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**LEE SIROTE**  
Acting Principal Parliamentary Reporter

**THIRD DAY**

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**Thursday 12 February 2015**

**DRAFT HANSARD**

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## THIRD DAY

Thursday 12 February 2015

The Speaker (**Mr Theo Zurenuoc**) took the Chair at 10.a.m.

There being no quorum present, Mr Speaker, stated 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 of Eastern Highlands **Honourable Julie Soso Akeke** to say Prayers;

Mi laik sharim tok bilong God pastaim long bai mi mekim pre bilong mi.

Scripture ikam long Psalms 139: 1-14. *“O Lord you have searched me and know me. You know my sitting down and rising up. You understand my thoughts afar off. You comprehend my paths and lying down and are acquainted with all my ways. For there is not a word from tongue but behold O Lord, you know it all together. You have urged me behind and before you laid your hand upon me. Such knowledge is too wonderful for me. It is high I cannot attain it. Where can I go from your Spirit, or where can I flee from your presence. If I ascend into heaven, you are there. If I make my bed in hell, behold you are there. If I take the wings of the morning and dwell in the upper most parts of the sea, even there your hand shall lead me and your right hand hold. If I fell the darkness shall fall on me, even the night shall light about me. Indeed the darkness shall not hide from you but as night shines as the day, the darkness and the light are both alike to you. For you have formed my inward path. You have covered me in my mother’s womb. I praise you for I am fearfully and wonderfully made. Marvellous are your works and that my soul knows very well.”* Father, you all knowing God; you are omnipotent. Mipela kam bifo long yu long dispela Haus. We present ourselves to you, you know us very well. Our life is open like a book for you, you read us thoroughly. Father forgive and cleanse us of all that we have done, that is not right before you. I want to thank you Father, dispela nation em Christian nation na mipela askim Spirit bilong yu long kam na lidim mipela. Helpim mipela long save na bihainim yu. Let your will be done. Every time mipela pre the Lords’ Prayer, helpim mipela long save wanem yu laik lainim mipela long en. Dispela pre ken kamapim wok em laik kamapim long en, wanem samting yu wokim long hevenmas kamap long graun, Amen.”

## QUESTIONS

**Ms LOUJAYA TONI** – I would like to direct my question to the Minister for State Enterprise. During first phase of the Tidal Basin Opening, the Minister had talked about an NEC submission concerning the Resource Landowner Benefit Sharing package.

**02/03**

The Butlume and Wahigihu Clans of Butibum village continue to not be recognized by way of benefit sharing agreement by the IPBC and by the Minister himself, the delay stands and we are going into phase two of the Tidal Basin and Development.

Could the Minister give some explanation to my people of where we are at now with regard to the submission to Cabinet on the Resource Landowner Benefit Sharing Packages that not only touches those Clans in Lae District but other landowners in this country. Thank you.

**Mr BEN MICAH** - Thank you, Member for Lae, for your good question.

I did mention about the opening of the Tidal Basin and I have a policy document that is with the Ministerial Economic Committee for deliberation. It has been referred to Treasury for their additional input.

But essentially what I am proposing to Cabinet is that all customary owners of land be compensated where major State facilities like; ports, airports, dams for hydro power generation have been built. They have been deprived of the use of their land so, that the State through the utilisation of this land can carry out things like utility services in water, telecommunication, power, sea ports and airports, much like those who have been deprived of their land in Mineral and Hydro-carbon Resources.

We need to compensate them somehow in participating in terms of ownership and partnership with the State for such very major infrastructure. So, yes, the submission is now with the Ministerial Economic Committee, and hopefully, the Treasurer can conclude the input from his office, then we will deliberate from NEC and it will go for final deliberation and it will go to Parliament for discussion. Thank you, Mr Speaker.

**Mr SAM BASIL** - Thank you, Mr Speaker. My questions are directed to the Minister for Higher Education, and I would also want the Minister for Foreign Affairs to take note

because he was part and partial of this issue.

Mr Speaker, this Parliament passed the Lutheran University of PNG Act in 2006. This was for the Lutheran Church to fund a University and we have notices in the media. In 2012, the 2006 Act was repealed by a new Lutheran University of PNG Act, this legislation provided for interim counsel to prepare and get the university into operation.

Mr Speaker, in the last session of Parliament a new legislation was passed for the same university that replaced the 2012 Act and brought back the 2006 Act.

My questions are that;

(1) Could the Minister advise us on the status of the University and what is happening in the relation to the operation of the university?

(2) Is the University in operation and where is it's campus right now?

(3) What is the purpose of the recent 2014 Lutheran University of PNG Act and what is this Law supposed to achieve?

(4) Is there any consultation with the Lutheran Church and your ministry or department on the 2014 legislation?

(5) Could you table their annual report on the activity as per the Lutheran University Act, Public Finance Management Act and the Audit Act on their operations, finance and academic programs offered?

(6) What is the direction and involvement of the Government in terms of academic standards and funding and the government issues?

(7) Who is the Chancellor of the University and is the University Counsel in operation, and who is the Vice-Chancellor?

**03/03**

**Mr MALAKAI TABAR** – Mr Speaker, I thank the Member for Wau-Bulolo and the Deputy Leader of the Opposition. Of course, my office was aware of a Lutheran university bill, however, I have to consult the leaders of the Church and the Council regarding that university. In fact, I have not met with them. I will inform Parliament and the Member after I meet with them and report on the progress of that institution.

Mr Speaker, I was aware of some arrangement in 2008 and 2009 about that and I asked about it when I was appointed the Minister. However, I am yet to be given a full briefing on the proposed Lutheran university in PNG.

I was asked by the Leader of the Government Business to present a Bill, which was sponsored by the Minister for Foreign Affairs, with due respect, I stood in when he was absent.

Mr Speaker, I asked about why that amendment was done so I will make available a progressive report to this Parliament in due time.

**Mr MARK MAIPAKAI** – Mr Speaker, I direct my question to the Deputy Prime Minister and the Minister for Provincial Affairs.

Firstly, I would like to thank him on behalf of the people of Gulf for keeping the decorum of Parliament by not having the former Governor in this Parliament Meeting today.

Mr Speaker, I acknowledge and appreciate the message on behalf of the people of Gulf and we appreciate the message from the Attorney-General's office. We respect the status of the Governor in the province and the Deputy Prime Minister with respect to his position on this particular issue. The province is in a dire state. My questions are based on your letters and advertisement that have gone out.

(1) Has the letter being written to the acting Governor to convene an assembly?

(2) If the letter has gone out, how soon will the assembly be convened to get an acting Governor to bring normalcy into the province?

**Mr LEO DION** – Mr Speaker, I would like to thank the Member for Kikori for these very important questions in relation to good governance and governments of the province.

Mr Speaker, in relation to his question, the matter concerning that case is before the Court. I entirely maintain that the Court will address those issues and on certain advice that were given also by the Attorney-General has been publicised for our knowledge.

But in relation to the administration and the governance in the province, I wish to ask and appeal to the senior Members of the Parliament like the Member for Kikori and the regional Member and the other Honourable Members including the Presidents to meet and iron out the differences.

Mr Speaker, I suggest that for the betterment of the good administration and good governance for the people of the Gulf province, including Kikori, I must say that the differences must be addressed first within the assembly.

**04/03**

**Mr Mark Maipakai** – Point of Order! With due respect to the Minister, on your part as the government minister who advises you on legal matters, is it the Attorney General's Office or others. In my view, the Attorney General's advice is very clear.

**Mr SPEAKER** – Honourable Member you are entering into a debate with the Honourable Minister and the Deputy Prime Minister. So, please, allow the Deputy Prime Minister to take the Floor.

**Mr MARK MAIPAKAI** – My point of order is very clear. He is trying to tell us to go back and have consultation with the Judiciary. So the matter will not be resolved.

**Mr SPEAKER** – You are entering into discussion with him so resume your seat and allow him to answer the questions.

**Mr LEO DION** – As I have mentioned, I do not entertain unnecessary debate on this issue. We all know that the Attorney General is the Chief Advisor of the Government and the official in my administration and ministry are handling that.

I would like to thank them and I would like to thank the Attorney General as well for giving the advice.

What I am simply saying here is that, please, we need to harmonise before anything else happened. We are all human beings and we just have to say some prayers in relation to forgiving each other and coming together and harmonizing with the regional member and the other open members.

*(Members interjecting)*

**Mr LEO DION** – We should fix these very sensitive issues to better support the people of the Gulf Province. I think the people of Gulf Province are more important than our politics.

**Mr SOLAN MIRISIM** – Thank you Mr Speaker, for recognising the people of Telefomin. I direct my question to the Minister for Sports and the Vice-Minister. We are now into the month of February and the South Pacific Games is just around the corner.

I congratulate the hard working Minister for Sports for the games infrastructure, however, it seems some of these infrastructure may not be completed in time for the games.

