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**LEE SIROTE**  
Acting Principal Parliamentary Reporter

**SECOND DAY**

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**Wednesday 11 February 2015**

**DRAFT HANSARD**

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## SECOND DAY

**Wednesday 11 February 2015**

The Speaker (**Mr Theo 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.

The Speaker again took the Chair at 10.50 a.m., and invited the Governor for Central, Honourable **Kila Haoda**, to say Prayers:

‘Siahu bona helaga Diravana matamana bona dokona. Inai Parliament lalonai bavarai Prime Minister bona Speaker, Ministers, Governors bona Members of Parliament ame namodia siahu dia.

Emai ebou lalonai, emai laloda, emai gaukara iboudiai bai e lou emu taunima nima badina elksen ai oi ese oato mai vareai. Oi ese boma heiri enai Parliament avareai. Emai service delivery gaukara baia kara mai kudomai iboudia elabona anai anai. Amen’

## MOTION BY LEAVE

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

Leave granted.

**SUSPENSION OF STANDING ORDERS –  
REARRANGEMENT OF BUSINESS**

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

That so much of the *Standing Orders* be suspended as would prevent the Parliament from proceeding with the Election of the Deputy Speaker.

**ELECTION OF THE DEPUTY SPEAKER**

**Mr MAO ZEMIN** - I nominate the Member for South Fly, Honourable Aide Ganasi.

**Mr ANO PALA** – I second the nomination.

**Mr AIDE GANASI** – Mr Speaker, I accept the nomination.

**Mr SAM BASIL** - I nominate the Member for Talasea.

**Mr FRANCIS MARUS** – Mr Speaker, I decline the nomination.

**Mr JAMES MARAPE** - I move that the nomination be closed.

**Mr SPEAKER** – Honourable Members, at the close of nomination I now declare that the Member proposed Honourable Aide Ganasi, Member for South Fly, is now the elected the Deputy Speaker. Congratulations!

**QUESTIONS**

**Mr TITUS PHILEMON** – Thank you, Mr Speaker, I direct my questions to the Minister for Public Enterprise and State Investment.

In today's *The National* newspaper Siam Darby, the company that has taken over the New Britain Oil Palm, talked about reducing its period for shareholders to the end of February 2015. Siam Darby has made a cash offer for all of Kulim New Britain Oil Palm at K28.79 per share.

My questions are:

- (1) Will these affect the PNG ownership through IPBC of New Britain Oil Palm?
- (2) How will it affect the Milne Bay and Oro Provincial Governments share held by IPBC?

**02/02**

The Governor of Oro and I have been asking about our provincial governments' share since 2012 and when will they get transferred to our respective provincial governments from IPBC?

**Mr BEN MICAH** – Thank you, Mr Speaker. I thank the Governor of Milne Bay for his questions on this very important transaction which is now taking place with regards to one of our largest fully vertically integrated company that is producing its own seed, planting, cultivating and harvesting its own land and processing and refining oil palm.

This company, as we all know, was started by Harrisons and Crossfields in the 1960s in West New Britain and then over the last 50 years it has expanded into provinces such as Milne Bay, Oro, New Ireland, and by acquiring Ramu Sugar it went into Morobe and Madang provinces and it is also in the Solomon Islands.

It is a very large and important company that has a very big impact in the agricultural sector. I think it is the largest fully integrated agriculture company which I fully integrated and has a substantive impact on foreign exchange earnings of our country.

This company has oil palm companies and mills based in six locations. As I have said, it owns and operates its own refinery, it owns Ramu Sugar, the only sugar producer in the country and owns and operates the largest beef production which is Ramu Beef but it also has Numundo Beef in West New Britain. It also has its own high quality high yield seed production facility in Dami at West New Britain.

Yes, this company has changed hands several times from Harrisons and Crossfield, got listed in the London Stock Exchange and about 27 per cent of shares are held by people who obtained shares through the stock exchange in London and also in Port Moresby.

There are 20 large shareholders including Kulim, a Malaysian company which has held 48.7 per cent of shares over the last 15 or 20 years. It has made its intention known to sell its shares last year and then Sime Darby which is one of the largest fully integrated companies in South East Asia which also has plantations in Africa made a bid and took over Kulim's shares.

At the same time it initiated discussions with the State through IPBC which owns 3.6 per cent of shares and also with the West New Britain Provincial Government which is the largest local shareholder with eight per cent of shares and we were negotiating through the Port Moresby Stock Exchange.

But apparently, I think seven other large companies jumped on the bandwagon and tried to make their bids also and that is why Sime Darby went to the London Stock Exchange and made a bid to acquire the balance of the shares not held by Kulim. The London Stock Exchange approved their bid and therefore other shareholders such as West New Britain Palm Oil, NasFund, IPBC and other local shareholders which in total hold up to 15-18 per cent of shares, have been made an offer that is difficult to refuse.

### **03/02**

They are offering a share price now which is about British seven pounds selling or equivalent to K28.00 per share and that is a 85 per cent increase in the shares.

Mr Speaker, so it looks like IPBC a shareholder of 3 percent has made a recommendation to me as the minister responsible to seek the approval from the Government to sell the 3 percent which will amount to about K34 million worth of shares. The West New Britain Government will decide for them but the good news for the Governors of Oro, Milne Bay, New Ireland, Madang, Morobe and other provinces where these plantations are located is that the Prime Minister's letter of approval to Sime Darby has a condition that after we sell these shares it is good for them to sell back 30 percent of the new company to the State at a discounted price.

Therefore, even though we will be selling the premium of our current shares, we will be offered again new shares of up to 30 percent, which we will be negotiating the entry price with Sime Darby.

Mr Speaker, Sime Darby has advised both the London Stock Exchange and Port Moresby Stock Exchange that it wishes to de-list and I think that this is the case as well with POMSOX.

Mr Speaker, it will now be trading as a private company and, therefore, we will be doing these negotiations after these transactions go through with Sime Darby with the possibility of acquiring up to 30 percent of shares. Therefore, the National Government can then negotiate with all other provinces that now have oil palm and cattle that is being run by New Britain Palm Oil LTD in their provinces.

Therefore, I would like to assure the Governor that in my submission that I will be undertaking now, we will lock in these arrangements in terms of the new arrangements to get extra equity in this company.

Mr Speaker, in summary, yes, we will sell at a premium and we have got the opportunity for a second bite of the cherry in this company. Therefore, we look forward to Sime Darby in bringing more capital to expand oil palm on top of the existing plantations into other provinces and extend its holdings. And we believe that the fully integrated business of oil palm will now be reinvigorated by Sime Darby. Also, we will make sure that we continue to hold the value and investment in this very iconic company in our country.

Thank you, Mr Speaker.

**Dr ALLAN MARAT** – Thank you, Mr Speaker.

My questions are directed to the Minister for Higher Education/Research, Science and Technology, and I would like the Minister for Public Service to also take note.

Mr Speaker, it goes without saying that nepotism in any institution of higher learning has more negatives about it than positives. Nepotism stultifies growth in many ways seen and unseen, and gravely affects the morale of very long serving staff and recently appointed staff, and the standards generally.

My questions are:

(1) What is the Minister doing about nepotism which is life at the Papua New Guinea University of Natural Resources and Environment at Vudal, which is rife?

(2) What is the Minister doing about the fact that the current acting registrar of the university is the spouse of the vice chancellor, and the fact that all heads of the various major decision making divisions are immediately below the vice chancellor and registrar's positions and are from the same province as the vice chancellor?

**04/02**

As if that is not enough;

(3) What is the Minister doing about the flagrant abuse of the Human Resource Management Regulations and General Orders which require a staff of the University to work at the University for at least two years before being considered for a scholarship award for training overseas?

(4). What is the Minister doing about the fact that the daughter of the Vice Chancellor who had just started at the University and only in a matter of weeks was given a scholarship for post graduate training in South Korea on full salary by the University?

As if that is still not enough nepotism in the University;

(5) What is the Minister doing about the Headmistress of the University's Honey Bee Play and Elementary School who is the mother of the Acting Registrar, who is the wife of the Vice Chancellor and therefore is the Vice Chancellors Mother in-law?

Mr Speaker, the Minister probably knows that the Headmistress is on a good University salary and she has been provided a good house by the University while some staff sleeping in dilapidated University accommodation and in open nurseries feeding mosquitoes.

Mr Speaker, one cannot help thinking that the University is a family University and not a public institution as it was under the former Vice Chancellor, Dr Walter Wong.

(6) What is the Minister doing about the University continuously purchasing brand new vehicles like the Toyota Landcruisers allegedly on official quotation from Ela Motors but in fact from a certain car dealer in Port Moresby under some kind of trade off?

(7) What is the Minister doing about certain close allies of the Chief Executive Officer of the University driving around in private plated tinted University vehicles?



A team of Government auditors assigned to audit the University's accounts were paid K100 000 the down payment of which was channelled through a Waigani based Bamur and Company Limited, purportedly owned by the leader of the Government Audit team.

(8) Would it not be correct to assume that as a State agency the Auditor-General's Office has its own budget to undertake amongst other tasks audits?

(9) What is the Minister doing about the Nambawan Super and Nasfund entitlements for staffs of the University? The employees contribution have not been paid for a few years now since the Staff Association of the University was disbanded few years back by the current CEO and such the staff do not have a voice at all.

Mr Speaker, procurement processes are very important for transparency, accountability, integrity and quality of products sought to be procured.

(10) Can the Minister inform this Parliament why is it that only AP Engineering, an Asian owned company, has been continuously given building contracts at the Vudal Campus, the Popondetta Campus, the Kavieng Campus National Fisheries College and the Bainik Campus?

Staff morale and standards at the Vudal University of Natural Resource and Environment are fast falling.

(11) What is the Minister doing to salvage the situation and restore staff morale and standards that once made Vudal University the pride of the nation?

**Mr MALAKAI TABAR** – Mr Speaker, I thank the Honourable Member for Rabaul for his series of questions. I would like to ask him to facilitate them to me in writing so that I can give him a detailed response.

Yes, Cabinet is aware of the issues and Higher Education steps have been taken. The Honourable Member raised the same series of questions last year on the same institution.

Mr Speaker, we have taken all the issues into consideration and there has been some work done and I will forward the Member a very detailed response.

**05/02**

**Mr NIXON MANGAPE** – Thank you, Mr Speaker, for recognising the people of Laiagap-Pogera.

My question goes to the Minister for Petroleum and Energy, Honourable Nixon Duban. My questions are in relation to a an article in the *Post-Courier* on page 19 published on 9 February 2015 in relation to mismanagement of funds earmarked for Konebada Petroleum Park.

(1) Can the Minister for Petroleum and Energy inform this Parliament why the recommendations by the Public Accounts Committee in 2010 under the Chairmanship of Timothy Bonga which recommended for investigations and arrest of persons implicated over the misuse of funds for the development of the Konebada Petroleum Park were not brought before the law to face criminal charges and be prosecuted?

The same report recommended for the removal of incumbent Secretary of Department of Petroleum and Energy who was labelled as incompetent.

(2) Why is this highly implicated person in theft of public funds allowed to remain in Office?

Some people have used the Petroleum Park as a very good reason to steal tens and hundreds of millions from the State.

(3) When will this so- called Konebada Petroleum Park be developed and does the Minister have a plan for this development?

This is because the honourable Members of this Parliament must know how our own cash will be utilised to support and grow our industries and businesses in PNG.

I understand that after the 2010 Report, K50 million was allocated to the Konebada Petroleum Park Authority and more funds in millions were allocated in subsequent years.

(4) Can the Minister advice what projects or constructions were built by KPPA?

(5) Can the Minister implement the 2010 PAC Report by removing officers implicated in the report including the Secretary and also allow Police to arrest and charge those who were involved in abuse and misappropriation of development funds?

**Mr NIXON DUBAN** – Thankyou, Mr Speaker. I thank the Member for Laiagap Pogera for his series of questions. On Monday, I mentioned about the issues of Konebada Petroleum Park and this is in light of the current interest by the Petro Chemical companies who are vying to use the Park for Petrochemical purposes and downstream processing. The issue in relation to the PAC Report was raised to me by the Media fraternity because of non-action by the department.

As far as I understand this issue was raised to PAC during Sir Moi Awei's time as Minister and those issues were dealt with by the PAC who had the mandate to deliberate on those matters and the recommendations by PAC within the meaning of law and had the power to refer those who are implicated for purposes of prosecution.

In terms of the park, it has been given some level of prominence.

Mr Speaker, it has now been given a new program which will now see demarcation and subdivision of land that will be allocated for purposes of downstream processing.

Mr Speaker, I want to advise Parliament that a couple of petrochemical companies have shown interest to set up at the plant site and they have been invited to sign an MOU, one of which is a Japanese International Petrochemical company. We have signed an MOU as per discussions with the Prime Minister of Japan and our Prime Minister and those initiatives are well on track. As a result of those MOU, we are doing a feasibility study to house that petrochemical plant and at the same time there is more interest in also looking at other petrochemical companies who are also interested in capitalising all our domestic market obligations which the state has committed in recent times.

**06/02**

And it is not by law but an exceptional provision that can be negotiated up to 15 per cent, so most petro-chemical companies coming into this country to find cheap gas are in need of an industrial hub.

Mr Speaker, that particular area has been recommended as the most preferred industrial hub for these petro-chemical companies. Meantime the petro-chemical companies who have approached the department cannot access current gas availability because of the pre-sold contractual arrangements and that's why DMO concept will be utilised.

Mr Speaker, in today's paper I have instructed the park to be put on notice for the policy development of the domestic gas reservations, which is a new concept again to complement DMO.

Mr Speaker, Konebada Park is an industrial park which will house a lot of downstream processing activities. But we can only develop the park if we have access to cheap gas which is not possible at this point in time. We are hoping that we will open up opportunities when we

have unconventional hydrocarbon so the park will have access to cheaper gas so more petro-chemical companies can have access to gas.

Mr Speaker, the park is not lying dormant at this point in time, but it is in an active process and has been given an opportunity to be re-assessed so in the next couple of months some announcements will be made. We are also looking at power generations and those are some of the plans that have come before me.

There are some issues about the reports which are before PAC but let me assure the Member for Lagaip-Pogera that PAC is an independent body, and if you find problems with certain departments or officers, then the PAC has the mandate to make proper recommendation for purposes of prosecution.

