

## THIRD DAY

Thursday 8 May 2014

### DRAFT HANSARD

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## PARLIAMENTARY DEBATES

### CORRECTIONS TO DAILY DRAFT HANSARD

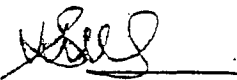
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Corrections should be authorised by signature and contain the name, office and telephone number of the person transmitting/making the corrections.

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Sarufa M. Haro

Principal Parliamentary Reporter

### THIRD DAY

Thursday 8 May 2014

The Speaker, (**Mr Theo Zurenouc**) took the Chair at 10.00 a.m., and invited the Honourable Member for Kairuku-Hiri, **Mr Peter Isoaimo** to say Prayers:

‘Yumi gat olgetadenominsin long dispela Palamen. Long mipela ol Katolik na sampela narapela husait mekim sign on the cross bai yumi mekim sign of the cross.

In the name of the Father and of the Son and of the Holy Spirit. Amen.

Papa God mipela 111 Membas long dispel Palamen we yu givim utpela tingting long pipol long votim na mendetim mipela long kam karim vois bilong ol long painim wei long halivim long karim igo givim ol long ples.

Dispela moning mi beten olsem bai yu givim gutpela tingting long olgeta, long Praim Minista, Lida lo Oposisen, Spika, olgeta sinia ministas, Membas lo Palamen, na Gavanoas long deliberation bilong mipela long dispela floa tudei bai iken stap long gutpela tingting long painim gutpela wei na rot long kisim kaikai igo long ol pipol votim mipela long ples.

Mipela kam bipo long suprim gavaman bilong yu long unives na especially long Papua Niugini, kantri bilong mipela olsem mi plasin man. Mipela askim fogivnes na blessing bilong yu long mipela ol Membas lo Palamen, mekim raitpela tingting na mekim wok bilong mipela we yu na ol pipol bilong mipela expectim long mekim long behalf bilong ol na yu that mipela mekim rait think bai yu long sevim yu na pipol bilong mipela long wanwan electoret bilong mipela through dispel Palamen.

Mipela prei long marimari bilong yu long rausim dispel kain tingting nogut long wanpela narapela na mipla sevim ol pipol bilong yu, mipela bung wantaim long mekim gutpela disisen bail iken karim gutpela kaikai long olgeta pipol long Papua Niugini. Amen.’

### QUESTIONS

**Mr RONNY KNIGHT** – Thank you, Mr Speaker, for acknowledging the people of Manus.

My question is directed to the Minister for IPBC are in regard to telephone services.

Mr Speaker, my province is continuously facing landline and fax line problems and this has been going on for years. Our business houses have suffered for so long.

Mr Speaker, now, people are just depending on mobile phones most of the time. Intermittently, if Digicel is out, they use bemobile and vice versa and that is also giving us problems.

Mr Speaker, the VSAT that we have inherited are also unreliable. Lup, Byot, Amik, Paniselu and many of the other islands depending on such systems are defunct.

Mr Speaker, we have been charged by Telikom for over K190 000. We have been wrongfully billed and we have that credit on record. However, the Manus Office is not honouring this credit.

Mr Speaker, I was under the impression that the handset fee of K270 odd kina was the only charge that we are responsible for but we are still being charged over K1500 for each unit, whether they work or not.

**02/03**

Mr Speaker, the system is a lifeline for emergencies, medical and personal for our people that are isolated in those islands, especially now with the disaster in the Ninigo and Hermit Islands.

Mr Speaker, I think the Member for Bogia also has elaborated earlier that we should not be paying K15 000 per month for each unit but there is still some confusion. My questions are as follows:

- (1) Can the Minister instruct Telikom to get the system online again, especially all VSAT and landline units?
- (2) Can the Minister inform Manus Telikom office that they owe the District over K190 000.00?
- (3) Can the Minister inform us on this so that we can clear up any confusion about arrears if there are any and to clear up the confusion whether we are to pay K15 000 per month or K275 per month?

**Mr BEN MICAH** – Mr Speaker, I thank the Member for Manus for his very important questions. In fact, you have asked the questions on behalf of many Members who have seen me privately concerning VSAT system in many of the remote communities of different electorates.

If I can remember correctly, the VSAT system was introduced in 1990 at the time when I was the Chairman of Telikom from 1998 to 1990. It is an Israeli system that was used during the time when there was no mobile phones and it was difficult to bring cables out to many rural communities. The Israelis introduced this system, which was able to provide telecommunication solutions to many remote communities in the islands, mountains and most isolated villages.

Mr Speaker, it has served the country well but it is an expensive system because the satellite communication or satellite excess is quite expensive. In fact, over the years, many districts in PNG and users or the customers of Telikom have not been able to meet the costs of maintaining the expense of satellite uplink and also for Telikom to maintain the upkeep of this system. As a result, there were lot of accumulation of cost in the location where many of these phones were installed and eventually many of them were cut off or were removed.

Mr Speaker, what I will do now is to instruct the Chairman of Telikom and its Chief Executive Officer today to review it. It is not only in Manus but all other VSAT locations in Papua New Guinea and then I can be able to respond to your questions specifically. However, generally, I can make a report to Cabinet for its deliberation before it goes to all the Members for ways we are going to address this Telecommunication VSAT issue before Digicel, BeMobile and this new company bring much better and hopefully cost effective Telecommunication services to your district.

**Mr GARRY JUFFA** – Mr Speaker, I wish to direct my two questions to the Minister for Fisheries. Yesterday, the Minister informed us about the concerns of his department in relation to the information collected from the scientists in regard to harvesting of beche-de-mer inside the country and because he respects the views of the scientists, he imposed a moratorium or ban on harvesting of beche-de-mer.

Mr Speaker, my questions are regarding a project that will be developed in New Ireland Province called Solwara One (1).

(1) What is the likely impact that will affect the marine life within our fisheries Industries, especially our tuna stock, which PNG boast as the largest in the world.

(2) What is the impact of that project that will affect those fisheries stocks?

(3) Does your department have any plan to conduct an independent study besides the

company's sponsored study?

(4) If the study of the scientists concludes that this project will destroy our tuna stocks or threaten our marine life and our fisheries industry, what is your action or stance in regard to our fisheries industry?

**03/03**

**Mr MAO ZEMING** – I thank the Governor for his questions. When a foreign company and the State or the provincial government want to make an agreement, a mutual understanding must be reached.

The Fisheries Department also has concerns in regard to foreigners coming to harvest our tuna stock in our waters. It is very unfortunate that that particular decision was reached during the term of the previous government.

Consequently, I do not have a fair idea on the particulars of that decision, but I will find out with the fisheries authority and make a statement later in response to the Governor's question.

**Mr AIDE GANASI** – Thank you, Mr Speaker, for recognizing the people of South Fly.

**Mr SPEAKER** – Honourable Member, to whom are you directing your question to?

**Mr AIDE GANASI** – I am directing my question to the Minister for Environment and Conversation.

Mr Speaker, the Fly River Delta is becoming like a rubbish pond. When people dump all their rubbish and waste from the upper end of the river, it all flows down to the Fly Delta.

If I call recall, there was an incident several years back when there was a huge ship carrying tons of cargo and was overloaded and fair bit of its cargo fell into the Fly River.

Amongst the cargo, drums containing 60 litres of chemicals used for extracting gold and copper also fell into the river. That incident created a huge fear

among people living along the Fly River system all the way down to the far Northern part of Queensland.

This major incident quickly faded out from public scrutiny and it appears to be forgotten all together. Whilst this may be the case I wish to ask the Minister the following questions:

1) Can the Minister inform this House whether his department has carried out investigations into this incident on the Fly River?

2) If so, what were its findings and can I have a copy of that report, please?

