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LEE SIROTE

Acting Principal Parliamentary Reporter

SECOND DAY

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DRAFT HANSARD

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The Speaker (**Mr Theodore Zurenuoc**) took the Chair at 10 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 10.30 a.m., and invited the Governor of Morobe, **Honourable Mr Kelly Naru** to say Prayers:

‘The Book of Proverbs chapter 16, verse 1, i tok olsem; ‘We can have our plans but God has the last say.’ So in all things we commit all our plans to God, our Father in Heaven. This is another day of our Parliament session that we will commit our plans, our visions, laws, policies and statements to you and the people of this nation. We say thank you for giving us the guidance and the wisdom through the Leaders that we have here today. We pray for your continued blessing, wisdom and guidance upon the Speaker, the Prime Minister and all the Ministers and Members of this Parliament.

Lord grace us with your blessings that we may deliberate on matters in the best interests of the people of this nation, Papua New Guinea, Amen.’

**DEATH OF MR GOUGH WHITLAM
FORMER PROMINENT MEMBER OF AUSTRALIA –
STATEMENT BY THE PRIME MINISTER**

Mr PETER O’NEILL(Ialibu-Pangia – Prime Minister) – Mr Speaker, I move that this Parliament expresses its deep regret at the death of Gough Whitlam, the 21st Prime Minister of Australia, on 21 October 2014. He was the Prime Minister of Australia from 1972-1975.

The Late Gough Whitlam was first elected to Parliament in 1952, representing Wiriwa in the House of Representatives. He became Deputy Leader of the Labour Party in 1960 and in 1967, after the retirement of its Leader, Mr Arthur Cowell. He was elected as Leader and became the Leader of Opposition then. After narrowly losing the 1969 Elections, the Whitlam led Labour Party came to victory at the 1972 elections after 23 years of

continuous Liberal Country coalition Government. Gough Whitlam stepped down after losing again at the 1977 elections and retired from Parliament in 1978.

Upon the election of the Hawke Government in 1983, he was again appointed as Australia's ambassador to UNESCO and remained active in public life well into his 90s.

Mr Speaker, although his last years were spent in the retirement home, he still attended to his office four days a week, until his death on October 21, 2014. It places on record, its appreciation of his long and outstanding public service and tenders its profound sympathy to the family on their loss.

This nation today stands with the people of Australia in paying our respects to this great leader, who has left an everlasting impression on both our nations. On behalf of the Government and the people of Papua New Guinea, I convey our deepest condolences to the family of Honourable Edward Gough Whitlam, a champion of the Order of Australia but more importantly the people of Papua New Guinea and Honorary Grand Companion of the Order of Logohu, with the title Chief Gough Whitlam.

He holds a very special place in the history of our nation, he played an integral and vital role in the process of attaining Papua New Guinea's political self-determination and eventually Independence during his term as the Prime Minister of Australia. The person who is able to say more about Gough Whitlam is none other than the Governor of East Sepik. He has first-hand knowledge of Chief Whitlam through strong relationships and mutual respect.

02/02

These two leaders laid the foundations of our modern Papua New Guinea today.

Mr Speaker, their capacity to work together of course with our other leaders including our founding fathers and our first Finance Minister, now Governor of New Ireland, Chief Sir Julius Chan provided the corner stone of which, our independence was built.

Today, I stand in this Parliament to pay homage to the achievements of Chief Gough Whitlam and to thank him for his contributions to nation building in Papua New Guinea.

We have to think back to the political atmosphere of that time when Gough Whitlam was first in Opposition, then became Prime Minister and advocated for Papua New Guinea's Independence.

Around the world at that time there was a general movement towards decolonization but the process was not simple.

Mr Speaker, in some countries decolonization had led to civil conflicts, ethnic and cultural conflicts that led into wars. What was to be made of a nation so ethnically and culturally diverse as Papua New Guinea, while many doubted the capacity but Sir Gough Whitlam did not share that view, he believed in us, he believed in our leaders, and he believed in our spirits.

Mr Speaker, in his later years I hope he Sir Gough Whitlam received news from Papua New Guinea with great sense of certification. I hope he learned of our ongoing economic development, our rising living standards, and our improved quality of life and felt great reassurance and of course even great sense of indication for his efforts to help create the independent State of Papua New Guinea.

As a Government many of the policies that we are now championing today in our country came from the vision of Chief Gough Whitlam as well. The idea of free access to education, the idea of free universal health care and of course building infrastructure for the future generation where central policies of the Chief Gough Whitlam's Government, today we applaud him for his leadership, thank him for his confidence to the people of Papua New Guinea. Sir Gough Whitlam has left a lasting legacy that lives and breathes in the corridors of our nation, may his soul rest in eternal peace with his beloved Margrette, his wife for seventy years, our nation has a true friend in Sir Gough Whitlam and we thank him for believing in us, thank you, Mr Speaker.

Sir MICHAEL SOMARE (East Sepik) – I would like to express my condolences to this great man of Australia who took notice of us; a minority group of people who were pushing for independence.

Many of our leaders back then were saying that we were not ready yet but I was one of them who stood up and said no, we are ready. I told them in 1969 that Papua New Guinea was ready for independence if we were given the opportunity and this was the man who believed that we could gain independence. When he became the Prime Minister of Australia in 1972, he paved the way for us to be self-government and gain independence easily because I, Sir Julius Chan, the other leaders and Honourable Paias Wingti who came later were supported by this great man. He said that our country was ready for independence, he advised that to bring education, health and develop the rural areas, you will become a country, and he was one person who believed in Papua New Guinea.

In Australia too, he is a unique person. He stood up for the rights of the indigenous people, the land rights, free education and he was a great man who stood for everything. When we happened to know him at that time, he was an excellent leadership example.

Mr Speaker, I just want to reiterate what the Prime Minister has expressed that on behalf of the people of Papua New Guinea. I am glad to stand here today as I was involved with him in 1969, after I was selected to Second House of Assembly, and he met me in Wewak and asked how Pangu Pati was doing towards our Independence.

03/02

I will make sure that we will get independence while you are still alive and I am glad to be able to stand up here and admire and respect the greatest Australian of all Australians who believed in the indigenous people; the indigenous rights of Papua New Guineans.

There was a lot of hesitation, self-government could not be realized, and I can remember very well, that in 1969 at ANGAU House which is now still standing, I was told that we cannot wait for another 10 years to gain Independence.

Mr Speaker, it was with Sir Albert Maori Kiki, Sir Ebia Olewale and Rueben Taureka we said to him, give us an opportunity and we will make it work for you and we made it work. Now you are standing here as proud people of your country, you are lucky to have Gough Whitlam behind us to push us to make sure that this is what happened to Papua New Guinea, and I can say that it is the greatest country of all the countries in the region.

Mr Speaker, I just want to say I am greatly saddened and am greatly happy because of his goodness to us, the people of Papua New Guinea. We talked to him and his wife Margaret, he lived with his wife until he went into politics in 1953. We waited for a long time.

When I went to Australia in 1972 he was one of those proponents of change, who told them to change the national anthem of Australia. He wanted to remove the part of the flag depicting their descent from United Kingdom and they did not agree with him. But he was a great man, I think the people of Australia are now regretting it. I watched the programme last night and I think they had the greatest of respect for this man.

I want to say on behalf on people we represented at the time and of all the political movements at that time, especially those who are still around, and also on behalf of all Papua New Guineans that he was a great man.

May his soul rest in peace.

Mr PAIAS WINGTI (Western Highlands) – I join our Prime Minister to say that Grand Chief, Gough Whitlam was a unique Australian. He was an Australian in the region of which he was a visionary. Gough Whitlam was able to see his own country and also able to look at his own country in relation to the UK and he saw that Australia as to be a leader in the region.

He was the first Prime Minister of Australia who knew what belongs to this region. He wanted Australia to integrate with the Pacific and the Asian Region.

Mr Speaker, Gough Whitlam was a visionary because he could also read the world and those days there was a cold war between the Soviet and Chinese block and the American block that has an influence over the Western world.

Gough Whitlam could see that in the years to come China would play a very important role in our region. He was the Opposition Leader at the time and in those days people were so scared about China and the Soviet Union.

And you know what; this great Australian leader who was going to be Prime Minister but Opposition Leader at that time, led a delegation to China in 1968 or 69. He went and everybody in was against him but today, he led the way and America followed.

Gough Whitlam was a great leader of our region and he was also able to recognize the indigenous people as stated by Sir Michael Somare. And I remember him. He was a very tall man who had a great influence.

