

FIFTH DAY

Tuesday 02 June 2015

DRAFT HANSARD

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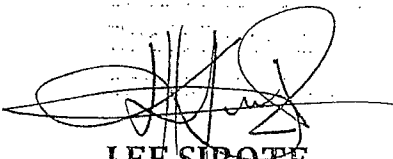
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LEE SIROTE

Acting Principal Parliamentary Reporter

FIFTH DAY

Tuesday 2 June 2015

The Speaker (**Mr Theodore Zurennoc**) took the Chair at 10.05 a.m.

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

Sitting suspended.

Mr Speaker, again took the Chair at 10.30 a.m., and invited the Governor of Western **Honourable Ati Wobiro** to take say the Prayers:

‘Our gracious heavenly Father we acknowledge you this morning again as our Lord and master. We acknowledge you Lord and master of this honourable House and of this beautiful country, Papua New Guinea.

We pray for this day and we pray for it in every way as we conduct ourselves today in that we might bring glory and honour to your name. Thank you Father God for inviting us to be co-workers with you in building and shaping this country. We pray that Lord your Sprit will guide us to shape this country after your own will.

Thank you for our Speaker and God, your spirit that lives in him and guides him. Thank you for our Prime Minister too, a godly man, a man after your own heart. Thank you for our Deputy Prime Minister, all our Ministers, the Opposition Leader, Deputy Opposition Leader and also Members of this Parliament.

Father, we commit ourselves to you, we bring ourselves under your leadership, under you lordship and father God that you will give us your own heart, your own mind so that today and every other time we meet in this Parliament House, as we discuss issues affecting this country we might make decisions that you yourself would have made.

So Lord bless our time today as we deliberate on important issues affecting this country. We also remember our people in every corner of this country. Father, we pray that you will bless them and you will reach out to them in your own way. We thank you God that they are your children and that you are their God.

And I now join together and we will continue to praise our God in saying the prayer that our Lord Jesus Christ taught his disciples. Amen.’

QUESTIONS

02/05

Mr SAM BASIL – Mr Speaker, my question is directed to the Prime Minister and I would like the Minister for Justice and Attorney-General to take note.

Mr Speaker, many things have happened during the height of the political impasse in 2011 and 2012 and by association, I am guilty of some of those things but one of the most unthinkable one that I could not have approved nor participated in any manner or form, is the one I am going to raise.

Mr Speaker, scandalous allegations were levelled against the Chief Justice by three men from Pangia in Southern Highlands Province. The three men are, Stanley Babaro, Nick Lapa and Nathan Akiye. These three men claimed in their respective affidavit –

Mr Peter O'Neill – Point of Order! Mr Speaker, these matters are before the Courts and I don't know where the Deputy Leader of the Opposition is trying to lead these questions to. I think the matter has been dealt with in Court sufficiently.

Mr Don Polye – Point of Order! Mr Speaker, the matter that the Prime Minister is referring to is SCR No.23 of 2011. The matter that the Deputy Opposition Leader is raising is not in the Courts and there is no sub-judice so the question is fine.

Mr SPEAKER – The Chair will have to make a ruling on this. You will have to allow the Chair to make a research on the status of this matter and if it has been already dealt with by the Court then the Chair will allow the question to be asked. So as it is, I will not allow the Member to ask the question.

Mr Don Polye – Point of Order! As you were ruling, I thought you made a suggestion for.

Mr SPEAKER – No! I made a ruling that the Chair will research on that, establish facts and then if it is okay, I will allow the question to be asked.

Mr RONNY KNIGHT – My Question is directed to the Prime Minister.

My people are quite happy to have been awarded the maximum security prison contract in one of our Islands in the north east side of Manus.

Can he explain to the people of Manus the status of that project?

Mr PETER O'NEILL – Thank you, Mr Speaker, and I thank the Member for Manus for his question in regard to the building of a maximum security provision in Manus.

Of course, we are committed to that project as part of our ongoing commitment in Manus, in respect to not only the Asylum Centre and the processing centre for illegal immigrants who are coming to this part of the region.

03/05

Mr Speaker, our Government has also committed to building a maximum security facility there. I will have an audience with the Minister for Correctional Services to fast track this project so that it can be included for funding in the 2016 Budget.