Can the Minister and the Vice-Minister explain to the people of Papua New Guinea as to the delay in the completion process?

**Mr JUSTIN TKACHENKO** – I thank the Member for his very important question, a question that I am sure everybody is asking to the lead up of one of the best Pacific Games this country and the region and the Pacific will ever see. It will be hosted here in July 4 2015.

All the construction for all the major venues is on target and will be completed by July 4 2015. Every day and every hour I am going through this project, seven days a week. I know this project back to front. At the moment we are currently managing back to front, up and down.

We are currently managing over 22 infrastructure projects for the Pacific Games and I can comfortably say that the Games Village at the University, 30 buildings will all be completed for the athletes to have a modern facility to sleep and stay in and be with all the athletes together. It is a great project and one that will leave a lasting legacy for the University of Papua New Guinea and its students.

The indoor and outdoor stadiums are on track as well. The grass is completely laid and ready for use on the brand new field at the Sir John Guise outdoor stadium. The stadium is near completion and will be finished by June. The indoor stadium as well will be completed by June and all the painting and landscaping as well as interior work will be completed by June as well.

We want to give our athlete at least one month before the Games to use these facilities to get used to them before the games.

**05/04**

For Bisini Parade, the soccer, softball, lawn bowls and all the others will be on target and complete. We have got some delays in procurement with the Rita Flynn Netball Courts due to the fact that there is not enough foreign currency at the moment in this country to buy the products that they need on a timely basis. We're addressing that with the Chairman of

BSP who is also the Chairman of the Pacific Games. These are unforeseen issues that have popped up which we are addressing and we're moving forward with.

For the aquatic center at Taurama, it is fantastic that it will be completed by the end of May. It has got a world class swimming pool to race 50 meters and 25 meters and is near completion as we speak. The pools are from Italy and are the only ones in this region or the Pacific other than the one at the Melbourne Aquatic Centre. So we are going to have some unbelievable facilities for our athletes to use in the future.

For Sir Hubert Murray Stadium, they'll have the first stage of the stadium all completed ready for rugby union and soccer to play their games there. This is a Private/Public Partnership between Curtain Brothers and the State.

For Lloyd Robson Oval, the main temporary stadiums will be completed on time for the different activities that will be held there.

The main focus of the Games will be through the Sir John Guise outdoor and indoor stadiums.

The Opening Ceremony will be at the Sir John Guise Outdoor Stadium and all will be completed on time.

I have total faith in Fletcher Morobe and all other contractors that have been given these contracts and they are working tirelessly, seven days a week to ensure they come on board with the government to produce successful games for this country.

I must say that every single hour, minute and day is gold for us, it is absolute gold. We must ensure that every day and minute is not wasted to the lead up to this Pacific Games.

You can be rest assured that the Chairman and I will make sure that all the Pacific Games Committee and Venues Committee are working tirelessly without fear or favour to ensure that the game is delivered successfully for the benefit of our country and sports especially for our reputation as a regional player.

The Pacific Games Organising Committee is basically going to start off the main preparation for the Games 100 days before the Games. There is going to be a celebration 100 days before the Games where the baton relay will go through every single province in Papua New Guinea starting at the end of March.

And, Governors, if you have not been informed or contacted, we'd love to see that baton going through your province, showing off your cultures, your traditions, your people and sports in your provinces to the rest of the Pacific because it will all be televised and on

the news as well when the baton relay goes through your province to finally arrive on July 4 here in Port Moresby.

Also the ticket sales –

**Mr SPEAKER** – Honourable Minister, I think you have answered the question already, so you can to resume your seat.

**Mr JUSTIN TKATCHENKO** – No, that’s alright I just want to let you know so you don’t have to ask me again. Anyway the Pacific Games is on track. It will be the best Games ever and I thank this government, our Prime Minister and everybody for their full support.

### **Supplementary Question**

**Mr BOB DADAE** – Mr Speaker, my supplementary to the hardworking Minister is about the preparedness of our athletes. You have briefed us on the infrastructure but what about the athletes?

In one of the newspapers today it was reported that the power lifting team has no executives to take them through. Would that be an indication that other sporting teams are also not prepared?

Can you shed some light on the readiness of our athletes and our sports men and women because after spending so much money it would be very embarrassing for Papua New Guinea to come second or third?

**06/03**

*(Laughter in the Chamber)*

**Mr JUSTIN TKACHENKO** – Thank you, Mr Speaker.

The athletes have got two gold programmes, which has been going on through the PNG Olympic Committee for the last three years. They have been training overseas in the different parts of the world to ensure that they are ready for the Games. And athletes from all different sporting codes have been putting in a lot time, commitment and energy in ensuring that they are ready for July 4<sup>th</sup>.

We have allocated lots of funding in that area, not only to look at the infrastructure but also, the personal enhancement of all our athletes for the Pacific Games. Therefore, all sports are being involved and all sports are being monitored for the final selection over the next three or four months, and are looking forward to attending these competitions during the Pacific Games where you will see Papua New Guinean athletes flying with gold medals around their necks.

Thank you.

**Mr AIDE GANASI** – Mr Speaker, I direct my questions to the Minister for Health.

Mr Speaker, the recent reports established in the media indicate that there has been a massive rise in TB cases in the country.

Mr Speaker, the South Fly district has been identified as having the worst TB cases in the country. The situation is worse and alarming on Daru Island. It is believed that over 50 percent of the 15 000 people that reside on the island are infected with the drug resistant TB disease. It has also been reported that a number of health workers serving in the TB section of the Daru Hospital have also contracted the disease in course of caring for their patients.

Mr Speaker, the situation in my district is certainly very alarming and it is a crisis that is beyond the capacity and capability of the health workers in my district to handle on their own.

Mr Speaker, we need help, and when I say help, I mean that we need it very badly.

Mr Speaker, I am sure that the Minister has been fully briefed and is aware of the situation in my district.

Therefore, my questions are:

(1) Does the Minister and his department have any plans in place to assist my people in addressing and containing the TB crisis in the South Fly district?

Mr Speaker, Daru Hospital administration and operation are in total chaos following the resignation of half of the hospital's board members including the chairman. Adding to this, all the doctors serving in Daru Hospital have since left the hospital to take up jobs elsewhere in the country, and effectively rendering the Daru Hospital without medical officers.

Mr Speaker, it appears that the mass exodus of the doctors have largely got to do with their disgruntlement over the poor performance and attitude of the current acting CEO. The

CEO of the hospital is said to be frequenting Port Moresby and spending less time at the hospital.

(2) Can the Minister intervene to bring order into the administration and operation of the Daru Hospital by considering the following proposal?

1. Appoint a full component compliment of the hospital board,
2. Replace the current acting CEO of the hospital; and
3. Give us doctors for our hospital.

Mr Speaker, finally, I wish to remind the good Minister that time is running out for our people in the South Fly.

Thank you, Mr Speaker.

**Mr MICHAEL MALABAG** – Thank you, Mr Speaker.

Sometimes when you try to answer questions, some are technical and we would really like to give a precise answer to the Member who is giving the questions.

**07/03**

Mr Speaker, I thank the Member for South Fly for his very important questions and he is also my brother because I happen to come from the Western Province in his South Fly Electorate.

Mr Speaker, TB is a major public health issue in the Western Province with high number of drug resistance, and drug resistance TB cases. Both can be quite dangerous and very difficult and very expensive to treat.

Mr Speaker, Western Province has the highest number of drug resistant TB cases in PNG. There were 234 cases by December 2014. These are not only from South Fly but includes Middle Fly and North Fly. In the Western Province I have seen doubling of TB and notification rates since 2011.

Mr Speaker, treatment is also very expensive and present funding is inadequate and as of December 2014, 153 drug resistant TB patients are on the second line anti-TB treatment in Western Province. These numbers include 11 extensively drug resistant TB cases.

Mr Speaker, it is a fact that Western Province is currently struggling and cannot cope to operate at a necessary level in the fight against TB. The TB success rate based on the latest data is about 45 per cent.

In response to the first question, in June 2014, a TB emergency response was initiated with support from development partners including the Australian Government. This has proven effective in some regions of Papua New Guinea, however, does not control the spread of TB in Daru and Western Province.

Mr Speaker, we also initiated the Ministerial Task force and had a meeting last year and recently we had a meeting in January.

Mr Speaker, if I may say so here, some of our relevant departments and government agencies have got to wake up to this TB alarm and treat it as an alarming health problem in PNG.

When I call and organize those meetings some of them don't turn up. The bureaucrats and the departments have to be there. We must be seeing to be addressing all the parts of this problem.

Mr Speaker, an enhanced TB Emergency Response will be finalized by Friday 13 February 2015 and will be presented to NEC. The key elements will cover most of the emergency response, including the co-ordination, search capacity and community engagement.

Mr Speaker, let me take this opportunity to thank the Australian Government as a very valued partner in responding to TB in the Western Province. They are closely working with the Department and Ministry of Health as part of the Enhanced Response.

