



FOURTH DAY

Friday 29 August 2014

DRAFT HANSARD

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PARLIAMENTARY DEBATES CORRECTIONS TO DAILY DRAFT HANSARD

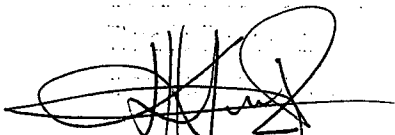
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Corrections should be authorised by signature and contain the name, office and telephone number of the person transmitting/making the corrections.

Amendments cannot be accepted over the phone.

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A handwritten signature in black ink, appearing to be 'LEE SIROTE', written over a horizontal line.

LEE SIROTE

Acting Principal Parliamentary Reporter

FOURTH DAY

Friday 20 August 2014

The Speaker, **Mr Theo Zurenouc** took the Chair at 10.00 a.m..

There being no quorum present, Mr Speaker stated that he would resume the Chair after the ringing of the bells.

Sitting suspended.

Mr Speaker again took the Chair at 10.40 a.m., and invited the Member for Obura-Waninara, **Honourable Mehrra Minnie Kipefa** to say Prayers:

‘Heavenly Father we humbly come before your awesome throne, we thank you for the day that you have given us. Thank you for the precious blood of Jesus Christ that allowed us to commune as leaders in this nation.

We commit this nation, our people and the heads of the government, the private businesses, we come together as one nation, as PNG before your awesome presence. Today we ask you for wisdom, we need this wisdom of Solomon that can help us to make decisions to gain insights and knowledge from your throne room.

Thank you, we offer this prayer in Jesus’ name as we offer the Lord’s Prayer. Amen.’

QUESTIONS

Mr DON POLYE – Thank you, Mr Speaker, my questions are directed to the Prime Minister.

The Ok Tedi Mine is an icon, not only in Papua New Guinea but the world also and further it has captured the attention of the international business community therefore some of the very important information and salient facts need to be known by this honourable House and its people.

I understand, Mr Speaker, that since the State took over from OTML as a State-owned entity several major contracts in construction, security and further services have been awarded and some are in the final stages of being awarded, some

of which include Black Swan International Company, Wild Cat Development, Southwest Air and Remington while no Western Province landowner companies have been awarded any of those contracts.

My questions are:

(1) Can you honestly tell the nation whether you are or through your associates own any interests in some of these companies since they have been engaged by OTML management post expropriation?

(2) Can the Prime Minister explain to the people of Western Province and Papua New Guinea why it is taking so long to restructure the shareholding of OTML so that the people of Western Province and their provincial government can have a major shareholding in OTML?

(3) In other words is there any time frame in mind for this restructuring exercise?

02/04

(4) Can the Prime Minister confirm or deny whether or not the OTML shares will be transferred to Petromin PNG Holdings? If that happens, are there any special reasons for that?

(5) Is there any agenda to sell off OTML equity shares to any foreigners?

(6) How much in tax and dividend income has Ok Tedi Mine paid to Treasury since State took 100 per cent control of OTML? Media reports states that OTML has not performed well and therefore no dividend and tax will be paid. Can the Prime Minister explain why a company which has historically and consistently paid more than K1.2 billion a year in revenue to the State now faces a much reduced amount of revenue and in 2012 and 2013 paid nothing at all?

(7) Can the Prime Minister give details of all the contracts of OTML since the State expropriate the company in September last year?

(8) Are these contract approved by the IPBC Board, now that OTML is a State owned entity and is covered under the *IPBC Act*?

(9) Is the OTML Board accountable to the Minister for Public Enterprise through the IPBC Board or OTML Board reports to the Prime Minister?

(10) Will the Prime Minister state how many of those contracts have gone out to the landowner companies or contractors with major landowner participation?

(11) Why did OTML management as soon as it was owned by the State, sacked the Western Province landowner security company at OTML and placed it with a company called 'Black Swan' with no landowner participation?

(12) Does OTML intend to continue ignoring the Western Province landowner company when it let contracts to only companies outside of the Western Province?

(13) Can the Prime Minister promise the people of Western Province that the companies that are contracted under the new structure will give priority to the people to participate as part of the national content?

(14) Mr Speaker, can the Prime Minister inform the people if he has approved the Mine's life extension?

(15) If not, than at what cost and who will meet the cost of the Mine's Life Extension program?

(16) Will the cost come from the dividends not paid in 2012 and 2013 which should have been paid to the shareholder including the landowners, the provincial government and the State?

(17) Mr Speaker, can the Prime Minister table on the Floor of this Parliament a detailed report of the Mine's Life Extension and other matters relating to the OTM and its future operations?

Mr Speaker, in terms of the OTML finances after the expropriation, is it not true that the Western Province in the previous structure under the PNG Sustainable Development Program, got K350 million a year from the Mine.

(18) Can the Prime Minister confirm the following facts if they are true, so that it gives us a focus on how much benefit are we giving to the people there?

Mr Speaker, the OTML, before the expropriation, paid K350 million –

Mr Peter O'Neill – Point of Order! Mr Speaker, I commend the Member for Kandep for asking his series of question but I think the word expropriation is inappropriate. This Parliament did not expropriate an asset it already owns.

03/04

The Member is aware of that and he is just trying to criticize and raise his frustrations in this particular issue. Can he not use that particular word and that it be withdrawn from the records?

Mr SPEAKER – Prime Minister, the Chair does agree on that. Honourable Member for Kandep, can I ask you to withdraw that particular word and that the word be removed from the record as well.

Mr DON POLYE – Mr Speaker, I do comply to your instructions and I withdraw the word expropriation but I look for another word which means something similar.

(Laughter in the chamber)

Mr Michael Somare – Point of Order! Be reasonable for Parliament, its question time and the question seem to be in great length. I want to point out something that is relevant to Parliamentary practise. A government minister may be sitting on the Opposition or here with me, and as Government Minister after three to five years, he should not be asking questions irrelevant to government policies which they have made and he was part of it.

Mr SPEAKER – Your point of order is in order and that is in line with the *Standing Orders* as well. Honourable Member for Kandep, you have asked enough questions, please allow the Prime Minister to answer and in addition to that, your questions are too lengthy.

Mr DON POLYE – Mr Speaker, can I just explain myself because these are fresh issues. Yes, the policies were made but this issue about restructure is a fresh issue. This issue was not made when I was part of it. It is a fresh matter presented in a Prime Ministerial statement and from that I am asking this question.

Mr SPEAKER – I think that the point that the Grand Chief has made is very relevant. The *Standing Orders* will not allow you as a former minister of the Government to ask that question and I will have to stand according to the *Standing Orders* and ask you to cease your questions and allow the Prime Minister to answer the series of questions you have asked so far.

Mr PETER O'NEILL – Thank you Mr Speaker and thank you Member for Kandep for your series of questions.

The former treasurer was part of some of the decisions that he is now starting to publically articulate without any concern for State security or State confidentiality on some of these issues. I think it is unbecoming and he should be very conscious of his responsibilities. However, these are matters that need to be answered and I will answer them in detail.

Mr Speaker, on the issue of some of the contracts that the former Treasurer has mentioned one or two companies I have interest in that. Remington is one of them and many people in Papua New Guinea know that I have owned this company for over 20 years and I employed over a hundred Papua New Guineans who are earning a decent income from that company because it provides for that. It is a company that has been in existence since 1948 and it has certainly served this country well and I can assure you that we don't have a contract with OK Tedi.

On the issue of the company called '*Black Swan*', I have no interest in that firm. I know he is trying to lead to that particular presumption that some of us may have interest in the security arrangements.

Mr Speaker, I am not a security guard and I don't operate a security company and that I can assure him. On the issue concerning couple of contracts, he talked about 'Wild Cat' and 'South Wes', I have a shareholding in that company for many years. It is a company based in Southern Highlands it has been supporting oil and gas industry for many years and has been in existence for close to over 20 years which is no hidden fact.

They have a small contract building a bridge in the remote area in Western province under the OK Tedi Development Foundation of which he has a friend on the board of PNG Sustainable Development and I know that he has access to that information.

Mr Speaker, these contracts were given well before OK Tedi was taken over by the State so there is no, so there is no hidden agenda, hidden motive or whatever.