3) Can the Minister inform this House whether or not all the drums containing chemicals fell into the Fly River have been recovered?

Even up to this day, not one single drum containing the chemicals has been recovered nor has any cleaning taken place in those affected waterways.

**04/03**

There is clearly a great danger that the contents will eventually leak out into the river system.

Mr Speaker, my people from the Fly River are sitting on a time bomb.

Mr Speaker, under the circumstances, I would like to hear from the Minister whether his department has a contingency plan to deal with this critical issue.

Mr Speaker, finally, I would be interested to know what kind of impact assessment programmes the Department of Environment and Conservation has in terms of monitoring the impact of the OK Tedi Mine on the Fly River environment.

**Mr JOHN PUNDARI** – Mr Speaker, I thank you and the Member for South Fly, the Honourable Aida Ganasi. I also would like to thank the Member for putting me on notice yesterday that he was going to raise those series of questions and I was able to get some answers from the Department.

Mr Speaker, the particular incident that the Member is referring to occurred around the June 14, 1984, which was the year of commencement of mining operations of Ok Tedi.

Mr Speaker, a shipment of sodium cyanide was caught in gale force winds at the mouth of the Fly River and it resulted in an unknown quantity of sodium cyanide drums being spilt into the river.

Mr Speaker, it was reported in the media then and the then Minister for Energy, Mr Francis Pusau sent three of his officers to investigate the incident and report back to him.

Mr Speaker, this appears to suggest that the Energy Minister then took responsibility for investigating this incident.

Mr Speaker, I do not know whether the spilt drums containing sodium cyanide are still on the Fly River bed at this present time. What I can only say is that this event happened about 30 years ago in a marine environment containing salt water. It is well known that steel structures in such environments tend to be severely corroded by the action of salt. This results in the disintegration and breakdown of the steel structures.

Mr Speaker, one only has to see the conditions of ship wrecks on the sea floor to believe this process.

Mr Speaker, I am of the view that the drums containing sodium cyanide would have already corroded since 1984 and that any sodium cyanide released into the Fly River would have been significantly diluted by the high river flows and mixing with salt water from the Gulf Papua. The cyanide being released into the water would have dissolved and due to the effects of dilution over a large body of water, its environmental and human health effects would not be measurable.

Mr Speaker, my department does not have any contingency plans to respond because it does not believe this to be a continuing source of environmental threat for the Fly River system.

Mr Speaker, as a result of this incident but more specifically a major cyanide slurry spill event in Europe, the United Nations got all stakeholders together to develop a code that will govern the use of sodium cyanide in 2000. This resulted in the development of the International Cyanide Management Code, which became available for use in 2005. The code governs all aspects of the manufacture, transportation and the use of sodium cyanide, the signs of cyanide contaminated tailings into the environment and all safety aspects of this chemical.

The code is applied on a voluntary basis, Mr Speaker, but all gold mine operators are encouraged to adopt it and I am happy to inform that in Papua New Guinea the Porgera Gold Mine has been complying to the code for over three years now. The Hidden Valley Mine in Bulolo has just recently in April 2014 achieved compliance with the code and Lihir Gold Mine is undergoing the process to be compliant with the code as well.



Mr Speaker, because it is a voluntary code, the government cannot enforce the adoption of it under the *Mining Act* or the *Environment Act 2000*. Therefore, it is encouraging gold mine developers to comply with the code and is something the Minister responsible will be looking into to enforce it if need be by way of legislation going into the future.

Mr Speaker, Ok Tedi Mine has always been regulated through its own Act of Parliament as we all know, and the related supplementary agreement. Therefore, Ok Tedi has never been subject to the *Environment Act 2000* or been regulated under a best practice environment regulatory regime.

Mr Speaker, in the negotiations with Ok Tedi now, Ok Tedi Mining Limited as part of the review of the Ok Tedi Mine Life Extension Proposal, the government has taken the view to the greatest extent possible that the environmental regulation of Ok Tedi needs to be significantly improved.

**05/03**

Mr Speaker, under the good leadership and direction of the Prime Minister, the Government now intends to subject Ok Tedi to a much higher level of environmental regulatory oversight to the Mine Life Extension Proposal currently being assessed by the Government.

Mr Speaker, Ok Tedi presently is not using cyanide at all and there is no risk of further anticipating cyanide spills.

**Mr NIXON MANGAPE** – Mr Speaker, the Environment and Conservation is a very important Department.

I am concerned that there are not enough environmental scientists working on the ground, especially up at Porgera Gold Mine.

Can the Minister deny or confirm whether the Department has environmental scientists that are carefully monitoring over tailings in the Lake Murray and Strickland river systems?

I regret to say that the Department is heavily relying on company reports over the past years.

**Mr JOHN PUNDARI** – Mr Speaker, I thank the honourable Member for Lagaip – Porgera for his good questions. Yes, I agree with him that the Department is

an important Department as we all know and it has to do the right thing. It has to ensure that it monitors, regulates and oversees and ensures that there is friendly environmental operations and developers are complying with environmental regulations and permits.

Mr Speaker, yes, all mining operators around the country and major investors in the country have their own environmental scientists that ensure that they are complying to our environmental permits issued by the Department and that they are within the boundaries of that permit within the operations.

Mr Speaker, from time to time, the Department does its own monitoring to ensure that there is compliance out in the operational fields.

Mr Speaker, over the years, the Department has been under funded but I must inform this Parliament that the Department has been on its toes as far the major projects in the country are concerned, especially with the mining, gas and petroleum.

Mr Speaker, in so far as Porgera is concerned, I am sure that the Department has been up to its task in ensuring that there is compliance and if the honourable Member is specifically concerned with a particular issue regarding the impact on the environment out at Porgera, I would be available to sit with him and discuss this issue to find solutions and assistance.

**Mr ROBERT GANIM** – Mr Speaker, I direct my question to the Minister for Tourism Art and Culture, and I ask the Prime Minister to take note.

Mr Speaker, this country will be hosting some important international events, two notable ones are the South Pacific Games in 2015 and the APEC Conference in 2018. Also in 50 days, we will be hosting the 5<sup>th</sup> Melanesian Cultural and Arts Festival in Port Moresby.

**06/03**

I was prompted by an article in *The Sunday Chronicle* to ask these questions. This article raised issues which the people of this country need to be informed of.

My questions are;

(1) Can the Minister tell the Parliament as to why the people and the Parliament was not informed of this event four years ago after the fourth festival in 2010?

(2) Can the Minister confirm that the current site where the construction is taking place at the Constitutional Park clearly shows evidence of poor planning and that NCD Physical Planning Board did not give the approval or plan for the construction for this site?

(3) Why is there lack of corporate sector participation to promote this festival to international and local visitors?

(4) Can the Minister confirm or deny that the Organising Committee has not held regular meetings in the lead up to staging of the festival this year?

(5) If this is true, can the Minister and his committee defer this festival, rather than cause embarrassment for our people?

**Mr BOKA KONDRA** –I would like to thank the Member for Wabag for his questions in regards to the Melanesian Arts and Cultural Festival that will be held in Port Moresby as well as satellite provinces that have been identified and advertised. Following the 4<sup>th</sup> festival in New Caledonia, Papua New Guinea was successfully nominated to host the 5<sup>th</sup> festival. However, successive Governments did nothing up to the time I was given this Ministry and felt it was an obligation for me to fulfil for this country and our people, despite time limitations to do it.

**07/03**

When the submission was brought to the NEC in late 2013, the NEC approved out of over K50 million, over K34 million but then it was late over the Christmas period and we could not do anything until the accounts were opened.