### **Supplementary Question**

**Mr SAM BASIL** – Mr Speaker, I was also part of the PAC when we enquired into the Konebada Petroleum Park. The reasons why this case was never brought forward was because Ministers and important people were implicated.

Can the Minister assure this Parliament and the people of PNG that he can push this case forward?

As far as we know, the buck stops with the Minister and they have kept the lid tight on this matter.

**Mr DIXON DUBAN** – I thank the Member for Bulolo and Deputy Opposition Leader. As I have alluded to Parliament, yes, issues of corruptions are there which in your view may require additional intervention, but let me state that PAC is also the mandated authority that has the powers to execute whatever recommendations made and it is in their interest that if they see that it needs to be addressed by another higher authority then we will talk to the chairman.

But in the meantime we are not trying to cover up for any particular person. And the report has been given to PAC to consider and take the next course of action for the good of this country.

**Mr KERENGA KUA** – Thank you Mr Speaker, I want to direct my question to the Minister for Petroleum and Energy, since he touched on the question of domestic market provisioning of locally produced LNG.

**07/02**

Presently there is no provision in any of the gas agreements for reservations for domestic market requirement. I am happy to hear that he is referring to the Stanley Gas Project, which is the agreement that's been signed making a provision of about 15 per cent of production to be diverted to domestic requirement.

But my concern is whether that alone is sufficient for this country. When you make reservations for domestic market requirements, you must immediately have the a special pricing formula built into that agreement. Without it; which is the case now; you will still be buying locally produced gas at international market prices.

While you're in the process of negotiating with the developer, you have to negotiate two things; a percentage requirement to be reserved for domestic needs and a pricing formula which is advantageous to this country. It is going to be about 15-25 per cent below the international gas prices. Then it becomes meaningful.

My questions are as follows.

(1) Do you have an advantageous pricing formula in the Stanley Gas Agreement for the reservation you have made for domestic consumption?

If you don't, the next opportunity you have is in the upcoming Antelope Gas Project and the Piniang Gas Project.

(2) Do you have the courage and conviction to; while asking for domestic market reservation in the next two gas agreements for a pricing formula that is advantageous to Papua New Guinea below international market prices to be locked in at the signing of the gas agreement?

Otherwise, we will continue to buy locally produced gas at international prices and it makes no difference to this country who is a producer of raw gas. We got to use the opportunity that is available now to look at this and see whether you are actually going to do that with the next two projects is what we need to know.

We need to lock in discounted prices well below international prices so that we can revolutionise the country through industrialisation by providing cheap energy.

(3) Does the Minister have a definite plan to lock in a formula for reduced pricing for gas that is reserved for domestic use?

**Mr NIXON DUBAN** –The DMOA is now becoming the catch of the industry and we are proud that the Members of Parliament are taking part in those discussions.

I made comparisons to the LNG project and if we were smarter before we would have done more for the LNG project. It is because of that I want to thank the Prime Minister for taking the initiative to ensure that it happens and this is a concern that is being powered by the Government and we are proud and talking about the DMO.

It is good to see MPs and learned individuals taking part. The DMO must be an essential part of the project. The people of Papua New Guinea and the state must have access to the gas that is being produced. Fifteen per cent is the proposed figure and we are also mindful of the fact that the project economies must also be worked out before we agree on a percentage.

We do not just propose but when we secure the 15 per cent that has to come before the control of the Government of Papua New Guinea. Then the pricing issue must be discussed. When we do not have control over the percentage; it is unwise to try and dictate to the investors as to what should be the pricing formula that should be agreed on.

On many of those issues the state is empowered by the state negotiating team to discuss a pricing formula that is relevant to the needs of this country and I want to assure the Member that Stanley Gas is a new chapter in the industry that we have strongly argued and secured 15 per cent. This was never done before in the history of Papua New Guinea.

If you refer to the Elk/Antelope, my discussions with the operator showed that they are also bit reserved on those propositions because when we say 15 per cent of Elk/Antelope, you are referring to big volumes, we must have proper plans for the utilisation of those gas

**08/02**

So, the economics again must come into play and I am very sure that the State has the capacity to negotiate the best for us and I want to assure the Minister that we are mindful of the sentiments that he has expressed.

I want to assure the Member that the issue that he raised in relation to the pricing is a sensitive issue and we are mindful of the returns of those decisions and the State is committed that we get a good benefit out of these discussions. Thank you, Mr Speaker.

**Mr GARRY JUFFA** – Thank you, Mr Speaker, I have to excuse myself because I cannot hear anything or the machine.

My questions are directed to the Minister for Treasury through you. Recently, I met with executives of Internal Revenue Commission who informed me that they had made a submission to Treasury for the reduction of taxes paid by Papua New Guineans on their income to be reduced from the threshold of 35 percent to 20 percent. Some advisor in that organization refused to entertain that submission and has said that it is not necessary.

My questions are as follows;

Firstly, could you find out if that is the case and inform us? This is an opportunity for us to reduce taxes of Papua New Guineans who are feeling the pinch of the growing cost of living in this country.

Secondly, I would also like to ask when can we have the results of the Tax Review Committee Tabled or is there any indication of that committee completing its work?

It has been going on for so long time and I understand that there are certain individuals in there are continuing to look at how to extend the work of that committee work without delivering the results.

Thank you.

**Mr PATRICK PRUAITCH** – Thank you, Mr Speaker.

Mr Speaker, to directly answer the questions of the Honourable Governor of Oro, I am not aware of any attempts made to my office for a proposal to decrease the tax threshold from 35 percent to 20 percent but I will take his question and endeavor to find out and report back. I think

that part of that exercise is basically awaiting the Report of the Tax Review and I believe that part of that work is to do with the Tax Review so when they have completed their study they will cover it and submit to me and I will present it to Cabinet and to the Parliament.

I assure the Honorable Governor that when I find out I will bring the answers to his questions to the Parliament. Thank you.

**Mr JAMES GAU** – Thank you, Mr Speaker. My question is directed to the Justice Minister and Attorney General and former Minister for Foreign Affairs.

My questions are:

(1) Can the Justice Minister and Attorney General disclose his personal business interest with Chandra?

(2) Why didn't he obtain approval of the Parliamentary Citizen Committee before granting Mr Chandra PNG Citizenship in record time?

**Mr Patrick Pruaitch** – Point of Order! Mr Speaker, the opportunity for Question Time is when members ask questions on national issues not for personal question so what is he carrying on about?

**Mr SPEAKER** – I will allow the Member to ask his question.

**Mr JAMES GAU** – I think it is for the National Interest.

(3) Can the Minister assure the people of PNG, that Mr Chandra has business interest that PNG will benefit in a transparent manner?

**09/02**

**Dr Fabian Pok** – Point of Order! Mr Speaker, the honourable Member is directing his questions to the wrong Minister because the issue of citizenship is vested with the Minister for Foreign Affairs and not with the Minister for Justice and Attorney-General. He should re-direct his questions to the Minister responsible.



**Mr SPEAKER** – The honourable Member has a right to direct his questions to any Minister, so allow the Minister to answer the question.

**Mr ANO PALA** – Thank you, Mr Speaker. I thank the honourable Member for Rai Coast for raising very important questions. This has been a very odd issue and it is a question that the public also would want to know the answer.

In relation to the first question, what is my interest; like all of us in this Parliament and under the *Leadership Code*, our interests are declared with the Ombudsman Commission. If he wants to find out what my interests are, he should check with the Ombudsman Commission everything that I own in this country as well as outside of this country because it is declared there in the Ombudsman Commission report.

In relation to the national interest, I do not declare those things to the Ombudsman Commission because they are our duties and responsibilities as stipulated under the law. So my interest if he and the public want to know in this man and all his businesses is in the interest of the nation.

Mr Speaker, the second question is in relation to why I issued the citizenship Mr DJoko TJandra without the Citizenship Committee advice. The answer is; I issued the citizenship on the basis of their advice. These are the facts and the Opposition Leader knows this very well. I followed all the established procedures under our laws before I awarded the citizenship.

In relation to what this man is doing in the country, it is in the interest of the public and the public knows what is happening. Like every citizen of this country, this man goes through all the procedures we go through in applying for business permits. I think one of the important areas that he is interested in is the rice project and this project is in accordance with the Government policy that was introduced to us by the Minister for Agriculture yesterday. That is the national interest and it is not for Ano Pala's interest. It is in the interest of the Rigo people, Central people, Southern region and Papua New Guinea as a whole.

Mr Speaker, those are my interest and they are the national interest. Anything on personal interest, you should go and check the Ombudsman Commission so that they can provide all the information.

**Mr JOE KOIM KOMUN** – Thank you, Mr Speaker, for allowing me to ask my question. I direct my question to the Minister for Works.

In today's *Post-Courier*, there was a photograph showing mass destruction to the infrastructure in my area in Anglimp-South Wahgi specifically along Kindeng to Kondepina road. This road was constructed by the National Government under the ADB program and it is only four years old. I would like to take this opportunity to thank this Government and the Prime Minister for assisting us when we asked for disaster relief of K500 000 when the road was first washed away.

**10/02**

Mr Speaker, a particular contractor was supposed to do maintenance on retention. There was some money given by the Department of Works through NRA, an amount of K2.3million. It was given to the contractor on the ground to do all the necessary work to protect that very important structure. I am very disappointed with the contractor involved because they have not anything. At the start the contract was awarded for K11 million and was inflated up to K17million or so if you can check your records.

I think the people of Papua New Guinea and Anglimp-South Waghi have been misled for doing a job which is substandard and the result has shown that the road infrastructure cannot take the weather or the disaster for that matter.

My questions are:

- (1) Can the Minister check on the contractors if they have done the work?
- (2) Were there any specific job costs and variations on the kind of job they are supposed to do?
- (3) If so, did they do it?
- (4) Can the Minister award some sort of assistance to my people so that we can get this job done and get the people back on track.

**Mr FRANCIS AWESA** – I sympathise with the people for the road condition in their electorate. I am led to believe that this is caused by the poor performance by the contractor in question.

Firstly, I want to carry out an investigation on the performance of the contractor. I hope these variations were done. As I said before on several occasions that variations is becoming an industry in itself. There have been variations in various government contracts in the past. So this is a big industry and we intend to clamp down on that.

But we have saved a lot of money through variations in contract in the last two years. Some of those people who were there during the launch of my work plan would know that variations are a big industry. I think when the Opposition Leader was in my position.

So in response to the questions, we will do something about it but we have to firstly investigate that particular contractor and secondly we will try and find some money to address that problem so that the people can have access.

In relation to the other mishaps in Kainantu, I want to advise Parliament that there is a big landslide in the Kainantu area that has affected the movement from Eastern Highlands to the rest of the Highlands region.

## **11/02**

I want to inform Parliament that Cabinet has made a decision calling out the army and we intend to move the army into Kainantu where the people have stopped the contractor from removing the debris to allow the maintenance of the road to be tendered for.

So, we will be sending the Defence works engineers and contractors to carry out maintenance and removal of all debris so that traffic can flow freely. That's in relation to the problem in Kainantu which is very serious.

In relation to the other one, once again I will be talking to my colleagues the Ministers for Treasury and Finance to release funds earmarked for the Highlands Highway maintenance to attend to that problem as soon as possible.

**PAPUA NEW GUINEA INTERNAL REVENUE COMMISSION**  
**ANNUAL REPORT 2013 – PAPER AND STATEMENT –**  
**PAPER NOTED**

**Mr PATRICK PRUAITCH** (AitapeLumi – Minister for Treasury) – I present the follow Report pursuant to statute:

*Papua New Guinea Internal Revenue Commission –  
Annual Report, 2013*

I ask leave of Parliament to make a statement in connection with the paper.

Leave granted.

Mr Speaker, it gives me great pleasure today to present the Annual Report of the Internal Revenue Commission or the IRC as everyone knows.

The IRC aims to meet or exceed all of its governance and reporting agencies as it strives to be the best public sector agency in our country. So it is not surprising that the IRC is once again one of the first departments to finalise its annual report.

Under *Section 8* of the *Income Tax Act* the Commissioner General is to furnish a report annually to me as Minister on the working day of the *Income Tax Act* for presentation to Parliament. The report satisfies these requirements and also those detailed in the *Public Services (Management) Act*.

The IRS's Corporate Plan of 2013 – 2017 detailed the strategies, activities and activities designed to transform IRC into a modern tax administration. The report I am presenting here today covers IRC's performance over the year 2013 and the new corporate plan's first year of implementation.

Mr Speaker, as you would gather from this report, IRC has performed very well. They have exceeded the government's expectations on all fronts.

For example, IRC remains strongly focused on collecting revenue for the government and the people of our country. At K7.3 billion, the IRC's total 2013 revenue collections were K119 million above the mid-year economic and fiscal outlooks for that years. That was achieved despite a large shortfall in mining and petroleum tax collections that were associated with low commodity prices. IRC managed to offset this low collection by strong collections from other tax types.

As well as delivering record revenue collections to the government there are a number of important initiatives being pursued by IRC in its efforts to transform into a modern tax administration.

Mr Speaker, this includes;

- becoming a statutory authority to address IRC's 'attract and retain' staffing issues,
- replacing the antiquated computer system with one that supports modern tax administration practices,
- substantially changing processes and organisational arrangements to make best use of potential offered by the new computer system,
- conducting an enormous and ongoing training effort to better prepare staff to use the new system and to revitalize the technical skills of the organization,
- conducting a graduate and cadet programme to ensure a sound foundation is set for new junior staff so that they can progress confidently into more senior roles in the organization,
- introducing new arrangements for taxpayers to pay their tax bills electronically.

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- working closely with the Investment Promotion Authority (IPA) to ensure that IRC registrations for all businesses is integrated into the IPA registration process, and
- working with the Central Bank to make mandatory for a tax payer identification number to be provided in order to open or continue to operate any business bank account or other related bank accounts.

Mr Speaker, I believe that we should all be proud of the progress that IRC has made, and our government is committed in supporting IRC to do even better and to remove the remaining constraints that are holding the IRC back.

Mr Speaker, IRC is certainly showing the way in finalising its report on time and putting new initiatives in place to improve the revenue and provide services to our country.