04/04

There is no single contract given to any associated companies that I have a shareholder of or any Minister of this Government has got a share hold in. There is absolutely nothing, whatsoever since the State has taken over. We understand

conflicts of interest very well. I think it is becoming too low to go and play politics at that level.

Mr Speaker, some of us employ hundreds of Papua New Guineans who depend on fortnightly salaries that we pay to them. We don't make hundreds of millions kina in profit but we continue to maintain those companies because we continue to support Papua New Guinean families so, Mr Speaker, that is the case on the issue as it is.

On the so-called issue about the 'reporting of mine life extension', Mr Speaker, the study was funded by Ok Tedi itself, coordinated by the previous shareholder; PNG Sustainable Development Program and it wasn't done only by the State. They funded it out of their own cash flow and as a result of that it was agreed by all shareholders.

So, there is no need for concern that this money was not well spent. Mr Speaker, it was spent well and the studies of that particular mine life extension was given to government agencies including the Department of Mining, Mineral Resource Authority and Department of Environment and Conservation.

As a result, the Minister and his Department of Environment has given an approval for extension of mine by another ten years. But of course, there are certain conditions attached to it and that includes the issues about the environmental damage that the mine continues to affect our river systems in the Western Province and this Government has made a commitment that we will either do a tailings dam in order to mitigate that particular damage of the environment. So, I am quite happy to provide that study of the mine life extension to this Parliament with the annual report for Ok Tedi as soon as it is available to me.

Mr Speaker, it is true that Ok Tedi has not paid any dividend last year and the former Treasurer knows very well why.

Firstly, because the mine had to shut down for massive repairs and maintenance for a period of almost two to three months and that shut down was necessary in order for them to attend to the repair of very large equipment for the mining that takes place in Ok Tedi.

Secondly, there was unusual heavy rainfall in the same time last year as a result of flooding in the mine pit, the Mine had to shut down for a further two or three months.

So as a result, the company used up the cash flow that was available to them to make sure that the cost that were associated to the maintenance program that was

necessary for the mine. Mr Speaker, also last year, because of the transition from the previous owners to the State, it was treated like mine closure and as a result, all the employees of Ok Tedi preferred that they be paid out all their entitlements.

Mr Speaker, quite a substantial amount of money, I think up to K200 to K300 million was paid out to employees, many of them Papua New Guineans,

Mr Speaker, 99.5 percent of the staff who are Papua New Guineans got massive payouts and as a result, it put a stress on the company's cash flow. That is the reason why it wasn't able to payout dividends. But, I can say that this year, the company is very profitable and I am advised by the Board of Directors that I will be making a dividend payment of close to US\$ 150 million kina.

Mr Speaker, we have provided in our own budget that that revenue was not available to us but we are going to get a substantial amount of money that will be paid as dividends to the Government of Papua New Guinea.

Mr Speaker, when he talks about the issue of taxes, of course normal taxes are being paid by Ok Tedi as we expected. The company's tax, group taxes, salaries and wages taxes are continually paid on a regular basis so the former Treasurer knows very well that these are being now attended to and payments are being made.

05/04

Mr Speaker, the mine itself is a very profitable mine and it is now 100 per cent owed by Papua New Guineans. We are effectively running it and it has not shut down for a while. It has been operating consistently over the last few months of this year.

Mr Speaker, as the result, we will be able to make good a profit that will continue to fund and of course, support many projects that the Government is going to do.

Mr Speaker, on the issue of contracts and IPBC approval as many of you know, we are now in the process of restructuring the ownerships of all these State-owned entities so that we can build the capacity and of course experience to take advantage of the values that we have in all our projects.

Mr Speaker, the former Treasurer knows very well that shares were parked in many different entities so as the result, we were building small empires everywhere and serving certain individuals who were running those organisations and he knows that very well. Now, we are trying to put all the mining interest in one company and also all the petroleum and gas interest in one company so that we can train our

geologist, engineers and professionals who will manage these assets for us into the long term where they can be in secure hands thus continue to benefit our people into the future.

Mr Speaker, on the issue about the ownership, we have made a firm commitment to the people of Western Province and their Provincial Government that they will have an increased shareholding from the two per cent that they own today. They will have hugely increased their shareholding and that agreement and discussion is almost being finalised. The only thing that is holding back that transfer is the court case that the former Treasurer's friends and his nominee –

Mr Don Polye – Point of Order! Mr Speaker, it is unbecoming of the Prime Minister to say that they are my friends. What does that mean? He is talking about independent board here and if he has friends there, then well, we know his friends and he should call their names.

Mr PETER O'NEILL – It is good to see the former Treasurer in a very positive mood for a change but I want to say that if he is going to deny his friendship with directors like Rex Paki and Mekere Morauta then it is up to him. Those are the very people that he appointed.

Mr SPEAKER – Honourable Prime Minister, may I remind you not to mention names in Parliament.

Mr PETER O NEILL – Mr Speaker, I withdraw that statement.

Sir Michael Somare – Mr Speaker, according to the *Standing Orders*, it is time for the Grievance Debate.

Mr SPEAKER – Honourable Governor of East Sepik, the Question time has not expired yet.

Mr PETER O'NEILL – Thank you, Mr Speaker, and I thank the Governor of East Sepik for remaindering me that we are running out of Question time but you should thank the former Treasurer for his lengthy questions.

However, let me conclude by saying that the people of Western Province will have a substantial shareholdings, free-carrying over a world class mine and this Government is prepared to give them 19 per cent shareholding of the entire mine.

(Members applauding)

Mr PETER O'NEILL – That is free-carry unlike what the former Treasurer is questioning.

Mr Speaker, he knows very well that we are on the right track and this will set a good precedent for future mines in the country, and I hope he has the guts to support us.

Mr NIXON MANGAPE – I direct my question to the Deputy Prime Minister. In 15 August 2011, the Boundaries Commission during a big public rally in Tari, said that it will tour the whole country to review the electoral boundaries in 2013.

Mr Speaker, this statement was made by the Electoral Commissioner, Mr Andrew Trawen who is the Chairman of the Boundaries Commission.

06/04

He made this statement whilst getting the views of the people of Hela on the creation of the boundaries of what is known as Hela Province.

(1) Mr Speaker, it now the second half of 2014 and is the Minister responsible aware that under the law on Local Level and Provincial Government, the Boundaries Commission is required to present its report to parliament after 10 years?

(2) Is the Prime Minister aware that the Boundaries Commission report defaulted for almost three years since the last report was to be presented in 2011?

(3) Are you and the Boundaries Commission aware that many Open Electorates including my electorate of Lagaip-Pogera are over populated and we for over many years are over qualified for redistribution when the Organic Law on Provincial and Local Level Government formulae on QPN is applied to the current electorate?

For those not acquainted with the law , 'Q' represents the population Quota for an electorate and 'P' is the total Population of the country, while 'N' represents

the Number of Open Electorates as determined by the boundaries commission within the limits specified in the Organic Law.

(4) Can this Government immediately serve notice to the Boundaries Commission reminding them that they are defaulted by three years and further provide funding in the 2015 Budget to ensure that the commission complies with its requirements?

When the Commission is operational next year, it must be advised to give particular attention to my electorate as I have almost 150 thousand people and that it is qualified to be divided into Lagaip and Pogera electorates in time for 2017 elections.

Mr LEO DION – I thank the Member for his questions and all Members of this Parliament are aware of their responsibilities towards their constituencies, this also goes to the Members of the Local Level Government. As we speak today we have over 300 LLG representatives as political leaders as well as about 111 parliamentarians.

The Government was to address the population growth of this country. The country's population is over 7 million and we must redefine the electorates in accordance to the population of the districts. Can the Member provide these questions in writing so I can attend to them in detail? However, the Chairman of the Electoral Boundaries Commission is the Electoral Commissioner. There board of the commission is in existence and there is no problem in relation to them being organised as directed by the Government.

It is the funding that should be made available when we redistribute budgeting for the next year. We have 111 Members of Parliament but by law we should have 120 electorates.

07/04

Mr Speaker, we have identified nine (9) potential areas to be divided into electorates which the Government is looking at addressing. But immediately, we are looking at five (5) electorates that need to be divided and the Electoral Commissioner is looking into this in the near future so that the Government can be in a better position to make sound decisions or final decisions on this issue.