We started in forming working committees and Mr Speaker, we got everything together. So far I would like to say that the working committee has worked very hard to make sure that within this time limitations we had to we deliver because in this term of government, I believe very important events will take place such as the coming Melanesian Festival of Arts, the South Pacific Games in 2015 and the APEC meeting.

Despite the time limitation, the nation can be confident that we will deliver. Let me just go through the questions

. Firstly, on the question of proper awareness and consultation with the various agencies of the government, the parliament and the public, I would like to inform the

nation that there has been formal meetings and information has been given with wide consultations with agencies in the preparations leading up to the festival.

Secondly, the current site for the festival is owned by the National Museum. On the question of whether appropriate approval was sought from the National Physical and Planning Board, I would like to stress that there is a big difference between the South Pacific Games and the Melanesian Festival of Arts. The bush material houses are temporary set ups and the event will be over in a few days. The buildings will be available for use after the event and some will be pulled down. In my own view, there is no need to seek approval from the National Physical and Planning Board to build such buildings which are not permanent structures.

On the involvement of the corporate sector, I think the festival is not an appropriate forum for promoting business interests and products. It is held for the purpose of showcasing the cultural identities of the Melanesian countries. Government agencies like Immigration Office and NAQIA are also involved.

**08/03**

But despite that we have others who are cooperating such as Immigration, NAQIA, Police, and everybody is involved. We are working together and we expect to deliver this event effectively and on time.

Meeting of committees, yes, from the time we started it, meetings have been going on. So rather than talking too much, I believe that the work is progressing and the committees selected from different bodies and agencies are all getting together and we believe and are confident that we will deliver it.

So, I want to announce that we are ready in terms of accommodation, transportation, security; in fact, we are ready in terms of everything. By the end of this month we would have completed all the facilities in the Festival Village.

We also have other selected sites in Port Moresby where some of the buildings are already up because my target time is 28<sup>th</sup> of this month and by 29<sup>th</sup> this month, I will make sure that they are commissioned and delivered.

My committee, including the Governor of NCD, Minister for Events and I have been called by the Prime Minister to sort out some of those things that are outstanding and we have been given the mandate by the Prime Minister to bring in different players to play alternative roles to ensure that this event is ready for delivery.

If you have not seen it or if you have doubts, please, take time to go and see the place and see me to discuss further.

I will make sure that this programme is delivered on time because I don't want to see this country, being the biggest island country fail. We must deliver it despite having time limitations.

I thank the government for having given this recognition in terms of funding and we will use this money to make sure that all our brothers from MSG countries come to Papua New Guinea.

We are expecting a good number of people from Indonesia, especially West Papua, Timor Leste, and Torres Strait.

For the satellite venues such as Kokopo, Mt Hagen, Wewak and Milne Bay, we've started giving the money out so that they will be prepared because it doesn't take so much time and there is a lot of things to be done, but the most important venue is Port Moresby because that's the venue where we will be bringing in all the five MSG countries and another two from that side.

I wish to especially appeal to the governors, to send 30 participants to Port Moresby. And the open Members, please, I am asking you to send some to the satellite venues. Let's take the Melanesian Festival of Arts to the doorsteps of each region. So, if we see Fiji in Mt Hagen and if they shake it, please be there to shake yours also.

With that, let me say this, if you are still in doubt, I am appealing to all of us to work together because this event is very important and despite the time limitation, we have to assist. For instance, two of my colleagues have now gone to the field and have built big houses. The Member for Maprik, has given me a big yam but I am not going to eat it until the house is complete and Middle Fly Member is spending his time effort, and money in bringing all the materials down from Balimo down to Port Moresby where you can see the biggest house we have.

So, I'd like to have this sort of cooperation.

**09/03**

I want to commend the two Members and I am appealing to all the Members of Parliament that the ownership is in our hands and let's start delivering and get ready for the South Pacific Games and the APEC (Asia Pacific Economic Cooperation).

### Supplementary Question

**Mr KILA HAODA** – The Central Province host the NCD, yet, time and time again, we have been overlooked and we have not been consulted on these issues. We consistently talk about NCD. All of you are passengers in my city and we have been overlooked many times. We are close by therefore, we need to be consulted for major events that are to happen or will be happening in the future.

I wish to thank Prime Minister for accepting us to participate in the 2018 APEC Meeting. I am still waiting for the Minister for Sport to respond to me to take part in the 2015 Sport Meeting. We must not be overlooked because this is our land and we want to be the host too like the NCD.

(1) My question is, why we are being overlooked all the time during important events such as APEC Meeting?

**Mr BOKA KONDRA** – Mr Speaker, I think we have written letters to all the Governors of the provinces and I have received about 14 responses to participate in the 5th Melanesian Festival of Arts events in PNG. We have invited 30 contingents to come from each province in PNG. You are responsible and you take ownership and we will receive them and entertain them when the event commences next month.

This Festival of Arts is in Port Moresby and so I am in consultation with the Governor for NCD and I am looking for other satellite venues because the events are taking place in those particular or respective provinces. I have been in consultation with the respective Governors and the Provincial Administration.

Mr Speaker, if I have not discussed this matter with you, the Governor for Central, I am here in the city and we can talk it over but I want you to get ready and send your 30 participants. I would ask for more but since the space is small, I want only 30 contingents.

**Mr ALLAN MARAT** – Mr Speaker, I wish to direct my question to the Minister for Higher Education, and I ask the Minister for Education to take note.

Mr Speaker, I believe it was last week or two weeks ago, there was an article in one of the daily newspapers with some consternation of the views expressed by the Professor of UPNG and the Divine Word University regarding the standard of education, especially in these two institutions of higher learning.

On one hand, the Government is going ahead with the Tuition Fee Free Education, which shoulders some burdens off from the parents financially and we are also hoping that it produces quality education. My simple question concerns the manner in which the students are performing as expressed by the two academics of the UPNG and DWU. They actually questioning the level or the quality of education amongst the students.

(1) What steps or actions are you taking on behalf of the Government to address this very important concerns expressed by these eminent academics?

10/03

(2) Are you talking on behalf of the Government to address these very important concerns expressed by these eminent academics?

Thank you.

**Mrs DELLILAH GORE** – Thank you, Mr Speaker, for allowing me to answer to questions raised by Member for Rabaul, and these are also concerns raised by my ministry. My ministry is looking into it to address these issues and not long I will be introducing a Bill during this session of Parliament that will directly address some of the questions raised by the Member for Rabaul in regard to problems that are facing our universities and colleges throughout the country.

Thank you, Mr Speaker.

**Mr CAMILLUS DANGIMA** – Mr Speaker, thank you for recognising the people of Kerowagi. I wish to direct my question to the Minister for Petroleum and Energy but since he is not present, I will direct it to the Prime Minister.

Within the next few weeks, PNG will be exporting its gas and oil into overseas markets. Under our earlier undertaking our Government should hold a share of 22.5 per cent in the whole production of our LNG project but it happens to be that PNG only has 19 per cent of the shares in the whole production.

The people of this nation want to know where the rest of 3.5 shares has been transferred to. We are entitled to 22.5 per cent State share but we have lost 3.5 per cent during our negotiation. I am being told time and again by everyone including the media that part of the shareholding on what the State should own is taking up by someone else.

Has the Government made an inquiry into this to find out who has taken up the 3.5 per cent share in this major project?

The 3.5 per cent will be a huge amount of money going to somebody else's hand instead of going into the State's purse.

I want the Government to set up an inquiry into finding out where exactly has the State's share of the balance of 3.5 per cent has gone too.

**Mr PETER O'NEILL** – I thank the Member for Kerowagi for the good question. In fact, this is not the first time this matter has been raised by the Member. It has been raised several times during the last term of Parliament as well. Yes, the State has the right to own shares of up to 22.5 per cent in any mineral resource production in this country.