Mr Speaker, I now, table the 2013 Annual Report to the Parliament to fulfill the requirement of the IRC in reporting to Parliament as specified in the *Income Tax Act, Part II, Section 8*, and to satisfy IRC's reporting requirements under *Section 32* of the *Public Service Management Act*.

Mr Speaker, I commend the Report to the Parliament.

**Mr PETER O'NIELL** (Ialibu-Pangia – Prime Minister) – I move –

That the Parliament take note of the Paper.

Mr Speaker, I would like to take this opportunity to thank the Treasurer for the leadership that he is providing in the collection of our revenues and particularly the taxes in the country.

Mr Speaker, therefore, we commend the leadership that is being provided by the Treasurer and as he stated, we have very small tax based revenue in the country. I do believe that about less than 200 000 are paying, which is generating revenue to fund the entire country. With that, I think that it is important that we expand that tax base and the leadership that the Treasurer is providing in making sure that we become a little bit more innovative in the way we collect taxes and is now starting to bear fruit.

Mr Speaker, as the Treasurer has stated, the Government was faced with declining commodity prices, especially, gold and copper. As a result of that, in the last few years we would have been in serious trouble if we did not collect more taxes through the Internal Revenue Commission (IRC). The IRC collected well over K600 million in excess of what they budgeted for and that is a commendable effort to the men and women working in that organisation.

Mr Speaker, as I have said, there are continued improvements that are being made by the IRC and as the Treasurer stated, we are trying to capture as much revenue and the people who are not paying taxes rightfully today. We are trying to make sure that the registration of companies relates to the tax file number and the opening of bank account relate to the tax file

number as well. Therefore, before you can open a personal account or business bank account, what will happen now is that you will be required to produce your tax file number.

Many of us here today have a tax file number when they deduct the salaries and wages tax. So, that is the number that we have to provide to our bank accounts if we need to. Therefore, everybody right across the country who has got accounts will undergo this process and this is to make sure that we are able to capture those companies that are not paying taxes.

Many of those people and companies who are not paying taxes use the infrastructure that we are building in this country like roads, bridges, air ports, hospitals and schools. Therefore, it is only fair to every citizen that we pay our share of taxes that is required of us so that we can continue to fund these public investment projects all throughout the country.

Mr Speaker, therefore, once again, I too take this opportunity to commend the Treasurer and the good work that the IRC is doing. I would also like to extend my commendation to the Customs services. This was because last year and previous year Customs also collected increased revenues because of the amount of increased staffing that we provided and the amount of capacity that they have built in those two organisations.

Mr Speaker, in fact, the Government has put more money in order for us to increase revenue collections in those two organisations and as a result we are able to do so. Therefore, we must continue to build on that so that we can increase our revenue collection, and I understand that there is well over K2 billion that is still outstanding taxes to be collected for our government and people.

We are encouraging the tax office to go out there and collect these monies as it rightfully belongs to the people of our country and the people need to use that money to expand more services, particularly health, education and infrastructure in the country.

**13/02**

Let me congratulate the Treasurer and the Internal Revenue Commission for being one of the first Government agencies to table their Annual Report to this Honourable Parliament in a timely manner.

**Mr SAM BASIL** (Bulolo) – Mr Speaker, I rise to join the debate on the issue and I take this opportunity to thank the Treasurer for presenting his Department Report.

Mr Speaker, I will always remind the Government of the failures of past Governments in terms of updating the nationwide data system.

I agree with the Prime Ministers sentiments about every citizen when opening a bank account should have a tax file number. But I really think that the National Planning Department under the leadership of the current Minister should embark on making a nationwide data system available.

The National Statistics Office, I believe, have started the process already and we should all support by ensuring the 7-8 million Papua New Guinean citizens must be recorded so that we can at least have a tax file number and we can monitor the citizens and every activity that is going on.

Mr Speaker, the informal sectors like the PMV Buses are using the roads and there is no tax system in place aside from paying for the MVIL Fees. The other taxes are not captured from their earnings because we do not this system.

Mr Speaker, this also goes for trade store owners. I came up with this idea some time ago about the IRC Department import our own custom made cash registers with seals so that we can monitor the cash that come into the cash register every year. and we should tax the shops according to their bank statements because every time they collect cash some of them are deposited in the banks which the IRC can follow but from the cash that is not deposited in the banks we are losing a lot on of that.

Mr Speaker when you walk around in towns of Lae and Moresby you will find that shops are selling same goods at different prices, very cheap even K10 – K20 difference.

Mr Speaker, that can only lead to one thing and that is the declaration of the cargo that comes into the Customs. It is a clear sign that some importers are under valuing their cargoes or they may have collaborated with the Customs Officers to do so.

Mr Speaker, in the future maybe we should look at making sure that the staffs of IRC are protected. We should provide housing for every staff. We should increase their wages and we must make sure that we also increase the penalties if they ever collaborate with any companies to do silly things that are against the Government or our tax collecting system.



I am happy that we can be able to increase and expand our system in the IRC to make it sophisticated but we do not have the data.

Most of our citizens do not know whether they are citizens or not because there is no birth certificates and no proper data and we are still running around spending money.

It has become the case that National Planning and Monitoring funds are spent unnecessarily and previous Governments have over looked this issue.

I am not blaming anyone but I am only making a point to ensure that we have a proper data system in place.

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

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

**PAPUA NEW GUINEA NATIONAL ECONOMIC AND FISCAL COMMISSION –  
FISCAL BUDGET REPORT, 2015 – MINISTERIAL STATEMENT –  
PAPER NOTED**

**Mr PATRICK PRUAITCH** (Aitape-Lumi Minister for Treasury) – I present the following Paper pursuant to Statute:

*Papua New Guinea National Economic and Fiscal Commission –  
Report of the National Economic and Fiscal Commission relating to the  
reform of Inter-Governmental financing arrangements, Plain English  
Guide to the new system of Inter-Government, May 2009*

I ask leave of Parliament to make a statement in connection with the Paper.

Leave granted.

**14/02**

Mr Speaker, our Government exists to deliver basic services to our people. These basic services are in the areas of health, education, transport, infrastructure maintenance, primary production, unit chords operations.

Mr Speaker, this is the sixth year of implementation of the reforms of the intergovernmental financing arrangements of which the National Economic Fiscal Commission is tasked to oversee.

For the information of honourable Members, the National Economic Fiscal Commission is required each year to provide to me a report on the workings of the commission and its annual provincial grants determination. This determination are critical and crucial for the inclusions in the nations budgetary process because it forms the basis of which grants for the delivery of basic services are derived and effected into our money plan. This is in line with the reforms of intergovernmental financing arrangements in which the National Economic and Fiscal Commission has been implementing since 2009. This was after major amendments to the *Organic Law on Provincial and Local level Governments* for faster National Parliamentary scape effect to the implementation of the intergovernmental financing system.

Mr Speaker, for this year's determination, the National Government and the Provincial Government have agreed to a formula for sharing revenue between the levels of government and that these shared revenues should be distributed to the provinces and LLGs in an equitable manner. The National Economic and Fiscal Commission is tasked with calculating an equitable distribution for each province and LLG and this recommendation makes sure the determination is updated annually to reflect the changes and circumstances of each provinces.

In making the recommendation, Mr Speaker, the National Economic and Fiscal Commission matches the level of revenue available to each province and estimates the cost to deliver government services to the population in each province. The cost and revenue estimates are then combined to calculate the fiscal needs which determine each province share of the function and administrations. These shares aim to provide provinces with the fiscal capacity to provide a similar standard of Government services to its population.

Mr Speaker, the fiscal budget report outlines the recommended distribution of functions and administration grants among the provinces and local level governments for 2015. The National Economic and Fiscal Commission uses an equalization formula to allocate each

province and LLG based on its capacity to delivery of Government services. The determination is based on the same methods as in previous year's determination but includes updated data on population, and the estimated provincial and LLG cost adjustments to face in Hela and Jiwaka provinces and this has specific goods and services grants type with conditions. This is to ensure that funding is spent on intended purposes so as to achieve measurable outcomes.

Mr Speaker, with more funding made available by the National Government to subnational levels we ask the question, following relevant questions, have we achieved what we set out to do? Are the rural; primary schools provided with regular supply of school materials year in, year out? Are rural health centres and aid posts open with village people accessing these basic health services? Have we maintained the rural roads to allow our village people to access other services at the district and provincial centres? Have we maintained our rural airstrips and jetty's to enable small planes and crafts to transport critical goods and services to our rural people

The National Economic and Fiscal Commission through the provincial expenditure review continues to identify issues and the bottleneck so that the funding for basic service delivery is spent to achieve the desired outcomes for the benefit of the majority of our rural people.

Mr Speaker, from 2009 to 2015, the National Government has allocated a total of K177 million to K520 million in goods and services grants to provinces and local level governments. This is an increase of almost 200 per cent.

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This is funding intended to assist Provinces and Local-level Governments is to fund the provision of basic services in health, education, transport infrastructure, maintenance, primary production and village courts operations.

Mr Speaker, National Economic and Fiscal Commissions Annual Review of the Provincial Expenditure shows that there is sufficient increase in allocation of grants to provinces, however, the timely release of funds to provinces and local-level governments continues to present difficulties in facilitating for planning and executions of this service delivery.

The Government is continuing to work hard to resolve some of these fundamental bottlenecks. This year the National Government has allocated a total of K469 million for goods and services grants. For next year, the National Government has allocated a total of K464 million to provinces in the form of function grants and administration grants and K56 million for the Local-level Government Councils.

Mr Speaker, the timely release of this 2015 Budget Fiscal Report by NEC to be in line with the National Budget is an effort to promote accountability and transparency. It further reinforces the Government commitment to improving information to the border community.

Mr Speaker, I commend the 2015 Budget Fiscal Report to Parliament.

**Sir JULIUS CHAN** (New Ireland) – I move –

That the Parliament take note of the Paper.

Mr Speaker, I thank the Treasurer for presenting the statement and for the admittance of the late release, all our plans amount to nothing. During the Leaders Summit we presented some good plans but this amounts to nothing because of the late release of the funds. The Provincial Government cannot possibly implement it so in my province the cost of the lateness of the release of funds from the National Government, we cannot fulfil some of our plans in the provinces. So what happens to the funds simply carry it over and these process has been practised over the last three years. The Treasurer and the National Fiscal Commission has identified it.

The other idea that I want to elaborate on it is that there got to be innovative approach by the National Fiscal Commission. In the New Ireland Province we have done what the Government wanted us to do by spending money on priority areas but yet we are penalised by reducing the funding for our province. We should see whether a province does well and give more funds to them, but instead it's the other way around.

I also want to elaborate on tax, you only pay tax when you make profit, if you don't, then it doesn't pay tax.

Most of our PNG people are small to medium business owners and they may not make much profit and, therefore, they are out of this tax brackets. So I suggest that instead of emphasising too much about the numbers not paying tax we should ask the Treasurer to ask the

banks to give more liberal lending to PNG business to build them up to make more profit so that they come into the brackets of paying tax.

I want to defend PNG citizen a little bit because all of us pay tax; not a single one is left out. When you weigh the GST against a very low income earner that burden on him or her is much greater than those millionaires. It means nothing to the millionaires but that GST means a lot to small PNG citizens who don't even get right up to the per capita income that he should be entitled to in PNG.

I want to suggest here that if we want to bring in greater income in revenue we should make those places that get the highest expenditure to contribute something more; places like NCD and Lae because they extract almost every money that is generated right throughout the country from the rural poor. Here in NCD, big stadiums, fields and pools are being constructed for this South Pacific Games.

**16/02**

I urge the Minister responsible to ensure someone pay to maintain it and not continue to extract the little money that is coming out of Hela and mining communities. Because when I look at the whole development strategy, I think that we are all working like 'Robin Hood' but in a different way by robbing the poor to pay the rich.

That is the way I am looking at it and if you have any different opinions then by all means, but at this point in time the way we are going we are putting a lot of focus on big things. There are good things but someone's got to pay for it.

Once you do it you are locking in and in a long time migration will come in and we will lock this expenditure for a long time. It is good to have a fiscal commission that has come out with that report and the Treasurer has identified but I also want to say that I think we give a lot of credit and sympathy when the price of oil, gold or copper goes down.

As far as I'm concerned the price of gold is alright but they keep saying otherwise and the Government feels sorry for them. Yet, they are getting rid of all the Papua New Guineans and all the specialists in the country.

Many are unemployed at the moment. But what we should be looking at is the number of consultants and the number of exercises they are doing at our cost. I know you are very

sympathetic but I am not sorry about the mining. I think at K1200 for gold is more than enough. I think the cost of cash crops is well below K1000.

So in the case of a mine producing K1million, they make about US\$300 per ounce of gold. Many of the companies are Australian and the US dollar is very strong. Australian dollar is lower than the USA. They pay their expenses and wages in Australian dollars and therefore are making a killing.

I say do not worry too much about this they are okay, let us worry more about the number of Papua New Guineans not able to pay tax because they do not make a profit. You do not pay tax unless you make a profit. So we should be focusing our attention on getting Papua New Guineans up to the bracket so that they can contribute.

However, when you look at it overall, every citizen contributes towards it some more painful than others. And the lower you are in the income bracket the more painful it becomes. In thanking the Treasurer I ask you to take that into consideration.

There is one more point that I want the Prime Minister and the Government to consider it. The distribution of the PSIP and the DSIP in the budget, which I do not want to say too much about but generally it is not bad. For small provinces like mine with two districts on a per capita basis it is totally wrong.

Some provinces have about 10 electorates so the Governor gets 50 per cent of that, this is big money. I have two electorates but the population is bigger than the other electorate. So in terms of per capita expenditure going to my province I am getting very little and yet in terms of per capita contribution to the national purse, New Ireland is probably one of the best.

We contribute one of the highest in this country but when you start distributing the money with the number of electorates that we have we are placed right at the bottom. I think somewhere let us find justice in the system and let us find some way where we can all be satisfied and that there is equal distribution and allocation of these funds irrespective of the size and number.

**17/02**

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

That the question be now put

Motion – That the Parliament take note of the paper- agreed to

Sitting suspended from 12 noon to 2p.m.