Mr Speaker, I want to inform this Parliament that Boundary Commission Report was tabled sometimes back and was thrown out because it was not perfectly

done. The boundaries were cross-crossing over some cultural areas or there are other wards being divided, even the electorates.

But the Boundary Commission responsibility apparently is to look into the national boundaries. We are trying to encourage all the Members of Parliament, especially the Governors to make sure that they provide certain funding to take care of the boundaries of the local-level and the district.

I wish to assure this Parliament that the Boundary Commission is ready and as soon as the funding of K30 million is made available, the Commission immediately carry out demarcation of the boundaries which the Members are concern.

Supplementary Question

Mr JIM KAS – Mr Speaker, my Supplementary Question relates to the *Constitution* that allows for about 120 seats.

Can this Parliament relook at amending this *Constitution* so that, that section is made redundant because the number of electorates that you are expecting from the new Boundary Commission review is going to be more than 120 electorates?

Mr LEO DION – Mr Speaker, I want to inform the Members and this Parliament that practically, we cannot meet 130 seats in this Parliament because it may be not appropriate at this moment. But I want to say that this is part and partial of one of our works that we are doing in relation to the review of the Organic Law on Provincial and Local-level Government in order to address some of these side effects of being elected as a political leader by the people at the National Government level.

It is up to this Government to decide how many seats we can occupy for the next five (5) years. But so far as I said, Mr Speaker, it is not practical to fit in everybody in this Floor of Parliament. Thus, the formula in relation to contribution of funding, for example, in Talasea Open, it is over 220 000 but there are as well other electorates like Kandrian, Gazelle, Alotau and Tambul-Nebliyer and other electorates so it is a mammoth task.

Mr Speaker, in order to do this we have to get the will of the Government so that, we have to reorganise all the seats in this Floor of Parliament.

The work of our Review Commission under the leadership of our Task Force and the Constitutional Law Reform Commission, they are doing a marvellous job to highlight some of these issues that quietly exist.

Mr Speaker, we have already directed in relation to the Boundary Commission through the offices of the Prime Minister and the Deputy Prime Minister to have this Commission to get on with the job to actually identify all these. They have to get out to all the provinces to do the national boundaries.

Whilst on the other side, I ask the Governors and the Local-level Presidents to look at providing funding to make local-level boundaries, ward boundaries and the district boundaries.

Mr MAI DOP – Mr Speaker, my question is directed to the Minister for Civil Aviation and I want the Minister for Transport to take note.

Before, I ask my question I thank the Prime Minister and his delegation, the Minister for Finance, Minister for Defence, and Minister for Works and the Members for their historical visit to Jimi. The people of Jimi say thank for setting lights into their electorate.

08/04

Mr Speaker, on the 24th April, 2013, the Minister for Civil Aviation, Honourable Davis Steven sent out a letter notifying all Members of Parliament about the following:

(1) That the 2013 Budget allocation of K6 million for rural airstrips was administered under the Ministry of Transport, and that, the Minister for Transport is in charge, and,

(2) The NEC has created a Civil Aviation Secretariat to charge civil aviation matters.

Mr Speaker, in the 2014 Budget the National Government allocated again, K6 million for rural airstrips under the PIP component No. 03792.

Mr Speaker, my questions are:

(1) Can the Minister report to this Parliament as to how the K6 million appropriated in 2013 for rural airstrips was expended?

(2) Who, meaning, which and what electorates in the country with rural airstrips benefitted from the 2013 allocation?

(3) For those of us who missed out of the rural airstrips funding, how then can we benefit from the K6 million allocated for rural airstrips in the 2014 Budget?

(4) Can the Minister give an update to this Parliament of what has been the latest regarding the establishment of the new Civil Aviation Secretariat?

(5) Can the Minister also tell us whether this entity is functional so that Members of Parliament can know, so that we know when and who to submit our proposals to? This is because right now there is a bit confusion.

Thank you, Mr Speaker.

Mr DAVIS STEVEN – Thank you, Mr Speaker.

I would like to thank the Honourable Member for Jimi for his very important questions.

Mr Speaker, this also gives me the opportunity to inform Parliament that the statement in respect to rural airstrips is being prepared and should be cleared by the National Executive Council (NEC) before it can be tabled in Parliament. Therefore, I am hopeful that this can be done in next week's session.

Mr Speaker, nevertheless, I take this opportunity to say that, rural airstrips have been a forgotten issue. It was the Alotau Accord that this coalition government was able to commit to basically bring the issue of rural airstrips forward. The 2013 Budget was the first direct allocation by the National Government in respect to the search for a practical and sensible way in approaching the issue of rural airstrips.

Mr Speaker, when the statement is finally presented in Parliament, the Parliament will also be informed about the challenges faced and the technical and financial issues as well. The K6 million that was allocated by the National Government in the 2013 Budget is inadequate if we are serious about rural airstrips in this country.

Mr Speaker, the secretariat which the Cabinet approved was as a direct response to a very serious situation in which we have a civil aviation sector with a Minister with no department for support with an administrative structure for the ministry.

This intervention by the current government was somehow ignored in the budget figures when the final 2014 Budget was issued. Nevertheless, as it was announced in Parliament the current Treasurer is now in the process of reviewing the Budget. With that, I am grateful to say that with the support of the Prime Minister, we

would like to think that the Civil Aviation Secretariat would be funded. This is so that we can start advertising and start filling the personnel issues that are necessary to undertake the roles and responsibilities that the Ministry is mandated to undertake for our people, for the time being, I must add that we are doing what we can.

09/04

And the government, as we all know is not in the business of the blame game but, we are in the process of putting in place the foundations, the framework and the structures to be able to address these issues.

Mr Speaker, one thing that is particularly of relevance to all airstrips is that Cabinet has already approved a PPP arrangement under which we now have what is called the Rural Airstrips Authority? That is a creation that is which, is recent and that authority was able to access that K6 million that has been mentioned late in 2013.

Not all of that K6 million has been accessed. I must admit, Mr Speaker, it has been very difficult. We have had to break through bureaucratic process and opposition just to get this current government's approach, which is the PPP approach to be accepted by bureaucracy in Waigani.

But, I will reserve the rest of the statement in that regard to the Ministerial Statement that I wish to bring in.

Mr Speaker, as to who received the funds, there will be detailed reports of that but let me say that in the period between when the funds were released in about December last year and up to this point if time in excess of 150 rural airstrips have actually received some form of support and that will be coming out in the status report that I will present.

I am grateful, Mr Speaker, that this issue of rural airstrips is now coming before the Department for appropriate action.

Supplementary Question

Mr DANIEL MONA – My Supplementary Question is that the Minister asked which rural airstrips benefited. For example, in Goilala I am using my DSIP money and I am still waiting for that.

My second point is that the setting up of the Rural Airstrip Authority will consume all the money. We have so many authorities set up in this country and

administrative structures will consume all the funds and as a result, nothing will go to the people working on the rural airstrips.

There is no need for a rural airstrip authority; you just give the money to the people who are working on the airstrips. When you have a government structure or administrative structure, you will spend over K1 million to the CEO annually who will rent an expensive office downtown, buy some flashy cars and engage some fancy secretaries and as a result, all the money will be finished by then.

We want that money to go straight to the rural airstrips because currently, we are paying K10 000 to K20 000 to maintain the airstrips.

Mr SPEAKER – Are you making a statement or asking a question?

Mr Steven Davies – Mr Speaker, I could not detect a question in that very passionate outburst.

Mr DANIEL MONA – When will this money be paid and can he explain how much it will cost to set up this Rural Airstrip Authority because I believe all the money will go there and our rural airstrips will still be waiting for funding?

Mr STEVEN DAVIES – Thank you, Mr Speaker and I also thank the honourable Member for Goilala for his Supplementary Questions.

The details and the rationale for the establishment of the Rural Airstrips Authority will be given in the statement.

But, Mr Speaker, we have almost 38 years of testimony of how rural airstrips have gone backwards to the point where most of our rural airstrips have fallen into disuse.

I can produce statistics in due course of how much money has been remitted from the central government to all provinces and how much of it actually went towards repairing and maintaining those rural airstrips, but that, Mr Speaker is not the point.

It is about going in to the future in a responsible and constructive way so that these important assets are maintained for our people.

And, Mr Speaker, that is the debate that we want to generate, that is the approach that we want to encourage where DSIP can be used to support whatever little is coming out of this funding.