The Honourable Madam Minister Julie Bishop Australian Minister for Foreign Affairs recently announced an increased commitment which will bring the support to TB in Western Province AU\$44.7 million by mid 2016 – 2017.

Mr Speaker, there are other key activities that the Health Department is looking into.

### **08/03**

That includes the technical assistance, health outreach that will include the Medics Queen, a sea ambulance that will provide outreach health services as well as patient transfers. That will include 10 positions which are being supported in the Western Province, including doctors, district TB Officers, and health outreach officers. Currently, there is only two TB doctors in Western Province.

Mr Speaker, in terms of infrastructure, we will continue to support the construction of a new 22-bed TB ward for Daru General Hospital. Drugs are being provided. In answer to the second question, Daru General Hospital is critical in controlling the spread of TB in the

Western Province and addressing the broader health needs of the population. Yes, the hospital is not currently performing adequately and urgently requires a highly competent CEO.

Mr Speaker, let me assure the Member that a senior officer from the Health Department will be going to Daru to temporarily take up the position and oversee recruitment through the Australian Government that we are working on. Fortunately, we have recently negotiated with the Australian and PNG Government are seeking professional specialist to come

**Mr Sam Basil** – Australian Government?

**Mr MICHAEL MALABAG** – Please, listen carefully. Fortunately, we have recently negotiated with the Australian Government to support international recruitment of a CEO. The Department of Personal Management has approved this recruitment which will progress immediately. Other doctors will also be part of the program to go to Daru.

Mr Speaker, the Daru Hospital board will now go through a transition period to a provincial health authority. The Governor has given me the names and I will be moving quickly to appoint the new provincial health authority. The current hospital board chairman is ill and and some member are not active that is why there is a communication breakdown between the board and the hospital executive.

Mr Speaker, let me make this clear that Daru can be a very difficult place to attract and retain well qualified staff. The difficulty along with the complex and high profile health challenges facing Western Province has resulted in a situation whereby suitably qualified and experienced Papua New Guineans are needed to fill the vacancy of the positions. Not long ago we had a nurse over there who was based in Wewak. She went there and spent time there and then went overseas so we have another person acting in the position. We cannot continue to have people acting in positions.

Mr Speaker, all health partners are committed in responding to the TB situation in Western Province. I look forward in bringing the enhanced response strategy to NEC and the ongoing support of the Government to fight this major threat to the development of our nation. On Monday, the Prime Minister and I will be meeting with the CEO of Global Fund based in Geneva; he will be coming to PNG so we are expecting more money to come.

Mr Speaker, I hope I have been able to answer the questions from the honourable Member for South Fly, thank you.

**09/03**

**Mr JOSEPH LELANG** – I want to direct my question to the Minister for Sports and I want the Minister for Lands and Physical Planning to take note. This particular matter relates to the reclaimed land at Koki Oval which was reserved purposely for the people of Moresby South to use it for recreational purposes. But instead it was sold to foreign investors. And I want the Minister to shed some light on this because it is in his electorate, and what steps can be taken to remedy the situation.

**Mr JUSTIN TKATCHENKO** – Mr Speaker, I thank the Member for Kandrian-Gloucester for his question. This issue has been bothering me and the people of Moresby South for a long time.

Just a quick history on this piece of land. When the Curtain Brothers were constructing the ring road to Ela Beach, the former member for Moresby South (Lady Carol Kidu) asked the Curtain Brothers to reclaim that portion of the land, next to Wanigela Village, to make an oval and recreational area for the people to use it because there was no space for them to take part in other sporting activities such as netball, volleyball, rugby touch and so forth.

Somehow over the last 15 years that portion of the land was sold and issued a legal title to it. Therefore, as the member representing Moresby South, I went to correct the path. I engaged a lawyer and we went to the Lands Department, and I am happy to say that the Minister for Lands and Physical Planning and his Secretary have issued a notice to show cause to forfeit the land back to the State for the people of Moresby South.

‘Kitogara’ purchased the land for K3 million from a former lawyer that has now passed on and they have not basically done their homework. They should look at how the land was created in the first place. That portion of the land was a reclaimed land reserved for specific purposes. How can you sell reclaimed land to a foreign-owned company?

I am happy that we are finally getting to the bottom of this issue because we have been fighting for this land for nearly 15 years. The notice to show cause will give 30 days for Kitogara to justify their purchase and existence on that land.

As part of the terms and conditions of the sale since 1987, the purchaser must develop the land within five and must spent K2 million to upgrade the land but to date that has not been done.

This is not just the start, there are many pieces of land in my electorate and I am sure in North East and West Port Moresby, which are in the same situation that needs to be addressed. I am sure the Governor of NCD will be making an announcement very shortly on another piece of land that has the same situation.

Therefore, at the end of the day, I will fight for the right of our people to have the land that belongs to them, and not some foreigners coming in trying to steal it for their own self purpose.

**Mr POWES PARKOP** – Thank you, Mr Speaker, for allowing me to ask my questions. I want to direct my question to the Minister for Transport.

Before I do let me preface my questions. You will have noticed that our capital city is growing rapidly in terms of economy and population.

**10/03**

I thank the Prime Minister for spending so much in the city, which has seen the economy expand as well.

We can complain about the population of the city increasing but it is our people that are moving to the city so in the next five years we could be having more than a million people in the city. How will we cater for the growing number of people? National Capital District is working with the National Government and for the first time is building new roads around the city.

I am happy that the Prime Minister has taken the initiative to make sure that there is adequate power supply in the city and as for water, I am still complaining, however, my question is in relation to transport system in the city. The city has not been given the powers to manage transport system in the city.

(1) Are there plans in place to improve the transport system in the city?

Will there be railway systems like, metro, underground and others. i am grateful for the PMV services that we have but in the future these service may need upgrading as is with other things such as technology so do we have any plans that will improve the transport system in the ever growing city.

My second question is in relation to issuing of Driving Licenses in the city. There are only few driving schools in the city or none at all because there are so many careless drivers around. It looks as if most of the drivers were born with valid licences.

For example; slow vehicles should be on the left lane; but it is the other way around and becomes very frustrating.

(2) Do you have plans to improve issuing of licenses and conducting basic driver education before licenses are given?

This is so that drivers are properly trained so that traffic rules are followed to avoid accidents and show common courtesy.

(3) If the Minister does not have any plans in place, can the Minister give that authority to the city to manage as well, because MVIL is not doing a very good job?

My third question relates to traffic management and managing road unworthy vehicles. There is the National Road Safety Council, Central Province Transport Office and Traffic Officers. So in a day there are so many traffic stops around the city. Each Authority with the police is racing to book vehicles on the road which leads to traffic congestions.

(4) Do you have plans for one single traffic authority to be responsible for issuing safety stickers, licenses and controlling traffic, instead of having three or four groups creating confusion and robbing unsuspecting motorists.

**Mr WILLIAM DUMA** –Thank you, Governor for NCD. Yes I have the powers but I do not have the money to carry out some of the plans. The licensing of PMVs, the power is retained by my department, where as the licensing of all private vehicles, the powers is delegated from my department to the Motor Vehicle Insurance Trust Ltd.

I agree that we need to turn this city around as it is the premier city of the country and we cannot expect the Governor to do it alone, and also the fact that we will be hosting the South Pacific Games and one of the most important conferences, the APEC conference in 2018.

My department has plans to transform the transport industry in the city; particularly there are plans to first deal with our stakeholders who own the PMV buses and taxis.

**11/03**

We will approach them and we will invite them to agree to take up shares in a company that is proposed to be owned by State with the oversight being given, if Cabinet

gives approval to NCD we will change the system in such a way that big buses operated by one nationally owned company to serve the routes and maybe two or three taxi companies so that they are properly licensed and the drivers behaviors' are properly monitored.

We are thinking of introducing a system similar to Australia which we hope to have in place before the APEC Conference in 2018.

Mr Speaker, as everyone knows we have our citizens who own those little business ventures and it is not a really straight forward issue. It will take time for us to consult with our stake holders. We have started the process and most of them have indicated that they are receptive to this idea as long as they are allowed to be involved in those new ventures to shareholding proposals.

That will be subject for final approval by Cabinet but definitely there are plans to change the way our public use our transport in the city. Once this pilot is in the city hopefully we will then introduce a similar method to other parts of the country.

Mr Speaker, in terms of licensing, again, the issue of licensing our drivers has been delegated to MVIL but if the situation warrants we can withdraw the delegated power and enter into an arrangement where my department and NCDC can become involved.

But then again these are things that my department has been looking at. We hope to change the whole system around and introduce a better system which will hopefully reflect the current status of our city in this country.

Mr Speaker, in terms of monitoring of drivers and the regular inspections, as we all know that the police have powers 24 hours.

They don't need delegated powers they are empowered by law to set up any road blocks any time of the day, they don't need delegated powers from either NCDC or my department. There have been instances where my departments together with the Police have been setting up road blocks and I must admit this has caused a lot of inconvenience for our travelling public.