**18/02**

**OPPOSITION’S ALTERNATIVE GOVERNMENT POLICY –  
STATEMENT BY THE LEADER OF THE OPPOSITION –  
PAPER NOTED**

**Mr DON POLYE** (Kandep – Leader of the Opposition) – Thank you, Mr Speaker. Let me express to the Chair on behalf of the Opposition my sincerest gratitude for giving us this wonderful opportunity to present to this honourable House of the people the Opposition’s Alternative Government Policy. But before I do that, let me announce the Shadow Cabinet that is behind the formulation of this alternative policy for Papua New Guinea, alternative too to the O’Neill-Dion Government.

Mr Speaker, the Whip of the Opposition will be Honourable Sam Basil. The Shadow Minister for Petroleum, Energy and Mining, Inter-Government Relations, Environment and Conservation, Climate Change will be Honourable Nixon Mangape. The Shadow Minister for Works & Implementation, Transport & Civil Aviation, Commerce & Industry, Tourism, Culture & Arts and Sports and Pacific Games will be Honourable James Gau. The Shadow Minister for Finance, National Planning, Fisheries & Marine Resources, Bougainville Affairs and Health & Aids will be Honourable Mark Maipakai. Dr Allan Marat will be the Shadow Minister for Justice, Shadow Attorney-General and will also look after Labour & Industrial Relations, the Public Service and Higher Education, Research, Science & Technology. Honourable Belden Namah will be the Shadow Minister for Housing, Urban Development, Forestry, Defence, Police, and Information & Communication Technology. Honourable Sam Basil will be the Deputy Leader of the Opposition and Shadow Minister for State Enterprises, Agriculture & Livestock, Lands & Physical Planning and Education. I will be the Shadow Minister for Treasury, Foreign Affairs, Trade & Immigration, Religion, Youth & Community Development and Correctional Services. These are the team behind putting this Policy together.

Mr Speaker, the Opposition's policies have been designed at the back-drop of the impacts of the great global recession acerbated by abruptly falling oil and commodity prices and the desperate desire for better economic management to create that sustainable economy for Papua New Guinea. Other factors that have been taken into consideration are; that the majority of Papua New Guinea's population live in poverty in rural parts of Papua New Guinea, corruption and Kleptocracy are very rampant in PNG at present and the public service machinery so almost defunct. The *Constitution* and laws, the systems and institutions of State are being compromised for personal gain, hence the Opposition's alternative policies giving hope for a change for the better.

Here are the policies that aim to build a sustainable and shared or inclusive employment growth and benefit to wealth.

Mr Speaker, the Opposition's Alternative Government Policy is the only comprehensive and integrated Government Policy that PNG has. We believe that the current O'Neill-Dion Government does not have any complete set of policies. The Opposition warns that most of the O'Neill-Dion Government's major decisions made so far are devoid of overarching policies or a strategy.

## **19/02**

Mr Speaker, examples like the decisions on the UBS K3 billion loan, the purchase of power generators from Israel, the intended floating of Power PNG and Air Niugini Ltd shares of partial privatization, the commitment of huge financial aid to South Pacific Nations, the nationalization of Ok Tedi Mine and many other major decisions have been undertaken under policy vacuums. The O'Neil-Dion Government's policy-vacuum decisions are a significant step in the wrong direction.

Mr Speaker, the House of the people of this nation demands that Government decisions are made based on well-formulated policies for ease of implementations, and for effective appraisal if objectives have not been achieved to satisfaction. To allow a government to make decision and run the affairs of the nation on ad-hoc, haphazardly on a policy vacuum would lead to poor governance, lack of accountability and embezzlement of the people's wealth.



Mr Speaker, the Opposition has taken the challenge on behalf of the people of PNG in crafting a holistic policy for PNG. We have formulated our policies as comprehensive and execution-wise, practicable as much as possible.

Mr Speaker, the Opposition policies have been well researched, well-thought-out based on two fundamental sources of inspiration and information.

Mr Speaker, let me say, with a lot of modesty, the first source of information we seek is from the Holy Scriptures or the Holy Bible. The first source of conviction motivating the Opposition is the Word of God the Almighty found in the Holy Scriptures. We find it very essential to renew our strength and our friendship with our Lord Jesus Christ the Son, our source of righteousness.

On the same token it is our need to strengthen our relationship with the Holy Ghost, Holy Spirit our mentor to guide so that the nation is fully blessed under godly leadership.

Mr Speaker the Opposition stands on the unwavering conviction that God is indispensable for the development of mankind in the country. We believe PNG's need is godly leadership.

Mr Speaker, the Opposition is of the strongest intention to ensure God is the belief in PNG families, the hallmark for success of PNG as an independent country, and the light for the nation to illuminate its path of progress in her quest for eternal success. I say internal because it is not impossible to achieve for a long term.

Mr Speaker, I say it without any idea of shame and in *Psalm 119:105* says: "Thy word is a lamp unto my feet and light unto my path." That is what Papua New Guinea needs, a light to guide and illuminate our paths in this turbulent times to guide us with godly wisdom because this is where we base some of the fundamental policies.

Mr Speaker, I now switch to page 6, the *Constitution* but before I go onto the second inspiration let me say, a society cannot ride successfully without a conviction of belief in society.

In PNG, we are multi-cultured, multi-traditional and we have multi-ethnicity groups. There must be common belief in the society. A belief that we have to advance ourselves in and that belief must be based on principles and values to drive all of us together from all the diversities.

We believe that our forefathers when they drafted the *Constitution* and imbedded the worship of the Hebrew God into our culture I say that we have to entrench whether we believe in that or not it must become the conviction or belief in society for PNG.

The drives and cultures, leadership and movement of this country forward in the next generation is the next advancement in progress.

**20/02**

Mr Speaker, the second conviction we put our faith on is the *Constitution*. The second fundamental source of conviction is the *Constitution* of Papua New Guinea.

Mr Speaker, the PNG *Constitution* stipulates very clearly overarching, guiding laws of this country upon which the Independent State of Papua New Guinea must stand and from which the National Sovereignty and its powers are derived.

Although the *Constitution* is not as powerful as the Holy Bible, it is derived from that Book. It is the most important document of Papua New Guinea which does entrench into PNG to believe and worship God and observance of the good principles and values in our cultures. In fact, most of the fundamental principles of the *Constitution* and the spirit by which the *Constitution* was written is very godly and biblical.

Mr Speaker, the Opposition values and embraces the ideologies expressed in the mother law of PNG and thus the Opposition's own policies will actually seek to implement the call of the *Constitution*.

Just let me read through some of those goals. In the five National Goals and Directive Principles of the *Constitution*, the first being Integral Human Development, secondly, Equality and Participation, I'd like all of us to take note of that, Equality and Participation, National Sovereignty and Self Reliance, Natural Resource and Environment; and Papua New Guinean Ways.

Mr Speaker, the Opposition's policies recognize these Goals and Directive Principles as strategic guides to establish its own strategic approaches to achieving these objectives. The Opposition will never belittle the *Constitution* or its fundamental calls. The Opposition will ensure strict compliance to this prime law and other accompanying laws and acts and regulations as doing the opposite would only lead to fallacy of the State. Law and order will be intact in the

nation only because of strong enforcement of the mother law and other laws and compliance to it.

Mr Speaker, let me touch a bit on the strategic policy management aspect of the policies I will be outlining very soon. First of all, what is the vision that we have?

Mr Speaker, to have a policy there must be a vision. What visions do we have in deriving meticulous policies for the nation as an alternative government?

Mr Speaker, the first is to transform all Papua New Guineans to become spiritually sound, intellectually capable, absolutely industrious and physically strong. Based on this conviction, the principles that I alluded to, we must have belief, we must have values that we must stand on to identify ourselves again and Mr Speaker, to be a smart, fair, wise, healthy and happy society is a by-product of these beliefs that I alluded to.

Mr Speaker, what is the mission? What is the mission of our policy? The Opposition has a mission and our mission is that we, Papua New Guineans, are a global citizen with a proud heritage of cultural diversity, passionately committed to modernizing ourselves, founding our nationhood and humanity on godly principles and a life of hard work, advancing to the future with contemporary knowledge and strategic innovations.

That must be the mission of this nation, the mission of eight million people of this country with the vision. What are the objectives do I achieve to this mission and through this mission statement?

Mr Speaker, we have got a two-fold mission and vision. The first is to develop in every single Papua New Guinean an aptitude to create a lifestyle or a culture of strong conviction in God Yahweh and His righteous principles. Being a Christian is only a manifestation of this belief in society in our country. We stand very strongly with this objective.

Secondly is to multi-skill every Papua New Guinean, multi-skill every young boy and girl in this country. Everyone must have skills and simultaneously develop every industry to create employment and wealth in order to sustain economic growth through shared prosperity. We can't skill our people by polarizing the wealth of this country to a small population, as small as five to 10 per cent at the suffering of the vast majority. That wealth must be shared equitably.

**21/02**

The goals are obviously short termed in terms of competitive objectives.

Mr Speaker, our goal is for Papua New Guinea to improve and measure our progress against the United Nation's Human Development Index in five-year intervals for individual life to change for the better. The Opposition is of the view that where you spend the money within a five-year period, there must be a measured value of every toea spent.

What have we achieved in the quality of life? It is good that we have got a GDP but in terms of the GDP, it must now be measured in the improvement of quality of life of every Papua New Guinean.

Mr Speaker, these are goals but what are the strategic directions? We are now depending so much on the extractive industry and working haphazardly on ad hoc basis. We must have a strategic direction on how this country must lead, and this is what the Opposition says. We are saying, diversifying sustained economic progress through consistent and vigorous development of real life skills in our young.

This is to develop industries and sectors fueled by agriculture and tourism; and I was listening very carefully to what the Minister for Agriculture and Livestock said yesterday with regards to rice. I, therefore, agree with some of the points that he raised, but as rice is not comprehensive it must be holistic on every sector of rice. And with that, the Opposition has that comprehensive agriculture policy, which I will come into that in due course.

Mr Speaker, power and telecommunications will facilitate the growth driven by our strategy and the major focus of our policy is; Skills, Industry and Growth Strategy.

Mr Speaker, the values and principles that we stand with belief and godly leadership and integrity is even more than any development that we can think about. That is really the development and we must sustain and hold it.

Secondly, honesty and hard work; we do not believe in a life of ease. We believe in hard work and honesty. A honest gain to hard work is a blessing, even if it is little it is still a blessing, Mr Speaker, do you agree with this?

So much billions of kina that you get without hard work and through other means is not a blessing but a curse. This is because you will find that you will be falling down with heart attacks or all kinds of diseases.

Mr Speaker, the third value is respect and mutual understanding.

The fourth value is transparency and good governance.

The fifth value is good traditional ways of income.

Mr Speaker, you know, the cultures and traditions of Papua New Guinea are lovely and they are unlike others in the world. Therefore, we must embrace them but only the good ones.

With innovation and excellence, Papua New Guineans are brilliant and therefore we can excel in technology and every innovative strategy that we can think about we can do it, but finally, and of course, we must be humble. We must be humble enough to listen to the people but honest and true and sincere enough but with a determination to arrive at our vision.

Mr Speaker, these are the values that we stand on.

Now, I come to the strategies and tactics. What is our strategy? The main strategy is Skills, Industry, Growth Strategy. I can recall in 2002, when Grand Chief Sir Michael Somare was the Prime Minister and that we talked about the export driven strategy. And now the country is benefiting from a well thought out policy or strategy called the Export Driven Strategy.

Mr Speaker, I was part of this and I am proud about it. But what is the O'Neill-Dion Government's strategy? It looks like there is none because the Government is still utilising the one that the Grand Chief Somare and I put into place and that is the one that you are running on.

I am saying that with the Skills, Industry and Growth Strategy we must now advance into the 21<sup>st</sup> Century and that must be the policy. You develop the skills of every Papua New Guinean man and woman and give them what they need. We need to develop them tirelessly and spread the money there.

Now, we can develop the skills but if there is no industry then there can be no employment opportunities. You can provide relief services but you still must provide employment for our young people coming out of our universities and everywhere. The industries must be created for them.

**22/02**

Mr Speaker, the Opposition has eight policies. We call them Mega and Major Policies; there is no minor.

Mega Policy with overarching with the other seven policies that strategically fit into driving the main mega policy. I have just mentioned the mega policy in the skills growth industry.

After 2002 this country has only seen two policies. One was actually driven and now this alternative Government is introducing the next one, the Skills Industry Growth.

Mr Speaker, the Mega Policy augments real life job skills developed within PNG as an accompaniment to industrialization in a comprehensive execution approach.

A Budget is planned out as part of this Mega Priority Policy unlike the other Major Priority Polices as to the practicability of this policy and its implementation.

Mr Speaker, the Opposition's number one Policy also articulates the most probable returns that will be achieved in driving all policy steps. Let me give you a bit of a rough run down on that.

As I alluded to earlier, the Skills Industry Policy Strategy will be the main overarching policy. It is comprised of two fundamental beliefs of the Opposition.

1. Integral Human Development or Real Life Job Skills Development in our young people.
2. The transformation of sectors into major industries for growing and sustaining employment income business and the overall economy.

We believe that these two principles convincingly were found for achieving all the objectives of the five National Goals and Directive Principles of the *Constitution* effectively with these.

Mr Speaker, the Opposition policy is based on these skills industry growth strategy, recognised and value the above mentioned growth and directive principles of the national Constitution as a strategic guide to prioritization, resource allocation and economic management.

Mr Speaker the question is what is; what is the Skills Growth Industry? I have given some indications in my explanations.

The Strategy simply directs a series of aggressive investments and deliberate interventions into the most strategic skills development and industrial growth as a matter of urgency. It must be done now today not in 10 years.

At the moment, we are struggling to create a sustainable economy. When the Oil prices go down, commodity prices go down and when you find these without preparing we go down and collapse. Therefore, it is an urgent matter.

The Opposition has already identified the industries and the corresponding skills to working and developing those skills as a matter of implementing the policy at the same time. In other words we have the development of the most relevant life skills in our people and the growth of the most appropriate industry the pinnacle of our eye. We are on the part of developing and sustaining the growth of businesses the economy and employment and the wellbeing of our people.

Mr Speaker, the Skills Growth Strategy is a simultaneous development of the most suitable sector and the corresponding skills necessary in our people who will walk in and grow the industry themselves.

This policy when executed effectively will kill not just two birds but three birds with one stone.