The essential requirement for an authority that is devoted towards maintaining rural airstrips is much, more than just the infrastructure itself.

10/04

We have to meet the standards because there is an issue of safety. As I said earlier, the Civil Aviation Ministry under the current legislation is responsible for airports and not rural airstrips. The Department of Transport although is responsible for transport sector is only responsible for policy. And therefore, this particular government finds itself in a situation where we must set up the structure somehow. That is the beginning of this process.

Mr Speaker, I thank the Honourable members for their interest and I am sure the debate will ensue when the statement is presented and it will be lively and constructive Mr Speaker, thank you.

Mr JOSEPH LELANG – I direct my question to the Deputy Prime Minister and Minister for Inter-Government Relations. Does the Minister have any plans to review the *Organic Law* relating to Provincial Government?

Mr Speaker, we decentralized the political system and structure in the last 18 years, in 1996 and it was in operation in 1997. Since then I think the Organic Law had provisions relating to the National Monitoring Authority which was supposed to monitor the minimum standards throughout the districts to ensure that the services provided to a district is improved or not and recommendations should be made back so that we can look at ways and how we can improve our political structure particularly the provincial and the local level government systems so that, that political system must drive to improve the service delivery.

Now, we are talking about a lot of reforms and restructuring in Public Service but I think we need to also look at our political structure and decentralize the political structure.

I am wondering whether the Minister has any plans with his Department.

Mr LEO DION – Thank you Mr Speaker, I thank the Member for his very important question. I want to inform the Parliament that the review on Organic Law has started. The plan is now executed.

I urge all the Members of Parliament to assist by giving their views and comments in relation to the former laws that were introduced before 1995 and the latest which is the current. Work has began and I believe that because you have been appointed as the Chairman of the Constitutional Reform Committee, you will be taking the lead in this regard. With your expertise as a former public servant and departmental head and with your experience I believe the government is confident in your leadership. The first draft of the review will be presented to me by the end of this month.

Mr Speaker, I commend the hard working people at the back ground for getting the consultation done in all the provinces.

So the first draft of that report will be produced through me for the government and the NEC and for further direction by the end of this year. It is quite very interesting tasks. It is not easy and I would like to commend those people involved. There are prominent people like Sir Paul Songo, Dr Kavanamur and Dr Kwag under the guidance of my Ministry as well and the Secretary of the Department.

By working together and with you taking command of that, you will be able to achieve what we have been getting out to achieve in chasing some of what we call impediments because I am releasing the difficulties that the provinces and the local level government and of course the central government has in relation to service delivery

11/04

In relation to the minimum standard, there is a paper that is being produced that will guide the NEC in order of decision making in relation to the type of funding and resources that each districts that should be given.

At times we may have praised certain provinces for their progress in development but we as decision makers have failed in recognising that this is Papua New Guinea and we must make sure that we balance the resources, capacity and funding to the provinces and the 89 districts that we have.

Mr Speaker, another issue that you may have noticed as the Chairman, although we are not blaming anybody, there is injustice and unfairness in relation to distribution of funding as per population growth in those areas.

One such case is the Talasea District, whose the population is very high but they received the same K10 million as other districts whose population maybe lower so it is not fair. I would like the Government to ensure it accords adequate funding for each district so as not to give burden to the highly populated districts this will relieve the pain and suffering of lack of service delivering which is being faced all over the country.

Mr Speaker, in answer to your question, please participate as the chairman and I believe when the draft comes to NEC all the Governors and Members will be further consulted in relation to the draft so that you will have your input once the situation is fixed once and for all.

ANSWER TO PREVIOUS QUESTIONS

Mr FRANCIS AWESA (Imbongu - Minister for Works) – I seek leave of the Chair to answer previous questions without notice raised by the Member for Nuku, honourable Joe Sungi.

Mr SPEAKER – Go ahead, leave is granted.

Mr FRANCIS AWESA – The question was in relation to use of equipment funded by JICA and the National Government for road construction in his electorate in particular the road from Nuku to Aratasome.

Mr JOE SUNGI – Point of Order! My question was not specifically for the road, I was asking about the equipment funded by JICA to construct roads in East and West Sepik which are the responsibility of the Works Department. There are two highways which comes under the responsibility of Works Department, the first one is from Wewak to Aitape and continues to Vanimo. The portion of that road to Vanimo is incomplete, while the other road is along the inland highway and it starts from Wewak to Yangoru to Maprik to Dreikir to Nuku and to Lumi and stops at halfway.

So my questions, Can the machines given by JICA be used to complete the construction of these roads because Works Department is responsible for the National Highway, what are those earthmoving machines for?

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Mr FRANCIS AWESA – Mr Speaker, in response to this question. Let me finish with a detailed report that my Ministry has provided for the Honourable Members benefit.

Mr Speaker, the question relating to the use of those equipments provided by the National Government, JICA is that most of the work in his electorate has been completed up to 31 kilometers from Nuku – Somhe which is part of the Sepik Highway at a total cost of K8 million. Some of the other funds, which were allocated for that road was withdrawn by the Member himself about K5 million. We have done the best we can using the K8 million and we are waiting for further funding from the National Government in next year's Budget.

Mr Speaker, my simple answer to the Members question is that we are trying our best to work with the Members of this Parliament to provide essential road links in their electorates and I would like to encourage everybody to work with my Ministry to provide those services, especially, in relation to buying earth moving machines.

Members are parking equipment using public funds and are not working with the Department of Works and that is making things very difficult –

Mr John Simon – Point of Order! Mr Speaker, the Member for Nuku's question was simply straightforward to do with JIKA provided machines. The Minister should just answer the question because in Sepik our machines are being used in electorates. They are not being used to maintain national highways. Sepik National Highway is rundown. So, we would really appreciate those machines to be used to fix the national highways.

Mr SPEAKER – Honourable Member your Point of Order is in order. Minister please address to that.

Mr FRANCIS AWESA – Thank you for that exciting point of order. Mr Speaker, why I am saying this is because all the equipment that is being referred to is

used on the Sepik Highway and we are starting from the Yangoru – Saussia Electorate and it is moving to Maprik than to Nuku and all over the East and West Sepik electorates.

Mr Speaker, all I am saying is that when you don't have funds for fuel and paying of wages we have to demobilize and that is exactly what is happening. Some of these machines have been sent back to the Works Department yard in Vanimo and some of them will go back to Wewak. When there is no money machines will not work otherwise and the people will vandalize and burn our machines and other properties.

My simple answer is that all the equipments that were purchased are being utilised in the Yangoru – Saussia section of the Sepik Highway.

GRIEVANCE DEBATE

Question proposed –

That the grievances be noted.

Mr SPEAKER – The Chair will allow the Television companies will continue to do recording for the benefit of our people. *EMTV* and *Kundu* can continue recording the Grievance Debate.

Mr TITUS PHILEMON (Milne Bay) – Mr Speaker, I thank you for acknowledging the people of Milne Bay by giving me this first opportunity to start the grievance debate.

Mr Speaker, before I do that I have been aggrieved. I want to make a correction regarding an article that was printed in today's *The National*, in regards to my question to the Treasurer and I quote, 'the problem was inherited from the National Alliance Government when it was in Office'.

Mr Speaker, I would like to mention here that when I stated inherited, I did not mean that the National Alliance Government was in Office at that time. I inherited meaning, from my predecessors. That is not to say that they were also not responsible. He just continued some of those issues in terms of lack of manpower in our provinces.

Mr Speaker, I did not mention or quote the National Alliance Party but it has been irresponsibly misreported and I take this time to apologise to the Leader of the National Alliance Party and also the Members of the Party. You all know and you all heard me on this Floor that I did not say the Party name but I just said I inherited it.

Mr Speaker, I really want to base most of my debate on that because the Government of today has some very good policies and also we have had some good funding made available to us like never before. This is not only at provincial and district levels but it goes all the way down to the Local level Governments in the Wards for the first time which, is very visible to them now.

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They are beginning to see funding go down to them and the Local-Level Governments are very happy to see this but we still have a lack of manpower. We can have good policies and very good funding but if we do not have the capacity to implement the government decisions or decisions at the local level then, we are wasting our time.