He came to Papua New Guinea in 1969 and when he went to Rabaul Sir John Kaputin was beside him, he travelled around and then he went to Mt Hagen, I remember him too.

Everybody, in those days didn't want independence, and he was Opposition Leader at that time but he was so powerful that he was able to tell the highlanders, whether you like it or not, you will have it. That was the kind of man who had a lot of vision and today I want to join in by giving my condolences.

**PRESENCE OF SCHOOL CHILDREN IN THE PUBLIC GALLERY –
STATEMENT BY THE SPEAKER**

Mr SPEAKER – Honourable Members, I have to inform the Parliament of the presence of the school students and their teachers with us this morning in the Public Gallery.

The four schools present are Grade 5 students from Twinky Winky International School, Grade 7 students from Paradise High School, Grade 8 students from Launakalana Primary School in the Abau Electorate.

They have all been studying democracy and the government system that we have and are here to see the Parliament in session.

On behalf of the Members, I acknowledge their presence and welcome them to the Parliament.

04/02

QUESTIONS

Mr LABI AMAIU – Thank you, Mr Speaker for recognising the people of Moresby North-East.

My question is directed to the Minister for Lands but before that I would like to make a summary as to why I am asking this question.

Mr Speaker, on behalf of the Port Moresby North East Electorate I would like to thank the O'Neill-Dion Government for supporting the development in my electorate, transforming it to become the face of Papua New Guinea where the world will enter the country through this electorate to conduct their business and other activities but at the same time the development that is happening within the electorate has brought about a lot of pressure and tension to the people residing in this electorate. I would like to specifically talk about the people residing at Eight Mile and ATS settlements.

My questions are directed to the Minister for Lands, it has come to my attention that some Asian Companies owning corporate businesses and expatriates are working with officers within the Department of Lands to obtain land titles of that area. My people or the Papua New Guineans residing on those lands have no idea or clues about these land deals.

(1) Can the Minister confirm if this is true, If it is true, why is it that my people were not given the priority to apply for the land titles for the land they were residing on?

Land is becoming scarce in the city and yet we want development.

(2) Can the Minister explain to the people of Papua New Guinea and the people of my electorate the type of policies and regulations that the Department of Lands is implementing

to protect the indigenous Papua New Guineans to give them some sense of appreciation to take ownership of the land they are currently occupying?

I know that under the *Lands Act* there are laws to protect the interest of Papua New Guineans.

Mr BENNY ALLAN – Thank you, Mr Speaker, I want to thank the Member for North East for his questions. Before I answer his question I want to explain that there are two types of land in Papua New Guinea, the State land and customary land. In terms of customary land there have been many issues raised in the National Capital District and Central Province about land grabbing. So for customary land, no one has the right to make any decision except the landowner. I want to clarify that in the Central Province, no person can just come from Wewak or Goroka and settle on a land in Central Province or anywhere in the country unless the landowner makes the decision and accepts the payment offered.

05/02

Let me state here that when land is bought from the landowners and people come and settle, it must not be deemed as land grabbing. My department has copped a lot regarding this exercise. Customary land is primarily at the landowner's disposal; not the Department of Lands and Physical Planning. It is responsible for State land only.

Mr Speaker, any citizen that wishes to apply for land applies through the Land Board and it is deliberated there and grants title to successful applicants. There is no way a citizen can obtain a land without following the process through the Land Board. If a citizen is settling on State land without following proper procedures it means that person is illegally occupying the land. It is a common practice that our people are just seizing land and squatting illegally.

Mr Speaker, in regards to the ATS and 8-Mile settlements which the Member mentioned, ATS land remains under the Agriculture Lease and when that activity ceased many people automatically saw that that State land is vacant so they have squatted there.

Mr Speaker, at that time there was a conflict between two ethnic groups up there and during the Skate Government a decision was made in solving that conflict to allow a certain ethnic group from Oro to settle there.

Many of those people are illegally settling there because the then Prime Minister, late Bill Skate, made a decision for them to settle there.

Mr Speaker, the Skate Government had a plan to convert certain places into urban settlements with basic road, water and public utilities and day to day services by giving people blocks of land and settling but it never eventuated.

Mr Speaker, in response to the Member's question, there was an existing program by the National Housing Corporation called the Urban Settlement Program where certain urban areas were converted to satellite towns and they divided little portions of land and gave to people.

Today, many of those tenants don't have titles for those houses and the land so we are working closely with the National Housing Commission to try and amicably resolve these issues by checking records and issuing titles to our citizens. One of those pioneer satellite towns is the 5 Mile settlement in NCD under that Urban Settlement Program.

06/02

But to get to the specific questions asked by the honourable Member, the NCDC have a very good pilot programme where they want to sub-divide a portion of land located at 8-Mile. This portion 2178 was to be sub-divided so that the squatters living on this land would be allocated small blocks of land so that they could attain titles for these blocks in order to go to the banks and use it as security to get small loans. This programme is a wonderful pilot project that the Governor is undertaking, which has also resulted in the department working with him regarding this project.

As for the settlers living in and around ATS, they have informed me that there was a notice issued to them telling them to pack up and move out. Now, the land portions in the ATS area was a former agriculture lease. The landowners of that particular land area got confused and there was some misunderstanding whereby they thought that the land was to be given back to them after the 99 year lease.

Mr SPEAKER – Honourable Minister, I apologise but the Chair will have to interrupt you.

Could the Minister answer the question directly instead of going into details? This is Question Time and the Chair would like to entertain many questions as possible.

Can the Minister, therefore, summarise his answer?

Mr BENNY ALLAN – Thank you, Mr Speaker, the land portions 693, 694, 695, 696, 697 and 698 already have people residing on them and also built high covenant houses as well. Nevertheless, I was surprised to be notified by the settlers that a company has got titles to all these portions.

Now, this company called Glory Estate has already developed portion 693 already. As for portions 694 to 698 the settlers residing on them have been given notice to move out. Therefore, I have told the settlers not to start moving until I did some investigation first.

Therefore, this Glory Estate along with the other companies who have obtained titles to these portions of land is of the same business group. These companies then applied under different names. Nevertheless, we have Papua New Guineans who have built high covenant houses in these portions and now we have this programme which we would like to duplicate from 8-Mile to ATS.

I have told the settlers of ATS that I will investigate and find out who exactly issued these titles and if due processes were followed in the issuing of these titles. With that I would like to ensure the Member that my Department will look into this issue.

In regards to the last question regarding the ownership of land, we have done a land review and as a result no foreigner or foreign company will apply for land ownership. Land ownership will only be reserved to Papua New Guineans and that currently under review and for Parliament to endorse it.

Thank you, Mr Speaker.

Mr JOE SUNGI – Mr Speaker, my questions are directed to the Minister for Education.

Mr Speaker, before I begin I would like to give a short account concerning education in my district.

07/02

Mr Speaker, majority of the teachers in my district are confused in relation to this reforms system that has been introduced. So, we have to fix it and set our priorities right in terms of children's education.

With that in mind, I salute the Government for giving priority to Free Education and the subsidy programs that we are now embarking on.

What I want to emphasise here is that an awareness program must be conducted in my electorate so that the teachers are made known of the current reform system so that they can prepare themselves accordingly to the changes starting next year.

My questions are:

(1) When will your department educate the teachers back at my electorate on this new changes taking place?

(2) Can you inform Parliament now so that my people and teachers are aware of the specific plans for the teachers to prepare for next year?

Teachers are the ones who determine the children's future one way or the other. Our children will be the future leaders of this country. And that applies to the other colleges, tertiary institutions and universities throughout the country.

Mr NICK KUMAN – Mr Speaker, I thank the Member for Nuku for his questions.

Firstly, as part of NEC directives in 2011, the decision allows the Department of Education to change from OBE into Standard Base Education. The Department is now in the process of introducing Standard Base Education from elementary to grade 5 starting next year. The transition will take at least five years to completely introduce Standard Base Education right throughout the country and eventually, OBE will exit in or around 2019.

Actually, the preparation work has started and the teachers who have been teaching before the OBE started are fully aware of this Standard Base Education system. And, obviously, I came through a Standard Base Education system like most of you here, so we are fully aware of what is required.

This is based on the instructions to the teachers and the materials made available to the students and they know exactly the content in which the students need to be taught. And this is how we are going to run the education system as part of the reform.

I want to thank the Member for Nuku for raising this question. As of November to February 2015, we will be conducting training programs for those teachers who came during the OBE systems so that they can be made as part of the In-Service College right through the country.

The Secretary has already taken action to ensure that the program will start. Three weeks ago you may have seen in the newspaper a two-page advertisement was published to

clearly point out what the Department of Education needs to do; given the magnitude of the total number of teachers and the school system right throughout the country.