As such, there was no allocation in the 2015 Budget but it does not stop us from doing the preparations and necessary design work, and also securing the land at which this facility will be built. We will be calling on the Manus Provincial Government and the Office of the Member for Manus so that we will work together in delivering the security facility that will accommodate high risk prisoners who will be moved to that facility.

Mr Speaker, the Government is still committed to that project.

Mr MARK MAIPAKAI –My question is directed to the Justice Minister and I would like the Chair to take note. Firstly, let me say thank you, for defining the status of my Governor, who is a convicted prisoner. I understand the Parliament is now paying him his salary.

What becomes of our two other Members namely, Francis Potape and Paul Tienstein, who are convicted prisoners, under the same status as the Governor of Gulf.

Mr Patrick Pruaitch – Point of Order! The Member must be aware that the Former Member for Pomio was already in Court when Parliament undertook the by-election process and the new Member for Pomio has been elected.

Mr ANO PALA –Let me thank the Member for Kikori for his question. I think it is very clear that the Governor for Gulf is still a Member of Parliament because under the *Constitution*, he remains a Member of Parliament until his appeal is determined. Because of that he is still on the payroll.

Mr Mark Maipakai –Point Of Order! How about Mr Francis Potape; he is still awaiting his appeal but is not on the payroll, how do you justify this case?

Mr ANO PALA – When a Member has been convicted for a period of more than nine months; he ceases to be a Member of Parliament, however; if he has lodged an appeal, he remains an MP until that appeal has been determined.

(Don Polye interjecting)

Mr GISUAT SINIWIN – Mr Speaker, thank you, and my question is directed to the Minister for Communication. The question is what is the Government doing to reduce the cost of internet in the country? The cost of internet in the country is very high compared to other countries around the world.

04/05

Mr JIMMY MIRINGTORO –Mr Speaker, I thank the Member for Nawae for raising that question. The question is very technical but I will try to give some comfort for his question.

Mr Speaker, the price for internet service in the country is very high. There are several factors that contribute to this high cost. For instance, if somebody wants to connect through the Internet to another person, say for example in Bulolo, the internet signal will have to go out of the country and then come back into Bulolo.

NICTA, under my Ministry, has been looking at the possibility of putting up an exchange point in the country.

So far, *NICTA* has identified two exchange points that will be installed in the country; one in Lae and the other in Port Moresby.

NICTA has also mobilised stakeholders such as DataCall and other internet service providers to work together so that at least these infrastructures can be built in order to reduce the cost of internet in the country.

Mr Speaker, we also have support from the International Internet Service Providers in the world which work in conjunction with the International Telecommunication Union.

We believe that the work that has been started should be completed in a few months before we have access to the Internet exchange points in the country.

The benefits of having this internet exchange points in the country is that the cost will be reduce and connectivity will be improved.

Mr Speaker, this Government is also embarking on building up infrastructure for Broadband in the country, which provides high-speed internet service.

Mr Speaker, as long as we tidy up some of these issues that have been outstanding in the country as far as ICT is concerned, we can provide better service which is ready to be introduced in the country.

So, Mr Speaker, if I did not answer the question fully, the Member can put it on the Question Paper and I can answer at a later date.

Thank you.

Mr NIXON MANGAPE – Mr Speaker, my question is directed to the Minister for Mining, and I ask the Ministers for Finance, Treasury and the Prime Minister to take note.

Porgera is contributing 16 per cent to the economy of PNG so why has your Department not released the MOU Funds for almost two and a half years? Because of this, the Porgera Hospital is about to be closed on Friday.

Mr BYRON CHAN – Thank you, Mr Speaker and the Member for Porgera.

I just confirmed with my Managing Director that MRA has some funds of up to K2 million which he is in the process of retrieving from the National Planning Department so that he can attend to the Hospital as per your request.

I wish to confirm that K2 million has been allocated and it is now in the process of being delivered for the purposes of maintaining the hospital.

05/05

Mr DON POLYE – Thank you, Mr Speaker. I wanted to ask my questions to the Minister for State Enterprises, Honourable Ben Micah, but he was not available last week and today as well so I redirect my questions to the Prime Minister instead.

Mr SPEAKER – Go ahead.