First is the sustainable economy, second is a sustainable income. Don't get these two things mixed. You can have a growth in the economy but there will be no growth in the income of the people. These are two different things. When we talk about GDP it must be converted as income to the pockets of the people of Papua New Guinea. At the moment we are talking about GDP but nothing is going down to our people.

First Sustainable Income, Second Sustainable income all the time every day every month every year.

**23/02**

We are into that little Papua New Guinean mentality of being in the village and the third bird we kill is a suitable growth in all sectors of businesses and economic activities. So the wealth is shared, we may ask why is it that we have to share wealth? This is because if there is unequal distribution of wealth those who receive less may be mad at those that receive many and may result in a lot of violence. We must share it. Let us overcome greed.

Mr Speaker, the skills industry growth strategy would involve immediate allocations of existing resources and skills into the most strategic industries as a matter of urgency.

Mr Speaker, the industries are agriculture, that is develop the skills in agriculture. Livestock must be separated from agriculture and aquaculture that is shrimp, crabs, prawns oysters .Look at the Gulf of Papua New Guinea, Western Province and the Papuan Coast; they are abundant in these things. But the Government is not making use of these resources so the Opposition will do that.

Mr Speaker, the next industry that we need to develop is information communication technology and power. This is very important. We must develop the skills but this industry must grow. The next industry to develop is the small medium enterprises but this time we have changed the name to micro small medium enterprises. Tourism is another industry and the export and import substitution industry. The skills of those must be developed in these exporting and importing substitution industry. We have also come up with another idea, we call the free investment zone or free trade and I will articulate more on that. How do we finance these industries? The money comes from the PNG LNG Project 2015 to 2020 as per the budget projections. We will not use the LNG generated revenue to do other things, instead these monies will be injected into these industries such as agriculture and all these things. In 2015, the LNG revenue generated is expected to be K2.5 billion and I am sure the Treasurer will agree with me, 2016 is K1.5 billion, 2017 is K1.9 billion, 2018 is K2 billion , 2019 is K2.1 billion and the same K2.1 billion for 2020 . These are the projected income on the LNG Project coming in, so it is not more than K3 billion, it's between K2 billion and K2.5 billion that's the amount of money coming in from the LNG project.

Mr Speaker, from the above projections the total LNG dividends will be managed through the Sovereign Wealth via the parliamentary budgetary process as per the requirement of the *Constitution* while the PNG LNG tax proceeds will be used to develop the above outlined industries and that responding skills through the same process. And of course, I have not included anything for the mining industries but if something comes up that's good news and it will be a bonus.

Mr Speaker, the next area in which we would like to mobilise finance from to drive these industries as key developments is to sell the State's share of 10. 1 per cent and other assets and stocks at hold from Oil Search. If the Opposition has the opportunity we will sell them to make money to put into all those industries that PNG really needs to develop.



Mr Speaker, where do we put those monies into? We will put K600 million into agriculture this year when we mobilise all these monies.

**24/02**

I am not talking about five years' time. This year we would mobilise all these funds and put them into agriculture, a total of K600 million alone, K200 million into agro-culture, livestock another K200 million, and K2 billion into power and telecommunication. And I want the Minister for State Enterprise to hear this but he is absent. This amount of money will boost the work of Bemobile so that other competitors such as Digicel must compete. And for the problem of power we must put a lot of money into Yonki Hydro Power to light Lae and Port Moresby separately and also connect to New Guinea Islands and all of the Highlands Region. Only if the Opposition is given the opportunity then we will put this amount of money, SME K200 million, tourism K200 million, export and import another K100 million. These are figures that I'm getting from deposits of LNG and the extractable industry.

Mr Speaker, a total of K3.2 billion will be allocated in these sectors in the first instances as a massive way to start to transform the industries through a transparent industry commercialisation program.

The skills development program should incite agriculture programs to skill up the workers so we allocated K150 million. In the agro-culture we put K50 million to start up industry and the people will take care of it and grow the industry, livestock K100 million, power and telecommunication K300 million, SME K100 million, tourism K50 million and others K50 million and those are the areas where you will develop the skills to match the growth of this industry. And we can do those within the financial capacity. So a total of K800 million plus K3.2 million which adds to K4 billion to achieve this and we have to be consistent in the next five to ten years, you will be surprised to see that your people are not just ordinary people but resourceful enough to develop this country themselves and we don't have to spoon feed them.

Mr Speaker, what are some of the execution strategy that are put in place to implement those goals and plans.

(1) Complete review of the macro-economic policy, I'm saying this in line to suit the skills industry growth strategy; we have got to review the vision 2050, medium term

development plan, national strategic plan, medium term fiscal strategy and medium term debt management strategy.

And I'm mindful that these terms are reviewed on a periodic basis but they are not guided towards skills development and industry development and I am talking from experience.

(2) Comprehensive agriculture policy; Mr Speaker, the land mass of our country is so unique and you fall in love with it, the Sepik plain, Ramu and Markham Valley, the Karamui Valley in Chimbu and connects to the Gulf of Papua, the Baiyer River Valley that spreads all the way down to Jimi and joins with Sepik Plain and all the way down to Milne Bay, what can you say. Hela Valley, my brother, your place has got the potential out there not only in Port Moresby city. The Waghi Valley and all of the New Guinea Islands, those are the zones that Opposition has marked them and said these are the zones that we will put all those big projects in commercialising agriculture, livestock and agro-culture in those areas and grow them.

Mr Speaker, we will do a separate and special agriculture commercialisation strategy for Bougainville Region.

**25/02**

I will not go through everything as it is a very comprehensive document but it will be out on the website as we will be giving MPs and every institution to make their comments to see this policy as against the policies of the government.

What could happen in the Agriculture & livestock, including aquaculture is that when you put the designated zones that you created in the commercialisation program, you apply these concepts that the New Britain Oil Palm has done. It may not be perfect but under the current circumstances it is the best.

Use it as a nucleus project and you inter-trade with the local people in the vicinity and bring them into the growth centre and now if you go to West New Britain in a fortnight there is a cash flow of K5- K7 million that flows in that little town because it comes from that nucleus base integrated agriculture project.

We need to create this in the Sepik Plains or the other plains of the four regions of this country and integrate the local people so that the little money that they get through projects like the LNG and other industries that are being created. The meaning of the *Constitution* where you

say integral human development, equal distribution of wealth and shared prosperity happens right there because you are engaging the participation of people in big projects.

Mr Speaker, I will move on to information technology, communication and the flow of information throughout the country. PNG is presented with an unprecedented opportunity to frog-leap into becoming a knowledge-based economy. We must strive to learn and know new ideas, concepts, facts, beliefs, science, politics, religion and other affairs of the new global economy.

This new economy is driven by innovation and technology where massive information is communicated so instantaneously to so many locations around the globe with much greater ease than ever was before. What happens in one part of the world is instantly known by people in another part of the world regardless of distance and location within a matter of seconds. This means that despite the barriers and differences that exist; people have become global neighbours working and thinking together on issues of common interests.

Papua New Guinea cannot miss out on the opportunities that we have right in the fingertips to the broadband network of which we need about K2 billion to roll it out immediately rather than in 5 to 10 years. We can make our citizens affluent with knowledge and skills. What the Opposition will do is launch the national broadband immediately this year. It will cover broadband width network installed throughout the country, especially beginning in the main centres and proceeding into the rural areas; to schools, homes, libraries and health facilities.

**26/02**

Mr Speaker, on power, the Opposition is of the view that we should launch a cost effective National Power Plan also immediately. Mr Speaker, we have the money to do it. We have always had the money; we have always spent it in the wrong areas.

Mr Speaker, the Prime Minister asked, what did I did when I was Treasurer. As Treasurer I put the money in a Five Year Plan for that purpose and we have not been following that budget so that's where the conflict began but I'd like to do it another way, no my way but the most affluent, knowledgeable way that benefits Papua New Guineans, not just you and me my brother, it's our people out there that I am talking about.

Strategic step number six is that the Government has missed out the micro enterprise. Why? Yes, they are small but you look at the Papua New Guineans, they are not small, they are even into macro. They are even doing smaller than micro; you can define SMEs as there being only one man or one woman businesses. So the Opposition says we must promote the development and the growth of micro small medium enterprises industries.

The main objective of building MSMEs is to ensure all Papua New Guineans are employed and hence capable of sustaining their own livelihoods and those of their loved ones.

Like we all leaders in the Parliament and other leaders such as those in the business sector have our wives and children to love and care for, the little grass root out there also have love for their loved ones. Take for instance the Goilala mother who was fending for her life and the lives of her loved ones by selling something on the street when a police van ran her over and killed her and her loved ones miss her. So her loved ones are now deprived of the love of their mother. We can turn a blind eye and say, it doesn't bother us, we are the big guys. But I tell you, if we start to believe in the small old woman from Goilala who died then we are really meaning business.

Let us look at SMEs in agriculture and forestry, let us not just say we have supported SME by putting in K500 million. No, we are saying that we should address SMEs on a sector by sector basis and find out which SME is the largest, what proportion of the budget goes to which SME in what sector of the economy and so on. For example, when we look at agriculture, how many SEMs are there? How many Papua New Guineans are participating in it? The same should apply to forestry, fisheries, construction, rental/hiring, real estate, professional scientific and technical services and so on. The question that the Opposition is asking is, how many Papua New Guineans are doing business in the lists that we have just highlighted.

Or, are we just saying SMEs but, somebody else, non Papua New Guineans are benefiting but we are using the name SME for a cover even though we don't know which Papua New Guinean is growing in that sector of the economy.

The Opposition says we should have a list of all Papua New Guinean businessmen and women written in red bold letters and placed in front of the government to see so we can say, well, we've got 300 men or women doing agriculture, 400 in fisheries, 500 in communication and so on. In that way we can do a five-year plan for the next five years to increase those by 50

per cent or even 100 per cent. At the moment we are working on an ad hoc basis. We don't even know the statistics.

We would like to change the Ministry of Commerce and Trade into the Ministry of Enterprises and Economic Development. And the department will be called the Department of Enterprises and Economic Development because we believe that is where the focus of the people should be. Overhaul it to grow the Micro Small Medium Enterprises.

We believe in registering all existing SMEs, Mr Speaker, the Opposition will have a list of how many Papua New Guinean millionaires, we want to know how many millionaire there are in Bougainville. We would like to know how many billionaires are there in Sepik. We'd like to know how many there are in Milne Bay, and Kandep, well Kandep does not have any but I am trying my best to make one.

*(Laughter on the government bench)*

**Mr DON POLYE** – Mr Speaker, when an opposing team laughs, it means they agree.

**27/02**

Mr Speaker, when the opposing team laughs, that means they agree. So in Ialibu-Pangia not only the Prime Minister should be the millionaire but everyone there should be millionaires as well. We should build more millionaires every year in Papua New Guinea rather than killing their chances of becoming one.

Mr Speaker, the Minister for Finance knows that when you build SMEs and micro businesses, it is a tap for building Papua New Guinea millionaires. Otherwise, we keep on saying that Papua New Guinea is flourishing and we are seen the growth while all businesses are taken up by overseas companies and when all our resources are finally exhausted, they will leave us. We are all laughing about this but it is a serious matter.

Let us create and encourage our SMEs to grow in the renewable and non-renewable industries, and let us sustain and support the promotion of Micro and Small to Medium Enterprises (MSMEs). Let's put in appropriate legislations in place and create an MSME institute just like the other industries in Agriculture. You create institutions, colleges and

technical learning places to impart the knowledge for SMEs. There is none in Papua New Guinea at present. We are depending on the private sector.

Mr Speaker, the next strategy would be the absolute youth empowerment. The youth empowerment is quite frightening but also saddening because if you drive down the street of Port Moresby, you will find so many fit young men and women walking around jobless, and the number of young people coming out of schools are even bigger and we do not have jobs to accommodate them. What do we do with them? Do we just lock them up in the cells because they have done something wrong or Police can shoot them and we don't care about it?

Mr Speaker, Strategic Step 7 is Absolute Youth Empowerment. Young Papua New Guineans who do not wish to do TVET/TAPE or other courses offered in our institutions can be sent to the following compulsory services and training. There are four good strategies that enable this policy to be implemented.

The Opposition policy approaches will be:

**(i) Defence Force training and discipline.**

As soon as PNG's young leave the secondary or tertiary level institutions, they can be enrolled in the PNGDF for training and discipline for 12 months. Activities will include:

- Soldier training like basic gun handling skills, warfare techniques et cetera.
- Civilian works like civil works, disaster/emergency works, rescue missions, etc.
- Discipline and health/hygiene training.
- Search and rescue training.

**(ii) Corrective Institutions Services Training and Discipline.**

- CIS Officer basic training, like guarding etc.
- Practical skills or personal viability program with the in-mates.
- Computing, mechanic, agriculture and industry etc.
- Farming and livestock training.

**(iii) Police Training and Discipline.**

- Community work like cleaning up work for public relations/outreach.
- Criminal apprehension work.
- Teaching civil rights.
- Bounty hunter training.

- Community policing training.
- Arrests and prosecution.
- Awareness on the existing laws of PNG.
- Support to law enforcement agencies.

**(iv) Compulsory Vocational Training at TVET Colleges, MSMEs & Industry Colleges within and outside PNG.**

That means, it is business of the Opposition if we had the opportunity, we would not overlook any child; every child that comes out of the mother's womb must have a plan.

Papua New Guinea cannot and will not afford unemployed youths. Our young must be trained and employed. We cannot and will not deny our young. It is our considered belief that every system, every piece of law, every bit of policy and every stroke of a decision is done for our young and their future. The Opposition will ensure the youth are pinnacle of the Government's eye. Youths must be trained and cultured to survive in this challenging world.

**28/02**

Youth must be trained and cultured to survive in this challenging world. It is a sad affair for the young because we have not trained them to survive in these challenging times. It is a need we cannot overlook.

Mr Speaker, the skills training institution that will be eluded to will be in the Agriculture institutes, Livestock institute, Aquaculture institutes, MSME institute and other Tafe colleges and the disciplinary forces. That is where our young people must go to and at the same time we develop the industries so they have jobs in those areas.

Mr Speaker, for the sake of time management I will be brief. In my strategy step 8, enabling or executing the skills industry growth strategy is the tourism and hospitality industry development. We know about that. There are some things that the Government is doing but need to develop that industry.