We have advertised in the daily paper, so the provinces obviously know that the Education system is over decentralised so they must take full responsibility of the education system. We informed the 24 provincial governments so the 89 Education and Standard Officers throughout the districts must ensure that they prepare for the rolling out of the Standard Base Education system starting next year.

08/02

The second part of it is that we are also issuing as part of the Education Secretary's directives or instruction to the teachers' colleges throughout the country to now change the syllabus for the teachers' training program next year. Therefore, as of next year, the new intakes of teachers will be taught on the Standard Based Education Curriculum. So they prepared for the new curriculum to be introduced and for those who are doing year two and three will be part of that program. For those who graduate at the end of this year will have to go back for the in-service training program. We cannot achieve this immediately but we will do it over a period of time so that we can effectively manage that Standard Based Education reform into the country.

The second part of that which I will announce in my Ministerial statement is in relation to the reform of the education system. How do we really capture those reforms as part of the Standard Base Education? How do we structure the education in the country? There are some systems that were adopted from somewhere else and introduced into the country and that have become a problem for us now.

So, I want to echo what the former acting Minister for Education has said that we have to look at smarter system for Papua New Guinea and we have to as a Government be committed to ensure that we achieve this.

Mr Speaker, I wish to once again thank the Member for Nuku for raising this issue.

Mr TOBIAS KULANG – Mr Speaker, I wish to direct my question to the Minister for Police but he is not present in the Chamber so I want to ask the Prime Minister.

Mr Speaker, in the yesterday's newspaper paper there was a report on the Police personnel pointing guns at each other. This behaviour is completely disgraceful and I am not happy. It seems funny and totally stupid. This is also a big national security concern.

This behaviour implies that there is a leadership problem in the Police Force. They are supposed to lead by example to enforce law and order but instead there is a complete breakdown in this area. What is the Government doing to ensure strong leadership in the Police Force?

Mr PETER O'NEILL – Mr Speaker, I thank the Member for Kundiawa-Gembogl for his very important question. Every day, we read in the newspapers about brutality in the Police Force largely due to outside influences, and many times, we see these influences creeping into the Force. As a result of that, many of the Police personnel are serving private interests rather than the interests of the State and the people.

Mr Speaker, when we have differences, we have the Courts that deal with these matters, and when matters are before the Courts, we should not be running around trying to create an environment where vested interests are being pursued at any costs. That is why I have directed the Minister for Police to take control of the situation in the Police Force to try and stabilise the leadership issue and one of the areas that we need to strengthen is the Internal Affairs of the Police Force where they discipline their officers and issues about brutality and other related issues needs to be investigated and dealt with properly.

Mr Speaker, we will be establishing a Task Force immediately consisting of 20 or 30 personnel to strengthen the Internal Affairs of the Police Force and investigate the recent incidents that are taking place including Police brutality against the public. There will be an establishment of a hotline where any public can lay their complaints which will be investigated so that we restore discipline in the Police Force.

09/02

Mr Speaker, we are helping the police build capacity, thereby increasing the police training facilities at Bomana, so that we can bring in a new force with better habits and ways of doing police work for the state and its people.

It is important especially when we are talking about stability in our disciplined forces and I am glad to say other disciplined forces that have been able to maintain leadership are able to make sure that their stability is retained.

In the Police Force we are continually seeing a lack of discipline and we are addressing that through the establishment of task force. Everywhere else in the country is

okay, it seems to be occurring a lot in Port Moresby and always around the same time when the Parliament sits.

Enough of the intimidation. The task force is going to deal with every issue that comes and it will be done without fear or favour.

Mr KERENGA KUA – Thank you, Mr Speaker. My question is directed to the Prime Minister and it is in relation to the ICAC deal. While I was still a part of your Cabinet, we finalised the draft bill on the creation of the Independent Commission Against Corruption (ICAC). Many months have passed and the idea seems to have gone cold. Perhaps you might want to explain to our people what sort of timetable you are looking at; for the purpose of bringing this bill forward so that we can see some section and establish this important institution that can help to deal with corruption which continues to plague our country.

Mr SPEAKER – I think the ICAC bill was passed but I will hand it to the Prime Minister to explain.

Mr PETER O'NEILL – I would like to assure the Member for Sinasina-Yongomugl that this Parliament has already passed the ICAC bill and it is the enabling bills that we are working on and I want to inform the Parliament that I have received the final documents from the working group, through the Chief Secretary's office.

Mr Speaker, the other matter relating to the establishment of the Task Force Sweep is before the Courts because the former Chairman went ahead and obtained a restraining order that made it impossible for us to transfer all the functions to the ICAC office. We are, therefore, going through the motions in court.

And I want to assure the Member that we are committed to the ICAC process and the establishment of the ICAC office. As soon as the Cabinet clears the Organic Law and the enabling bills, we will bring it to this Parliament hopefully in the November session.

Mr RONNY KNIGHT – My question is directed to the Minister for Foreign Affairs and Immigration and I would like the Minister for Labour and Employment to take note.

Mr Speaker, currently there are a lot of Manus businesses taking good things out of the Regional Processing Centre. All heavy machinery that have been imported under the

Department of Immigration and Border Protection of Australia, and upon arrival local contracts in Lombrum are told that their services are being terminated.

This is effectively cutting off all local content that Manus has been enjoying and achieving. The Australian Department of Border Protection has supplied these items for Trans fuel to use effectively, optimising all local joint ventures and hire car companies.

Mr Speaker, enough is enough. I want them to remove these vehicles and send them back and let us enjoy the spin-offs that we have been enjoying.

- (1) Is the Minister aware of what is happening?
- (2) Can he immediately sort out this situation to avoid local upheaval?

10/02

(3) Can you also advise when you will do this because my people are about to act and I am tired of trying to keep them calm because it might turn up into something else and spoil this government?

Thank you.

Mr RIMBINK PATO – Thank you, Mr Speaker. I thank the Honourable Member for Manus who has asked these important questions.

The discussions with the Australian Government under the resettlement of refugees arrangements are ongoing and in the past I have answered these questions that the award of contracts are matters that come under the Australian laws and we have a partnership and they are ongoing discussions.

These are some of the matters that I have actually had the opportunity to discuss them last week. The Prime Minister also had the opportunity to meet the Australian Prime Minister. The resettlement arrangement agreement with the Government of Australia is an agreement which is subject to review each year, and that will be the subject at the Ministerial Forum that will take place in November this year. I intend to have a meeting with the Foreign Minister and the Australian Immigration Minister in the next couple of weeks to track up some of these issues but we are aware of them. I had a ministerial delegation to the province to hear the grievances of the Manus Provincial Government. You had a very competent individual from your office who articulated some of the issues that you raised now and in the past.

So, my answer to this is we are concerned and as I said in the past, we are going to make sure and ensure that the developments that are taking place under the arrangement leave a legacy for the people of Manus, leave a legacy for this Government and leave a legacy for the government of Australia, so they are part of the ongoing discussions and nobody is ignoring it. We want to do the best we can and we want local content in all the contracts but that is the matter for the officials and where they require political input, I am always ready and always giving the direction that is necessary to protect the interest of our people, knowing fully well that there is an agreement under the terms that we are bound to achieve outcomes that will ensure the things that we want to achieve for your people so we will try our best to ensure that those issues are addressed.

Thank you very much, Mr Speaker.

Mr KELLY NARU – Thank you, Mr Speaker, I have two questions to ask to the Minister for Environment and Conservation.

Honourable Minister, in the Morobe Province in the YUS LLG of Kabum District we have a conservation area that is called YUS Tree Kangaroo Conservation Area and this area recently has been recognised by the UNDP and was awarded the Top Equatorial Prize. The Tree Kangaroo conservation area project is not only conserving the Tree Kangaroos but many other species of fauna and flora.

I would like to say thank you to the government through the department for recognising and gazetting of the bio-laws for this project area and now it is in force and land use areas that we have launched a few weeks back.

11/02

Mr Speaker, Yus LLG and I have put in some commitments to assist this project get off the ground. Does the Department of Environment and Conservation under your ministry acknowledge this project and have funds to assist this project for the purposes of running this programme or training or to assist the rangers or others to preserve that conservation area because it is in the world listing. It is the first conservation area in this country and the world acknowledges it as such.

(1) Will there be any funding from your Department in areas of training for the ranger and conservation of this area?

There are also other areas in our province at Huon Gulf District's Salamaua LLG where we have this unique leatherback turtle conservation programme running.

(2) Can the ministry provide assistance so that we can conserve this turtle's breeding ground in our province?