Mr DON POLYE – My questions are in relation to the domestic gas and the development of P'nyang between State of Papua New Guinea and ExxonMobil Limited.

My questions are:

(1) On what basis did the State agree with ExxonMobil to allow P'nyang to be added as a new field to the PNG LNG Project based on the same fiscal tax term as the K10.5 trillion cubic feet of gas allocated for the initial PNG LNG Project tranche one and two?

My memory tells me that any additional gas beyond the K10.5 trillion cubic feet should be given on fiscal terms which are better than the 2008 gas agreement. Now that the backbone LNG infrastructure has been built in the form of the 800km gas pipeline LNG plant, can the Prime Minister confirm this?

(2) Papua New Guinea's backbone LNG infrastructure has been 100 per cent no risk. Why did the State negotiators give in too easily to ExxonMobil's demand on the P'nyang project?

(3) Can the Prime Minister deny or confirm that this is an indication that the O'Neill Government is about making deals to benefit only a few at the expense of the people of Papua New Guinea?

(4) What about the landowners of P'nyang? How will the landowners of P'nyang be guaranteed any benefit from Papua New Guinea LNG Project without any inclusion at all in the umbrella benefit sharing agreement in exchange for gas from the P'nyang gas field.

(5) How much will the State own from the P'nyang Gas Field?

(6) Did the Department of Petroleum and Energy involve at all in the MOU negotiation on the P'nyang field between ExxonMobil and the State?

(7) How did the Government pre-commit the P'nyang gas without petroleum development license of PDL being granted by the Minister for Petroleum and Energy as the oil and gas regulator in Papua New Guinea?

(8) Why did the Minister for Public Owned Enterprises sign the MOU as Minister for Petroleum and Energy when it is a public knowledge that he was never appointed as Minister for Petroleum and Energy at that stage.

(9) Why didn't the real Minister for Petroleum and Energy sign the MOU, are there any fishy deals going on?

Mr PETER O'NEILL – Thank you, Mr Speaker, and I thank the Honourable Leader of the Opposition who is always looking out for fishy deals and always assumes the worst all the time.

Mr Speaker, let me answer the last question first before I -

Mr Don Polye – Point of Order! Can the Prime Minister refrain from making personal attacks all the time? He is the Prime Minister so why is he becoming bitter and bad. He is the Prime Minister so he should answer the question.

Mr SPEAKER – You need to address the Chair to call for a Point of Order, otherwise your Point of Order is out of order.

Mr Don Polye – I am asking these questions on behalf of the seven million people of Papua New Guinea so he should answer them and not me. Thank you.

Mr SPEAKER – I must remind all honourable Members that each time you rise to make a Point of Order, you must address the Chair even during the debates.

06/05

Mr PETER O'NEILL – Thank you, Mr Speaker. I know that the Opposition Leader is always excited about asking questions that got infringes about deals but let me start answering the last questions first. The Minister for Petroleum and Energy was out of the country and Minister for Public Enterprises and State Investment was acting and in that capacity he signed it, so there is no issue about who signs on behalf of Government. He has an authority to sign and also as Minister responsible for National Petroleum Company and all the investment on behalf of the State. He has every right to sign any MOU that we have undertaken as Government.

Mr Speaker, the Opposition Leader needs to read documents properly before asking questions. If he had read the MOU that has been signed between the Government and the State, it states in the final clause that; this MOU is subject to the Oil and Gas Agreement, which basically means that the negotiations for P'nyang will commence as soon as we understand the reserve. There is no confirmation of the gas reserves in P'nyang as yet today, unless the Leader of Opposition has got some knowledge that I don't know then we are quite happy to share it with him.

Mr Don Polye – Point of Order! I have the MOU agreement here that doesn't indicate what the Prime Minister has just stated.

Mr PETER O'NEILL – Mr Speaker, I don't want to labour into arguments that don't make sense, but if he reads the entire document, he will find it and I am quite happy for him to table that in Parliament as well.

Mr Speaker, if the Opposition Leader and his Deputy allow us to answer questions then they will be satisfied with the answers that they want.

Mr Speaker, P'nyang is not going to be developed until the gas reserves are confirmed. The MOU that was signed between the ExxonMobil and the Government is for the supply of power to Port Moresby city and to the Hela Province.