While we are try to find and extract mineral, oil and gas many of our partners in the shareholdings are putting in a lot of money to develop these resources. At this development stage, the State cannot able to put its share of funds in assisting other development partners to extract these mineral, gas and oil and that is we why we are experiencing shortfall in our required ownership of our shares.

That is the whole reason why we have lost some of our shares.

However, I will ask the Minister responsible to come up with a detailed statement for the benefit of this Parliament and the people of PNG.

Let me take this opportunity to also tell this Parliament that that is why this Government is trying to apply and obey our existing laws and agreements in as far as our new gas and oil projects that have just started. It is a right under the mining laws that the State has to participate fully in our resource developments. For Mining, the State has a right to participate 30 per cent in its shares.

**11/03**

This country has the right to participate fully in all mining projects with a 30 percent stake as required under the law, and for petroleum projects it is 22.5 percent. Therefore, we are not going to take anything less than that.

Due to past experiences our participation in other interests has not been so profitable. Previous governments have made mistakes in the past with their decision making. Such mistakes include the selling of all our shares to Origin Minerals. Origin Minerals now owns 100 percent of all our shares. During early 2002 Origin Minerals



was merged into Oil Search, thus reducing our shares of 100 percent down to 15 percent. This is not in the good interest of our country.

We are not a country that is just passing through, we have got people, families, the population and children coming up and we need to make sure that we plan for a long term interest for the financial security of our people. Selling things like a fire sale is not going to help our people in the long run.

Mr Speaker, this is why our government is deliberately making decisions like taking over Ok Tedi, which we own 100 percent of it. This year will be very profitable because we are managing it well, cutting costs and running it well.

Mr Speaker, we are going to make a lot of money from Ok Tedi and if we can do it with Ok Tedi, then we can do it to anything else as well. We just need to manage it well and make sure that the management and board are independent, and that the business is managed to the benefit of our people.

Mr Speaker, I would therefore like to assure the honourable Member for Kerowagi that we are doing all our best to protect the interest of our country, particularly, in resource development because these are not renewable resources. These resources will run out. We do not want similar experiences like in Africa and many our countries where they have diamond, copper and gold mines and, et cetera. When all their resources ran out, poverty crept in with issues of starvation and health problems faced by many such countries. We must never repeat the same mistakes here in our country. We have an opportunity today to correct it and, Mr Speaker, I can assure you that this government is determined to do this.

That is why some legislative reforms will come in over the next few weeks and months and I urge all Members to support them because this is for our country's benefit. Do not be misled by the interests of big corporate companies and multi nationals who are here because they just want to make a good return. They are not here because they love us and they want to help us, they are just here to make money. Therefore, we must protect the interests of our people.

Mr Speaker, I will get the Minister for Petroleum to put a ministerial statement on the 3 percent that the Member is talking about.

## **MOTION BY LEAVE**

**Mr JAMES MARAPE** (Tari-Pori – 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 Nos.138 and 134 Government Business being called on forthwith.

**12/03**

## **INTERNAL REVENUE COMMISSION BILL 2014**

### **First Reading**

Bill presented by **Mr Patrick Pruaitch** and read a first time.

### **Second Reading**

**Mr PATRICK PRUAITCH** (Aitape – Lumi Minister for Treasury) – I move

That the Bill be now read a second time.

Mr Speaker, the Bill will drastically improve the role and capacity of the Internal Revenue Commission to assist the Government to collect revenue and position itself to fund vital development programs for the people of Papua New Guinea and tackle administrative changes so our services to tax payers and community is more robust and effective.

The Bill transforms the Internal Revenue Commission into a Secretary Body with powers and functions aimed to give it autonomy and independence from the National Public Service so as to enable it to effectively respond to our growing economy by increasing the tax revenue collections for the State.

Mr Speaker, while the Bill separates the IRC from the public service it establishes a robust governance structure to enhance revenue collection and efficiency.

The Bill enables the Commission rather than a Board as its governance body as was determined by the CACC and other relevant authorities because of the important and unique functions of IRC in collecting revenue for the State.

Mr Speaker, the roles and functions of the Minister and Commissioner General and the Commission have been carefully structures in the Bill.

The Commissioner General will continue to report directly to the Minister as is currently done and all other existing arrangements with respect to reporting and accountability will remain.

The Revenue laws remain unaffected. It is only the administrative arrangement governing the organization and its staff that are proposed to be changed in this Bill.

The Bill maintains the independent of the Commissioner General in the statutory tax collection functions under revenue laws and provides for the Commissioner General to submit annual reports on its operation as well as subjecting the accounts of the internal revenue commission through audits.

Mr Speaker, this Bill will drastically improve the capacity of the Internal Revenue Commission to collect revenue and giving it autonomy from the public service rules on staffing and related arrangements.

Mr Speaker, I commend this Bill to Parliament.

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

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

Bill read a second time.

## MESSAGE FROM THE GOVERNOR GENERAL

**Mr SPEAKER** – Honourable Members I have to announce that I have received a message from his Excellency the Governor-General dated 28 February 2014, recommending the importance of taxation in accordance with *Section 210* of the *Constitution* in so far as the Bill relates to and provides for such position.

### Third Reading

Leave granted to move the third reading forthwith

Motion (by **Mr Patrick Pruaitch**) proposed –

That the Bill be now read a third time.

13/03

**Mr GARRY JUFFA** (Northern) – For a long time, they have been suffering from lack of funding and attention. The revenue opportunity due to this country has to be foregone. Every economy in order to grow must fund, invest and empower the revenue stream and in this instance, most powerful streams are the IRC and Customs. For a long time we have not been paying the public servants who have been working these areas sufficiently. They are living in settlements and villages, and they are expected to deliver above and beyond their expectations but they are not sufficiently resourced.

As a result, we only collect, I would estimate, from my experiences, 30 per cent of what is due to this country. If we wish to collect the maximum amount, we can and we must sufficiently invest. There are significant modern technologies available so that we may have oversight on all the activities of all the companies that are operating in this country, many of whom are not paying taxes. We are forced to knock on the doors of those who are compliant and forced then to pay, sometimes with penalties while those who are not paying their taxes through elaborate tax evasions and money transfer mechanism that they have carefully put in place, continue to escape paying taxes.

Those particular entities operate especially in the resource industry and I would say Fisheries and forestry. For instance, SGS which is an organisation contracted to monitor the export of logs previews only 10 per cent of every shipment and in every 10 per cent, they find profound breaches where significant revenues are foregone. We should be able to collect not just the 10 per cent due but the 90 per cent that is not being paid as well.

I commend this Bill and I would like to go further by proposing that we go on a massive recruitment spree so that we get the best possible people, paid them significantly enough so that they are not susceptible to bribery and corruption. We need to put in oversight mechanism so that we may be able to monitor the activities of the collection agencies and ensure professionalism to boost the economic development of our country, and we may realise our full potential that at this moment, we are unable to grasp.

We need to pay our officers better, provide accommodation, empower them and you will see that they will produce above and beyond what they are currently producing. Thank you Mr Speaker.

**Mr CHARLES ABEL** (Alotau – Minister for National Planning) – Thank you, Mr Speaker. I rise to make a short statement on this very important bill and I want to follow on the lead of the former Commissioner of Customs who is now the Governor for Oro Province.

Mr Speaker, I want to commend the Treasurer and also the former Treasurer as well for this initiative and of course it is a significant initiative for our government. It is very important that we got huge development commitments that we have made, we got a large budget to meet and in deed a large outlook in terms of a resource and revenue envelop to deliver on the priorities of our government and the needs of our people. And at the heart of this matter and action is the Internal Revenue Commission.