Mr JOHN PUNDARI – Thank you, Mr Speaker, I kind of feel that the honourable Members of Parliament think that I will drag on with my answers. I will make it short and easier this time.

Mr Speaker, on the first question, yes, we have got funding for the Yus Conservation Area. Yus is a great example of conservation in this country and when I became the Minister for Environment and Conservation, I had the privilege of visiting the conservation area, spoke to the people who are in charge and providing leadership to it.

I just want to say thank you to the Governor of Morobe and his government for committing themselves to conservation projects in the country and in this matter for the Yus Conservation Area and I encourage other governors and other provincial authorities or districts to consider conservation as an important part of their budgetary processes.

Mr Speaker, we've prioritised the Yus Conservation Area under the Global Environment Fund and when I took leadership of the Department, I made sure that some of the priority projects and programmes of government in this country with regard to national protection areas are taken into consideration seriously. I must say that UNDP has come onboard in line with government priorities and I want to say that yes, we have got funding and there is a letter coming to you soon, and thank you for the counterpart funding that you have committed to it.

Mr Speaker, insofar as the leatherback turtle is concerned, yes, it is an endangered species and I am so happy to know as your Minister for Conservation that you are on the right path to ensuring that we preserve, protect and conserve some of the endangered species in this country.

And, Mr Speaker, yes, I will commit myself to it as your Minister and we will do the right thing by it and we will see how best we can help fund your project as well.

Supplementary Question

Mr TOBIAS KULANG – Mr Speaker, I have spoken to the Minister already but I want him to inform in Parliament.

Is Mount Wilhelm on your list or not?

Mr JOHN PUNDARI – Mr Speaker, yes, we will be looking at factoring Mount Wilhelm into Global Environment Fund Number six.

Supplementary Question

Mr SAM BASIL – We continue on. In regards to the MacAdam's Park in Bulolo, and others can the Minister highlight their plight because recently in the media there is a lone ranger somewhere featured saying that there is no government support and he was looking after the park. So for our interest, can you inform us on the status of the parks?

Mr JOHN PUNDARI – Mr Speaker, I thank the honourable Member for Bulolo for his question.

Mr Speaker, I must state on the Floor of this Parliament that if there was any government that had any serious consideration, concern and support through funding for national conservation areas in this country, it is this government under the leadership of Prime Minister Peter O'Neill.

Mr Speaker, yes, we are looking at ensuring that we give sincere consideration to some of our existing parks around the country.

12/02

I must say on the Floor of Parliament whilst I answer the question from the Member for Bulolo, the long forgotten Baiya river wild life century was one of our glories in the past but today it is a sad story. The same can be said about the Bulolo Mokedam Park or the Variarata National Park which is in the vicinity of the National Capital District.

Mr Speaker, we are prioritising our National Parks around the country and we have invested so much with the little that we have as a department and thank you so much Member for Bulolo and I thank all the Members of Parliament for recognising the importance of conservation in this country and the vote that you gave when we wanted to translate the Department of Environment and Conservation to an Authority and being an authority will

give us that revenue and we will be able to support some of our conservation around the country.

Mr POWES PARKOP – Thank you, Mr Speaker. I take this opportunity to direct my question to the Minister for Public Enterprise.

Mr SPEAKER – Honourable Minister, I want to advise you that it is against the *Standing Orders* to sleep in the Chamber of Parliament.

Mr POWES PARKOP – Thank you, Mr Speaker, for waking up the Minister. I am trying to ask some very tough questions so he should not be sleeping.

(Laughter in the Chamber)

Mr POWES PARKOP – Now he seems to be awake so I can proceed.

Mr Speaker, before I ask my question, I want to congratulate him for moving to the front bench and taking up the role as the Party Leader for PPP and wish him the best.

My question is in relation to the agreement that the Government has with the Malaysian Company regarding Eda Ranu. I have asked this question many times but there seems to be no progress so I'll ask again.

- (1) Will the Minister review that agreement?
- (2) How much longer do we have to wait before the review takes place?
- (3) Is that agreement working and is it bringing the money or developing the infrastructure of our water supply system?

I don't think so; they have brought neither the money nor the development of infrastructure for the water supply for our people. They have been focusing only on the profitable part of the city and the service and infrastructure development is not reaching the non-profitable areas. Even a first-year law student can see that the agreement has been breached by the Malaysian company. The Members of the city have allocated funds to expand Eda Ranu operations within the city. But the company is a monopoly in the city and it has made a lot of profit and the profit is going to the Malaysian company and not Eda Ranu.

Mr SPEAKER – Governor, since you have asked your question, you can take your seat and allow the Minister to respond.

Mr BEN MICAH –Thank you Mr Speaker.

I thank the Governor of NCD for his questions. When I became the Minister to this Ministry, one of the things I did was to ask the management of Eda Ranu Board to review their agreement with that Malaysian company which manages the treatment and distribution of water in NCD as a concessionaire. I believe the agreement was made in 1994 or 1995.

13/02

To review the agreement with that Malaysian company which has been managing and operating the treatment and distribution of water in NCD under the concession that was entered in between Eda Ranu and this company around 1994 or 1995. From my research, that company has reasonably done some improvements to the water treatment and water distribution system in the city but I do not believe that given the amount of revenue that they have been collecting from waterage users and also the sufficient number of years that they have been operating this water concession agreement that they have done sufficiently enough to maintain a high quality system of water treatment and significant distribution to all parts of the city. I issued instructions to Eda Ranu to terminate that agreement but then they went to Court over the matter and it was discovered in Court that I had no power or authority to give that instruction and also, the term of the agreement did not sufficiently give room for a review and also there is about five to six years remaining in this agreement and so quite reluctantly, I left it as it is, otherwise it would have been cost Eda Ranu which is one of our smaller companies significantly in terms of legal fees in trying to defend the situation. I must say to the Governor that I am putting to the Government a much more comprehensive water and sanitation strategy for the city which is expanding rapidly in terms of infrastructure and also the increase in the population of the city which I will be bringing to Cabinet shortly which will address much more comprehensively the issue of water and sewerage inside the city such beyond this concessional agreement between Eda Ranu and the Malaysian company.

Supplementary Question

Mr GARRY JUFFA – Why can't we review the situation with our lawyers now ?If it is not in the best interest of our country why should we allow them for another five years to make money at our expense?

Mr BEN MICAH – As I have said, I am taking a much more comprehensive approach that will put this little agreement into a very micro situation. My two Governors, I am addressing it and I am sure when I bring this paper to Cabinet we will come up with a much more comprehensive solution that I believe will address that situation of the remaining balance of the concessional agreement .

Mr BIRE KIMISOPA – Thank you Mr Speaker.

My questions are directed to the former Treasurer but before I do that, let me begin by commenting on the economy.

Mr Speaker, the economy is stretched especially for the private sector. There is sufficient liquidity within the banking system and hardly any borrowing insofar as the Small Medium Enterprise is concerned.

Mr Speaker, we also put a threshold target of approximately 50000 SME's as announced by the good Minister for Trade and Industry and we started off with 4000 and the goal is to achieve 50000.

14/02

I have also taken an interest in the recent announcement that the Minister made regarding interest rates and the tied lending conditions imposed by commercial banks in Papua New Guinea.

Mr Speaker, my questions are:

(1) What is the government doing about interest rates?

Currently, charges are about 9 percent for all borrowing with shorter repayment terms. Under those conditions the SME Sector will hardly obtain credit.

(2) When should we commission our things, the half mark in terms of the huge investments that we are making into the economy?

(3) When is the appropriate time for us to commission a business impediments committee under Treasury, so that, we can look at the whole range of issues affecting small and medium enterprises in this country?

Mr Speaker, I recently launched the Micro-Credit Scheme under the NDB Micro Credit Scheme. Although the funds deposited with NDB was K1.5 million for small people to borrow two months later we have seen no one being able to borrow money because the equity requirements are still high. We have lowered the interest rates by about 6 percent but equity and management fees are still too high.

As for the commercial banks we need to critically have a look at their licenses in this country. If we are going to grow the economy of this country then the banks are the vehicles to take this country forward and that I think that this is the appropriate time to act. Therefore, my call to the Minister is to establish a business impediments committee as soon as possible to address important issues affecting the private sector, especially the SMEs.

Thank you, Mr Speaker.

Mr PATRICK PRUAITCH – I thank the Member for Goroka for his questions.

In regards to the Member's first question, Mr Speaker, we know that banks are in the private sector of business. Therefore, in terms of setting the benchmark for interest rates by law it is difficult for the government to influence. The government can only make suggestions to the bank but as for the interest rates they charge tax on commercial terms.