Mr Speaker, there is no point in the Opposition Leader getting excited for nothing. You know that we have got challenges in power, particularly, in Port Moresby city and many parts of the country. There are no negotiations about the development of that particular field as yet. As soon as the gas reserves are confirmed, I can assure this Parliament and our people that a gas negotiations team will be set up and they will negotiate with ExxonMobil and the partners.

Mr Speaker, the P'nyang license is held by the current developers of PNG LNG. It is their wish, if they want to bring that particular development into the existing LNG project because they own the license.

The owners of that licence spent hundreds of millions of kina in trying to fund the drilling program that is going on in P'nyang to confirm the gas reserves so that they can have an expansion of the LNG plant that is happening in our country.

Mr Speaker, we have not expanded the physical terms of the project but it will be done when we establish a gas negotiation team. We are very well aware that it's not 10.5 TCF but 9.6 TCF, which has been committed already to the existing PNG LNG project. Anything beyond that is subject to a new negotiations and it will happen as soon as the gas reserve is confirmed. There is no point negotiating with the developers if we don't know that they will go ahead and develop P'nyang. They have to verify that there is enough gas for them to transport it down to the current LNG and expand the third train on the field itself.

As soon as we have the verification, I will engage the negotiation team who will then also engage with the landowners. The landowners will be engaged through the normal consultations and negotiations that go on as soon as we develop a field as we have done in the past with Hides and the other gas fields throughout the country.

07/05

Mr Speaker, let us not get ahead of ourselves, we will get to this particular point as soon as we get the gas reserves confirmed.

Thank you, Mr Speaker.

Supplementary Question

Mr BIRE KIMISOPA – Mr Speaker, before I ask my question, I think that it is quite obvious on this Floor of Parliament that I have previously asked a series of questions regarding domestic gas consumption in this country and that whether we were affected in the previous agreement. It is disappointing.

Mr Speaker, it is disappointing that I have heard no one admit that we have made a big mess in terms of the initial LNG gas.

(Sir Puka Temu interjecting!)

Mr BIRE KIMISOPA – Mr Speaker, perhaps the Honourable Sir Puka Temu should shut his mouth and let me continue with my supplementary question.

Mr Speaker, my point is that the country is benefitting but domestic gas is not there. And on both sides of the Floor of Parliament including the Opposition Leader as well, he has not concerted or admitted that they have made a mistake.

My point to the Honourable Prime Minister is this, it is simple and it will benefit you as well Honourable Sir Dr Puka Temu.

Mr Speaker, my supplementary question is, in the next lot of negotiations in any development coming up with ExxonMobil, could the State guarantee that there will be sufficient domestic gas for electricity and cooking?

Thank you, Mr Speaker.

Mr PETER O'NEILL – Thank you, Mr Speaker, and I thank the Honourable Member for Goroka for his supplementary question.

Mr Speaker, it is true that there is no particular provision for the domestic market obligations in the current PNG LNG Project. This was only because there was not enough gas. The gas that commercially underpins the two trains that we have got in this foundation field is 9.6 TCL. Now, that is what is being produced in Hides, Angore and all the other

places but it only accounted for these two. That was why it is important that we try to get a foundation project out of the way.

Mr Speaker, I know that many years ago, everybody was lining up to build a gas pipeline to Queensland. We have to understand that at least we have secured the project to be developed in our country and we have achieved that. It is a foundation project and as of today, we are close to delivering 100 vessels of LNG to the markets that we have committed. It is by far, one of the best projects in the world and we should be proud of it.

I understand that and that is why, when we negotiated with Exxon Mobil to try and get some gas for our power supply. We managed to secure only 10 million cubic of gas volume per year for us to supply for power generation, but that is still a very small part. And I agree with the Honourable Member that the development of P'nyang, Elk Antelope, Stanely and all the other fields, I can assure this Parliament and the nation that the domestic market obligation will be our number one priority.

Mr Speaker, it will be our number one priority even though many of our critics may not like it because many of them may have seen that we have recently signed a MOU with a leading Japanese petro-chemical company called SANTOS. This company is going to develop a national facility in Konebada Park which, will also provide employment for 22,000 people.