We are also looking at the way things are being done in countries like Malaysia. Hopefully if we are going to pin down an agreement with Malaysia and in the long term we will introduce a system that will cause less inconvenience to our travelling public and people who own cars.

So, in short the answer to our good Governor's question, it is a very good question but my department has not being sitting back as our Governor stated

There are plans to actually change the system around and I will work closely with the

Governor and I will also call on all our leaders to support this because in the end we will have a better transport system for our National Capital District.

### **Supplementary Question**

**Mr GARRY JUFFA** – Honorable Minister thank you for your explanation but my questions are these;

(1) It is a great idea to have such a system in place, but can we guarantee that we will protect this industry for our Papua New Guinean businessmen and women?

We have already seen examples of where the industry has been farmed out and our Papua New Guinean businessmen and women are no longer able to participate meaningfully or compete.

(2) Can we guarantee that the transport industry and taxi business can remain in the hands of Papua New Guinean businessmen and women?

(3) Can we develop a policy that can ensure that we have, world class standards not sub-standards that we can maintain as well to ensure that we can compete not only in Papua New Guinea but in the region in the world at large in this industry? Thank you.

**Mr WILLIAM DUMA** – Mr Speaker, I thank the good Governor of Oro for this very important questions. Like all ministers, we are here at the service of our people and as long as I am Minister it is not my intention to see our people missing out.

**12/03**

We will be the bystanders. It is seen as work for our people and we will ensure that they are involved and we will not allow the foreigners' domination in this workforce and I can give assurance to the Governor and the people who are in this industry.

**INDEPENDENT CONSUMER AND COMPETITION COMMISSION – ANNUAL  
REPORTS, 2011, 2012 AND 2013 – PAPERS AND STATEMENT –  
MOTION TO TAKE NOTE OF PAPERS**

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

*Independent Consumer Competition Commission Act –  
Report of PNG Independent Consumer and Competition Audited  
Reports, 2011, 2012 and 2013*

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

Leave granted.

Mr Speaker, the 2011 and 2012 Annual Reports were completed earlier within three months of the end of each year but were not presented to Parliament until now.

Mr Speaker, it is a pleasure to table these Annual Reports from a statutory authority which complies fully with the requirements of the *Public Finances (Management) Act* in having its Annual Report accompanied by the audit report from the Auditor-General, available for presentation to this Parliament.

The Independent Consumer and Competition, often referred to as the ICCC, has, from its establishment in 2002/2003, operated to the highest standards of corporate governance, transparency and accountability, which is amply demonstrated by these Annual Reports.

Mr Speaker, these reports are the Commission's first, second and third Annual Reports under its Corporate Plan for 2011-2013. The Corporate Plan 2012 – 2013 has seen its third and final year of implementation in 2013 and has been replaced by the Commission's new Corporate Plan 2014-2016. Unlike the previous Plans, the 2011-2013 Plan and the new 2014-2016 Plan are aligned with the Government's Vision 2050, the Development Strategic Plan 2010-2030 and the Medium Term Development Plan 2011-2015.

Mr Speaker, the Commission is responsible for administration of the *Independent Consumer and Competition Commission Act 2002 (ICCC Act)* and a range of related legislation. The Commission continued with its high performance levels in each of the years

2011, 2012 and 2013 in the implementation of its work program and had achieved nearly all of its planned activities for each year.

The Commission's functions run very broadly across industry regulation, in several main areas: regulation of particular utility dominated industries such as electricity, ports, water and sanitation, postal services and compulsory third party motor vehicle insurance, price regulation and price monitoring in industries providing staple goods and services, enforcement of market conduct rules; adjudication, based on public benefit criteria, or proposed business acquisitions and agreements that could affect competition; consumer protection, including regulation of unsafe goods; regulation of weights and measures; and review and reporting on key sectors of the economy. During 2011, 2012 and 2013 the Commission was very active across a range of these areas.

I ask leave of the Parliament to incorporate the rest of the speech in the *Hansard*.

Leave granted.

*The rest of the speech reads as follows:*

### ***2011 Annual Report***

2011 is the first complete year of leadership provided by Dr Billy Manoka, formerly a part-time Associate Commissioner of the ICCC, who was appointed in May 2010 to replace Mr Thomas Abe as the full-time Commissioner and Chief Executive Officer. This Annual Report is the second one for the ICCC under the leadership of Dr Manoka, and as the report shows, he has maintained, and indeed, advanced the fine traditions of the Commission.

The highlights of the achievements in the 2011 Annual Report are as follows:

#### ***Utilities Regulation and Licensing; Price Regulation and Monitoring***

Mr Speaker, the Commission devotes a lot of effort to oversighting the activities of various government utilities, to ensure fees and charges are not excessive and that appropriate quality of service standards are met by the utilities.

An increased emphasis on examining services standards in all regulated sectors has characterised the Commission's work during the year. This function is complex and resource-intensive. Nevertheless, it is an important part of utility regulation and will be pursued by the Commission. The first service standards reports have been submitted by a number of utilities

and they have been assessed. Close monitoring of compliance with service standards will be a high priority of utility regulation in future.

The regulatory contract for PNG Power was due to be re-negotiated by the end of 2011 but resource constraints within the Commission prevented that. PNG Power and the Commission, therefore, agreed to postpone the completion of the task until mid-2012. The existing contract, however, formed the basis of approval of electricity tariffs for 2012. During the year, the Commission released an Issues Paper and Proposed Draft Electricity Regulatory Contract for PNG Power, as part of the process for settling a new contract.

Mr Speaker, the late submission of proposed tariffs for 2012 by PNG Ports and some inaccuracies in its returns prevented the Commission from properly examining the proposed tariffs. The Commission would have been entitled to withhold approval until it was satisfied as to the basis of the proposed tariffs, even if the time required crossed the end of the year. PNG Ports would not have been able to make any charges after the commencement of 2012, if they were not approved. To avoid disruption to the business of PNG Ports, therefore, the Commission suggested, and PNG Ports agreed, that in consideration of approval of the proposed tariffs for 2012 before the end of 2011, PNG Ports would agree to an amendment of the Contract to allow a wider review than the mid-term capital expenditure review, scheduled in 2012, so as to cover key additional methodology; regulated and unregulated service classification. Such mutually agreed amendment is provided by the *ICCC Act* and the regulatory contract.

Since the tariff approval, and before the Commission could complete the steps required to formally amend the Contract to reflect the agreement for a wider review, PNG Ports abrogated its agreement for a wider review of Contract. The increase in tariffs, however, has been implemented and the Commission is considering its options in relation to the matter, including legal options as the tariff increases were secured on the basis of an agreement which was not honoured.

The regulation of State Owned Enterprises (SoEs) needs to be conducted on a basis of observance of legal agreements, otherwise the basis of regulation is undermined. As SoEs provide a range of essential services, based on substantial monopoly control of relevant markets, it is imperative that the lawful requirements of the regulator are complied with.

***Regulation of Anti-competitive Behaviour and enforcement of the Market Conduct Rules.***

Mr Speaker, the area of regulating anti-competitive behaviour and enforcing market rules is now assuming increasing importance. The national economic gains of mineral resources development and economic diversification need to be enjoyed by all and competition is the most efficient way of allocating economic resources. Businesses are supportive of enforcement of market conduct rules for others, but not when it concerns their own activities. The Commission is concerned about possible anti-competitive conduct in key industries which influence national economic performance and, consequently, the cost of living of seven million people of Papua New Guinea.

Of course, the details of the Commission's investigation work in enforcing the market conduct rules cannot be made public as some matters may well end up in Court. I can, however, comment on matters that are in the public domain.

The Commission has successfully had an injunction dismissed in a court action brought by Hitron seeking to prevent the exercise of statutory information gathering powers.

During the year, the Commission initiated action in the National Court against Steamships Trading Company Ltd and others, alleging breach of *section 69 of the ICCA Act*, which prohibits business acquisitions which are likely to substantially lessen competition. The matter is still pending hearing.

The Commission considered authorisation and clearance applications during the year. The Air Niugini-Qantas and Air Niugini-Philippine Airline proposed code-sharing arrangements, which would have had a large impact on the passenger air services market between Papua New Guinea and Australia on one hand and Papua New Guinea and Philippines on the other hand respectively, and were lodged towards the end of 2010, were considered. The latter application was withdrawn at a very late stage of consideration. The Commission declined to grant authorisation to the former as the public benefits were not considered outweighing the lessening of competition.

Mr Speaker, airline competition delivers lower air fares; greater efficiency, and improved services; which have flow-on effects throughout the economy, by reducing the costs of business and private travel. In particular, it makes the tourism sector more competitive internationally, with consequent benefits for rural people, who can benefit from income earning opportunities from a range of tourism-related activities. They are part of the informal sector

and enhancing their economic opportunities has long been the policy of successive governments.