Whilst we thank all the goo hard working staff of the Commission for the very good work they have been doing over the years, there is no doubt that the institution has been struggling and has been under-resourced and lacks the capacity. Because of that, we all also have no doubt that we have been missing out on massive amounts of revenues that are due to this country and this government.

We also take note that our government in implementing a tax review at the moment and it is an independent process that is happening to look at the broader

picture and issues in terms of revenue collections and missed opportunities. As part of that review, it is very important that we step in and support the IRC. So some of the things happening through this bill is indeed giving it autonomy and the power to independently recruit experts staff that can be paid properly.

14/03

As Governor-Oro was saying, such as they were able to go out and address these issues and deal with some of the complex matters and deal with companies, that often resource well themselves and get around our laws, Mr Speaker.

As Governor Juffa was saying as well, many companies unfortunately are not even registered with the IRC in terms of tax file numbers. And when we conduct audits and pursue outstanding tax, what we tend to do is pursue the companies that are registered and we place a heavy burden upon them while many of the companies that we don't even pursue, are not registered in the tax system. So they are missing the tax net altogether.

Mr Speaker, it is very important that we resource the IRC and that is what this government is determine to do. But within a broader context of actually reviewing much of our fiscal regime particularly around the resource sectors. And I am not just talking about the extractive industries but as you have heard previously, we are also talking about the other sectors as well whether it's forestry or fisheries or you name it; we've got to make sure that we've got regimes that are sustainable, responsible and that are encouraging our companies to comply with environment laws and policies that sustain the resources into the future and make sure our country participated fully and get maximum benefit from those resources.

I commend the Treasurer and I say to our people of Papua New Guinea that it is part of our government's measure and actions to get things right so that we collect what is due to this country. We all have a sense and we all believe that there are many missed opportunities there because institutions such as IRC are not fully resourced. This is part of our government's overall effort to improve that system and it's very important that at the heart of that in terms of our revenue collection system, is supporting the IRC.

**Mr BEN MICAH** ( Kavieng – Minister for State Enterprises) – Mr Speaker, as a child attending school in Rabaul, I saw that many of the businesses there were

run by expatriates mainly Australians and there were other Papua New Guineans, especially the Tolais, who also went into business.

At that time, life in rural Papua New Guinea was very good. Those plantations that were owned by the colonial masters were providing employment and they were paying taxes. Even our fellow Papua New Guineans were also paying taxes.

I can recall the feeling of things looking good and feeling good and appear to be alright. The system was operating well with people paying their taxes and things like mail were reaching schools, plantations and patrol posts where kiaps were looking after the people well. Australian Aid was not as substantial as what we have been receiving since Independence.

I would like to comment on the restructuring of government systems that we have undertaken since Independence. So much has been done in terms of restructuring through legislative reforms and renaming of institutions but we have not improve the human element in all these changes.

When I was working for a government minister in the government of Paias Wingti, I overheard a minister in conversation with another minister. He said, "do you realise; there's no more Steamships, there's no more Carpenters, BurnsPhilp has closed down and a new stream of foreign investors has entered the market". And the other minister replied, "you know why because this people who are new comers into the economy, are thinking in reverse psychology. If they find it difficult to approach a government minister or bureaucrat, they will step back and contemplate how they would find another way-a shortcut of getting through".

Mr Speaker, we can restructure the IRC now; before John Lohberger was the boss followed by Sir Nagora Bogan followed by others and now we have Ms Betty Palaso and now we are going to change it into a new body, which I support.

**15/03**

However, the most important thing is this; if the integrity and honesty of those people who are controlling this place is not up to a standard where we must collect 100 per cent of what we deserve to collect, it is shameful to sit here and listen to the former Commissioner General of Customs tell us that we are only collecting 30 per cent of an economy that since Independence has grown by 100 per cent.

Another problems is this, we are drugged by this dependency on mining and oil and all these things so we are not improving the governance of our collection system from all other sectors in the economy.

Fisheries for instance, in which most of is being conducted in my waters, in the Bismarck Sea and we, in New Ireland Province hardly get any benefits. It's a 10 billion dollar industry but we are not getting even one billion US dollar in taxation but all those people who are catching our fish are rich in Taiwan, Japan, America and elsewhere because we are blind and have no integrity in our collection system.

So Mr Speaker, and Minister, this also applies to timber and all the other sectors that are sustainable and we should really be collecting more money from them.

Addressing the issue that Governor Juffa raised on two invoices, all our money is being depleted on RH, TST, Papindo and others. Huge amounts are imported in which we redeem from our money obtained through mining and forestry being circulated through those same shops but how is it that the money is not increasing when so much goods are being traded in this country. Whether it be commercial goods, nonrenewable resources or renewable resources such as fish and timber, we are not getting what we deserve.

I think it is a wakeup call for us when we heard what the former Commissioner General said. We need to address issues of integrity in our collection system and get what we really deserve to get from the exploitation, export of our goods and import of goods that are coming into our country. I think we should not waste time in discussing this Bill, we should just pass it.

Now that your Ministry is focused on recruiting quality personnel, please pay them well so that if somebody wants to apply reverse psychology, he will bounce because those people are getting a lot of money and maybe they cannot be able to fall for the weakness of trying to better themselves by getting money under the table.

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

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

The Bill, requiring a simple majority of 56 Members, Mr Speaker ordered that the bells be rung.



16/03

*(Voting in Progress)*

17/03

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

**AYES – 77**

**NOES – 0**

Motion so agreed to.

Bill 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 Nos. 127 and 128 being called on forthwith.

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

#### **First Reading**

Bill presented by **Mr Patrick Pruaitch** and read a first time.

## **Second Reading**

**Mr PATRICK PRUAITCH** (Aitape – Lumi – Minister for Treasury) – I move –  
That the Bill be now read a second time.

Thank you Mr Speaker, this Bill is a consequential amendment to the Internal Revenue Commission Bill 2014 in so far as it repeals the administrative provisions relating to the appointment of the Commissioner General and the Commissioner for Tax and the reporting requirements of the IRC. I commend this Bill to the Parliament.

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

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

## **Third Reading**

Leave granted to move the third reading forthwith.

**Mr PATRICK PRUAITCH** (Aitape-Lumi – Minister for Treasury) – I move

—  
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.

18/03

**REGULATORY STATUTORY AUTHORITIES (APPOINTMENT  
TO CERTAIN OFFICES) (AMENDMENT) BILL 2014**

**First Reading**

Bill presented by **Mt Patrick Pruaitch** and read a first time.

**Second Reading**

**Mr PATRICK PRUAITCH** (Aitape-Lumi – Minister for Treasury) – I  
move- –

That the Bill be now read a second time.

Mr Speaker, this Bill is a consequential amendment to the *Internal Revenue Commission Bill 2004* insofar as it prescribes the IRC as being an authority to which the *Regulatory Statutory Authorities (Appointment to Certain Offices) Act 2004* applies.

This ensures that the appointment and termination of the Commissioner General and the commissioner follows the merit based appointment process as is the case for the other heads of other statutory authorities.

Mr Speaker, I commend the Bill to Parliament.

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

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

The Bill read a second time.

**Third Reading**

Motion (by **Mr Patrick Pruaitch**) proposed –

That the Bill be now read 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.

### **MOTION BY LEAVE**

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

Leave granted.

### **POSTPONEMENT OF BUSINESS**

Ordered – That Notice No. 138 be deferred.

### **ROAD TRAFFIC BILL 2014**

#### **First Reading**

Bill presented by **Mr Ano Pala** and read a first time.