Regarding the second question, the Member asked on whether the Government is able to setup a commission to look at the study in terms of capturing the parameters of our economy, those god suggestions the Member has stated.

Regarding the third question; in terms of the overall responsibilities of commercial banks for giving money to the government to grow the economy. Therefore, I will take that suggestion on board. We then have further discussions in terms of whether there is a need to engage a study to look at this matter.

Thank you, Mr Speaker.

**DEPARTMENT OF THE PRIME MINISTER AND NATIONAL EXECUTIVE
COUNCIL – ANNUAL REPORTS, 2012 AND 2013 – PAPERS AND STATEMENT
MOTION TO TAKE NOTE OF THE PAPERS**

Mr PETER O'NEILL (Ialibu-Pangia – Prime Minister) – Honourable Members, pursuant to statute, I present the Annual Reports of the Department of Prime Minister and National Executive Council 2012-2013.

I ask leave of the Parliament to make a short statement in relation to the Report.

Leave granted.

Mr Speaker, I am pleased to present to this Parliament annual reports as required by law for 2012 and 2013.

Mr Speaker, there are many activities that have been undertaken by that Department in those years, and some of the achievements that are very crucial to the overall performance of our Government.

Mr Speaker, as you know, 2012 was the National Election year and it was of course a very challenging year for the Department, especially, by ensuring that a successful National Election was delivered.

15/02

Mr Speaker, Chief Secretary chaired an inter-departmental Election Committee to enable the mobilization of Public Servants throughout the country so that they can participate in the management of the elections.

Mr Speaker, the Department had to facilitate both Parliamentary briefing for all new Members who were elected as a result of that election. Right after the election of the Prime Minister, the department also facilitated 22 NEC meetings which is amongst the average number of meetings held in any non election year, which clearly shows that the Government was still functioning in 2012. While the election was continuing, Ministerial responsibilities were continued to be performed.

Mr Speaker, 2000 was the first year of implementation year and that is the choice that the department made to try and coordinate the implementation process.

Mr Speaker, some of the three priority areas were basically implementation of the National Security Policy, which has been completed, and of course the implementation of the National anti-corruption strategy and refurbishment of the Government Houses in Waigani so that we can move all the Government employees back to Waigani, these are on-going projects.

Mr Speaker, the Department is continuing to implement them under the leadership of the Chief Secretary. The Chief Secretary also established a high level of over site committee to monitor the progress of all major impact projects throughout the country. And this committee is continuing to ensure that the implementation process is maintained at an accelerated phase.

The Government also announced major travel restrictions for many of the departments including our own.

And to date, Mr Speaker, we are able to say that the overseas travel cost has reduced from K30 million a year and we anticipate that to be about K21 million by 2013. This focus will continue to be maintained so that we can have a downward trend on maintaining some cost structures for some of our department.

In 2013, we had the 27th NEC meeting and 12th NEC sub-committee meetings in the same year. We had a very solid legislative program and we have passed 22 legislation, 4 regulations, 109 statutory instruments and 20 briefing papers were presented to Cabinet and these were some of the notable achievements. So it can be seen that the number of work rate for both Parliament and our department has increased.

I am satisfied that 2012 and 2013 Reports give a true reflection of the performances of our department.

I, therefore, commend this Report to this Honourable Parliament. Thank you, Mr Speaker.

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

That the Parliament take note of the papers and the debate be deferred to a later date.

Debate adjourned.

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

16/02

**PROGRESSIVE REPORT ON THE OFFICE OF CLIMATE CHANGE AND
DEVELOPMENT AND WAY FORWARD INTO THE FUTURE –
MINISTERIAL STATEMENT – PAPER NOTED**

Mr JOHN PUNDARI (Kompam-Ambum – Minister for Environment and Conservation and Climate Change) – Thank you, Mr Speaker.

I just want to make a statement in regards to the progressive report on the Office of the Climate Change and its development, and the way forward as we see into the future.

Mr Speaker, I also take this opportunity to thank the Government and the Leader of Government Business to deliver this statement on the Floor of Parliament. I also acknowledge the Prime Minister, the Honourable Peter O’Neill, for all the support he is providing through his government, which, in itself is necessary for the political will to address climate change through the Office of Climate Change and Development.

Mr Speaker, climate change is undoubtedly the greatest challenge of our generation and that of future generations to come. Some label it as a weapon of mass destruction while powerful world leaders discuss it on equal footings as terrorism, global instability, inequality and diseases.

The effects of climate change are devastating and are real and can be felt throughout the world and in particular our home soil. As our outgoing World Bank chairman has correctly articulated in Washington recently, Papua New Guinea feels the full brunt of climate change and has the first climate change refugee in the world.

Therefore, Papua New Guinea and the rest of the Pacific Islands, in a communiqué released recently in July this year at the Pacific Islands Forum held in Palau, highlighted among others, the leaders strong political commitment to provide climate leadership that would accelerate the reduction and phasing down of greenhouse gas pollution worldwide.

As outlined in the Alotau Accord, I as the Minister for Environment and Conservation and Climate Change was directed to restructure the Department of Environment and Conservation with an emphasis on improving the capacity of the Office of Climate Change. In this regard, I am pleased to say the National Executive Council (NEC) has recently given approval to the National Climate Compatible Development Policy including the establishment and funding of overseas climate change attaches that will be co-located in our foreign missions in three strategic countries, namely; Brussels (Belgium), Seoul (South

Korea) and Washington (USA). Our PNG Climate Change Attaches will be the first ever in global history.

Mr Speaker, the approval of the National Climate Compatible Development Policy by NEC is a monumental achievement in Papua New Guinea since there currently is no policy and legal framework to govern climate change and carbon trade in general. Now that the policy has been approved with work already commencing on the Climate Change Authority Bill, as a country PNG is demonstrating to the world and more importantly to her people that we are a responsible government and we stand ready to take on new challenges and opportunities related to climate change in a globalising world.

Climate is a complex development challenge and, therefore, requires immediate policy reforms in all sectors.

Mr Speaker, in the recent Climate Summit during the margins of the United Nations General assembly, the World Bank announced that 1024 international companies will be placing a price on carbon, together with contribution to the Global Climate Fund now in access of over US\$1 billion. During the summit, a Forest Declaration was also made to signify that forests represent one of the largest most cost-effective climate solutions available today. The declaration said, ‘Action to conserve, sustainably manage and restore forests can contribute to economic growth, poverty alleviation, rule of law, food security, climate resilience and biodiversity conservation.’

Mr Speaker, the question now is; are we ready?

Mr Speaker, the answer is, yes, the government is ready, we now have a policy. We will place climate change experts in Korea, headquarter of the Green Climate Fund, Brussels, that has market access to over 500 companies that will be pricing carbon and in Washington, a hub of decision-making on climate finance matters. Together with our international efforts, we are now establishing the provincial climate change committees. We already have established six and are counting, and legislation will be ready by November to govern the Climate Change and Green Trust Fund.

17/02

Together with our international efforts we are now establishing the Provincial Climate Change Committees. We have already established six, and this should be increased.

The legislation should be ready by November to govern climate and green growth trust fund. Climate change has been caused by emissions from developed countries, growing

their economies to benefit their people with high standards of living. We are now seeing major emerging economies such as China and India increasing their emissions to a point where they are exceeding those of many developed economies.

Mr Speaker, currently Papua New Guinea contributes little towards global emissions, whether on an absolute or per capita measurement basis. It is important we understand this point and that our key climate change priority in Papua New Guinea is to ensure that our people and the environment can adapt to the challenges of climate change.

Climate change is here and we are not talking about it happening tomorrow. Reducing our emissions from the forest sector will be futile unless it is supported by international financing initiatives such as the reducing emissions from deforestation and degradation initiatives that we call the red plus.

Mr Speaker, the aim is to provide funding to landowners to manage their forest in a way that is supported with the long-term storage of carbon. As stated earlier, the NEC has approved the National Climate Compatible Development Strategy. Our main focus will be in obtaining the financial support of the global community to assist with the issues of climate change adaptation and mitigation.

As I speak, I have over 40 million worth of climate change adaptation programmes that are held in trust by development partners and I understand their constraints, therefore, the Government of Papua New Guinea will by next month consolidate its climate change and green growth trust funds to ensure speedier implementation.

Mr Speaker, the climate is changing faster than our efforts to address it. In the international context, the *Kyoto Protocol* which is a binding international agreement that Papua New Guinea is a party to expired in 2012.