The Commission also rejected a clearance application from G4S for the acquisition of The Corps in the security industry as it was assessed as likely to substantially lessen competition- the test which must be passed for clearance is that competition should not be likely to be lessened substantially.

The example show how important it is for Papua New Guinea to have effective competition in all areas of the economy and an effective competition regulator.

Mr Speaker, if the benefits of competition ever needed exemplification, may I remind you and the Honourable Members of Parliament of the reduction in costs and expanded coverage of mobile telecommunications services, which addressed a significant impediment to business and has dramatically changed the lives of our people.

### ***Consumer Protection***

The Commission's role in consumer protection is evolving beyond weights and measures inspections and taxi-meter calibrations to protect the health and wellbeing of the population through control of unsafe or dangerous goods, as well as looking to enhance consumer welfare and protect consumers' rights across the board, to the extent of its legislated powers.

The PMV and Taxi Stakeholders Service Standard Committee (PTSSSC) established by the Commission to address enforcement and service standards, started to pay dividends in 2011. The anecdotal evidence suggests that the sustained push for road worthiness is yielding results and the quality of PMVs is improving. The introduction in taxi in Lae, Madang and Kokopo means that the Commission's workload in the public transport sector can be expected to increase.

Similarly, the Food and Food Products Safety Information Standards Committee (FFPSISC) established by the Commission to address food product safety issues is aimed at improving the level of enforcement and compliance of both PNG and International standards on food and food products. The Commission's investigation of certain products of Vitis industries, for containing significantly higher alcohol contain than their labels showed, reflects this new priority. If satisfied about the reliability of recently introduced testing and monitoring systems, an administrative (non-litigation) resolution would be acceptable to the Commission. It should be noted that new entrants provide competition to established players,

and that should be lauded, but compliance with advertising legislation, aimed to protect the public, is essential.

The Commission's membership of the International Consumer Protection Enforcement Network (ICPEN) means the ICCC is now part of wider network of consumer authorities and jurisdictions of more than 40 countries around the world and can draw upon useful assistance in-terms of skills and resources transfer and exposure to the network in addressing cross border or international consumer complaints and issues affecting Papua New Guinea.

### ***Financial Accountability and Governance***

The Commission's standards of corporate governance within the PNG public sector are excellent, as exemplified by the Commission accounts in this Annual Report for 2011 having received an unqualified audit certificate from the Auditor-General and is, therefore, justifiably proud of its efficient and effective internal administration and its strict compliance with all legislative requirements for governance.

Dr Manoka, his fellow Commissioner, Mr David Dawson, and the dedicated and professional staff of the Commission all deserve commendation for the Commission's excellent performance in 2012. In 2011, the position of part-time resident Associate Commissioner had been vacant since Dr Manoka's accession to the position of Commissioner and CEO, and the position of resident Associate Commissioner was filled later in 2012.

### ***Competition and Economic Performance***

Mr Speaker, sustainable economic growth can only be achieved by competition and an effective competition regulator is a pre-requisite.

The Commission fulfils a critical role in business regulation – utilities monitoring consumer protection, and economic reviews of key sectors in a very effective way. It is crucial that business regulation be administered by a competent regulator which has the confidence and respect of the business community which it regulates, and the broader community, as a professional, unbiased, independent agency, acting transparently and accountable for its performance. The Commission has, over the brief years of its operation, more than met those standards and gained the respect of the business sector and consumers.

The Commission has gained a top class reputation, both domestically and internationally, for its work, the sheer scope of which I have tried to indicate.

Mr Speaker, the need for the Commission to be effective regulatory agency, is vitally important to the PNG economy and to the international perception of PNG. The Government recognises that and it increased the Commission's budget for 2012, because of the high priority that the Government places on the work of the Commission which is aimed at improving the lives of our seven million people. The ICCCs 2011 Annual Report (and its 2012 and 2013 Annual Reports too) amply demonstrates how well the Commission is utilising its resources to carry out its important functions in very difficult circumstances.

The Government remains committed to properly supporting the Commission, financially and otherwise, to enable it to continue to carry out its functions effectively, in the public interest.

I commend the ICCC 2011 Annual Report to this Parliament.

### **2012 Annual Report**

Mr Speaker, this report is the Commission's second Annual Report under its Corporate Plan for 2012-2013.

Mr Speaker, the Commission continued with its high performance level up to 31<sup>st</sup> December 2012 in the implementation of its worked program and had achieved nearly all of its planned activities for the year. The highlights of the achievements in the 2012 Annual Report are as follows:

#### ***Regulated Industries, licensing and price monitoring***

Mr Speaker, economic regulation is always seen as Government intervention in the market and it is not the best option: it is the last best option and may be used when the market fails to allocate resources efficiently. The Commission continues to regulate and license various State owned enterprises and industries in PNG which the government declared for price control to protect ordinary citizens from high prices. These include PNG Power, PNG Ports Corporation, Post PNG, MVIL, and the essential port services industry and electricity industry.

Mr Speaker, the review of PNG Power Limited's Electricity Regulatory Contract (ERC) commenced in 2012. The new Electricity Regulatory Contract, once it is in place, will ensure critical investments in electricity infrastructures are undertaken by PNG Power to cater for the growing demand for electricity services in PNG. Without these key strategic capital investment, power outage will continue to remain high resulting in significant costs to

businesses and the general public. Further, the new Contract includes mechanisms to ensure that PNG Power is more accountable for sub-standard services delivery to its customers. PNG Power will be penalised with price reductions over the next regulatory period (2013-2017) if power outages continue to exceed levels set by the Commission.

Mr Speaker, the Commission continued its responsibility to monitor prices of basic goods and services that matters to the community. The price monitoring saw mixed price movement of rice, flour and fuel but sugar price was steady in 2012. The Commission is varying its price determination through pricing inquires for sugar, PMV and taxies and stevedoring and handling services. These new determinations once completed will give the Commission better regulatory oversight to diligently serve the community from any undesired price charges.

### ***Competition Issues***

Mr Speaker, the Commission is tasked with the responsibility to promote and protect competition in PNG marked to ensure playing field for all businesses. In the recent past competition has created economic opportunity for Papua New Guineans and further create economic efficiency which leads to business innovations, lower prices, better quality, increased choices, for goods and services, hence greater economic growth and of course the enhancement of the overall welfare of the people of Papua New Guinea.

Mr Speaker, the Commission will continue to monitor competition issues in the market. This will include the various authorisation and clearance of business mergers and acquisitions, which can be detrimental to competition in the market growth in the mineral and exploration sectors. In 2012, the Commission looked at Air Niugini's passenger code-share arrangement with Qantas, amendment to APNG's code share arrangement with Virgin Australia (which has since ceased) and the clearance given to QBE Insurance for its purposed acquisition of Mitsui Sumitomo Insurance.

### ***Consumer Protection***

Mr Speaker, the Government has a responsibility to its citizens to protect them from unethical conduct of businesses. The Commission has continued to ensure consumers rights are protected and product safety and information standards are met so that our customers have the right to safety, the right to choice, the right to consumer education, the right to information, the right to representation and the right to redress.

Mr Speaker, the Commission has equipped its staff through various training commencing in 2012 to effectively response to consumer complain on market conducts and product safety. In partnership in National Institute of Standards and Industrial Technology (NISIT), the Commission will further strengthen its role in consumer product safety and information standards.

### ***Financial Accountability and Governance***

The account which accompanies the Annual Report have been certified by the Auditor General without any qualifications, having being prepared for audit as soon as possible at the end of the final year. This is an achievement which is, regrettably, all too rare among government agencies.

Mr Speaker, the ICCC's 2012 Annual Report again demonstrates how well the commission is carrying out its important functions in difficult circumstances. The role of the Commission and the need for it to be an effective, professional and respected regulatory agency is vitally important to the PNG economy and to the commercial perspective of PNG from abroad. The Government recognises this importance and remains committed to properly supporting the Commission financially and otherwise, to continue to carry out its functions in a fully functioning and effective manner.

I commend the 2012 ICCC Annual Report to the House.

### **2013 Annual Report**

The highlights of the achievements in the 2013 Annual Report are as follows:

#### ***Regulated Industries***

Mr Speaker, one of the Commissions main regulatory functions in the continuation of licensing and regulation of State-owned entities, namely, PNG Power Limited, POST PNG Limited and PNG Ports Corporation Limited, which are all subjects of regulatory contracts. These regulatory contracts amongst other things outline the service standard performances requirements and the price path that will enable efficient cost recovery for investments and other contractual arrangements. The Commission has successfully completed two of its industry reviews, PNG Power Electricity Regulatory Contract (ERC) and MVIL CTP Regulatory Contract with the reviewing of the PNG Ports Corporation Limited's and the Post PNG Limited's Regulatory Contracts in progress. Further, these new regulatory contracts

unlike the regulatory contracts, place emphasis on the efficient delivery of service and improved service standard levels. Each contract has new reporting guidelines to ensure contractual requirements set are met, and amongst others, the introduction of penalties for non-compliance and poor performance in not meeting minimum service standard levels.