I am not trying to blame the public servants; it is the system that when provincial positions are advertised after they are approved by the Department of Personnel Management but if there are no funds then it becomes useless. So this is our major concern at the provincial level. I know that it is not only Milne Bay Province who is experiencing this but I believe other provinces are having the same problem because I hear other governors raising similar concerns.

So we must seriously address the funding of positions in the provincial administration and not only in the provincial headquarters but also the districts as well. I know many Members of Parliament have their own concerns and it is not really the fault of the public servants but maybe we are overworking some of them where they are doing other peoples' jobs.

Mr Speaker, I also want to talk on some of the sectors of government like the economic sector. When we are talking about SMEs in the districts, for instance, recently, we had a very successful SME Development Forum in Alotau for the Milne Bay Province, it was very successful. Manpower was one of the issues that was raised. In Departments like Agriculture, Fisheries, Commerce and Industries, there are not enough extension officers like we used to have before. When you talk about extension

services to the districts, there is no manpower there because those positions are not funded. These are existing positions but there are no funds.

Therefore, implementations of those areas are not taking place because of this so I just want to raise this issue and appeal to the government that those positions must be funded so that we can implement a lot of our programs. This Government has introduced good policies.

Secondly, I feel very strongly to mention my second grievance because I know that this Government is already aware of it as I have many times raised it through my questions and during grievance debates but I would like to repeat it again, and this is in relation to the Woodlark land issue. I know that commitments have been made publicly by the Ministers particularly, the Minister for Mining, Minister for Lands and also the Prime Minister which I thank the Government for it but I am just concerned because recently, a mining lease was signed by the Minister for Mining.

I have already made an undertaking to the people of Woodlark and this is our position; we want our land to be returned to the landowners before the mine starts its operation. But now that the mining lease has been signed, which if I may mention here that it is the first mining lease signed by the O'Neill-Dion Government. This is good because it demonstrates that despite what everybody is saying, there is still a very strong investment opportunities in this country which is good for our country but what about our people.

This mining lease was signed after an Environment Impact Study (EIS) was approved by the Department of Environment and Conservation. I know that the Woodlark project undertaking is not the responsibility of one Ministry or Departments but it requires different sectors. This must be seen as a combined effort.

After the Environment Impact Study was approved, the Minister for Mining went ahead and signed mining lease and this is beginning to create fear in the minds of the Woodlark people that this mine will start its operations without the landowners owning the land.

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And our land is not going to be returned to us, so during the signing of the mining lease, I made it my business to ask the Minister for Mining and we agreed, as it was the prerogative of the Minister, that by law, he has the power to sign the Mining lease anytime.

And I want to commend him for coming and signing the lease out of Port Moresby.

I clarified the position of the Provincial Government and the landowners and we agreed for the mining lease to be signed. But we took another step to ensure that we will not sign the MOA, unless the land is returned to us.

Mr Speaker, that is our position and we do not want to threaten any arrangement in the future; we simply want the land to be given back to the people of Woodlark. We are not going to face the same situation as Misima. It bothers us to think about Misima, and we have just seen a report on Ok Tedi this week which triggered a debate and it has created negativity in the minds of our people.

With the Woodlark Mine, I can see its importance and we appreciate that the mining is in line with all corrective measures in place. It's just that we want the land returned because just this week, there was a consultative meeting between all the stakeholders, sponsored by the MRA and in some of these meetings a lot of Government Departments and agencies that are supposed to be involved don't turn up, nor do they take these meetings seriously.

Even line Departments like Environment, Lands, Finance and National Planning do not come and advise us accordingly. They do not work together. When one is present the other is absent. And when all the landowners and the stakeholders in the province are present the national departments are missing.

How can the questions and concerns of the landowners be answered? So that work can progress without delay?

Ms LOUJAYA KOUZA (Lae) –Thank you Mr Speaker, for the opportunity to be able to express certain facts with regards to the criticisms that I have been receiving through the media from our Governor and his PEC. Fortunately he is not here this morning but for the purpose of clarity for and on behalf of the people from Lae district and the Parliament, I want to make the following remarks.

I believe you need to know what has happened and the position that I have maintained all along. It was the '*Alotau Accord*' that had stipulated that there would be growth areas within, 5 cities identified and Lae was one of them. In time there would be establishments of city commissions and that has been a fact.

It was listed on the Alotau Accord, but facts are subject to change and it is only the truth that remains. The NEC had made a decision to establish the Lae City

Commission and the proceeds where at that time I was previewed to that information as Minister for Community Development, Youth and Religion. The process was that from the NEC, a secretariat was to be had and it would take carriage of the process of consultation and so on.

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Mr Speaker, unfortunately, due to the human error of lack of confidentiality, there was a leakage to the media and the very next day while the honourable Prime Minister was away in Palau, the media got blocked off as per the NEC decision.

The secretariat had not even deliberated on date of announcement and so on et cetera. The leakage to the media had exposed two things in particular:

- (1) That the Lae City would have a commission, and
- (2) I was the one sitting at the top of that commission.

Mr Speaker, the early leakage, a very premature reporting concerning our honourable Governor respond the way he did; expressing the fear of the people of Lae and anybody who had no information whatsoever other than what the media had printed. Of course, you would come out reacting like that.

Mr Speaker, we are mandated leaders and so I continue to accord the respect that is due to the Governor of Morobe and to the other eight (8) Members of Parliament from Morobe who continue to accord the respect to these mandated leaders and to say it on this Floor of Parliament, that all of us are still waiting for the information to arrive to us and the opportunity to be able to speak in the best interest of our respective districts and our people for this window of opportunity given to us by the National Government to have a City Commission.

This opportunity to have a Lae City Commission is justified because the Lae City will be growing. That is a truth and it is not a fact. It is true because Lae City will be growing regardless we like it or not. Mr Speaker. It does not matter what is your facts are today, you facts are subject to change tomorrow. You and I will die tomorrow in the time to come but the city will be growing and we need to bring some kind of order to our city. We already have laws in our city.

The honourable Governor issued the police in our city with guns so that there can be order in our city. Therefore, we need to bring that order to our city by the way we organise our landowner groups that are there. The landowners, the indigenous

people and the Members of the Nine Districts who are there living in Lae together with the rest of Papua New Guinea see themselves as citizens of Lae.

So, Mr Speaker, we need to bring that order in there but the clarity to this whole saga is, the process of dialogue is if we have to question anything if our honourable Governor was to have question sensibly, he should have questioned:

- (1) The process of dialogue,
- (2) The time line and,
- (3) The outcome.

If he was to be sensible in his approach in the media, he should have provided some suggestions for the solutions whereby, relevant stakeholder participation and input into this draft legislation.

Mr Speaker, on the very first day, I said, I am not in charge of this and I am just an ordinary Member for Lae.

Mr SPEAKER – Honourable Member for Lae, please, address the Chair.

Ms LOUJAYA KOUZA – Thank you speaker for the correction and I will be looking at you and stop looking around.

(Members laughter in the Chamber)

Ms LOUJAYA KOUZA – Mr Speaker, what should have been added was the question that our good Governor asked; on the first instance he was assuming that I was the one with all the answers. He made me so powerful just by his attack making it seem as if I had the power to drive the NEC just like..

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And he thought that I had the power to put this agenda on the table and get everybody's support and with that, I have been portrayed as the 'wicked witch' regarding this matter.

The truth of the matter is, I am very much a part of the ruling party and I am very much a part of this Government. Therefore, it was the call of my Honourable Prime Minister to decide and determine if I should be called out of my former position to take on another. With that, I am still waiting and have not been installed

yet. Therefore, for someone who is waiting for instructions, how can I defend myself in the media when I am attacked on every side by my honourable Governor who has decided to question my qualifications and my legality as a person from Aihi, Butibam and Morobean. I, therefore, had no reply for him except to send him a pig with my love and regards.

(Laughter in the Chamber)

Ms LOUJAYA KOUZA – With that, I continue to maintain that I have been mandated by the people of Lae. Mr Speaker, the Chief Secretary and the Honourable Prime Minister the petition and the position the people of the 14 clans of Kamkumu and Butibam want me to present to a petition.

Therefore, I will bring the petition with your approval on Tuesday to this Parliament and present it for the 14 clans of Kamkumu and Butibam as to how they embrace this window of opportunity and how they support the government. With that, I would also like to invite the Honourable Governor to meet with us nine Members of Morobe Province and the powers that are calling the shots with our Chief Secretary so that we all can have a win-win situation for all of us in the Lae district and Morobe Province. This is so that, rather than expect the media to be the judge and jury on this matter and blemish each other's character.