#### **Second Reading**

**Mr ANO PALA** (Rigo – Minister for Transport) – I move –  
That the Bill be now read a second time.

Mr Speaker, this Bill is a Road Traffic Authority Bill and the main purpose of this Bill is to establish a Road Traffic Authority that is aimed to improve the Land

Transport Services, which is in line with the O'Neill-Dion Government *Alotau Accord* commitment.

19/03

Mr Speaker, the Department of Transport is responsible for the administration of the land transport regulations and by law is responsible for associated activities such as driver licensing, vehicle registration, transport services licensing, vehicle standards, roadworthiness, certification, enforcement, road safety promotions and land statistical information.

The Department of Transport once to maintained a central registry for driver licensing and vehicle registration and had traffic registry in most provinces.

Mr Speaker, in the mid 1990's, service delivery functions of driver licensing and vehicle registration were assigned to provincial governments partly to provide a source of revenue for the provinces.

Mr Speaker, this was formalized under the *Inter-Governmental Relations Functions and Funding Act*.

For the National Capital District, the State contracted Motor-Vehicles Insurance Limited, a monopoly provider of compulsory third-party insurance for motor vehicles to deliver these services.

Mr Speaker, as a result of the above assignments and contracts, the Department of Transport has effectively lost control of these functions and standards have drastically slipped in most provinces and in the National Capital District.

Mr Speaker, the Land Transport Board has also delegated the supervision of licensing of public motor vehicles and heavy vehicles within the provinces to the provincial administration.

Provinces are meant to establish Provincial Land Transport Board to administer licensing but most provinces do not have operational provincial land transport Boards. As such the National Land Transport Board cannot effectively control compliance with the legislations.

Mr Speaker, the Road safety statistical information and promotion has been taken over by the National Road Safety Council Authority over nine years ago but it is significantly under funded since the annual 5 percent levy from Motor Vehicle Insurance Limited is insufficient to adequately perform the tasks.

The legal responsibility for on-road enforcement of licensing, registration and vehicle standard laws are shared between traffic police and Land Transport Division Inspectors of Traffic. National Road Council Staff have been involved in on-road enforcement which mainly includes road-blocks and are perceived as revenue generation exercises.

Mr Speaker, although the main service delivery functions of road related activities have been delegated to the provincial governments under the Inter-Governmental Relations Act, these have been ineffective.

Mr Speaker, in NCD, Motor Vehicle Insurance Limited has taken over and developed the equipment and systems for service delivery of driver licensing and vehicle registration from the previous Department of Transport Central Traffic Registry.

Motor Vehicle Insurance Limited retained a portion of the revenue from activities to cover expenses and remit the remainder to the consolidated revenue fund.

The Finance Audit confirms that for the period 1998 to 2012 Motor Vehicle Insurance Limited is in default of remitting outstanding monies amounting to K33.4 million.

Mr Speaker, Motor Vehicle Insurance Limited also administers vehicle registration services from its branches on behalf of the provincial administrations in 10 provinces. For Central Province in Gordons; Milne Bay in Alotau; Southern Highlands in Mendi; Western Highlands in Mt Hagen; for Goroka in Eastern Highlands; Wewak for East Sepik; Kokopo for East New Britain and Kimbe for West New Britain.

**20/03**

This agency arrangement is with the Motor Vehicle Insurance Limited and provincial Administrations where MVIL retains a portion of revenue to cover expenses and remit the remainder to the respective provincial administrations.

Now the vehicle registrations are done in Gulf and Oro provinces and some companies operating in these provinces is the Central Province Registry at Gordon's for this purpose. For Milne Bay and West New Britain MVIL also has agency arrangements with the provincial administration for drivers licenses which are paid to the Provincial administrations, the MVIL operates a computerised system with a

central database for vehicle registration especially for NCD and is linked to 10 provinces in which they operate.

Each MVIL branch that issues licenses for drivers as a standalone application and prints it on driver licenses on blanks supplied by the Motor Vehicle Insurance Limited obtained from a supplier in Australia.

Likewise driver licensing performed by provincial administrations also standalone computer systems and there is no central registrar of driver licensing and it is easy for a driver to obtain new license from another location when a license is cancelled. There is no central registry of vehicle registration other than the 10 provinces where this is delivered by MVIL which results in many duplications and omissions.

Many unsuitable vehicle repair premises have been allowed to provide vehicle road worthiness certificate and lack of reliable data base has resulted in poor enforcement outcomes. In view of the above and since both the Ltd and the Traffic Police lack resources; expertise and incentives to properly enforce the Land Transport Registry requirement, it is important for the Parliament to endorse the bill for the Road Traffic Authority.

Mr Speaker, the Road Traffic Authority will match the functions of the National Road Safety Council, the Land Transport Division of the Department of Transport and the Land Transport Board. It will administer and enforce the update and revise the Land Transport regulatory provisions and enter into arrangement with provincial administrations and MVIL to carry out land transport licensing and regulatory functions.

No changes are proposed for the Police functions of enforcing laws on routes except for certificates of competency for driving, which will be extended to the Road Traffic Authority to ensure that an appropriate standard of testing be carried out.

Mr Speaker, it is intended that the Road Traffic Authority will not have their offices in every province and will delegate or contract out some of its enforcement and administrative powers to provinces especially relating to driver licenses and vehicle registration.

To enhance the establishment and the operation of the road traffic authority I will be coming back to this Parliament with the proposed legislations to complete the restructuring process. These legislations will include the *Motor Traffic Act*

amendment and Motor Traffic Regulation, the *Licensing of Heavy Vehicles Act*, the *Land Transport Act* and the National Road Safety Council.

Mr Speaker, fees for the defaulting and persistent offenders have been revised to reflect the current business and economic environment in PNG since these have not been updated over a long period of time but no infringement fine will exceed K4, 500.

**21/03**

The Department of Transport requested for a funding of K8.3 million in the 2014 Budget but no appropriation was made. The 2014 Land Transport Division funding will be used for initial establishment costs; however, as a self funding entity the Road Traffic Authority is expected to support itself from 2015 onwards with initial projected revenue of over K7.8 million.

An estimated one-off funding of K1.5 million is estimated to cover accrued benefits for those public servants intended to be transferred to the Road Traffic Authority from the National Road Safety Council.

Mr Speaker, the proposed establishment of the Road Traffic Authority will resolve the prevalent road traffic experiences in the National Capital District roads and other roads in Papua New Guinea and is consistent with the National Land Transport Strategy and its supporting Medium Term Transport Plan which was approved by Cabinet in July 2013.

Mr Speaker, the Road Traffic Authority will establish standards for PMVs and taxis and will have a proper and effective enforcement system and regulate the road traffic system, road traffic rules and introduction of driver behaviours and breathalyzers for drunken drivers are anticipated.

Mr Speaker, the Asian Development Bank is providing technical assistance to establish the Road Traffic Authority and a one national database system of vehicle registration and drivers licensing. Revenue from these operations will support the Road Safety Awareness Programme.

Mr Speaker, it is intended that the Bill once enacted will come into force at a date to be notified in the National Gazette which allow time for the regulations and rules to be completed, the Road Traffic Authority Board to be selected and arrangement for transfer of staff to be finalized.

Mr Speaker, I now commend the Road Traffic Authority Bill to the Parliament.



**Mr PAIAS WINGTI** (Western Highlands) – Mr Speaker, I want to ask the Minister that there needs to be some consultations with the Governors because I think this is a transferred function. This is in regards to the funds that are collected for motor vehicles licenses and certain percentages are kept by the Motor Vehicle Insurance Limited and the rest is transferred back to the provinces automatically.

So I just hope we are not creating a structure here that is going to be fundraising and centralized and we create some division here. I just want some clarification on that because we have not been informed and this is a delegated function and money goes straight back to the provinces and we do not want to an empire here in Port Moresby. If he could clarify us on that so that the Governors can give you the support and we pass the Bill.