Mr Speaker, one of the directives of the NEC Decision (Decision No: NG 141/2011) was to develop and implement a Third Party Access Code (TPA Code) for the electricity industry of PNG. This TPA Code will allow other service providers who are usually generators as Independent Power Producers (IPP's) or transmission companies transporting energy from PNG Power as determined by the Commission through its licensing function, and compete with PNG Power in the generation of electricity. The Commission has successfully completed the development of the TPA Code and is in use in the industry.

Mr Speaker, the Commission has part licensing functions administered under the *Electricity Industrial Act*, and is responsible for licensing electricity undertakers. There are a number of potential licensees that have applied for respective license which are still in review, however, a successful applicant, Lihir Gold Ltd, has been issued Generation, Distribution and Retail License to supply power on Lihir Island. With the increasing number of applicants, the Commission has developed a standard license procedure for issuing new licensees.

Mr Speaker, the Commission has been and continues to perform its functions as per the *ICCC Act* with diligence, high performance standards and has successfully implemented most of its work programs for 2013. The annual tariff rates for the regulated industries and PNG Powers 1<sup>st</sup> quarter rates have been implemented for 2014.

### ***Prices and Productivity***

In performing its prices and productivity function, the commission either regulates or monitors the prices and service standards of certain goods and services declared by the Minister for Treasury.

In 2013, the Commission continued to regulate the prices and service standards of water and sewerage services, and PMV and taxi fares. The 2013 tariff for water and sewerage services were adjusted in accordance with the annual tariff adjustment method set by the Commission. The PMV and taxi fares were not adjusted; they are being reviewed by the commission and any decision on adjustment will be made after completion of the review. The review of PMV and taxi fares and their service standards is expected to be completed in 2014.

Mr Speaker, the Commission also continued to monitor the prices of rice, flour, sugar, stevedoring and handling services and fuel (monthly import parity pricing (IPP) and quarterly road and sea freight rates from InterOil. The Commission continued its surveillance of the wholesale and retail prices for all brands of rice, flour and sugar.

The six monthly reports were provided to the Minister for Treasury on the price regulation and price monitoring work done by the commission.

The Commission has commenced reviews on the stevedoring and handling services, sugar pricing and PMV and taxi fares. These reviews are expected to be completed in 2014.

### ***Competition and fair trade***

In performing its function of promoting competition and fair trade, the Commission has dealt with a number matters concerning mergers and acquiring, code share arrangement applications for clearance or authorisation of transactions or conduct and other matters having competition implications. These include the following:

- Clearance of the proposal by BSP to acquire credit corporation finance Ltd
- Determination on authorisation application by APNG to code-share with virgin Australia (which has since ceased)
- Determination on first and second authorisation application by Hoskins Oil Palm Growers Association
- Progress of authorisation application by Air Nuigini for freight code-share arrangement with Qantas
- Progress of court case against Steamships Trading Company and others
- Investigation into allegation on misuse of market power in pay TV market
- Investigations into allegation of cartel in stock brokerage market
- Completion of investigation into allegation on tying arrangement in beverages
- Investigation into exclusive dealings between suppliers and wholesalers/retailers
- Investigation into alleged misuse of market power in marine pilotage service market
- Investigation into allegation of resale price maintenance and abuse of market power in the beverage market
- Enquiry into NBPOL acquisition of shares in CTP PNG and Kula Palm Oil Ltd

- Enquiry into Kulim (Malaysia) Behards proposal to acquire 20 per cent issued shares in NBPOL
- Enquiry into ExxonMobil's acquisition of InterOils interest in Gulf LNG sites

#### Consumer protection

Mr Speaker, the ICCC has a broad consumer protection role. Essentially it is to protect the rights and interest of consumers. It protects consumers against misleading or unfair commercial advertising and removes unsafe or potentially unsafe consumer products from the marketplace.

Initially it has been concentrating on unsafe products that are likely to be associated with the most valuable people of the communities; our children.

The ICCC undertakes surveys to determine if goods being sold are or may be unsafe and where appropriate issues warning notices, develops an appropriate consumer product standard or imposes an interim or permanent ban. It also has the power to require compulsory recall of products that are unsafe. It liaises with other international agencies to ensure that PNG is not a dumping ground for unsafe products.

Mr Speaker, the purpose of the ICCC consumer products safety work is to reduce the sale of unsafe consumer products that may cause injury, harm or even death to consumers. The ICCC is giving priority to establishing interim bans on unsafe toys and children products. However, it anticipates working with National Institute of Standard and Industrial Technology over the next year to introduce mandatory standards on a number of other products.

The ICCC has so far imposed interim bans on

- Small high powered magnets
- Yo-yo water balls
- Toy-like cigarette lighters
- Certain baby dummies pacifiers and soothers

The ICCC is also in the process of imposing interim bans on other unsafe products identified during its routine product safety survey. They are

- Unsafe bunk beds
- Foodstuff that do not provide English language labelling
- Certain unsafe aquatic toys; and
- Certain unsafe baby walkers

***Financial Accountability and Governance***

The accounts which accompany the 2013 Annual Report have been certified by the Auditor General without any qualification having been prepared for audit as soon as possible after the end of the financial year.

Mr Speaker, the ICCC 2013 Annual Report once again demonstrates how well the Commission is carrying out its important functions. The government recognises the importance of the work the Commission is doing on behalf of the State and remains committed to properly supporting the Commission in its work

I commend the 2013 ICCC Annual Report to the Parliament.

Debate (on motion by **Mr James Marape**) adjourned.

**13/03**

**AFRICAN CARIBBEAN AND PACIFIC THIRTY-FIFTH PARLIAMENTARY  
ASSEMBLY AND THE 27<sup>TH</sup> JOINT PARLIAMENTARY ASSEMBLY OF THE  
AFRICAN CARIBBEAN PACIFIC AND EUROPEAN UNION –  
PAPER AND STATEMENT – PAPER NOTED**

**Mr JOE KOIM KOMUN** (Anglimp-South Wahgi) – Mr Speaker, I present the following report:

***Papua New Guinea Delegation Report –***

*Report of the 35<sup>th</sup> ACP Parliamentary Assembly and the 27<sup>th</sup> Joint Assembly of the African Caribbean Pacific and European Union and related matters, Strasbourg, France, 12<sup>th</sup>-21<sup>st</sup> April 2014.*

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

Leave granted.

Honourable Members, as Papua New Guinea's representative to the African, Caribbean, Pacific and the European Union (ACP-EU) Parliamentary Assembly, I led the PNG Delegation to the 27 ACP-EU Joint Parliamentary Assembly and related committee

meetings from 12-19 March 2014. My delegation included two Parliamentary support staff and the Papua New Guinea Ambassador to Belgium and European Union.

The JPA met in Strasbourg, France, from 17-19 March 2014 at the European Parliament complex. Committee meetings were held from 12-14. My delegation attended both the ACP and Joint Committee sessions as well as the Joint Parliamentary Assembly (JPA) Session.

Honourable Members, Papua New Guinea made a significant contribution to the 27 Session of the JPA through my appointment as co-rapporteur, representing all the ACP member States to present the report on “Mining for oil and minerals on the seabed in the context of sustainable development.” Ms. Christa Klass was the co-rapporteur representing the EU member States. We jointly presented the report which was subsequently adopted by the JPA.

Other important reports were also presented and adopted. One of these refers to supporting private sector development and promoting investments in renewable energy in ACP countries. This issue is particularly significant to Papua New Guinea in the context of the current Government’s efforts to provide rural electrification growth and development, using alternate renewable energy.

The following Reports were also presented and discussed:

- (1) The human, economic and social rights of migrants in ACP-EU countries,
- (2) Regional integration and modernization of customs for sustainable development in ACP countries.
- (3) The crisis in the Central African Republic
- (4) Renewable and Climate Change: Human and technological challenges for ACP countries – Greek and European experience
- (5) The fight against AIDS and HIV.

Mr Speaker, having provided a summary overview, I will now comment on the major issues and outcomes. I also want to make some observations on what this Parliament and the Executive Government should do in an attempt to implement some of the resolutions of the JPA. Paramount among these is the resolution relating to mining for oil and Minerals on the seabed in the context of sustainable development. I would like the Prime Minister, the Minister for Foreign Affairs and Immigration, the Minister for Mining, the Minister for Petroleum and energy and the Minister for Public Service to take special note.

Mr Speaker, let me firstly comment on the resolution relating to seabed mining for oil and minerals in the context of sustainable development as it has a number of implications for Papua New Guinea.

Papua New Guinea is a member of a number of international organizations, including regional groups like the ACP group as well as a number of United Nations organizations, and the World Trade Organization (WTO). Since Independence in 1975, we have been participating in some of these organizations activity. Our participation at ministerial, bureaucratic, technical and often at Parliamentary level has been as bystanders or passive participants.