Currently all countries are negotiating the elements of a new universal agreement or the *Kyoto Protocol 2* which will be signed in Paris in December 2015 and enforcement to follow soon after in the year 2020.

Mr Speaker, it was through the *Kyoto Protocol* that led Lihir Gold Mine was trading its energy carbon credits and they received additional US\$3 million in 2006 and AUS\$4.5 million in 2008. The *Kyoto Protocol* is the only international compliant market mechanism available with its carbon credits can be obtained for superior pricing and at premium market value.

For Papua New Guinea, this is an opportunity thus far in the energy sector and I would like to commend PNG Power Limited, New Britain Palm Oil Limited and Oil Search

Limited for investing into energy carbon credits through their clean energy projects. My office has issued letters of acceptance based on legal international framework administered by the clean development mechanism board based in Bonn, Germany.

I will be presenting to the NEC to seek the endorsement and approval on the National Clean Development Mechanism guidelines to increase carbon trade volumes, particularly in the energy and transport sector.

Thus far the office Climate Change and Development has supported and assisted eight carbon trade ventures through the *Kyoto Protocol*. These are; Oil Search Limited's Flare and Burnt Gas Conservation, CDM project established in its central processing facility refinery and Gobe processing facility in the Southern Highlands and Gulf respectively. The project was established to recover the associated gas from Oil Search Limited's operations in its processing plants through flare and vent reduction.

18/02

This project will contribute an estimated Emission Reduction of 674 030tCO₂e or equivalent baseline as 753 240tCo₂e.

Hargy Oil Palm Limited, Berimu Methane bio gas recovery from waste water treatment project. New Britain Palm Oil Limited five methane capture and bio gas energy generation projects in Kimbe, West New Britain Province. These projects include; Mosa POME Methane Capture Project, Kumbango POME Methane Capture Project Numundo POME Methane Capture Project, Kapiura POME Methane Capture Project and Warastone POME Methane Project.

These five projects will be using in-ground digester as the technology to capture methane biogas and generating electricity to supply its facilities and also to support the PNG Power grid in Kimbe. The project activity will produce significant positive outcomes in terms of air quality, creation of new renewable energy to supply service and water quality. There are significant positive environmental impacts associated with the project.

Mr Speaker, also, NBPOL has two other Methane Avoidance and Biogas Recovery Project in Sangara, Oro Province and Hagita, Milne Bay Province. The two CDM Projects involve moving away from the current business-as-usual scenario of dumping oil palm waste in anaerobic effluent ponds to installation of glass-infused tank for the purpose of capturing methane produced from the treatment of organic wastewater at NBPOL's existing Palm Oil Mills. The capture of methane will be used to produce renewable energy to supply NBPOL's

facilities both in Hagita and Sangara respectively and also be used to support the PNG Power Grid.

Mr Speaker, I am happy to announce that I have received notification as of 16 October 2014 from the CDM Board that in accordance with paragraph 65 of the CDM modalities and procedures, a total of 56,521 CERs will be issued to the “Mosa POME methane capture project” (5020) issuance will be on the 14 Nov 2014 to commence carbon trading. I wish to congratulate New Britain Palm Oil Limited in truly going green and implementing the Climate Compatible Development and Management Policy. Well done!

Again, Mr Speaker, I will present the National Project Guidelines on CDM so a level playing field is created for all our people and companies to participate in the Clean Development Mechanism. In comparisons, India has over 3000 CDM and only 8 in Papua New Guinea.

Mr Speaker, as for carbon trading in our forest, we are fortunate to live in a time when the global community recognises the importance of protecting biodiversity and dealing with climate change issues by establishing financing mechanisms such as the Global Environmental Facility (GEF), and the Green Climate Fund (GCF). Over the past twenty years, the GEF has contributed significant funding for biodiversity and climate change related activities.

By 2015, there will be emerging new market-based mechanism such as the REDD, Emission Trading System(ETS), Crediting Mechanisms and Bilateral Offset scheme; some of which are being already implemented in a range of developed and developing countries. Therefore, Mr Speaker, Papua New Guinea needs to strategically position itself to identify the most feasible market in order to benefit directly from the forest carbon trading and related activities.

Mr Speaker, through the coalition for Rainforest Nation (CfRN), PNG Government lobbies for support on the issue of the REDD+ which is currently one of the main agendas in the International Negotiations and is likely to be adopted in the 2015 new legal international agreement (KP 2) as one of the key strategies to reduce emissions from forestry.

19/02

Mr Speaker, from the time I became Minister for Environment and Conservation and Climate Change recently I have made it my priority to begin the process of streamlining

Papua New Guinea's international legal obligations with the domestic policy and legal framework.

With the drafting of the Climate Change Authority Bill I envisage the bill to reflect the National Climate Compatible Development Policy in harmony with other related legislation since it will dictate how the country will administer and manage domestic and international climate change issues for the benefit of the people.

Mr Speaker, I anticipate taking this bill to Cabinet in the near future before tabling it in Parliament. We were thinking November Meeting of Parliament but if things don't go according to plan, hopefully the first Meeting of Parliament next year.

It will provide legal frameworks for a long-term programme to establish and manage protected areas supported by a sustainable financing model.

As Papua New Guinea moves to become a middle income economy there is a need for a mechanism to be established to provide financing for the establishment and management of protected areas. This I say, Mr Speaker, because you and I cannot expect our landowners to set aside their land for bio-diversity protection or to reduce carbon emissions without there being any economic incentives, it will never work.

The key missing link in both the missing link in both the protected areas and climate change strategies is a sustainable financing model which requires a specific facility with its own financial governance model which can be endorsed by the international community or wins the confidence of the international as well as, may I say the domestic community for that matter.

This facility will over time deliver the sustainable income string to deliver real outcomes.

Mr Speaker, to date, with regard to climate change, the Government has displayed its strongest will in no uncertain terms by setting up the Office of Climate Change and Development.

Mr Speaker, that is a confidence booster for any of our international friends out there who would want to see the serious commitment of our government.

Mr Speaker, that was through NEC decision number 96 of 2011, developing a policy decision which was recently approved by Cabinet in NEC decision number 229 of 2014 and establishing and funding of Climate Change Attache post overseas, NEC decision number 241 of 2014.

Mr Speaker, this will ensure Papua New Guinea has consistent participation in all United Nations Framework Conventions on climate change negotiations and international meetings.

Mr Speaker, to conclude I want to state that Climate Change is regarded as a key environment and development challenge for the 21st century affecting every continent and country.

For Papua New Guinea climate change will present challenges and opportunities, however, to tap into these opportunities the necessary institutional structures that are internationally acceptable need to be put in place to access and channel international funds for climate financing and to support priority adaptation mitigation projects and programmes.

Mr Speaker, it is in this period that the Office of Climate Change and Development will continue its mandated function as we move forward into the future.

Thank you, Mr Speaker.

Mr CHARLES ABEL (Alotau – Minister for Planning) – I move –

That the Parliament take note of the paper.

Mr Speaker, firstly, I'd like to commend the good Minister for Environment and Climate Change for bringing this statement forward. And I commend him and his department and the Office of Climate Change as well for this significant progress that they appear to be making in terms of the issues that he has presented.

And we know that the good Minister, as he alluded to in his answers to questions today, is very passionate about it and he tends to talk a lot on the topic which is an indication of his passion and his sense of the importance of the issues that he is talking about.

Mr Speaker, in terms of a responsible government, I think you are aware of some of the statements that we have been making and some of the ways that our government is trying to respond to the issues that the Minister is also bringing forward.

I think as a responsible government it is important that in the planning process we understand exactly what is happening in the world today in terms of Climate Change. And we understand exactly the seriousness of some of the facts that are starting to come forward and we understand properly and truly the value of some of these environmental assets that the Minister is talking about.

And we start to make sure that our long-term plans factor in these understandings and in factoring in that we are properly responding to some of these concerns.

20/02

Mr Speaker, at the same time we need to also acknowledge that many of these things that are happening are the result of the actions of mankind that happened well before our time and indeed we are somewhat victims of these circumstances and yet we are expected to adjust our behaviour when we were not really responsible to many of these things that have happened.

In understanding that, unfortunately, we still have to respond to them but at the same time, we need the international community to understand that they very much have an obligation, if they expect us to change our behaviour. And so whilst we acknowledge the changes that are required to be made, we also very understand about our development aspirations and the need that we have and we to continue to capitalise and develop our economy. So there has to be a commercial basis for all these.