**Mr ANO PALA** – Mr Speaker, let me thank the honourable Governor for that very important question. The main purpose of this legislation is to basically control the system and have a system that will control the standards and the registration systems. The funding arrangements will basically remain the same with provincial governments.

I think at the moment, the control of the registration system is not with the Transport system, it is with the Motor Vehicle Trust and I think that the delegated authority which the Minister for Transport delegated to the Motor Vehicle Insurance Trust is now being taken by the Transport Department which is the right place for the control of the system.

Basically, we are concerned about the standards. I understand in this Parliament.

My apologies, Mr Speaker, I should directing the response through the Chair.

Mr Speaker, basically the purpose of this legislation is to have a national system that the Government should control and that function is the responsibility of the Department of Transport. The funding and sharing responsibility basically remain the same.

**22/03**

All the funding and sharing arrangements will basically remain the same and as much as possible, the operational responsibility will remain with the provinces but we must control the system because if you are issuing licences in one of the provinces and other provinces are not aware of it then you leave room for abuses.

So in answer to the Governor's question, there will be no major changes in the funding arrangements, only in terms of control; we want to have control over the system.

**Mr SAM BASIL** (Bulolo) –Mr Speaker, I commend the Minister for what he's done in trying to find better ways to regulate our collections from the Motor Vehicle Insurance Trust and the Land Transport Board.

Mr Speaker, in the past five-six years, I was advocating for my province, Morobe to be included with the 10 provinces that he mentioned who have been using MVIL to help the provincial governments handle the issues in relation to licensing, registration and traffic infringement fees that are collected.

Mr Speaker from what I gathered in my interactions with MVIL staff in the provinces that have used MVIL to handle their land transport issues has recorded a 20 to 30 per cent increase in their revenue. And their improvement on their accountability, cash collection, banking and the report that goes back into the internal revenue of the provincial governments.

Mr Speaker, I believe and I still believe that when the Minister came to present his Bill, I thought we would be forcing all the provincial governments to use MVIL first because it does have the existing facilities to gather all these information. And I support the Minister in saying that the standalone system that is in place now cannot be really controlled because anybody who is involved in fatal accidents and drink driving can go to another province, once their licence has been suspended by a district court in another province and that has been going on. We've had wreckless drivers transferring from provinces to provinces and causing a lot of problems.

Mr Speaker, the Motor Vehicle Insurance Trust does have the facilities to have an integrated system where we should connect all the provinces. I believe that it would be cheaper because, in asking for K8 million in the 2014 Budget which has not been delivered to the Transport Department I still believe that Motor Vehicle Insurance Trust should be fully utilized through all the 22 provinces and then they can easily transfer the functions to the new entity that the honourable Minister is proposing to create.

**Mr JUSTIN TKATCHENKO** (Moresby South – Minister for Sport) – Thank you Mr Speaker, and I want to congratulate the Minister for Transport in his efforts to get this all reorganized and re-done correctly and professionally.

With NCDC, we are seeing an increasing number of new roads and infrastructure coming into our city and these all need to be maintained and looked after and the road users should be paying for these. But the NCDC is getting nothing from MVIL at all.

And really the roles, revenue responsibility and functions need to come to the NCDC so that we can relieve the burden off the Government and also maintain existing roads and new roads that we will be having in our capital city.

It's very important that we just don't create white elephants and dwindle these wonderful roads and infrastructure and we can't maintain them. And one way that we see is by MVIL moving its revenue responsibilities over to NCDC will allow us to make revenue to maintain these vital roads that road users are using in our capital city.

So, I'd like to put that to the Minister to look at seriously and I am sure the Governor will be writing to him in due course.

**23/03**

**Mr MARK MAIPAKAI** (Kikori) – Mr Speaker, the issue or restructure of where we place benefit sharing is very important because we want the provinces to benefit as much as we can since the provinces are the contributors. For example, Gulf, we have a lot of activities going on in terms of road transportation on the logging aspect and many other areas.

So really the structure must have benefit sharing and it is very important with provinces and I commend that and I would take note of what the Governor of Western Highlands has said in terms of the alliance must be done properly. We cannot just put an elephant somewhere and it is very important that it comes under control of transport.

Mr Speaker, in terms of benefit sharing, I urge all the Governors to have a meeting with the Transport Department and sort out as to how best we can benefit.

Now, we are talking about another authority. The issue I wish to raise concerns standard determination. Is there any standard determination instead of paying CEOs and Executives of all those corporate entities that we are now creating?

In this case, we have created many but according to my records, we have created four authorities. It is more than we deliberated to IRC Authority.

Mr Speaker, in the past Parliament, we talked about the Environment Department Authority and now we are talking about another authority. These authorities are going to lead this country into bankruptcy.

There is no standardised pay system. When somebody is making so much money, the tendency in that particular organisation is to look after them in a big way. If somebody did an audit of every State-owned enterprise and produce a report on the CEOs pay, the divisional heads' pay, and the tea boys' pay, you will get a shock of your life.

Mr Speaker, my suggestion is to ask the Public Services Minister to take note, IPBC Minister to take note and produce a report on the issue of the determination of these so-called authorities that we are setting up, I have a great fear that we are creating all the authorities to either look after our political cronies or few greedy CEOs who want to milk the system at the expense of the State. Unless otherwise, we have this report, we can talk about boosting the number of converting government departments into authorities.

Otherwise, I have a bigger fear and I do not want to name few authorities that I know of their CEOs who may be collecting a million kina or half a million, which is more than a State Minister. This is not a joke. No joke! It is serious and it is happening. So, we have to take a stock of how many other departments, which we want to convert into authorities and the pay package that you are going offer to the CEOs.

Mr Speaker, the practice in PNG is very evident. The moment you give somebody an authority where he can determine his pay figure, you go and get a lawyer to draft a contract otherwise you will be left with very big State liability in the event that he is terminated.

Mr Speaker, I think this is a very important Bill and I would like the Minister to go further to look at the Marine Time areas as well under this same arrangement. It is a big concern about the types of vessels that we are manufacturing and the number of people dying at the sea.

We buy this Ela Motor's banana dinghy and when it capsized, it doesn't float. The buoyancy is not there. There are no life jackets too. There are people travelling

people on boat from Kerema to Kikori without life jackets and this is very evident. A passenger motorised dinghy without one single life jacket on board.

24/03

**Sir PUKA TEMU** (Abau – Minister for Public Service) – Thank you, Mr Speaker.

I want to commend the Minister for this Bill to be approved by Parliament. I remember in my younger years when I was working as a young doctor. I was working at the Emergency department and my rosters would go on from 8 am to 8 pm. I hated the Friday night on-call because it was the worst night in my career as a young doctor. Friday night was full of accidents from motor vehicles. Many people were coming in with cuts, broken legs and other accident related problems. Two issues also emerged, and that is drunk driving and lack of use of sea bell.

We are still having the same problems so I hope the Bill will bring in safer roads and reliable vehicles and most importantly policing this Bill. It must administer this law that this Parliament will pass.

I know that the accidents are still piling up at the Emergency Department. The Minister has in the past mentioned the use of breathalyzer so can we get that on the road. There are new machines available so you can pick it up anywhere and test drivers. The police can use this very effectively. Please, Minister, with this new law, get the breathalyzers on the road. Some of us never used to drink but we are drinking now but we need to know when to stop. So when we are drunk we need to have a system where we are not allowed to drive. There must be a friend that must drive somebody home. That is the culture we need to create in the country. Otherwise, we are going to see accidents after accidents.

Mr Speaker, I remember, in 1981 when we pressured the Parliament because we belonged to an association called the 'Physicians' in the country. The Minister then was the late Martin ToVadek, and so we said to introduce the seat belts in Parliament. There was a very hot debate on the Floor of this Parliament.