Mr Speaker, leaders and bureaucrats cannot continue to spend tax payers' money by attending international meetings as observers and or participants and without adding real value to our national interests. Papua New Guinea has reached some level of maturity and we are expected to take some leadership role on issues that are of national and international significance. We need to realize now that the world already sees us as a regional leader in the Pacific. That is why we have to actively participate in both regional and international meetings and gatherings as the leader in the Pacific. This will only confirm to the world that the consecutive success of our economy, political stability and high investor confidence and others are mere coincidence. Issues that we claim ownership and seek the support and cooperation of our development partners and other in the international community that would not only benefit us but our neighbours in the regional as well as the global community.

### **14/03**

I have therefore taken the bold step of accepting the invitation by our colleague parliamentarians in the ACP and EU parliaments to spearhead and lead discussions on the report and motions on seabed mining for oil and minerals for sustainable development on behalf of the people and the Government of Papua New Guinea.

My appointment as a co-repertoire is an indication to our ACP member nations that Papua New Guinea is one of the world leaders in seabed mining.

Honourable Speaker, our government has taken a bold step to issue licences for seabed exploration and mining for minerals. We have to now work with the owner and developer of the licence and champion this technology and the methods of mining and development in the context of environmentally friendly sustainable development consistent

with the regulatory framework and based on transparent and internationally accepted standards.

Mr Speaker, the report supports the exploration of seabed minerals and hydro-carbons of the ACP states in the context of environmentally friendly sustainable development. It also calls for transparent licensing processes and embraces the notion that resource rich states and their people must maximize benefits from their resources. Most speakers, of the JPA spoke in support of this notion.

In my supporting comments I informed the JPA that Papua New Guinea has put in place regulatory frameworks that are based on international standards.

The resolution would assist the country to further harmonise and strengthen these regulatory frameworks consistent with intentions of the resolution.

Honourable Speaker, I also took the opportunity to inform the JPA that based on the existing regulatory regime the Government has taken the bold step to be one of the leading nations in the world to issue a deep sea mining licence.

I submitted that the resolution would therefore assist Papua New Guinea to access European Union expertise in terms of technological oversight, safety and monitoring skills as well as assisting in putting in place transparent systems and processes in the context of environmentally friendly seabed exploration and development for our mineral potential for the benefit of our people and nation.

Honorable Speaker, the adaption of the resolution has three significant implications for Papua New Guinea. Firstly, Papua New Guinea has already been recognised as one of the leading nations in the world to pursue deep sea mineral exploration and development. This being said the country will be in the limelight to ensure environmentally friendly sustainable exploration of resources and transparent methods of licence approval as well as to follow internationally accepted mining methods and standards.

Secondly, Papua New Guinea may access assistance in technical, legal and commercial expertise from European Union and its member states. This opportunity is extremely important, especially considering that most of the mining tools, equipment and technology originates from Europe.

The assistance from the European Union will no doubt strengthen the government's position to negotiate with developers terms and conditions consistent with PNG's regulatory frameworks as well as other supporting requirements that may be supplemented with the conditions in the resolution.

Thirdly, Papua New Guinea will now be taking a leadership role in international discussions, including in the ACP process to define the parameters and standards of the resolution.

The Papua New Guinea Embassy in Brussels is expected to play a major role in this regard and the need for it to be adequately resourced with the prerequisite personnel is urgently necessary.

Honourable Speaker, the Minister for Foreign Affairs and Immigration as well as the Minister for Public Service must immediately review and strengthen the capacity of the PNG Embassy in Brussels to take up the new challenge of spearheading or leading discussions at the bureaucratic level in Brussels to determine the framework and the parameters of the resolution through the ACP/EU process. One of the recommendations is to refer the report to the ACP ministers.

### **15/03**

Mr Speaker, I am advised that the embassy has only two staffs including the ambassador and it is responsible for not only attending ACPEU matters but all bilateral and multilateral matters relating to the United Nations, organisations in Europe and the European Union member countries, including France, Germany, Italy, Greece, Spain, Portugal, Poland, Netherlands, Luxemburg and the Kingdom of Belgium.

A strategic mission like Brussels must have requisite officers in international trade relations, investment, fisheries and education to satisfactorily cover Papua New Guinea's participation with multilateral organisations and bilateral; relationships. Both the Government and our Parliament have the collective responsibility to ensure that Papua New Guinea's international relations and obligations are attended satisfactorily.

Mr Speaker, therefore, I am recommending in my report that our Government through the Minister for Foreign Affairs and Immigration and the Minister for Public Service give due consideration and take immediate actions to immediately resource the PNG Embassy in Brussels. This is so that it can satisfactorily attend to Papua New Guinea's national and international interests and obligations to the European Union.

Furthermore, I would also like to propose to the Parliament that the Parliamentary Committee on Foreign Affairs, Trade and Defense must also have a role in ensuring that our government is committed to meeting our international obligations, aspirations and

commitments in terms of trade and investments and a host of other multilateral and bilateral issues.

The implementation of important parliamentary initiatives like this issue on environment, friendly, seabed mining for oil and minerals in the context of sustainable development would require the oversight and direction of the Parliamentary Committee on Foreign Affairs, Trade and Defense.

Another issue of special interest in Papua New Guinea, which the JPA discussed relates to supporting private sector development and promoting investment in renewable energy sources in ACP countries. There is an increased interest in assisting countries like Papua New Guinea in the ACP group who are facing challenges in using power directly for economic development. It was noted in the preliminary discussions that the European Union has made available a considerable amount of financial and technical resources to assist ACP States to invest in sustainable renewable energy, especially in the areas of solar, wind, thermal and hydro power.

The JPA noted that renewable energy is necessary to bring development to rural communities and to generally improve the standard of living in communities where the national grid cannot provide their energy needs because of transmission and other costs. In order to capitalise on the European Union assistance in this particular topic, which will continue to be focus of attention in Papua New Guinea is to develop a policy on sustainable renewable energy. A technical assistance facility could be secured form the European Union or bilaterally from the European Union member States like Greece and Germany who are spearheading this agenda.

Mr Speaker, I would therefore like to commend to the Parliament and that our government be requested to develop a policy on private sector growth and promoting investment and renewable energy sources. In doing so, Papua New Guinea will have a benchmark and road map to draw down international assistance including that from the European Union in the areas of energy. This is for development especially considering government's ambition regarding rural electrification.

Mr Speaker, JPA also discussed and adopted reports on the following topics. The human economic and social rights of migrants in the ACPEU countries. This idea was discussed in the context of current trends in several African States where gay rights were restricted by Parliament in those countries. Though through the enactment of relevant laws there was a general disagreement, especially by the European Union representative that the

rights of minorities were being severely restricted by such legislative actions and short cooperation and understanding by the ACP States to allow and respect the democratic rights of minorities.

Mr Speaker, this is a very sensitive issue as some ACP representatives defended the actions of the respective ACP States which have sorted to legislative means to restrict the rights of minorities regarding this particular issue. At this stage this Parliament and our Government is to take notice of those discussions on this particular topic as I believe that the matter may be brought up again at the ACP ministerial level for a collective ACP response. Papua New Guinea's position can best be conveyed through this process.

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**Regional Integration and Modernisation of Customs for Sustainable Development in ACP report.**

The Report presents the vital role of customs administration not only in collecting duties and enforcing measures, but also in the detection of possible crimes such as trafficking and bribery. It also calls for strengthening bilateral and regional cooperation in customs matters, including the fighting against illicit parallel trade in goods and counterfeit goods, corruption and tax evasion which present a monumental hindrance to governance and economic development.

ACP countries would greatly benefit from modernization of customs as well as more efficient legislation framework in order to promote sustainable development and regional integration.

**Crisis in the Central African Republic.** Both sides on the ACPEU expressed extreme concern about the situation and asked the EU Members States to allow the development of the EUFOR mission as soon as possible. They stressed the need to restore peace and security, which are non-conditional, in order to restore effective and legislative governance.

**Renewable and Climate Change; Human and Technical challenges for ACP countries – Greek and European Experiences.** The JPA spent some time discussing this issue both at the workshop and at the plenary sessions.

Mr Speaker, Climate management and alternate renewable energy is a major global issue. The United Nations Secretary General is calling a meeting of all heads of Government of member states in New York in September this year. It is also one of the agenda items for

discussion at the Small Pacific Islands Developing States (SIDS) conference in Samoa, also in September this year.

Mr Speaker, this is an issue of global concern and this Parliament and our Government must take serious and positive steps to work towards a climate management and alternative renewable strategy. As I stated earlier, Papua New Guinea must have an adequate policy and structure for renewable and alternative energy. Such a policy and its oversight can best be managed by an independent body within the Ministry for Petroleum and Energy. Our Government through the Minister for Petroleum and Energy should immediately set up this structure and policy. As stated earlier, the European Union is well advanced in resources and technology to assist Papua New Guinea to not only implement the renewable energy agenda in the context of climate management but also to assist in facilitating the development of policy and structures under the ACP-EU framework.