Thank you, Mr Speaker.

Mr WILLIAM POWI (Southern Highlands) – I too would like to join my colleagues to make observations regarding some issues. It will be short but very important for the country's advancement, and on this note, I would like to commend the Minister for Public Service.

He was here and he stepped out but I want to commend him for taking the leadership to introduce this concept of the Time and Access System in the Public Service. This will affect the Governors, including the Members of Parliament, and the Joint District Budget Priority Committee (JDBPC), district administration and the provincial government system. This is to ensure that you have people stationed at the work place to deliver government services.

The O'Neill-Dion Government is intervening in the right directions with a lot of policy intervention in all sectors in this country. If you do not have people in the

districts, and I think during Caucus and the various forums, Members of Parliament have expressed these sentiments as well.

Mr Speaker, I was having a meeting with you the other day and you also expressed the same sentiments about your district. These are issues that are confronting the entire government system in the country. Therefore, I would like to take this opportunity to request my colleague Governors and Members of Parliament to support the government to introduce and make this compulsory right across the country.

As we have heard from the presentation yesterday at the State Function Room from the –

The Minister is just entering the Chamber and I am commending you for the Time and Access System that you are introducing into the Public Service machinery. This is an important issue as it may sound small but it is a significant activity of the government that will impinge on government performance and implementation of policy and service delivery right across Papua New Guinea.

As we heard from the presenters yesterday, this system will monitor and track attendance of public servants at their respective place of work.

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We are faced with this chronic problem of lack of attendance by officials and so a lot of the implementation of government policy initiatives that we are taking onboard and some have very good success story as we have heard from the health sector. And when we hear from Civil Aviation as the Minister has already assured us and from Education, we will hear similar success stories.

So, it is important that the initiative taken by the Minister for Public Service is supported so we all play a part in supporting service delivery and performance in the workplace. When you have this system in place it will remove ghost names from the pay roll.

In the Public Service, for some of you who have never been in the Public Service we call it item 111, personnel salaries and emoluments. If you look at the government's wages bill now it will come up to something close to a billion kina and over. Is this the wage bill we are looking at?

And correctly, we were also being informed that the system will track the performances of Public Service at the workplace and it will also tie in salaries, so as

the saying goes, you get a fair days salary for a fair day's work. We don't have that in the current system if you will all agree with me.

If your district and province has that I would also like to have it too because I don't have this in my province. We are policy drivers, we drive the policy and we set the pace for advancement in the national and provincial governments but if the doers and makers are not there to implement them you will be held in confusion and you will also fail to deliver what we are mandated to do.

At this juncture it is very important that this system that the Minister for Public Service wants to implement should be supported by the whole government so we can address the work-attendance issue so that attendance to work is tied to salary. Then you will see significant changes in terms of performance and service delivery in this country.

So, Mr Speaker, I want to take this opportunity, as short as it may be but very important to address the government's service delivery in this country. So, I want to support the Minister and I would ask Members of Parliament to support the Minister to let this time and Access system be installed in all government institutions in the country.

Mr DOUGLAS TOMURIESA (Kiriwina-Goodenough – Minister for Forest and Climate Change) – Thank you, Mr Speaker and I thank the Minister for Public Service for his statement.

First of all I'd like to commend this Parliament, especially the Minister for Public Service for such a wonderful report have had for a long, long time. We assume that the systems we have are working but at times they do affect service delivery. Mr Speaker, I'd like to speak on this issue of advocating change in timing.

Yesterday we heard a lot of people speak on the issue of Ok Tedi and I commend the Prime Minister because for the first time the issue of Ok Tedi and PNG Sustainable Development Company is being addressed. And here we have a government who is serious that the people also benefit in terms of mining that has been in this country especially, Ok Tedi for instance, has been in operation for over 30 years.

And the government has taken charge of it to make certain changes for the benefit of everyone.

And so yesterday was a good picture, I think the government's focus is right and I commend the Prime Minister and the government and further reiterate that this focus must be on the people.

Yesterday, we heard again from the Health Minister. I'll try my best to be very short.

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Mr Speaker, I commend the Health Minister for the Report that he presented yesterday. In that report for the first time we heard something that is called 'Community Health Aid Post.' This is very important for electorates such as my Kiriwina-Goodenough Electorate which is so remote and needs medical services. It is first of its kind to see Government focus going to rural areas.

Mr Speaker, in the report that was presented by the Health Minister in one of the paragraphs, he spoke about the workforce and recruiting young energetic men and women to work in the Health Sector.

Mr Speaker, I also take this opportunity to look back in history in the late 70's we had Aid Post workers and teachers who were so committed to their work. Even when you visited the Aid Post at 1 a.m, in the morning the medical attendant was ready to serve you. This type of commitment is rare these days. These are men and women who have laid their lives down serving our country for the benefit of others. These people also need to be recognised also. It is only fitting to look back into time and gather the fine examples set by our old folks to nourish our young energetic generation of today.

I stand here as a testament to a father that was a teacher. Those days when there weren't many teachers available my father would commit himself to teaching more than two or three classes in a day.

My Speaker, I also take this opportunity to support the Member for Lae regarding the LAE City Authority.

If Alotau was given the opportunity to be an authority I will be the first Member for Milne Bay to stand up and pledge my undivided support for an authority.

The people of Lae and the Morobe Province should embrace this change with open arms. We must work for change for the betterment of tomorrow. If we are not ready to change with the times then we will be left out. The country must be focused on changing for tomorrow.

The Minister for Higher Education spoke on the massive changes that will be sweeping this nation.

Just yesterday, we passed a Bill for a new University and these changes must happen for the best interest of our future generations. Whilst the Government has given us the opportunity to embrace drastic changes we must not deviate.

The recent economic change and injection of substantial district grants to develop our districts is massive and it is intended to change our districts for the better on all facets of the simple services that are required in our districts.

We as leaders of today, have to embrace this change because we might leave it too late for the young generation, I am so convinced and the time is right that we are the generation for that change. We must allow it to happen.

Our nations forefathers have set that partway for us to follow and it has come to that point where the button has to be handed over now to you and me.

Mr Speaker, I also want to say thank you to the Prime Minister and this Government for giving so much money to the districts and for many things that are unfolding in our remote electorates.

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If you don't want to see changes happening in your districts and provinces, we welcome them, we want it to happen to us so give us that opportunity. If you don't want to spend the money give it to us because we want more for our electorates.

Mr KERENGA KUA (Sinasina-Yonggammugl) – Thank you Mr Speaker.

I would like to use the opportunity presented by this Grievance Debate to grieve and to lament on the demise of the Opposition on the Floor of Parliament. Some people do not feel that this is an important development but I do not share this sentiment with them.

Mr Speaker, the existence of the Opposition as an institution on the Floor of Parliament in my view is a central feature of democracy itself because this Parliament is the pinnacle and the ultimate manifestation of the democratic processes that is contained in our law.

The Parliament gives a physical representation of the theory and concept that we know as democracy and within that concept is the Opposition. A central feature of democracy on the Floor of Parliament is the existence and the survival and the

operation of Opposition as an institution on the Floor of this Parliament. Its demise can also threaten the existence and survival of democracy itself in this Parliament and in this country.

For me it is as important as that and also associated with that Mr Speaker, is the issue of National security. Opposition exist on the Floor of Parliament to give the people of this country opposing views to the ruling Government to voice their views in dissention. The debate is conducted on the Floor of Parliament in a orderly manner, coordinated and regulated environment administered and overseen by you Mr Speaker. So that important issues concerning this country towards moving forward. The demise of the Opposition on the Floor of this Parliament should be important concern for each and every one of us on the Floor of this Parliament.

Going back historically, power was centralized but as civilised society evolved became organised powerful individuals became the rest of whole power inside that organised society but the people eventually became wiser and did not appreciate that they felt that the power should belong to elected representatives that speak for people and should not become the exclusive domain for individuals and individuals families and so the parliamentary system is evolved.