So the seats belts were introduced but they have never been polished. No body is worried about wearing seat belts. But we have a public motor vehicle system where 30 – 40 Papua New Guineans are loaded on a PMV and not one wears a seat belt. Can we do something about it? We have a law that says that everybody must wear seats belts including the drivers and passengers. But we are allowing PMVs carrying 30

people with no seat belts and you can imagine what happens practically when the vehicle hits something; the 35 passengers will just fly everywhere.

Mr Speaker, we really need to look at the safety of our roads and the reliability of our vehicles. We have all these secondhand vehicles from Japan and everywhere. Can we have a used-car rule and only bring in vehicles that are not more than three years old. These vehicles are emitting poisonous fumes. I hope the Minister will consider some of these things because it is killing our people that we represent here.

**Mr GARRY JUFFA** (Northern) – I rise to make few comments in relation to the Bill. Oro has a traffic registration facility now with MVIL.

**25/03**

I was constantly reminded by the motorists and PMV drivers that we made sure that this happened and we have an arrangement in place for revenue and so forth.

I would like to join my fellow Governor for Western Highlands in expressing my concern about this situation. I feel that the Transport Department should consult with MVIL because I believe that MVIL is doing a good job. They are performing reasonably well according to us. Also, there should be some discussion in regards to what can be done to share their responsibilities and so forth with the Transport Department.

What guarantee is there for the standards that we will develop can be maintained? I want to bring to attention the constant road blocks that we are having in Port Moresby everywhere you go. You will find that you will be accosted by people claiming to be working with the Transport Department. But you would be able to tell the difference between them or an ordinary buai seller because they do not even look like the working class. These people will then do or say all sorts of things to the motorists and yet, you will still find un-road worthy vehicles still running on the roads.

Will there be a standard developed for Public Motor Vehicles (PMV) and taxis? These are questions that we need to answer. I have fear that if we create a board then we are going to create another giant bureaucracy that may impede motorists and make life more difficult for investors, businesses and ordinary Papua New Guineans.

We have to develop standards and use technology as well to improve the transport industry but we should make sure that we enforce our laws. This is a fundamental problem in Papua New Guinea. We create all kinds of laws but there is

no effort to enforce these laws and that is why we still see old and rusty cars still on the road. We have vehicles that do not have any seat belts while others drive around with their spare tyre that looks like it belongs to a wheel barrow. Apart from that, 30 percent of drivers did not get their licenses the right way but through bribery.

Therefore, I would like Minister to think about such issues. We have to have these laws in place and we also have to have the means by which we must enforce these laws, and there must be standards in place. We have a habit of having very low standards and the struggling to meet those standards. I just wanted to make those comments.

The number of deaths caused by traffic accidents continues to rise every year fundamentally because we do not maintain those standards because we do not enforce those laws. Also, people who are habitual offenders are still driving on the road. We should have a point system where if they commit a certain number of offences then that should be deducted from the number of points that they have to retain a license. This is so that when they reach their maximum number then that license is cancelled.

We should also have consideration to traffic parking attendance because I can tell you all that a lot of time is wasted when you are driving around Port Moresby trying to maneuver through streets because drivers tend to park in the middle of the road. They park in middle of the road have chit chat with others, chew buai or smoke. They will not even bother about the fact that there is a long line of traffic behind them.

Who is then responsible to police these sorts of issues? These are some of things that we Governors think about. If there was a conference held regarding these issues I tell you, we governors will contribute a lot.

These are just a few of my thoughts, but I commend the Minister for this Bill but I feel that the Minister needs to consult with MVIL and the Members to discuss these issues. This is because in one day you can go through three to four traffic road blocks and this has become frustrating for motorists. Also, along our freeway there can be three to four road blocks as well even though it's a freeway.

**Mr SASINDRAN MUTHUVEL** (West New Britain) – Thank you, Mr Speaker.

I would also like to join my colleague governor in sharing some provincial experiences in regard to this particular issue. I commend the Minister for coming up

with an initiative for establishing this Road Transport Authority to standardise and centralise the license issuing functions.

As the Minister has already mentioned there are about 10 with West New Britain making it 11 provinces who have signed an agreement with MVIL. There are some different points of views as the Minister for Sports has mentioned.

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If the Provincial Governments have capacity and we take over that function from MVIL there is a general notion that we can be able to generate additional 50 percent of the income.

Mr Speaker, I am also concerned that there are a lot of heavy vehicles that are supposed to pay special fees especially when you got logging, oil palm and mining activities in the provinces, but this does not happen. So the provinces miss out on revenue in regards to heavy vehicles fees.

Mr Speaker, the Department has to also consider how to monitor how big vehicles are engaged to logging activities in the remotest part of West New Britain and the province does not have capacity to monitor all those heavy vehicles.

Mr Speaker, even a new contractor that comes into the provinces for example Dekenai Construction who have been recently engaged in the province and Covec is also doing some earth moving works under the ADB Projects in the Hoskins runway.

Mr Speaker, these big companies are not paying heavy vehicle fees to the province.

Mr Speaker, I am also concerned regarding these various authorities for example the National Roads Authority. It is generating income by charging certain fees along with the fuel price and they are suppose to look after all those national roads and they have shared some responsibility with the Department of Works but now that is not effectively carried and most of our roads are left abandoned.

Mr Speaker, for example in our provinces almost 75 – 80 kilometers of road Kimbe to Biella Road is being looked after by NRA and that road is in a perfect shape It needs very little maintenance and yet NRA pays almost K8 million for that particular road while our junction to Musa is terribly affected and no works carried out. That causes lot of accidents also.

Mr Speaker, if the intention is genuine by establishing this Road Transport Authority and if they can strengthen the capacity of our staff to carry out the duties we



as a province can greatly collect huge revenues especially in regards to agriculture, mining and logging companies with heavy equipments. They should ask them before issuing licenses to them. Thank you.

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

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

Bill read a second time.

### **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.

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### **In Committee**

Bill, by leave, taken as a whole.

Motion (**by Mr Ano Pala**) agreed to –

That the following amendments be made;

Clause 7(a) subsection 1 insert the following new paragraph; a person nominated by the National Executive Council and in (b) subsection 3 delete the following words subsection 1(b) to (f) and substitute with subsection 1(b) to (d).

Amendments agreed to.

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

Bill reported with amendments, report adopted.

### **Third Reading**

Leave granted to move the third reading forthwith.

Motion (by **Mr Ano Pala**) proposed –

That the bill be now read a third time.

Motion – That the question be now put – agreed to

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

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

**AYES – 78**

**NOES – 0**

Motion so agreed to.

Bill read a third time.

### **ADJOURNMENT**

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

That the Parliament do now adjourn.

**SEATING ARRANGEMENT – HONOURABLE MEMBER FOR KANDEP –  
STATEMENT BY THE SPEAKER**

**Mr SPEAKER** – Honourable Members, before I adjourned Parliament, I just want to inform Parliament that the Chair has allocated the seat for the Honourable Member for Kandep, Seat No. 103 which is between the seats of the Member for Talasea and the Member for West Sepik. This is for the information of the Parliament because there seems to be a lot of issues and matters raised in the media in relation to the honourable Member's seat. That is why the Chair has to make that announcement here.

**Mr Sam Basil** – Point of Order! He stated that he is still the Leader of a political party so can the Chair clarify that Party's situation?

**Mr SPEAKER** – I am using the provisions provided under the *Standing Orders, Order No. 28* which states: '*in matters relating to seats of Members of Parliament, the Speaker states where you seat.*' So that is what the Chair did.

The Parliament adjourned at 12.45 p.m.