What the Minister is saying may sound complex to us in terms of climate change and all the complicated mechanisms but at the heart of it is the very important need to come up with mechanisms whereby the international community can help us to commercialise these new type of economy. When we are comparing the basic industries that we have continued to rely on for a long time like basic logging and selling of our logs, it is often difficult to argue in terms of the new way forward or the new economy when you are comparing the simple dollars for a cubic metre of log against complicated things like carbon credit. So whilst to many the language that is coming forward still remains complicated but at the heart of it is the need to support measures like the Office of Climate Change is doing such that we give our custodians of the forest and our landowners and our country a commercial means to incentivize this new type of economy .

Mr Speaker, tomorrow, I will be tabling a strategy for responsible sustainable development that was launched by the Prime Minister in Milne Bay and I will talk more on how our government is trying to adjust its long term plan to some of these imperatives that are coming forward and are apparent in the international community. But it not only relates to the forest asset but to many of our strategic assets that we need to properly manage if we are going to be truly strategic and position ourselves for a sustainable future. Much of our behaviour at the moment, in the same manner as how we treat our forest, fish and our

environment in general, is very short term thinking and what we are doing is basically killing the golden goose and we are doing a lot of destructive type of activities for the sake of getting the money today and we are having parties today and there is little consideration in terms of what is happening globally and how we should be responding to create a proper platform for the future.

What the Minister is trying to progress here is very important, especially the various initiatives he has taken through his office and how it fits into the broader context of how we as a responsible government are taking measures to create that long term sustainable future.

Mr Speaker, the forest Minister, Fisheries Minister and the Prime Minister have been talking and we have to address it holistically, through population and through the strategic efforts. These include our mineral and things like the Sovereign Wealth Fund, or the fiscal regime around the mineral project like OK Tedi where we learnt from that environmental disaster or Bougainville where we learnt from the land owner experiences. In both cases, we have to structure the ownership of these resources and how we also restructure the whole fiscal regime so that it is more beneficial to our country and landowners rather than to the foreign investors. These statements may have been said many times in Parliament but this strategy we are bringing reflects this new type of understanding and consciousness about the way Papua New Guinea should design its way forward and it should not beholden to necessarily to way things were done in the past or the way foreign investors want things to be done.

We have to take control of these strategic assets which very much includes the minerals, the sovereign Wealth Fund and the new fiscal regime and the way we handle all our strategic assets, including forests is critical for a proper sustainable future because these assets are worth much more than just a round log, the cubic metre. There is a biodiversity, there is a carbon credit and there is a cultural value and all of that is intrinsic to a forest; it is not just a tree that one is looking at when one looks at the forest. The world is changing and the world is seeing that and if we are truly going to capture the value of the forest we need to support these kinds of mechanisms that the Office of Climate Change is doing.

I commend the Minister; it is part of a broader approach from our Government, we want to stop and ban the export of round logs but in a manner that is commercial. We want to stop the transshipping of tuna, we want to stop the wholesale extraction and exploitation of our whole natural resources in a manner that is not giving us full value and not sustainable. As a smart country with all these relative resources intact, we need to take measures now that lay

this proper sustainable but also commercial foundation going into the future. If the world wants oxygen and forest, it has to pay for them because they are going to breathe this air, aren't they?

21/02

It benefits everybody. It creates this climate mitigation and this oasis that the world will rely on so there is a price to it because our people also need development. We want our forests but we also want development. I commend the Minister and I think it is all part of this broader strategy and, as a Government, we stand united with him and his agencies and we commend him for the good effort that he is doing. I will speak more on some of the other aspects of our government's strategy for responsible sustainable development when I present the paper on the Floor of Parliament tomorrow.

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

I would like to join our Planning Minister in terms of giving some thought to this new Environmental Policy.

First of all, I commend the Minister for Environment and Conservation, John Pundari, on this initiative.

Mr Speaker, it is our moral obligation to protect our environment. When we start breaking that equilibrium that is when we start causing all these natural disaster. A volcano will not erupt without cause nor will an earthquake come unless there is disturbance caused by mankind that directly affects the environment. West New Britain is the first province in terms of generating forest revenue, I was surprised when the Forest Minister gave the data that West New Britain was the first in terms of forest industry, especially in terms of log export and timber sales.

Mr Speaker, recently, I visited one of the Gasmot LLG in Kandrian Gloucester district. I have seen a lot of forest activities in very remote and areas and even we do not have the capacity to monitor these logging activities. As a matter of fact, we are not even sure how this company started operations in the province and there is no office or officer from the Department of Environment and Conservation to monitor their operations. There is a huge wipe out of logs from these remote places and we do not have the capacity to monitor.

Mr Speaker, logs worth millions of kina are leaving our shores but there is nothing to show for. But the pity is, I have to regrettably admit, when I spoke to the people they seem to

appreciate the presence of the forest companies. The people say because of these companies, they have some form of development like roads but my concern is once these companies leave when their licence expires, in the next five to ten years, there is no other plan to maintain those infrastructure facilities, unless we give importance to that issue. With the kind of revenue that West New Britain has generated in the country through this industry as stated by the Minister for Forest there is more than K30 million available and I would appeal to the Minister and those responsible to spend the money wisely in terms of creating infrastructure.

22/02

We should promote power generation using clean energy, which is also renewable.

Mr Speaker, West New Britain would be more than happy to take over the entire power operation. The power generated by PNG Power is only within Kimbe town and for those people who live outside the 10km radius of Kimbe town they do not have access to power.

Therefore, we are truly ready to take over and if the Minister for State Enterprises was here I would put that appeal to him. We are ready to take over power generation in partnership with our two companies already existing in the province together with the provincial government.

Mr Speaker, we are so confident that if we were to be given the opportunity we would then bring power throughout the entire province using this renewable energy.

Mr Speaker, we are also so confident that we can even bring 100 percent power generated through renewable energy aided through methane gas plants or any other renewable source like hydro power. This is because we do have the potential of developing another 50 Mw plant in Biialla.

Mr Speaker, right now it is producing less than 1 MW whereas its capacity is high.

Mr Speaker, the Minister rightly stated and the Planning Minister also mentioned that this is a global phenomenon. We have to look at how we can sustainably develop our power through hydro and methane gas plants.

Mr Speaker, West New Britain also has another available resource which is the geothermal energy, which we have the capacity to produce up to 100 MW.

Mr Speaker, in Australia, the big companies like BHP Billiton and the many other mining giants are going all the way to Iceland for their smelting plants. Imagine if we could develop these renewable energy sources like hydro and geothermal plants then instead of

their ships going all the way to Iceland they could just come to Papua New Guinea, which is relatively much closer to smelt their ores or minerals. That will create a lot of employment potential or employment generation within our country.

I would truly support the Minister's initiative to promote, especially when he mentioned about these environmental attaches to position them in Korea, Belgium and other foreign countries to promote and make this climate financing available for Papua New Guinea.

This is because as the Planning Minister mentioned, there are a lot of funds that are internationally available. They are keyed to support countries which are agreeing to produce renewable energy and to protect our forests. This is because we have to create a sustainable future for our generations.

Thank you, Mr Speaker.

Mr JAMES MARAPE (Tari-Pori – Minister for Finance) – Thank you, Mr Speaker.

I, too, would like to join in the debate taking queue from the statement made by a good Minister.

Firstly, let commend the Minister for taking astute leadership in this sector of environment and the climate change sector.

Mr Speaker, we live in a time where environmental consciousness is great and that words like; sustainable development, climate change and environment conservation has become the buzz word in many forums domestically and internationally. We have, therefore, seen a Minister who has come on board and really taken this portfolio and ministry close to his heart, and he is now commencing some of his work with progress. Therefore, I would like to commend the Minister for the work that he is doing and the patience that he seems to be displaying for this sector.

I am by choice a person who has the environment close to my heart.

Mr Speaker, before I continue, I would like say that I am not only making my statement as a government Minister but also as a leader of the country from a personal perspective. This is so that some of the statement that I am making might go hard against the grain with one or two international observers present here today.

Therefore, I am putting on record my non-apology for the type of statement that I will be making today in regards to climate change.

Mr Speaker, for a start, our industries like West New Britain Palm Oil, Oil Search operations in the Kutubu oil fields and Hides gas fields, our industries in this country contributes minimally to the entire global stock effect on climate change. That is something that we must also acknowledge, and that is, we cause minimal effects on the issue called climate change.

Mr Speaker, since the Kyoto Protocol, and the Environment Minister will also be aware that many of these industrialist nations –

The money should be used in those affected logging areas to build or maintain the infrastructures like roads such as the missing link of Kimbe to Kandrian Gloucester road. That will bring some meaningful changes after all the destruction of the forest.