The supremacy of the Parliament then became the principles by which society organised itself. Representative Government became the order of the day and overtime it was realised that there was need for an official Opposition within the parliamentary democracy so that it will become the official voice of dissention. People who are opposed to government policy outside can voice their opposition through the parliamentary institutionalised organ called the Opposition and so the Opposition's necessity was recognised in the parliamentary practices and procedures. From England where we adopted our systems and procedures of Parliament her majesty's Opposition became established and when Sir Michael Somare gave us political Independence in 1975 he also gave us this *Constitution* and this *Constitution* then gave us the parliamentary democracy and within it was the Opposition as an institution that should exist and operate on the Floor of Parliament.

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This has been recognised through the OLIPAC law the OLIPAC is a constitutional law and the existence of the Opposition is recognised by the

Constitution itself but all of sudden, for the first time in 39 years of our operation as a parliamentary democracy, we in practical terms don't have an Opposition.

Mr Speaker, it could be a matter for celebration and applause for some people but serious minded people, who know how democracy is operated worldwide and succeed, recognise that an Opposition is a necessity on the Floor of Parliament.

Mr Speaker, I do not say this because I am in the backbench if those of you with some memory will recall in my Budget speech in November, while I was still the Attorney General of this country I saw the danger coming and I warned the Government to treat the Opposition with some level of respect so that we could as a Government ensure the survival of the Opposition so that they can help us to make quality decisions on the Floor of Parliament.

Our decisions, and policies needed to be debated fairly and some people go to the extent of saying we can have democracy without an Opposition and that is true but to a limited extent. That kind of democracy will have an expiry date it will not survive for too long because how can you argue in an environment with all sincerity and earnestly when you are not an official Opposition. How can you argue effectively from within your own rank? Where will that take the need to maintain collegiality within that camp to which you subscribe and belong to? How can you maintain independence when you are not an officially recognised as an Opposition and arguing from that official stand point?

Mr Speaker, conflict of interest is a demon in itself. You will have a conflict of interest when you are from within the Government ranks and you want to argue with your own colleagues, you are caught up in a conflict of interest and you compromise. You do not give the message or tell the story for what it is because you are sensitive about the impact upon those you have to live and work with. The effectiveness of your presentation in the pretext and the context of an Opposition will not be fully effective. The sharp edge will be blunted.

Mr Speaker, I feel that we must firstly recognise that in order for the long term survival as a national security issue as an issue relating to the long term survival of the democracy on the Floor of this Parliament we must try to understand why for the first time the Opposition is literally demolished on the Floor of this Parliament. We need it to go forward.

Mr Speaker, I would like to ask that we seriously consider setting up an interdepartmental team that would include your Office Mr Speaker, because you

oversee the operations of this Parliament, the Office of the Prime Minister and the National Executive Council, and the Constitutional and Law Reform Commission. A team be set up consisting of those three departments as the core representatives to try to understand this phenomenon on what has caused the demolition of the Opposition.

Why has it happened now? Has it happened because some of us would like to think because of the positive policies of the Government? Is it because of the personality of the Leader of Opposition? Is it because of the inability of the members of the Opposition to work together as a team? Or is it because the way the PSIP and DSIP is operated and disbursed with the Opposition being penalised? What is it? We need to know? If that is not the case then only a study will bring that fact out and will demonstrate that that is not the case all of us have a vested interest to remain in Government but we also need an Opposition because the system requires it, the law requires it, the survival of this nation requires it and the national security of this nation also requires it that there must be an Opposition.

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Mr Speaker, finally to conclude, I want to ask this Parliament and perhaps through the Prime Minister and also through the Chair to provide the leadership to establish an Inter-departmental Committee to try to understand why we have seen the demise of the Opposition during our watch so that we can restore this important institution on the Floor of Parliament to protect and preserve our way of life.

Mr DE KEWANU (Mendi) – Thank you Mr Speaker, for recognising the people of Mendi. In my Grievance Debate today, I want to first talk on what has happened this week on Tuesday where the Parliament recognised the National Day of Prayer and Repentance and where God visited this Parliament and the country. So we have to thank God for that.

Secondly, Mr Speaker, yesterday the Member for Anglimp-South Wahgi used a phrase ‘Taking the bull by the horn’ and I would like to commend the Prime Minister and the Government of the day for taking the bull by the horn when dealing with Ok Tedi and PNG Sustainable Development.

Today, this country and the world have seen that the playing field in this country is changing. The goal fields are changing, the position is changing and the way of thinking is changing. The world is seeing that this country unlike 30 or 40

years ago is no longer the same. In Parliament, the level of thinking and the quality of leadership has changed and that is reflected on what is happening today, and I commend the Government and the Prime Minister for making these bold decisions and laws. I believe these actions are setting the stage for this country.

When I see Ok Tedi, we should all be excited today because this Mine is 100 per cent owned by Papua New Guinea and its Government and that is setting the stage on which other things will evolve around it. I do not know whether I heard it right or not this morning when the Prime Minister was answering the questions raised by the Member for Kandep, he mentioned that the equity and ownership of Ok Tedi Mine will offload 19 per cent free carry to the landowners. This is history in the making and I commend the Prime Minister that we are making the mining giant 100 per cent owned and offloading 19 per cent free carry to the landowners and it is something that must be embraced by this Parliament and the country as a whole.

Can you see where we are setting the country? I wish that the Mining Minister was here because for us to change for the better for the future, the mining laws have to be seriously looked at today as the Government is taking the lead and thinking ahead in putting everything into safer hands. So the *Mining (Amendment) Act* has to be on hold and there should be moratorium on any mining activity in the country. The BHP Billiton is using PNG Sustainable Development as a window dressing to have projects throughout the country and in Western Province in the pretext to keep us silent and not talk about their exploitation.

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Yesterday, the Member for Sumkar was saying something out there which I did not understand. But BHP, a mining giant has led us to be scared and became enslaved the lives of the people of Western Province. For years and generations to come it left us with a liability, but thank God, that this has transformed us to the next level, where we now own a mining company.

And the landowners owning 19 per cent equity is a good start. If we are opening new mines, we must carry free equity at that level. The Government has set the benchmark so the future mines must be centred around that.

They can work in the country under the pretext and we do not dig back at what they have done but the tide has turned, the thinking for our people has changed. The country is changing and we are not all in the forties or fifties but we are getting older

and we see the changes. Any multinational companies who are very conscious about environmental damages in the world, Exxon Mobil, Oil Search and Chevron set the standards and looked after the environment.

These are exceptional cases but companies like BHP have come and were led by example of leaving behind, the environmental damage to the lives of the people. Why is PNGSDP so worried about BHP. What compensation do they want? Who will benefit in PNGSDP share capital? Maybe it is the committees but we have to look at the articles governing the program closely. If we are going to give compensation we have to look at the articles carefully with the composition of the committees before making a decision.

The Prime Minister the other day mention something about the Cloudy Bay being sold at a K200 million investment sold for a mere K14 million. I cannot grasp that, so if we are going to look at something, I want these to be investigated on so that we can see why and how the shareholders would have given approval for disposing a major investment and someone just cannot get up and sell something worth K200 million for K14 million. These are the sort of deals that have being going on silently for a long time and that is why I said the wheel has changed.

What is for Papua New Guinea must rightly be for us and if we hide it God will give it to us.

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This is the beginning and it is starting and so, we have to put moratorium on new mining.

The Government has built the playing field and we make sure the landowners get free equity of 19 per cent or more in every new mining list. We must look at the *Mining Act* and review or amend it. However, we can mine the mining ourselves because we have mining engineers, expertise but we are exporting overseas.

Mr Speaker, let me tell you that the Australians are after our mining engineers and technical expertise and most of them are now working in Australia. I wish to commend this Government and the Prime Minister to hold the bull by the horn to own a mining company and this will set the stage for future mines in this country.

Mr POWES PARKOP (National Capital District) – Mr Speaker, I also wish to express my grievances in regard to the points that were directed at by the Member for Sinasina-Yangammugl.

Mr Speaker, if he was lamenting so much and so passionate then he has a national responsibility too to protect that institution, then he's got to do the right things that he should have done. Thus, he must not try to make a feel guilty about what is happening here on the Floor of Parliament.

We are making decisive decisions as leaders to make a choice to how we are running this country and that is how we can support the Prime Minister. We are not here to under mind the Leader of the Opposition and it's a filthy to maintain or not maintain the numbers on his side that is something belongs to the Leader of the Opposition to manage.