Mr Speaker, in regard to the fight against AIDS and HIV the principle debate on the fight against AIDS was introduced by a statement of the Co-Presidents on “Ending AIDS in post 2015 Agenda”. With the declaration on ending AIDS, the Co-Presidents recalled that the fight against is still one of the key challenges for ACP countries.

They warned even if sustainable progress has been made since 2001, in particular concerning new infections, the struggle against the epidemic must continue and be reinvigorated in order to achieve the final objective of eradication. They called for a broader consideration of this theme in post 2015.

Mr Speaker, the 27<sup>th</sup> JPA and related Committee Meetings resulted in a number of resolutions which are to be implemented through the ACP-EU process. Papua New Guinea has been recognised to take a leadership role in the issue on environment friendly seabed mining for oil and minerals in the context of sustainable development. This honourable House and our Government must now be seriously prepared and organised to spearhead this issue in support of our national interests as well as those of the international community. The challenge is for the country to show our development partners and the rest of the international community that having issued one of the first seabed mining licences for minerals exploration and development in the world, Papua New Guinea will comply with internationally accepted standards, including transparent, accountable and environment friendly mining methods and procedures. Further, Papua New Guinea must take the challenge to develop benchmark policies and roadmap on developing private sector growth and promoting investments in renewable energy sources and climate management.

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Mr Speaker, I therefore recommend to this honourable Parliament that it note and accept the content of this report and the Government take action to implement the relevant aspects of the report especially those relating to resourcing and implementation of the resolution regarding seabed mining for oil and minerals in the contents of sustainable developments as well as developing a policy on private sector growth and promoting investment and renewable energy sources in the context of climate management and economic development in rural communities. And that the Minister for Foreign Affairs and Immigration immediately review and strengthen the capacity of the PNG Embassy in Brussels to take up the challenge of spearheading discussions at the bureaucratic level in Brussels to determine the framework and perimeters of the resolutions through the ACP EU process. One of the recommendations is to refer the report to the ACP member. There are two more reports that are prepared and will be presented to Parliament soon. Thank you.

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

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

**PARLIAMENTARY VISIT BY THE SPEAKER OF NATIONAL  
PARLIAMENT TO THE PEOPLE’S REPUBLIC OF CHINA –  
PAPER AND STATEMENT – PAPER NOTED.**

**Mr WESLEY NUKUNDJ (Dei)** – Mr Speaker, I present the following paper:

*Report on the visit by the Speaker of National Parliament to the People’s Republic of China, 16<sup>th</sup>-24<sup>th</sup> October 2013.*

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

Leave granted.

Mr Speaker, thank you for giving me the opportunity to present to this parliament the report on this visit which I was part of the delegation that you led to the Peoples Republic of China from 16 - 24 of November in 2013 more than a year ago. The visit came at the request of the Chairman of the Standing Committee of the National People's Congress of the Peoples Republic of China. This visit completes the request offered by the Vice Chairman of the National People's Congress during his last visit to Papua New Guinea in 2012. During the visit the Chinese delegation made a courtesy call to your office and officially made the request for your visit to China. The visit started in Beijing and covered two of Chinas 35 provinces from Beijing to Shanghai municipal government and then to Guangzhou province and also other municipal governments. Mr Speaker, Papua New Guinea became the 112th country to establish a formal diplomatic relations with the People's Republic of China back on 12 October, 1976. Since then and up till now successive governments of Papua New Guinea have consistently observed the one China policy based on the guiding principles of these relations between China and Papua New Guinea. Papua New Guinea has grown from strength to strength. Papua New Guinea acknowledges China as a global player. China's peaceful rise has given a positive signal to the global community of nations including Papua New Guinea. Given its size and increasing economic strength, China has played the responsible leadership role at the global level

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China has also played significant leadership role in the Asia Pacific Region, example through China-Pacific Island Forum (PIF) relation and China is regarded as a friendly and valued partner for the region.

Mr Speaker, the delegation which we led visited some of the most fascinating and historical places in China. In Beijing the delegation visited the International Beijing Flower Garden, the Forbidden City, the Great Wall of China and the People's Great Hall. For other members of the delegation it was listed second or third or even first but for me I was here as a student 27 years ago, and it was interesting to see a lot of new development that have taken place over the last 27 years in China.

Mr Speaker, in Guangdong the delegation visited the Canton Tower and Guangdong Folk Art Museum, Panyu Aquacultural Base, Guangdong Deli Agricultural Technology Company, Beijing Pedestrian Street, Guangzhou Development District-Exhibition Hall, Guangdong Electric Power Design Institute.

In Shanghai, the delegation visited the Huawei Telecommunication Company Head Office, and that's where we get all this Huawei telephones in PNG, Shangtex Tailoring and Fashion Design Company, Shanghai Urban Planning Exhibition Hall, Oriental Pearl TV Tower and the Shanghai International Conference Centre.

In Beijing, the delegation held discussions with honourable Zhang Dejiang, Chairman of the Standing Committees of Chinas National People's Congress, the Representatives of Metallurgical Corporation of China (MCC) the Ramu Nickel Mining Project in Madang.

In Guangzhou, the delegation held discussions with honourable Huang Longyun, Chairman of the Standing Committee of the Guangdong Provincial People's Congress.

In Shanghai, the delegation met with honourable Yin Yicui, Chairwoman of the Standing Committee of Shanghai Municipal People's Congress.

Mr Speaker, by way of recommendation, the following areas must be looked at to further strengthen the relations between the Independent State of PNG and the People Republic of China;

(1) That Parliament considers establishing a PNG-China Friendship Group. The Friendship group will serve the purpose of fostering parliamentary relationships between the two countries. This will enhance working relations between parliamentarians from both countries and between the two parliaments, through technical support and capacity building.

(2) That Parliament, through its Foreign Affairs and Defence Parliamentary Committee conduct a review into PNG-China relations with the view to identify areas that will further enhance the relations between the two countries.

Mr Speaker, in conclusion, the visit to China completes the request by the Chinese Government to the Speaker of the National Parliament of Papua New Guinea to visit China and the People's Congress. The visit created an opportunity for more inter-parliamentary dialogues and consultations between the two Parliaments and the Parliamentarians and also in contributing towards improving the works of Parliaments through technical support and of course capacity building.

The National People's Congress of China has indicated that it is ready to support the National Parliament of PNG to continue on from the recent assistance it has provided to Parliaments.

Just recently they assisted some members of Parliament with laptops and desktops.

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The visit would not be possible without the kind support and assistance from your office as well as the assistance provided by the Foreign Affairs Department and its officers of our country. And of course the Office of the Sergeant-At-Arms for making the possible travel arrangements. And Foreign Affairs for the necessary briefs made with the PNG Embassy in China on the visit, including the arrangements with the Chinese Government in Beijing. The Chinese Embassy in Port Moresby for their assistance. I must also acknowledge the assistance given by those in China, including the Police and the security escorts to and from the different places that we visited.

The staff and Ambassador Mr Christopher Mero at the PNG Embassy in Beijing, for their hospitality they provided during our visit. This also includes the necessary briefs and discussions on the PNG-China relations. I extend our sincere thanks to our Minister –Counsel Mr John Emilio who accompanied the delegation throughout the visit in China.

Mr Speaker, I commend this report to Parliament.

**Motion (by James Marape) put –**

That the question be now put

**Mr TOBIAS KULANG** (Kundiawa-Gembogl) – I would like to briefly debate on the report. It gives me the opportunity to share something which I have always tried to share with Parliament. The rising of China cannot be ignored. At one stage it was Europe that conquered the world. And Europe was forced to speak English to deal with that. But at this stage China is raising and the economic and political predictions are such that China will continue to dominate world politics and economics for a while.

The thought that has been in my mind for a while is how do we prepare ourselves to effectively deal and relate to a nation that is going to dominate the world politics and economy for a while. I was thinking that if at one stage, we were to learn English to transact with Europe effectively, I think we should start considering preparing this nation to deal with this emerging time.

They are already all over us in this nation, in every structure of society, in the commerce, construction and all other areas that exist in our society. This nation must therefore have a way of dealing and relating to them. I think the language and the manner of communication is very important. I just want to mention on this Floor that if we should

consider making available mediums and options for people who think that they will deal with this nation to have an avenue to learn how to speak Chinese. I will put my hand up to be considered to speak this language so I can deal with them. We cannot ignore them.

China is growing and at a recent seminar in Sydney we were shown a graph that says China is a growing economic and political leader.

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I want to believe and I want to suggest that this is a very important critical issue that we should start to think about. Thank you

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

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

Sitting suspended from 12.30.p.m to 2. p.m ..

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### **ADJOURNMENT**

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

That the Parliament do now adjourn.

The Parliament adjourned at 2.20 p.m..