Mr Speaker, we want to develop Oil Palm but not at the expense of destroying forests. We are so fortunate we have all the natural resources where as in the developed world we only see concrete. I wish our government continues to promote sustainable development not like in developed countries where people create artificial waterfalls and facilities which we are naturally blessed with and can positively promote for tourism development.

Mr Speaker, the other important point raised by the Minister is the Clean Development Mechanism project whereby New Britain Palm Oil and Haggly has started their first methane capture plant.

Mr Speaker, instead of dumping these oil palm waste, they capture the methane gas and use it to burn a special generator to produce electricity and this supports PNG Power. I would also appeal to the Government that we should promote this power generation using the clean energy which is renewable energy.

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Mr Speaker, the Minister for Environment and Conservation will know that many of these industrial nations have really not lift the game in as far as showing their commitment towards climate change and the principles they signed off for in the Kyoto meetings.

Mr Speaker, every forum we all talk about sustainable development policy and policy on climate change and et cetera.

You should see small Island nations today. In our own country you see Mortlock Island and some other smaller Islands within our country. But many of the small Island countries in the South Pacific are paying huge sums of money for climate change.

Who caused climate change in the first instances? Mr Speaker, is it our brothers in Nauru, Kiribati or our sisters in Palau or our poor Mortlock Islanders or Vuvulu Islanders or Duke of York.

In the entire context of climate change, the point is that they must come out and show serious commitment to many of the agreements and pledges that they have signed. We have seen countries around us withdrawn. Instead of sanctioning decline in carbon emission, they allowing for coal production increase and industries continue on emitting carbon monoxide out into the atmosphere all the time in increasing volume.

Mr Speaker, as an individual, I want to balance my views on environmental conservation by conserving the huge biodiversity we have in this country. In fact, we have 7 to 8 percent of the world's biodiversity.

Our rainforest is second largest undisturbed rainforest in the world second to the Amazon and the South American tropical rainforest. Whilst we intend to balance the need to preserve and conserve; I can not sit back and see an industrialised nation coming to us and telling us to conserve. Someone has to pay for the carbon we have in this country and that's the point. You want me to conserve then you must pay before I conserve. I can not pay, we cannot be the factory of the entire world at your expense whilst you continue to industrialise.

Mr Speaker, now they want us to preserve. We all need to rally behind our Minister for Environment and Conservation and sound the voice greater because everyone knows, that PNG has these volumes of rainforest that need to be preserved. There are few honest environmentalist and NGOs who are talking from the perspective of conservation, biodiversity and sustainable development.

The effect of change and damage to the environment will face directly into the face of humanity 10 to 15 years from now in the global village that we live.

If I want to balance my views on conservations and biodiversity, I must balance the views purely based on PNG agenda and not from outside. Whoever causes the damage must pay for the action he has contributed to the global decline in environment and harmony that had existed before.

Whilst we try to balance the need for contribution to climate change; let me express my dissatisfaction whilst I have this.

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I would like to put on record my total dissatisfaction as an individual for industrialised nations to continue to increase because of their economic greed. They continue to increase their activities that contribute towards the imbalance in the global climate that we are experiencing today, and they come to nations who have large chunks of rainforests and forests that have not yet been disturbed, and coming to us to tell us to reserve them.

Now, they have been talking about the climate change economy and the money that is involved in this sector for a long time now, and some people in our nation are bordering on issues relating to cargo cults. Some of our people think that a large patch of rainforest will equal to large sums of money. It is a common sight to see these people congregating in public places like in Boroko and telling each other that money will fall from the sky. Therefore, this climate change issue has almost progressed into some sort of cargo cult.

I, therefore, believe that we need to help our people understand this issue properly. We need to get behind our Climate Change Minister for him to progress this policy in order to establish a way forward for us. If there is a possibility for us monetising the assets that we have in our country then the monetising of these assets must be clearly put to us.

Mr Speaker, I guess that I am only expressing my frustration against the many Western Nations and industrialised nations since the *Kyoto Protocol*. They all signed up for the *Kyoto Protocol* yet, they have paid lip service only to the principal issues that they have signed up for. And many of them have continued to increase emission into the atmosphere in great volume and in fact, none of them have decreased their emissions. Yet, they expect third nations and progressing economies like us to talk about sustainable development, preservation, conservation, clear felling of forests and for some of us, this really borders on Hypocrisy.

They should allow governments like us to develop our own policies on climate change based on our need in-country. Not based on an agenda that is driven by people who do not honour their commitments as far as environmental preservation and climate change issues are concerned.

Thank you, Mr Speaker.

Mr KELLY NARU (Morobe) – Thank you, Mr Speaker.

I also would like to take this opportunity to join in this debate following the presentation of the paper by the Honourable Minister for Environment and Conservation and Climate Change.

Mr Speaker, firstly, I would like to commend the Minister on the good paper that he has presented. I also would like to commend my colleagues for the eloquent presentations that they have expressed in their various remarks through the Ministers for Finance, Planning and the Governor for West New Britain.

I, for one would like to endorse the various remarks that they have made and also, I would like to add on a couple of my own for this Parliament's record following the Minister's presentation.

Mr Speaker, from the Minister's presentation, there is a statement in the Minister's presentation on page 5, which states and I quote, '*climate is changing faster than our efforts to address it.*'

That is indeed very realistic and true, and of course it is inevitable in so far as the livelihoods of our people are concerned, especially in our maritime provinces. Morobe for one is definitely being affected especially the low lying islands.

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I am sure the people in Bougainville, Milne Bay and the other maritime provinces are being affected.

Through the Minister for Environment and Conservation, we have some practical concerns that we have to address, whilst the policy and the legislation is being progressed and legislated to address this issue. So far as my province is concerned, there are a couple of low lying islands which are on the verge of sinking and I have begun negotiations with my respective MPs like the Honourable Member for Finchaffen, the good Speaker, in relation to a particular island called Tami island in Finchaffen and also another low lying island in Siassi, both are along the Huon coast of Morobe.

Mr Speaker, my point is that the Government needs to put in place an immediate transitional strategy for us to address this inevitable impact, effects and consequences of climate change that is going to occur on the lives of our people whether we like it or not.

And in this regard for instance in my province, I have taken the liberty of educating our people in Finchhaffen, particularly on the mainland; to get them to understand that sooner

or later, Tami Island is going to go down and we will need to move our brothers and sisters from the island to the mainland and resettle them there.

That will require co-operation from the landowners on the mainland, in terms of them giving up their land and assisting in the resettlement of the islanders. I would encourage a programme from office of Environment and Conservation or working in conjunction with other Government Departments and Ministries to set up an interim transitional program where we can actually cater for this programme to roll whilst we are addressing the long term policy and legislative frame work.

Mr Speaker, as I speak, my people in Tami island are going down and I need the Government's assistance to immediately put in place a programme whereby we can address this issue because that is directly real and eminent. The island is inevitably going to go down. That is the concern I want to raise for the Government to take note.

We will put money through the Provincial Government budget for next year to roll out this programme to assist these affected islanders but it would be helpful and we would be grateful if the Governor can also appreciate this position that our people are placed in and put in funds and programs to assist our people.

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Having said that, the only other point that I was going to contribute to in terms of this paper is the issue of plastics.

Mr Speaker, to the honourable Minister, the problem of plastic wastes is becoming a mega concern for our country.

Every retailer, street seller and every major centre and city in this country that you visit have this problem of plastic and plastic rubbish or plastic products contributing to rubbish and pollution of our seashores, drains and waterways and so on.

We really need to address this issue of this item of commerce. Plastic is useful in one sense in a lot of our daily lives but at the same time we have to understand that this is something that is not easily biodegradable. It does not mix into the soil easily once it is thrown away as rubbish. That is why we must put in an effort where we can address this issue of plastics. Every time we go to the shops or markets we come out with plastics.

I think some time back some government effort was put into the issue of plastics and then we were talking in terms of bringing in papers which are more easily biodegradable or,

if not, the traditional bilums that we carry around for the purposes of shopping and all those things but I don't know where these has all gone to now.

My concern to the Minister for Environment and Conservation is, maybe we can come up with a solid strategy to address the issue of plastics as a non-biodegradable component of our wastes and address it properly once and for all. It will greatly assist if we can address it in our own small way in our family environment and also in our towns and cities throughout the nation.

Other than that, it is a very good paper and we support you all the way in your efforts in addressing some of the issues that you have raised. And off course, we look forward to the other meetings through the honourable Minister for Planning and the maritime governors, but thank you once again for a very good paper.

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

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

ADJOURNMENT

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

That the Parliament do now adjourn.

The Parliament adjourned at 3.05 p.m..