But we cannot be blamed for the Leader of the Opposition for not holding on to his Members. However, I want to explain and balance the view on that regard by the Member for Sinasina-Yangammugl.

Mr Speaker, I want to ask this Floor of Parliament that do any of you, Members hear about the existence of the Office of the Opposition in the United State of America or not. I do not know and I did my legal studies in UPNG and did my Masters in University of Warik in United Kingdom and I have been practicing law for many years before I became the Member of Parliament. I do not hear of the office of the opposition leader or a formal leader of the opposition in the USA, yet, there is democracy, likewise, in French and Russia, they do not have the office of the leader of opposition. In Germany, they do not have it too. The main Parties there are the Christian Democrats and the Social Democrats. In the last five to ten years, they've having a coalition government. There is no formal office of opposition and is not leader of opposition but they are still the democracy.

They are able criticised and check and balance on each other. What is happening there and why we are worried so much that we will worry and cry and lament over demise of the Opposition.

Mr Speaker, so many of us admire Israel for one reasons or another that Jews people or Christianity or whatever reasons, but let me remind you Mr Speaker, in the Parliament in Israel, the main parties are Liquid and Labour Parties have being having a coalition government for the last ten years. There is no formal opposition and leader of the opposition. Have they collapsed? Has there being no criticisms? Has there

being no prosecution of leaders? I think the former president was inducted for some crimes for conspiracy.

The system of government to check and balance still exists in those countries and one of the things that you would recognise, Mr Speaker and our honourable Members through the medias is that 95 per cent of the world, they adopt a presidential system. They follow the system that is in the USA and there is different variation of the presidential system but most of the country follows that system.

Mr Speaker, we follow a model of Parliament where only a few countries follow and this is the Westminster system of England.

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Only a few countries follow this and this is the Westminster system of England.

Mr Speaker, Honourable Members and our people, you will find that the Westminster system came about from the history, tradition and culture of the United Kingdom.

Mr Speaker, in that country, if you do not know, they do not have a *Constitution* because everything is based on their culture and tradition they do not need a *Constitution*. Therefore, that system works for them and why then should it be applied here in Papua New Guinea.

These are of course the stages that we as a country went through during Independence but they are not like the Ten Commandments of Moses, that we cannot change them. Therefore, the time is right for us to change it and re-examine it and I am not ashamed or afraid to continue to advocate for a presidential system.

Mr Speaker, you and the Prime Minister know that since Independence the Prime Minister of the country manages the numbers on the Floor of Parliament, and not managing and running our country taking it forward to prosperity. This is the problem that we are having and then have lawyers who come here to lecture us on all sorts of things. There should be a balance between law and politics and not just about law to the demise of our people.

This is because if you look at Section 145 of the *Constitution*, where the lawyers and some people of this country make into a sacred cow. We have already paid a high price for Section 145 of the *Constitution*. Therefore, regarding the Vote of No Confidence, how then can you assess a government performance or Prime

Minister for only six months? And we already changed that time period to 18 months and again to 30 months.

How then can we assess a government with only a six month performance and vote in a Prime Minister? That was totally irresponsible and some mistakes that we did in 1975 when the Grand Chief was Prime Minister. With due respect to him, he was a young leader and wanted us to become independent but the time is right now for us to re-examine those institutions that we took for granted.

Mr Speaker, for the Westminster System, only the United Kingdom, Australia, New Zealand, Papua New Guinea, Solomon Islands, India and Canada follow this system. Nevertheless, it is not the standard democratic system being applied in the world. Even the country next door to us, Indonesia does not have a formal Opposition Leader or an Opposition. Yet, they are a democracy as they just elected their president just last month. Therefore, the demise of the Opposition should not is of course be regrettable as we should be matured enough.

Mr Speaker, I am from Manus and we have the '*Kukurai*' system. Within the '*Kukurai*' system we do not have Government and Opposition because we are all part of both the Government and Opposition. We criticise ourselves and attack our decisions but when we make decisions, the energy, power and movement of our people is delivered in one go. This is what is missing in this country, and we attack each other for petty reasons, political status and attaining positions of power. This is what we are doing on this Floor of Parliament and in this country.

Why then can't we be brave enough to examine our *Constitution* rather than to hold onto this institution that does not belong to this nation and failed our people.

Mr Speaker, the provision and Section 145 has its positive sides but you must also look at the negative sides of it as well. With that, our people are now calling us Members of Parliament as being corrupt. Why is that? One of the reasons is because of Section 145 on Vote of No Confidence as it allows people to lure each other back and forth. The question is, for what reason? Is it for the welfare of our people and progress and prosperity of our nation? The answer is, it is all just for power.

Mr Speaker, we and our people have paid a high price –

Mr SPEAKER – Honourable Governor, I would like to caution you that this matter is before (in audible) reference right now. So, you have to be mindful of that.

Mr POWES PARKOP – Mr Speaker, I will give you an example just to exemplify this concern that I have(inaudible)...

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(Two minutes of audio in audible due to technical failure and erasure of the recording)

Mr FRANCIS AWESA (Imbonggu – Minister for Works) – I wish to contribute to this Grievance Debate but first of all I wish to express my sorrow at the loss of one of our good citizens of Papua New Guinea in the Late Iffisoe Segeyaro who was leading the development of junior rugby league development. In his time before that he was playing for the country and I wish to convey my condolences to the family at their time of bereavement.

Secondly, I wish to thank Members of Parliament for the university legislation we passed yesterday. In doing that I wish to clarify that the university is in my electorate and not in Ialibu-Pangia Electorate.

This university will serve six provinces in the country which are Gulf, Western, Hela, Southern Highlands, Enga and Western Highlands as well as the rest of the country. So I want to thank the Members of Parliament for the overwhelming support for this university to be established in my electorate.

In terms of other concerns I have I wish to say that in Papua New Guinea we have made a lot of progress now in terms of economic development, social development and other indicators which point towards a successful future for this country, especially in the light of the windfalls we are expecting from the LNG Project coming into full production next year.

At the same time we have a lot of challenges in law and order, health and infrastructure development but one of the things that concerns me the most and something that we have forgotten for quite a while now is the issue of compensation.

Compensation is becoming a very big issue and is becoming more and more entrenched, especially in the rural areas and in some provinces it is becoming a very big hindrance to development. In some areas there are roadblocks on national highways because of road accidents, many of which are not deliberate, but people living along the Highlands Highway and some other roads make it their business to stop traffic and ask for compensation.

The other compensation issue is in terms of building infrastructure. When the government is making serious attempts to address the infrastructure issue in Papua New Guinea people continue to build trade stores and houses and make gardens along the road corridors and ask for compensation before the government can put the roads through.

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And Mr Speaker and Members of Parliament I see that this is going to be a very big issue in the years to come unless we address this problem. We have made a start by putting the Road Infrastructure Protection Act in place since 2010. However, no one has been prosecuted under this legislation even though it carries a penalty of five years imprisonment and a fine of K100 000.

I encourage the police and the Courts including the stakeholders to start addressing this issue and prosecute people.

The issue relating to compensation is now becoming a practice for people in some provinces who are asking for compensation payments. But there are issues with traffic accidents with people failing to pay for services provided especially in my electorate. This happens when people set up road blocks and arrange situations where lives are put at risks.

For example, more recently, my District Treasurer was attacked on the Highlands Highway while travelling from Mt Hagen to Southern Highlands. A shot was fired at his vehicle and the Treasurer's relatives are now demanding compensation from the District Administration, the Member of Parliament and from the Government.

Mr Speaker, my concern is that the issue of compensation is getting out of control every where. It is a hindrance to our freedom of movement without paying these people some form of compensation. Therefore, I am calling on Parliament to outlaw compensation everywhere and ask people to resort to insurance instead.

Insurance is a way forward for people trying to claim compensation for various things because it is becoming a big industry especially in the Highlands region. This is becoming unacceptable where people are now talking about compensation issues. This is also happening in Port Moresby where it is called 'bel kol'. This practice is becoming evident in the urban centres where 'bel kol' money is

paid followed by compensation later on down the line and if it is not paid it may cause big risks to those who don't pay the compensation.

Motion – That the grievances be noted – agreed to.

ADJOURNMENT

Motion (by **Mr James Marape**) agreed to –
That the Parliament do now adjourn.

The Parliament adjourned at 12.50 p.m..