There will also be other similar companies who are willing to negotiate with the government. We are also holding talks with the Mitsubishi Gas Company of Japan as well as other leading global companies who are willing to come in and set up petro-chemical industries in Papua New Guinea which will provide employment for thousands of people. I want to assure this Parliament that we will go through the motions as soon as we negotiate the development agreements with the developers.

Thank you, Mr Speaker.

Mr PETER ISOAIMO – Thank you, Mr Speaker, for recognising the 120 000 plus people of Kairuku-Hiri.

Mr Speaker, my questions are directed to the Minister for Forest and the Minister for Climate Change can take note.

08/05

(1) Is the Minister for Forest aware that license holders in my electorate, especially those that deal with plantation forestry continue to defy or breach agreements that are in place?

This is with regard to thinning of the logs in the plantations that they cut down. This Government enjoys the green revolution and export driven policy besides the much talked about gas and oil. My electorate continues to build this city through all the wood that we are sitting on.

Mr Minister, there are some permit holders that your ministry has licensed to carryout plantation logging in my electorate. And as you know plantation logging has benefits for all stakeholders including the government, landowners and everybody else.

Are you aware that your department continuously ignores or allows such loggers or operators to defy and not comply with the *Forestry Act*?

Some of the big plantations in my electorate have been allowed to deteriorate under your watchful department thereby, losing the value of second growth that will in the future scoop in money for the country.

With regard to community obligations, you will find that after the loggers have packed up and left, there is nothing left for the people. The wooden bridges that they have built have deteriorated and broken down thereby leaving nothing for the people to use.

(2) Do we have proper guidelines and policies in place to ensure that these operators build permanent bridges?

It is welcoming to learn of your recent announcement by your department wanting to review the guidelines on the draw-down of Log Export Development Levy. As a concerned electorate who are entitled to these funds, do we submit only to the value of what is owed to us, or do we submit over the K30 million plus that you keep in your Trust Account?

Mr DOUGLAS TOMURIESA – I thank the Member for Kairuku-Hiri for his series of questions.

Mr Speaker, I would like to thank the people of Kairuku-Hiri and the people of Central Province for giving their land for us to build our capital city. I pay homage to the landowners of this beautiful city. When we talk about plantations, there are two arrangements; there are plantations that are owned by the PNG Forest Authority and there are those that are owned by the landowners.

09/05

In regards to his questions, I'll answer them in two parts:

- (1) The FMA that the good Member is referring to is the Varagadi FMA is and that is in the Brown River – Kuriva area.

Mr Peter Isoaimo – Point of Order! I'm making reference to both because he had issued one licence to cover a customary land plantation that also covers a State-owned plantation at Kuriva.

Mr DOUGLAS TOMURIESA – That's the reason why I've explained here that there is a privately owned plantation and a PNGFA plantation and so please allow me to respond to your questions.

Mr Speaker, under the arrangements that we have at the Varagadi FMA, unfortunately, the arrangements here are very beneficial for the landowner. However, this particular FMA has gone to court and in the last five years, the developer has done nothing or very little.

Thinning is supposed to be done in the plantation but it is not done, as you know, thinning is supposed to be done to enhance the plantation so that you can fatten the trees.

However, in the Varagadi FMA the trees predominantly are teakwood, and teak is a very valuable wood. When you are thinning, you cannot just get it and throw it in the fire. You must be very careful what you have out there.

The operator of this particular FMA is East Papua Timbers who have built a sawmill there already. However, they cannot do much because there is a court proceeding currently in place which has also prevented the Forest Authority from going in there and doing any reviews even though the review is long overdue. We cannot go in because there is a Court proceeding already in place.

At this juncture, I would like to call upon the good Member for Kairuku-Hiri to help me out here and work with the landowners to free up the plantation so that the developer can go in there and bring full or maximum benefits; not only for the State but also for the landowners and the developer.

And so, here we have an area that is booming with timber and I am talking about teak. The beauty of teak is that when you cut them down, you don't have to replant, the stump itself will regrow.

And so there are benefits for our people with the current arrangement involving the PNGFA and the landowners. We also have the royalties that the landowners are missing out on due to the five year delay.