Mr Speaker, my strategy step 9 that we developed and redeveloped and implement in executing the skills industry is the enhancing export industry development and import substitution.

Mr Speaker, the Opposition believes in developing and growing export industry. The Opposition will also ensure all imports that can be produced in PNG are produced in-country. The export industry will be developed for two main reasons:

(1) Import substitution and to produce a little more in surplus for meeting internal and International demand. It is like what the Minister for Agriculture said in the rice program yesterday. I think we see eye-to-eye on that but there but they fail in the comprehensive policy. We passed in that area.

Mr Speaker, PNG today imports so many goods from agriculture products to information, communication and technology items. PNG's dependency on imports simply means that we miss out on many areas like job creation, benefiting from foreign exchange earnings, creation of a stronger and sustainable economy, development of PNG's own manufacture and downstream processing industry. PNG should now look at substituting some of those imports that we see coming into the country.

(2) Export of PNG-made products to the international market. But how do we do that. We cannot wait industries to develop so there is one way we can do that with a bit of short cut into this area. So we have to propose that we have established a free trade zone and free investment zone.

The Opposition will establish a (FIZ) Free Investment Zone with the attributes on page 41, a geographic or a fenced area secluded from the normal economy of the country for free trade to occur with free trade conditions.

The objective is to attract export-oriented manufacturers who will invest in PNG to export PNG-made products. The Opposition will immediately commence a cost-benefit analysis for establishing a Free Trade Zone called the Free Investment Zone in PNG. The study will amongst other things define the FIZ whether it should be an industrial estate, a territorial or economic enclave, a fenced-in industrial estate or an industrial zone.

The cost-benefit analysis will assess employment of Papua New Guineans and other notable benefits as against disadvantages.

Mr Speaker, the establishment of the FIZ is a new concept but the Opposition believes that this strategy will aid the development and growth of a sustainable economy in a faster approach by exporting Papua New Guinea made products and goods.



The Opposition believes in new economic development approaches to achieve better results PNG never achieved in the past.

Strategy step 10 is integrating that FIZ into the rest of the economy.

**29/02**

If you are going to enclave it separately from the rest of the economy, how do we integrate the benefits of the fees of the Free Trade Zone into the economy?

Mr Speaker, it will be legislated as far as the Opposition is concerned. The Opposition will articulate clear policy guidelines that will lead to benefiting Papua New Guinea's sovereign economy by following legislative and policy interventions. First 40 per cent of businesses within the Free Trade Zone will need to be outsourced to local Papua New Guinean entrepreneurs and companies or 40 per cent of the activities are conducted outside of the fees or the Free Trade Zone.

Secondly, 50 per cent of export in agriculture will need to have PNG's national content in it. For instance if fish products are to be imported, processed and exported, PNG's own fish must be in it by 50 per cent. If palm oil needs to be processed and packed for export then 50 per cent of PNG's own content or PNG's own oil palm needs to be in the export. Furthermore, if coca products need to be imported for processing 50 per cent of PNG's own content needs to be part of this export as well. So eventually the vegetables produced are to be imported, processed and exported, Papua New Guinea's own organic vegetables are part of it.

I am saying this because in the first place when you start it off you will see the need to meet the market demand by having the level of productivity, but it was exported but as you grow your own through the agriculture intervention programmes I talked about this comes in and then the dynamics change.

Mr Speaker, clear cut comprehensive policies will be laid out for various types of zones, whether it be trade, freeport, manufacturing, special economic zones, industrial free zone, export processing zones, enterprising zone, or services like information processing zone, financial services and commercial free zones.

The Free Trade Zone will be time-barred and periodic reviews will be carried out to ascertain if the Free Trade Zone is a win-win for all and if not corrections can be made promptly to ensure success.

The policy will allow the Free Trade Zone to flourish for a period to ignite the most optimal degree of industrial growth and then its importance will fade as PNG's own economy picks up. So it is a very smart but very strategic move which if carefully planned out, PNG can grow and that's what the Opposition stands for.

So, Mr Speaker, we believe in these strategic steps that we will be implementing to empower the execution of a scaled industrial growth strategy. Well to do that we are engaging the people's involvement in it and shared prosperity with a successful sustainable income but also the growth of a sustainable economy does take place because the people own this country and you are making them participating in this scheme.

What do we see as evaluating in terms of what we achieve at the end of the day? Very briefly, Mr Speaker, we are seeing a suitable housing for all. So when we have implemented this we'll go and check out if Papua New Guineans are living in suitable houses? Did they build them themselves? What's the quality? What are the standards of accommodation they have? We'll check those and create a soft housing loan for our local Papua New Guineans.

Minimum housing standards must be there so if you build a house we'll have to regulate that so that one of the benefits that people should, automatically or naturally receive from all these programmes is a minimum housing standard or good quality house for Papuan New Guinean families.

The next thing that you should see is a sustainable family living. The family should have an income all the time, there should be money coming into their pockets. The government cannot continue to pay for this and for that forever. The people must have money in their pockets.

Mr Speaker, the regulation of real estate is one area. When you find that people have money in their pockets then you create an economy of scale. That means that the prices of things come down and so the so-called price hikes in real estate in Papua New Guinea will come down because you will find that Papua New Guineans will have their own accommodation and money in their pockets.

And public services housing for retirement will not be difficult because the government will find money. The people will be looking after themselves because of the facilitation of these programmes.

The government will easily have money available and not labour too much on looking after public servants because they will have the money to do so.

And the next thing is this Universal Compulsory Education and skills development programme which is part of the Integral Human Development. The Opposition strongly believes that we can legislate that in an organic law or in the *Constitution*. We can do that to make sure that what the government is doing now is just one part of this Integral Human Development.

Don't forget, Mr Speaker, skills development that we are talking about must be done through proper legislation.

**30/02**

The other way to measure Papua New Guineans standard of living is by implementing this programme as a sustainable income to all Papua New Guineans. At the moment the employment sector is very small at around 20 percent.

We have got to make sure that there is income being made by everybody as to increase that 20 percent to 50 percent or even to 100 percent. And this can be done by way of implementing these programmes that we have talked about and of course, the Honourable Governor of New Ireland raised some very important points, which I also agree with.

He talks about sustainable income and that is the thing that the Opposition is very keen on. You can talk about GDP growth like I said in my earlier part of my statement, but how much of it in terms of tangible money and benefit of work will go into the pocket of an ordinary Papua New Guinean?

As Members of Parliament and when I go to Kandep the people there expect me to give them money all the time because there is no sustainable income coming into their pockets. And I think that this is also the same for all the other electorates throughout Papua New Guinea. Therefore, we have got to create it and it is not difficult and it is easy to do that, and a sustainable income is a very important part of this exercise that the Opposition continues to embark on. This is not impossible but very easy to achieve in this resource-rich country.

Also, we will see a reduction in the law and order related problems. We cannot just send the police to go and shoot our young people all the time or tell the police to become rogue or put them behind bars all the time. We need created opportunities through this Skills, Industry, Growth Strategy for people to make money. They will be okay and they will not need to go and steal or stand by the roadside and or even block the roads to make money. People will make their money easily themselves so you will have reduced all the pressures of law and order.

Another benefit of this strategy will be the improved lifespan of Papua New Guineans. I know that all of us are very concerned that the average lifespan of every Papua New Guinean is probably 60 years of age. We have had Papua New Guineans dying at the ages of 55 to 60 but we have improved that so far. Therefore, when you have a sustainable income people can have quality food and shelter and improve our peoples' life expectancy.

Another achievement which we would also like to achieve by way of this programme or by implementing this strategy is by the development of a sound financial debt market. We do not have any secondary market in this country. When I say a secondary market, I mean to say that, we only go to the banks to get money. Nevertheless, private Papua New Guineans must have access to more funding options as well. We must have many more NASFunds and Nambawan Supa and finance credits. We must have these offices set up in all our provinces, districts and LLGs so that it makes it easy for them to borrow money.

Why should we do this? This is because you will put money into the pockets of our people through the strategies that I have mentioned then this will create a money culture and capital resulting in the creation of a debt market through SMEs.

This is one of the achievements that can be achieved and the Opposition will measure it over period of a five-year term to ensure that we have achieved those achievements, which will improve your human development index. There are many other things that I could talk about but there are two of which one is the Sustainable Economic Growth. An economy will always grow even though there is a financial meltdown in Wall Street like we have seen and the price drop in oil that we are experiencing. Nevertheless, we will have the capacity to address such challenges because we have got a strong and vibrant local economy and a financial debt capital market in this country.

Apart from that, we have still got a fluency of skilled Papua New Guineans, knowledgeable and they understand because the information is clear to them on to how to mediate through these challenges. With this, we will stride through the challenges that come to this country. This is the essence of the Opposition's policy.

Mr Speaker, what we will see from this policy is that corruption will come down. Let me be honest here, most times we hear about a deaths, bus fares, air fares, bride prices but we cannot say that they are bad things because they are our cultural heritage. These are the things that we do but then there is no money provided to meet those set of demands, so then you get caught and we have to face all kinds of challenges through the legal system.

The wise thing to do is to create and empower the people to have money so that Don Polye will not be pressured by his people to pay their bride prices because the people of Kandep will then have the money to do it themselves for the government has empowered them to be sustainable themselves. Therefore, Members will not be tempted to break financial laws due to the pressure by their people. This is because we have got the wealth and prosperity shared through the facilitation by government.

**31/02**

Mr Speaker, I have articulated to some extent of comprehensiveness the first policy of skills growth policy and giving you the strategic steps towards how to doing that and I have also indicated as to what are the steps to take in reviewing if you have implemented that policy correctly or not. But this is the first Mega Policy overarching the other 7 policies.

2. The Integral Human Development
3. Modernization of the Public Service
4. Debt Market and Money Culture
5. Creating a Sustainable Economy

6. Personal Viability, Self-Management and Bodily Care, as young people of Papua New Guinea are dying of drugs and of lack of discipline we must address this issue through this policy here.

7. Everyday Livelihood of the people which is articulated in the policy book that we have done. I suggest you read into it.

8. Foreign Relations is very important, and one of those things the Opposition criticises the Government on is on the issues of West Papua, giving monies out to Pacific Island Country without a proper Foreign Policy of this country. Putting some of the Asylum Seekers Refugee in the CIS is not a proper thing to do and it's not right by the United Nations Convention. Our Foreign component of the policy addresses those issues

Mr Speaker, let me conclude by saying that the Opposition is not just an Opposition. We are not just here to shout at the Government or the Prime Minister. We are not here for the sake of arguing or criticising. We have policies that match or differ in terms of what the Government is doing. These are our policies and we also believe that they are clear. They have been done comprehensive for Government and others to criticize.

These policies can be reviewed and can be always carried out over the years. But if we were to form the alternative Government this is the way we would go in implementing our policies.

Once again, let me thank you, Mr Speaker, on behalf of the Opposition for the opportunity. I think for the very first time an Opposition Policy has been presented in PNG Politics. I cannot go back as far as 1975, probably our pioneer leaders did. But since coming into Office in 2002 the Opposition has never had a policy but also equally the Government never had a comprehensive policy except for the one that the Grand Chief Sir Michael Somare introduced in 2002.

Even currently the O'Neill – Dion Government has no policy on all these issues and as far as spending and allocation of funds is done on adhoc basis.

The Opposition is committed based on godly principles and values that we have adopted as a Christian nation, we are not ashamed of this and we have promoted Christian Values. Thank you.

**Mr JAMES MARAPE** (Tari-Pori Minister for Finance) – I move –

That Parliament take note of the paper

Mr Speaker, let me commend The Opposition Leader for stepping up into his role as the Opposition Leader and delivering a comprehensive 6- page statement that took one and a half hours to deliver.

Mr Speaker, I am very envious of the fact that he starts his speech with a lot of Biblical quotations and it reminds me of a story in the Book of 1 Kings that talks about Elijah and King Ahab, praying for rain and there was a lot of noise and eventually Elijah comes up and prays for a short time and rain fell on the people.

Mr Speaker, the same God whom we all prayed to since 1975 to become Prime Minister was the same God I am sure we prayed in 2012 for all of us to become Prime Minister.

The same God sat in his same throne that he has been seated in the past and the eternal future is the same God as far as my Bible tells me in Romans Chapter 13 that called for the Government of O'Neill – Dion to come into place in 2012.

**32/02**

Humanely speaking, I cannot pass judgement that the Government is rubbish and I am better. Mr Speaker, we all prayed but the implications are heavily painted with the innuendo that the Government of O'Neill is the Government that God did not appoint and there's a Government waiting that God will appoint.

Mr Speaker, where on earth does humans beings point that God appoint his government because my Bible tells me that God appoints governments and in 2012 God appointed this Government , including yourself as the Member of Parliament and until such time .

*(Laughter in the Chamber)*

**Mr SPEAKER** – Address the chair!

**Mr JAMES MARAPE** – Mr Speaker, until such time that God feels that there is a better Government than this combination of leadership under Prime Minister Peter O'Neill this Government will come into place but today when the learned Opposition Leader says that there is no policy in place then we are operating in a policy vacuum.

Mr Speaker, one does not have to be a rocket scientist, a very learned leader or be the wisest leader on earth to establish policies to run the Government. Policies are societal need basis; policies come and go every time.

Mr Speaker, the O'Neill-Dion Government does not operate on a policy vacuum when society has need for education and need for improved infrastructure, health, law and order and need for economic interventions. Prime Minister O'Neill as leader of his party and most coalition partners went to the elections and his party was returned on the promises that the five deliverables that he said he would deliver. He came back with the number and three Budgets on we are sticking to the promise we made to our people. What more policy do you want? We cannot go on re-inventing the wheel, as the Prime Minister Peter O'Neill says, if we lay up all the plans in this country we will go to the moon and come back a hundred times so we take the shortcut way .

Mr Speaker, in 2008 to 2010, our education enrolment stood at these figures, our universal basic education figures stood at 11256768 students in universal basic enrolment today our statistics stands at 19440910.

Mr Speaker, that is a direct intervention of a policy driven Government on universal basic education and free education.

