cement factory remains operational.

Mr Assistant Speaker, therefore, I would like to appeal to the government to take note and consider this matter very seriously. That the development of lime stone and cement production in Chimbu especially, in Chuave must go ahead. We must not be worried about marketing this product because the market is already there. Currently, Taia is producing about 100 000 tonnes of cement bags a year. That equates to probably 100 million each year but the need and requirement for cement is ever increasing. Apart from the rise in the building industry, there is also the need to move towards using cement for the construction of roads for all our national highways.

I therefore, believe that the demand and market for cement will increase. We also have the potential to export cement to the Solomon Islands, Vanuatu, Fiji and even Australia. The fact that we can put ourselves in a good position is because we have lime of the highest quality of 99.9 per cent.

Therefore, I am appealing now through this grievance debate that the Government must give Chimbu an opportunity to contribute in resource development in this country. I can also tell all of you that if you are to go anywhere in the world regarding the mining industry you will find a Chimbu working there. If we are given the opportunity we are capable of doing things ourselves because our people are well educated professionals in many various working fields to ensure the success of lime stone production in Chimbu.

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If we are given the opportunity, we will build the cement factory ourselves utilising our own knowledge. We have enough scientists who are world recognised; we have enough engineers who can design big things so do not underestimate us. Give us this opportunity. I want the Government to seriously think about this and make cement factories in Sohe electorate and Chimbu Province a reality.

Now the Government putting out tenders to upgrade roads in Chimbu and we don't want the contractors to just fix part of the road while the rest of it collapses. To construct a good road, the government will have to spend at least K3 million to K4 million or even K5 million per kilometre of road. We really want them to do a good job because we are already losing more land due to a lot of movements in the soil stability.

Mr Speaker thank you for this opportunity because I spoke from my heart regarding the cement factory and other developments that Chimbu must have. Thank you.

Motion – That the grievances be noted – agreed to.

MOTION BY LEAVE

Mr CHARLES ABEL (Alotau – Minister for National Planning) – I ask leave of the Parliament to move a motion without notice.

Leave granted.

SUSPENSION OF STANDING ORDERS – REARRANGEMENT OF BUSINESS

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

That so much of the *Standing Orders* be suspended as would prevent the Deputy Chairman of the Parliamentary Referral Committee on Education making a short statement to Parliament.

**PARLIAMENTARY REFERRAL COMMITTEE ON EDUCATION –
INQUIRY INTO THE DISBURSEMENT OF TEACHERS’ SALARIES
AND ENTITLEMENTS – MOTION TO TAKE NOTE OF PAPER**

Ms JULIE SOSO (Eastern Highlands) – Thank you Mr Speaker, on behalf of the Chairman for Parliamentary Referral Committee, Honourable Robert Ganim, I want to inform Parliament that the Parliamentary Referral Committee on Education has passed a resolution to inquire into the disbursement of teachers’ salaries and other entitlements for the elementary, primary and secondary schools in Papua New Guinea.

As you would recall, on Monday 10 February 2014, it was revealed by *The National* Newspaper that there will be an inquiry by the Education Parliamentary Committee into the issues of teachers’ salaries and other entitlements. The Committee formally want to inform this Parliament and our people that we are now set to conduct this inquiry through its own initiative as provided for in Section 17 of the Permanent Parliamentary Committee Act 1994, the Committee resolved to undertake this inquiry.

Mr Speaker, while there are so many issues affecting our teachers throughout the country, the Committee has focused this inquiry into one aspect and this is to do with their welfare and wellbeing, salaries and other entitlements. Their welfare and wellbeing are important factors that will support our teachers to execute their prime responsibilities of teaching our children; the future leaders of this great nation. Through this inquiry, the Committee will make further recommendations for another inquiry into other issues affecting our teachers and the education system in the country.

Mr Speaker, the Committee during its deliberation, adopted the following terms of reference and they are:

- (1) Request for relevant government departments and officers to provide background information and explanation relating to salaries and other entitlements for teachers.
- (2) Examine and observe the processes and procedures involved in the disbursement of teachers’ salaries and other entitlements.
- (3) Ascertain the adequacy of the current processes and procedures involved in the disbursement of teacher’s salaries and other entitlements.
- (4) Ensure to make recommendations for the establishment of reliable and transparent processes and procedures in the disbursement of teachers’ salaries and other entitlements.

(5) Promote and foster accountability and transparency processes and procedures in the disbursement of teachers' salaries and other entitlements.

(6) Examine, observe and ascertain any other relevant issues pertaining to the disbursement of teacher' salaries and other entitlements.

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(7) Report to the Parliament the Committees observation and recommendation by 20 May 2014.

Mr Speaker, lastly but not the least, on behalf of the Committee I say thank you to the Chair for giving the assurance to support this inquiry.

Debate (on the motion by **Mr Charles Abel**) adjourned.

MOTION BY LEAVE

Mr CHARLES ABEL (Alotau – Minister for National Planning and Monitoring) – I ask leave of the Parliament to move a motion without notice.

Leave granted.

PERMANENT PARLIAMENTARY COMMITTEE ON PUBLIC ACCOUNTS – DISCHARGE AND APPOINTMENT OF MEMBERS

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

That Mr Benjamin Poponawa be discharged as Deputy Chairman and Mr Bob Dadae be appointed as Deputy Chairman. Mr Garry Juffa be discharged as member and Mr Peter Isoaimo, Mr Roy Biyama and Mr Charlie Benjamin be appointed as Members of the Permanent Parliamentary Committee Public Accounts Committee.

MOTION BY LEAVE

Mr CHARLES ABEL (Alotau – Minister for National Planning and Monitoring) – I ask leave of the Parliament to move a motion without notice.

Leave granted.

SPECIAL ADJOURNMENT

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

That the Parliament at its rising adjourn until 6 May at 2p.m.

ADJOURNMENT

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

That the Parliament do now adjourn.

The Parliament adjourned at 1.05p.m.