(2) Let me come to the next issue and that is to do with community obligations. Mr Speaker, there is a paper which is on its way to Parliament. I think in this session of Parliament, we will be reviewing the *Forest Act 1991*. In the review of the *Forest Act 1991*, we are looking at how to protect our landowners, how do our landowners receive maximum benefit and in so saying this, I'd also like to look at community obligations. In the paper that is coming before this Parliament, we are looking at maximum benefits, not only for the landowners, but also for the government.

The Member has rightfully said it; the company is building log bridges and when the company ceases operations and leave, there will be no more roads.

10/05

We are getting there to look at the community obligations seriously and to make certain that when the companies come in, they must meet their obligations. They must do the churches, schools and roads. I would also like to get to the LEDO that he earlier mentioned.

Mr Speaker, we have looked and reviewed the LEDO guidelines. The 3 trustees are going through the final draft on the guidelines that will come before the Cabinet for its endorsement. In the guideline, we have incorporated the *GDA Act* to make sure that no operation in any electorate or district will take place without the Members' attention. We are looking at the review of forest in a big way and we hope that when the review is completed, it will bring maximum benefit to the landowners, the provincial and the National Government.

Mr JOE SUNGI – I direct my question to the Minister for Public Service. There is confusing arrangement between the District Development Authority and the Provincial Health Authority in relation to the staffing arrangement for health workers.

Could the Minister inform the Parliament and the Public Service for those provinces that have signed for the Provincial Health Authority, who will be responsible for them? Will they come under the Provincial Health Authority or will they come under the District Development Health Authority?

Sir PUKA TEMU – I thank the Member for Nuku for that question.

Mr Speaker, as you will remember when we passed the District Development Authority Bill, there were consequential amendments to a couple of enabling legislation. In those consequential amendments that we made, for example, to the *Police Act* and the *Teachers Services Act*, we did not include the *Provincial Health Authority Act*.

Therefore, in response to the Member's question, the Provincial Health Authority still maintains the control of the health staff at the district level until we make those consequential amendments to the *Provincial Health Authority Act* in order for the District Development Authority who is the CEO to clarify where the Provincial Health Authority comes in.

Mr Speaker, our view is that in terms of human resource management, the regulations are being developed at the moment. They will go to his Excellency for endorsement once Cabinet passes those regulations.

Honourable Members of Parliament will know that the District Development Authority is under the portfolio of the Minister for Inter-Government Relation and not the Minister for Public Service.

The intention of the District Development Authority's CEO is to take control of other public servants like teachers, police personnel and health workers at the district level. It will be ideal for the CEO to make sure that all personnel at the district level come under his administration. We have amended the *Police Act* and so the Provincial Police Commander and the CEO of the District Development Authority will then identify other areas that the CEO of the DDA will manage such as the disciplinary matters and control matters.

11/05

For example, for the Police, the Provincial Police Commander can then be delegated tasks by authorising the Chief Executive Officer to manage the police. The same process will be applied when we bring in the amendment to the Provincial Health Authority Law, and so that is required and we hope to sort that out. That was an excellent question and I hope I answered it well.

Mr JOHN SIMON – I direct my questions to the Minister for Health, Honourable Michael Malabag.

(1) Is the Minister aware that in some of the rural areas in Papua New Guinea like Maprik, there is a shortage of health workers?

The Government is putting in a lot of money into building infrastructure in the health service but what about the shortage of health workers. We do not have enough health workers in the rural areas.

(2) What is the Minister doing to help in this area?

I seem to be hearing only about doctors for the main hospitals in the city, but what about the community health workers for the rural areas in Papua New Guinea? I am sure they are facing similar situations.

My next question is regarding the closure of the Boram School of Nursing. In Maprik, we are building a new hospital and we have land that was allocated.

(3) Can the Minister build a school of nursing in Maprik?

We are willing to offer land and the name of the school can be changed to Maprik School of Nursing. This may also help solve the problem of shortage of health workers.

Mr MICHAEL MALABAG – Thank you, Mr Speaker, and I thank the Member for Maprik and I also thank him for addressing me as a doctor. But, I am not allowed to practice in Papua New Guinea.

Mr Speaker, that is a good question because it is a fact, we are in great need of health personnel in Papua New Guinea which includes the doctors and nurses. The simple answer to that question is, it is not only within the Health Ministry but it also boils down to provincial governments because a lot of activities are all centred within the provincial government system and some of the other main obstacles in the way is to create more positions within the provincial government network to allow for positions to be filled.