Mr Speaker, that is the statistics and skill are built on universal basic education. We have to get the fundamentals correct; we need to get those out there in the society into class. Mr Speaker, the Member for Kandep was a very close brother to me unfortunately in policies we differ a lot these days and I was very excited to listen to his speech because I thought he had a better option for me to be convinced to be on his side.

Mr Speaker, my brother honourable Don Polye spent 12 years as a senior Minister in the last three terms on record he served as was the Minister of Works, Transport and Civil Aviation, Foreign Affairs, Higher Education, twice Deputy Prime Minister and Acting prime minister.

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I'm thankful for him because under his leadership I got appointed as Minister for Education.

Mr Speaker, the number that I am really keen about is that in his ten years, as the Minister responsible for Works and Civil Aviation, not even one new airport was opened in this country out of the 8 760 kilometres of roads and national highways only 3,000 were of good standards.



In fact, in 2008, 2009 and 2010 this nation enjoyed the highest number of windfall for goodness sake and now I beg to ask this question, where has this money gone to? Today I can't be standing here bearing the blunt of message from Tari, Pori and Hela people, where the money is. I don't have this money to build the roads today simply because I got to catch up on a debt for the South Pacific Games. We agreed in 2006 to host this game. And today we are catching up on this huge debt. I got roads to fix in the village and I am waiting for South Pacific Games obligation to terminate in 4 July 2015.

Today, as I speak, we build additional 1,000 kilometres of roads so the statistics has improved in 2012, 3000 kilometres of national roads were possible in 2014, 1000 kilometres were sealed, it's an achievement of a Government that is policy orientated.

Mr Speaker, Rome was not build in a year but was built in 1000 years. Member for Bulolo, we are fixing your roads. I am sacrificing Tari at your expense. On record you have fully received your DSIP by the goodwill of this Government and it's not your entitlement, these are development grants.

Mr Speaker, that is where Mr Polye and I choose to differ in most of our views in life in politics. When he chose to be a tax collector, I chose to be a dividend collector and that is the difference. Do I sit and wait for my tax while my tax basis is small? I must invest where the dividend is. It's a Government policy.

Mr Speaker, when Government policy was brought in for us to participate; a policy that was checked by Central Bank, Treasury Department and all arms of Government for that matter, we all debated in Cabinet and Mr Polye, debated as Treasurer. My heart will be happy if he had resigned that time because the policy went against his conviction.

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**Mr Don Polye** – Point of Order! Mr Speaker, I would rather be happy if the Minister for Finance and the Leader of Government Business would argue on my policy statement rather than attacking me personally. Being a very good, sincere and kind person, I was convincing the Prime Minister and himself not to go down the bad road and they never listened. Now you can see the consequences, so please do not take it personally and attack me.

**Mr JAMES MARAPE** – My apologies if I seem to be personally attacking him as I have no intention to be very personalised to Mr Polye, but I am making case in point, whereas the alternate government has talked about policies and we do have policies in place that we are working with. We do not operate in a policy vacuum. He also argued on UBS loan, he wrote and talked about it.

I am making reference to the case that he raised. Because he raised the issue Parliament has the right to talk about it. If you use UBS as a reference point on record, you did not resign over UBS, you were sacked over UBS. You never resigned because it was a wrong policy. You stood on it until the Prime Minister decided your partnership must come to an end.

As a choice of investment we do not want to be only tax collectors, we want to be dividend collectors in a blue chip investment in our opinions at this point in time. And only time will tell whether this choice is correct or not, and I bring his mind retrospectively to an investment choice that the Minister Somare made and many times we criticised him.

We said the choice was wrong. Minister Somare pegged the coupon value exchange with IPIC, checked the price with Oil Search at \$8.55 and the sale with IPIC will take place at that time. At that time oil search shares were trading at \$4. Come March 6 2014, when the time for trade and exchange took place, the prediction in 2008, stroked were it mattered most, the price at oil search went past \$8.55.

Choices have to be made by the government and of course the former treasurer does not want to be involved in buying shares in a company that might pay dividends, that was his choice. Our choice was to invest and we did.

Just like investing in Oil Search, there must be investment policies in Ok Tedi and many of our companies that we feel will give maximum return to us as a Government. And we have no regret on the choices that we have made.

Mr Speaker, results are staring in our face and I have the numbers put together by the Opposition Leader and the numbers are not sustainable as far as the current fiscal regime and the current economic outlooks are concerned. Putting numbers for the sake of putting them is good for immediate gain but in the long run, these numbers do not stand a chance. And I just used the works and education department as examples.

We have missed many opportunities in the past. There were very good leaders that missed opportunities and today when we are in the mood of moving forward let us have all the healthy criticisms that can make our country grow from today onwards. We live in one country; let us not make two economies for each of us. The type of signal that we send out to the society will create the environment in which investment will grow in this country.

During the leadership summit last week, two key business leaders in this country; ExxonMobil and Oil Search Managing Directors both summarised their conclusions by saying we need political stability. Now the money that we get to grow our economy and the country does not come from anywhere; it comes from direct foreign investment.

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Today marks the time we talk about direct foreign investment and trying to put hogwarts in the face of every national headline all the time and we scare our investors. Thank you, Mr Speaker.

**Mr SAM BASIL** (Wau-Bulolo) - Thank you, Mr Speaker. I take this opportunity to also thank the Opposition Leader for presenting the Alternate Government Policies and must be commended for taking this initiative for the people of Papua New Guinea.

Mr Speaker, let us take this as a precedence from the Opposition and I, as the longest serving Member of the Opposition, believe that future Opposition Leaders when you take office should present a Alternate Government Policy from the Opposition so that we can show the citizens, the corporate world, partners in development, agencies and the foreign countries our Alternate or what the next Government has in store.

Mr Speaker, I can recall back in 2011, in respect to the Grand Chief Sir Micheal Somare, when he was the Prime Minister then and most of you were serving under the Cabinet. The Opposition was very critical about the conduct of ministers and when we changed Government Mr Peter O'Neill after sitting on his table for five minutes, we made him the Prime Minister.

Now, with that we were in a hurry, we didn't have time to put a policy in place but a change was imminent and it happened.

Mr Speaker, in 2011 the then Deputy Prime Minister, Honourable Belden Namah; and

myself raised several issues regarding corruption. There was a K40 million that was about to be paid to a prominent law firm and we raised the issue and we were thinking that the Prime Minister will support us but he never supported us. That was when I knew that I had made the wrong choice; we have never got a proper policy from the Opposition

**Mr Peter O'Neill** – Point of Order! I think the Deputy Opposition Leader needs to give some clarity about this K40 million that he is talking about.

I have no memory of this issue and if he is going to debate this issue as a policy issue he needs to provide Parliament with a bit more details because certainly I have no recollection of this matter at all.

**Mr SPEAKER** – I must also give a general warning to all parliamentarians, you must understand there are provisions and the Standing Order clearly states that we should not make any statements that are offensive and be very careful, if you have facts then you state the facts clearly, otherwise it is just a general statement.

But then again I must remind you that we are debating on the statement by the Opposition Leader so please stick to what the statement is about.

**Mr SAM BASIL** – Thank you, Mr Speaker, I understand that there were some issues about the loan thing that was in Court and it was still debated and you never stopped it.

Mr Speaker, I am saying this because from the Opposition we wanted to change and we did not have a policy and when the change happened we were in the Cabinet of Peter O'Neill, I would like to commend the then Attorney-General, Honourable Allan Marat, who was with me when we sponsored a paper that went into Cabinet to establish an office of the taskforce sweep.

When the taskforce sweep was established our intention was to fight corruption and I am sure that every second sentence that the Prime Minister used when he was elected as the Prime Minister in 2011 was corruption, and we all know that when you change government you must also talk about corruption because people of Papua New Guinea want a government that fights corruption.

Mr Speaker, when ITFS was established our intention was to make sure that people who

used the paper farmers to take money must be held accountable.

I believe that leading towards this 2012 Elections we changed government and were trying to find ways to get the policy that people will support and we came up with free education, free healthcare that PNC is taking ownership of it, but I am sure that that policy were established because we went into elections.

### **36/02**

The Opposition believes that during the appointment of the Chief Justice and the Police Commissioner, the Office of the Leader of the Opposition and the Office of the Prime Minister should be exempted in the decision making process to avoid bias opinions in those institutions when they operate. That is why we set up the Investigation Task Force Sweep because the system in place does not work.

Mr Speaker, you will note that the Opposition has been critical of the 2013, 2014 and 2015 Budgets because of the many opportunities that we have missed and the lack of tangible effort on the people of Papua New Guinea. We have failed year in, year out to deliver the budget for the people and the ordinary citizens and many of our people have been forgotten. I stand to support the calls made by the Governor of New Ireland that we are taking money from the poor and building infrastructures for the wealthy in towns, and I believe that this Government is looking the opposite.

Mr Speaker, they are talking about the LNG Project but even today, the landowners are still waiting for their benefits. Their immediate communities and many of our people only hear of a word 'huge unprecedented 12 years of economic growth' which is well over the international average and we have more than 6 per cent growth. We have to be very careful that the first step that we take from the 12 years of unprecedented growth must be correct. If we take the wrong step, we will make everything bad.

So we must look at the alternative to which we must empower the ordinary people. We believe that it is a must for the agriculture and rural industries that will sustain and supply the materials for our agro-processing and small manufacturing sector that will underpin the safety net of our people.

Mr Speaker, we commend the focus of the PNC-led Government on its five pillars; education, health, law and order, infrastructure and growing the economy. However, this has not been done in a holistic way.

Mr Speaker, we have provided tuition free education.

**Mr William Powi** – Point of Order! Are the Opposition Leader and the Deputy Opposition Leader echoing two separate policy statements? Or is the Deputy Opposition Leader debating on his leader's statement which he must clarify. Secondly, during his tenure as Deputy Opposition Leader, it is public knowledge that they never presented a policy statement. But when Honourable Don Polye is at the helm, the Member for Bulolo is piggybacking on this policy. Please can the Chair clarify whether the Opposition Leader and his Deputy can present two statements?

**Mr SPEAKER** – The Chair will allow the Deputy Opposition Leader to continue.

**Mr SAM BASIL** – Mr Speaker, subsidized health services but this is not complemented by increased teachers training and postings.

Mr Speaker, expanded classrooms and facilities and the delivery of text books and materials. The late list says, the late resumption of teachers in rural places are some examples.

Mr Speaker, similarly, we have not increased medical doctors in the health sector even though it is free but without improved health.

The Opposition believes that 89 districts throughout Papua New Guinea should have 89 doctors.

We cannot continue to say that it is a new policy regarding the Free Education and the Free Health Policy. We have used it during the 2012 General Elections and we have delivered on it and it should be embedded into our laws so that it cannot be kicked around like a political football during elections. You have cooked and you have served it. Think of another policy.

Mr Speaker, our law and order and the Justice sector are faced with huge burdens in maintaining law and order and enforcing laws.

**37/02**

The Police Force is dependent on hired vehicles which do not have the standard police accessories such as radios, flashing lights and speakers. More often people are asked to pay for fuel and even business houses are donating which is not good and sets a bad precedent.

In fact the disciplinary forces are faced with high attrition rate that is not improved with recruitment and training to maintain the staff strength.

Mr Speaker, since 2013 we have more prison escapees from Buimo, Buhute, Bion, Barawagi and Bomana and this is bound to continue if we do not increase manpower and also provide the basics such as new infrastructure as most jails have out-lived their lifespan.

Mr Speaker, we must empower the defence force as mentioned by the Leader of the Opposition and also engage them into more civic duties. They should be complementing the Department of Works to build roads, bridges and classrooms, health centers and other projects.

Mr Speaker, the alternate government, in support of the Opposition Leader, will continue or ensure to recruit supply to the disciplinary forces, training colleges through the school leavers application forms and straight through to the secondary schools.

If appears that we are recruiting from the streets and many have mixed with the crowd who are exposed to criminal elements as well as people so much that they cannot distinguish all citizens as one but have different views.

Mr Speaker, whilst we know that the transport infrastructure is important to the delivery of services, market access and growing of the economy, most projects are undertaken in the city. More or less we have to have more highways and two lane roads but we believe that we must engage in designing and scoping.

The alternate government in support of my Leader will connect our forgotten people in the Telefomin, Middle Ramu, Jimmy Valley, Karamui-Nomane, Obura-Wonenara, Menyamia, Garaina in Bulolo, Kabwum, Maramuni, Finchhaffen, Kaintiba and Goilala and the list goes on.

We have yet to fix our lifeline, the Okuk highway and connect East to West New Britain, Morobe to Gulf, Central to Madang, Madang to Sepik and the list goes on. These are the forgotten who people dream to benefit from these huge economic growth and opportunities but will continue to be forgotten.

Mr Speaker, the Opposition has been concerned with the foreign exchange fluctuations and the impacts of fuel prices increases and the cost of imports that will affect the ordinary citizens.

We must plan ahead and ensure any depreciation in our currency will benefit our rural farmers who will have increased prices but should have planted enough crops to benefit. We must have good reliable data system to make good projections. For example, we were told that by 2030 we will have 30 000 metric tons of beef meat and today we are yet to increase the cattle stockholdings to improve the stock.

We have talked about growing rice and yet we have announced the Rice Policy yesterday that will promote one or so-called entrepreneur and, Mr Speaker, I believe that many times in Cabinet several members go in with interest of the project called Naima Rice Project because they have been bringing the project in and out but has been continuously rejected. I hope and pray that the Agriculture Minister is not paving the way yesterday with his Policy to give this company a go for the monopoly.

I would like to remind this Government that should you ever give a monopoly to a company, never allow those single companies to be the only importer of rice into Papua New Guinea.

I do understand that, Mr Speaker, there are several traders of rice in Lae and I believe that with those several companies being formed, out of Trukai industries Papua New Guineans are involved in importing. Now with 10kg rice in Lae you can buy the cheapest one at K2.20 per kilo. So we must all try to make sure that we stabilise the price or we reduce it.

Mr Speaker, why cannot the Government mobilize the land and support mechanised farming in Markham, Aroma Valley, Baeyer, Sepik, Rigor and Berezina.

Mr Speaker, we have ROC from Taiwan sitting in our country running rice program but we have not tried mobilizing our landowners. We have not tried partnering ROC from Taiwan.

Mr Speaker, yesterday, I thought the Agriculture Minister will conclude by saying that we are looking at bringing in 50 tractors into Markham Valley and we are ready to develop 50 – 100 hectares instead we are paving way for an entrepreneur to come in and monopolise the industry.



**38/02**

Mr Speaker, the Opposition will do otherwise. We will empower the people of Markham Valley and all the other plains to be partners. We cannot get a partner outside and shortcut all the process and give them pioneer status and cut all the taxes and all of that. That was what the Minister was alluding to yesterday.

Mr Speaker, we have planted rice for ages and I am sure in Finchhaffen, Garaina and many other districts, people are planting rice right now. Let's not forget them.

We must encourage food security through empowering our local communities. Mr Speaker, when we talk about food security we must remind ourselves that Papua New Guinea is a lucky country. When rice stops coming into the country we will still survive because a lot of people back home are subsistence farmers. They look after themselves.

So we must understand that the effect that we will be having in Papua New Guinea will not be big because most of the people sustain themselves. So we have a chance to formulate a good policy for our people.

Mr Speaker, we must maintain and know the economic and projections underpinning policies so that we cannot come up with changes in policies every time it does not suit us.

Mr Speaker, the alternate government, in support of my leader, will ensure agriculture, fisheries and Small to Medium Enterprises must be a priority of the new government. These sectors support millions of families unlike our extractive industries.

Even if we were to remove free health or education the people will sustain themselves so we believe in building up the economy of the people.

Mr Speaker, we have been talking about the agriculture and the rural industries since 2012 as being the basis for framing the budgets but we have gone to focus on extractive industries. This year it was obvious with conflicting statements from the Prime Minister, the Treasurer and even the Governor of the Central Bank. These can be described as inefficient mismanagement of the economy of Papua New Guinea.

Mr Speaker, the Governor of the Bank of PNG had earlier advised the government to look into the agricultural sector, and knowing very well the haphazard or zero intervention in that sector he is saying that the depreciation of the kina would be good for the agricultural sector.

In 2013 and 2014 the World Bank announced that production and export of our tree crop commodities have dropped and some are at a worst level than the prior years.

Mr Speaker, our people, mostly in the rural areas are totalling up to six million are still without medicine, proper health and education infrastructure and the disciplinary forces not having proper gear and fuel, being dependent on donations when the so-called infrastructure projects are located in Port Moresby with a little bit in Lae.

Mr Speaker, we will be serious in development and impact projects such as the three impact projects by each government agencies and the provincial administration reports will be provided in every meeting of Parliament on the impact projects. The monitoring and evaluation must be improved.

Mr Speaker, we will look at ensuring that the churches must be supported as they are in almost all the rural areas that the government has withdrawn from. We will work with their health, education and aviation agencies and support them with subsidies and infrastructure.

Mr Speaker, in support to the Opposition Leader, the alternate government will reinstate that our budget must go straight to the people and the long awaited benefits associated with the long years of unprecedented economic growth will be lost if we do not deliver whollistic and planned programs and activities.

We must give hope to our people but also reward them with better services and also provide opportunities for them to achieve personal goals in improving their standards of living.

With that, Mr Speaker, I commend the Opposition Leader for putting out the alternate government's policies.

**Mr PETER O'NEILL** (Ialibu-Pangia – Prime Minister) – Thank you, Mr Speaker, for giving me the opportunity to speak on this 54-page policy statement by the Opposition Leader.

Before I make a few comments let me congratulate him for his elevation to the position of Opposition Leader and of course the remaining Deputy Leader of the Opposition and the relegation of our friend to the back bench is something that we all noticed.

But, Mr Speaker, let me make these comments despite the continuous childish comments from the Deputy Opposition Leader.

**39/02**

Let me also take this opportunity to congratulate the announcement of the Shadow Cabinet. I think that this is the first time that a Shadow Cabinet has been announced on the Floor of Parliament. Therefore, we commend the Opposition Leader for that.

There are eight key policies that the Opposition Leader has announced and I will go through each one of them even though I did not have the time to read through it in detail. Nevertheless, I will make some general comments as I see it from the outset.

Mr Speaker, firstly, some of the policies that were announced talked about funding those policies, and on page 14 he talks about how he is going to raise the money to fund these policies. With that, he is trying to start funding the policies in 2015. We will all see how he wants to do that but, firstly, he is saying that, we will get the revenues of K2.15 billion from the LNG to fund all his policies that he is talking about.

He is going to forget about everything else and focus on funding those eight key policies that he is talking about. He is going to forget the Future's Fund that we are going to create under the Sovereign Wealth Fund, and he is going to forget about the Stabilisation Fund that we are going to create under the revenues that will come from the LNG. Therefore, he is just going to spend all the money that is going to come. He won't care about the future for our country or stabilising our economy because he is just in a spending mood. So, that is how the policy is being framed.

*(Don Polye interjecting)*

**Mr PETER O'NEILL** – Well, that is what you are saying in your policy document.

The second thing that he is saying is that, he is going to sell the 10.1 percent of the Oil Search shares and that is going to bring him K1.5 billion to fund the programmes that he is talking about.

He has forgotten that we borrowed money to buy these shares. How then will you repay the loan? The loans are secured by those shares. We are interested in getting dividends and making sure that we secure the future long term benefits that are going to go to our country. That is the reason why we bought those shares. This is going to continue to employ Papua New

Guineans because the largest oil company in this country will continue to invest in this country and that is why we bought those shares. This company is going to continue to pay the biggest taxes that have ever been paid into this country. Therefore, he is going to sacrifice all these because he thinks that he has to raise the money to pay for the policy that he is talking about.

Mr Speaker, first of all, he has no money to do anything. The way that he is talking goes to show that he has no money to do anything.

Mr Speaker, you know, if you do not have the conviction of what you are saying then do not say it. If you do not believe in what you are going to do then do not say it because you are just wasting words. You have got no plan for anybody. No plan for the country and no plan for anything else.

Mr Speaker, I see that my good friend the Opposition Leader has wasted his 12 years in these very senior positions that he has been holding in government. He has wasted those years because he has learned nothing.

Mr Speaker, let me go through each and every particular policy –

**Mr Don Polye** – Point of Order! Please, can I kindly ask the Government not to personalise me but debate on the policy. If you are going to talk about what I did, all the reforms that you are enjoying came out of the Somare-Polye Government and therefore, you have not done anything yet.

**Mr SPEAKER** – I do not see anything wrong with his statement. Honourable Prime Minister, please, go ahead.

**Mr PETER O'NEILL** – Thank you, I am not personalizing, I am stating the fact because he has been a very senior Minister of Government, and what I was saying is that, the way he has framed this policy shows that he has not learned from those experiences. I am not personalising this issue –

*(Don Polye interjecting)*

**PETER O'NEILL** – That's true, I have been in the Opposition as well for a few years and that is acknowledged. Nevertheless, if you cannot balance the revenue stream to fund your policies then that is an even huge mistake.

Mr Speaker, let me now go through the policies. The first policy that he was talking about was skilled based industry growth, which is strategy No. 1 on page 9. He is saying that we should develop the skills; I do not know how we are going to develop it but we are going to develop it and then we are going to grow the industry through those skills.

**40/02**

We all know in our country we have a massive amount of young population that our education system has been rejecting for many years.

Those young people don't have the basic necessary education to even learn the skills so how you going to teach them. That is why we are introducing free education and we have a free education from Elementary all the way up to Year 12. That is well accepted throughout the country.

To correct the Deputy Opposition Leader, he may be Einstein material but he wasn't the one who came up with this policy. It was the Honourable Speaker of Parliament when he was Education Minister. So give credit to where it belongs.

Mr Speaker, he should stop misleading people of this nation and taking credit for something that you are not responsible for.

**Mr Sam Basil** – Point of Order! Mr Speaker, when you form a Government and come together to get collective ideas, the Honourable Speaker with respect to him proposed free education and somebody else proposed free health care and we put together something as our plan. The Prime Minister has dragged your good name in this -

**Mr SPEAKER** – Deputy Opposition Leader, can you resume your seat. Your Point of Order is out of order. Prime Minister, continue please.

**Mr PETER O'NEILL** – Mr Speaker I sat patiently and allowed the Deputy Opposition Leader to speak without interrupting and I think it is only fair he should give me the same opportunity.

This policy on skills Industry Growth is certainly not going to work. Because if you look through the details there is really nothing, there are 30 pages of nothing.

If you don't have the basic education, how are you going to skill your people? That is why this Government is continuously investing in education. For the first time in many many years we are now putting money directly to technical colleges for infrastructure and capacity building. We named each technical college in the country and we are giving money directly to them and teachers college and universities. We are not just parking it in Education and saying, no you allocate. We are directly giving money to these institutions.

That is because we understand the shortage of skills in the country. That is why we are supporting the TVET Program.

Mr Speaker, this is the only way you can up skill our citizens to get better jobs and make sure they participate in the growing industry.

Mr Speaker, let me also go quickly to his second policy on page 49. In fact its just a one paragraph policy.

The Second Policy of the Opposition Leader is the Integral Human Development. It doesn't give you details about how he is going to achieve that.

The third policy is the modernization of the Public Service. We recognise the problem that the Public Service has never been able to the expectations of our people that is why we have the Minister of Public Service on several occasions bringing amendments to Parliament which is now empowering the districts, empowering public service machinery across the country but it states nothing of that fact in this particular statement.

**Mr Don Polye** – Point of Order! Mr Speaker, that is statement and I did say the policy will be put out on the website for everybody to debate and talk so the Prime Minister should not misconstrue my statement. This is a policy and what he is looking at is the statement.

**Mr SPEAKER** – Your point of Order is in order. Prime Minister continue.

**Mr PETER O'NEILL** – Mr Speaker, I have no access to what he is presenting to Parliament and if he is going to present the full document he should give it to Parliament so we can debate it properly. Mr Speaker, I can only go by what I have and this is what I have.

The Fourth Policy is the Development of Debt Market and Money Culture in Papua New Guinea.

Mr Speaker, really when he talks about creating a secondary financial market, it is below the official banking system in the country. You look at the experience of money lenders which is suffocating in this country.

#### **41/02**

Payroll lenders are suffocating our people with fifty to seventy per cent interest rate and our public servants and workers going home with zero balance on their pay day. We are not going to create a financial market that will encourage such behaviour; this will allow families to go more and more into poverty because they are borrowing more money. We must regulate it and that is why we must make sure that we sink these things through. It is not about liquidity. The banking system and financial system has a lot of money that is why we are able to borrow as Government and fund our major policy framework in the country. The liquidity is still there for us to make sure that it is available for credit. We make sure that we develop and register the land we have so that our people can use it to have access to credit and funds to make sure that they carry out their businesses and live their lives.

Mr Speaker, it is not a well thought-out program, it is just a policy that is being developed on the run. I agree with the Opposition Leader on issues like personal viability. That is one policy that we all agree to because we all need to take care of our health and wellbeing and those are things that we need to encourage as well as things like chewing of betelnut and living a healthy lifestyle. We need to educate our people more and we need to work together and that is something that we all agree to. But the rest of the policy which is developed like the foreign relations as the eight policy, and I know that he doesn't agree with the things that we say about West Papua but these are some issues that we have ignored for too long and it is about time we talked about it. These people are our relatives and we cannot continue to go on hiding forever.

This may be a sensitive issue with our friendly neighbours but these are things that have to be talked about in a mature way. Our people's issues and problems need to be highlighted and we are only developing these discussions at the basis of the discussions that we have with their government, their president and their people. The discussions are still going on so we just don't go around and announce major issues like that because it feels good.

Mr Speaker, we do it because there are commitments from Government and that is why we are elaborating those discussions. Mr Speaker, looking at the issues in the Pacific, we are the biggest economy in the Pacific and when you look at engaging with the Pacific we need to continue to engage both in trade, investment and development agenda. When we talk about places like Fiji, a small country has got a very developed skilled labour force and we need to access that and the only way to do so is by engaging with them. We have obligations to our friends in Solomon Islands and Vanuatu. We are not going to leave in isolation in the region and say that we must ignore them because it is not right for us to do that. We need to do a little more work on many of the policy outlines that they have talked about.

Mr Speaker, let us focus on the key issues that the Government has put on as the agenda. The Opposition Leader himself was part of the team and if he concentrated on those issues like the education policy and development, the free health care, we are developing and putting money to each hospital in the country and the infrastructure we are building the equipment that we are buying the nurses and the doctors that we are training and employing it is saving lives in the country.

And in terms of infrastructure development, the Deputy Leader of Opposition knows very well how Lae city was for many years and he has been part of the Leadership of Morobe Province for quite some time and they did not do much. They just kept talking about it but we as the Government have done something so please sometimes give credit where it is due. I know that for the sake of politics we can have disagreements and criticisms but give credit sometimes because the roads are now better and you are driving around enjoying the privilege that road gives to you. So the investment that we are giving into that infrastructure is not because we just want to build roads in Lae. Just imagine how many thousands and millions of people depend on Lae city for their living. Their supplies and services are coming through from Lae. It is because



Lae is the hub of our business communities and hub of our activities for our people and in fact the hub of also delivering Government services to our people.

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It is right that we invest in this area because it touches many people. The investment in places like Hagen, Port Moresby and Kokopo also benefit many people. The population going through the cities is far greater than my own district in Ialibu-Pangia and that is the fact. Even though I want to build all the roads in my district, there is no population to justify. That is why we have to build where it's going to serve many people in our country and that is the best way to do it.

In fact, the Opposition Leader has spent a lot of time in the Works ministry for quite a long time and the Finance Minister has the right to say that the roads, when we inherited from him, were all substandard but now at least when you drive around in many of this National Highways, you will see that we are precisely doing what we should have been done for many years. Our aim is to seal 7 000 kilometres of roads by 2017, and we are achieving all these.

Mr Speaker, we are not giving contracts to some small-time two kina companies on the side and play those gutter politics like you do. That is why we get on with the job.

Mr Speaker, we will continue to focus on those four or five key policies that we talked about and we encourage the Opposition to take the queue from what we are doing and let's develop policies that will deliver to the expectations of our people. And your policies don't match up.

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

That the question be now put.

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

## ADJOURNMENT

Motion (by **Mr Mao Zeming**) agreed to –

That the Parliament do now adjourn.

The Parliament adjourned at 4:20 p.m..