Recently the Government approved the human resource enhancement plan and this is to address the shortage that we have in Papua New Guinea. There's a big outcry for doctors to be stationed in the rural areas and like the Public Service Minister was saying, the positions have to be made available so that doctors can work there.

At the same time, those who graduate each year, the quota is not enough to meet our health needs. We have recruited nurses from the Philippines and there is one or two doctors from Nepal, India and Sri Lanka. I have already given the authorisation to all the provincial health authorities and the hospitals to go out and recruit.

12/05

With that answer, we would like the provincial government and the provincial health authorities to do more on their part to ensure that we have the required manpower.

The Nursing College at Boram has been a bit of a problem. I was there recently and one of the main things that we want to accomplish is that, when the new hospital is built within the Catholic Church land over at Wirui, it will also cater for the School of Nursing.

Unfortunately, we cannot put it in Maprik because we want the school to be situated in a central location and at the same time we have to consider funding.

My colleague Minister for Higher Education and I must discuss these because some of these things are parked in his portfolio.

Mr ANTON YAGAMA – My question is directed to the Minister for Lands. There is a prime piece of land in Madang that every Madang resident values and that is the bus stop area. This land was gazetted specifically for that purpose.

Can the Minister tell us the current status of this property? These are allotment 31 and 32 of Madang town.

We have heard and read in the newspapers that there is a certain person who is renowned for grabbing similar parcels of land in Lae and is now dipping his hands into Madang.

I want to know whether this person has gone through the right processes to acquire this valuable land belonging to the people of Madang.

Mr BENNY ALLEN – I would like to thank the Member for his question. The land that is being referred to in Lae is portion section 31, allotment 31 and 32. The decision made on that land made by the Land Board was done before this Government assumed office. And I am aware of the other land he is referring to and there was an article in the paper of a businessman in Lae who applied to get the portion of land in Madang.

Apparently, it is the bus stop area and the re-zoning of that particular land .

Mr Anthon Yagama –Point Of Order! We are talking about a portion of land in Madang and not in Lae.

Mr BENNY ALLEN – The land in question in Madang was applied for by a businessman who resides in Lae. He is the same person who applied for the land in Lae which the Member made mention of. The title of the land was issued to Awan Corp Limited, the company that applied for this land. The re-zoning of the land, the current bus stop in

Madang, was done before this Government took office and the Land Board at that time also granted the title to the same company.

13/05

But there was a Court case taken up by the Madang Provincial Government and the decision was handed down on 13 February, 2015. The Madang Provincial Government together with the Madang Urban Authority did not appeal to the Supreme Court and the forty day sanctuary time limit expired on 28 February, 2015.

Mr Speaker, as far as the title is concerned, it is legal and proper process was followed in the issuance of that title to the business or the company who applied to put up a shopping mall there.

We have a Provincial Land Board in place for Madang Province and also a Physical Planning Board so we can deal with it at the provincial level when the Physical Planning is deliberating on the building designs but as we speak now, it is a legal title issued to this company.

Mr Jim Kas – Point of Order! Thank you, Mr Speaker, I would just like to assist the Minister by saying that the newspaper report is totally incorrect.

The Madang Provincial Government and the Madang Urban Authority did not appeal simply because in the Judge's ruling he admitted that the title was fraudulently given.

And on that basis, the Madang Provincial Government has gone back to Court seeking the Court's assistance in establishing the status of the land and to clarify as to what the judge meant by '*Fraudulently given*'. So that matter is now again before the Court.

That was the reason why we did not appeal.

Thank you, Mr Speaker.

Mr BENNY ALLAN – Thank you, Mr Speaker, and the Governor of Madang for clarifying the appeal.

I have been advised by the Department that the appeal sanction time limit did expired and also the advice to the company was that the title issued was legal and it can be used for the purpose it was intended for.

Thank you, Mr Speaker.

Supplementary Question

Mr KELLY NARU – Thank you, Mr Speaker.

It is becoming a notorious habit of some Papua New Guinean's who are literally in the business of land grabbing, like the case that the Honourable Member for Usino-Bundi has referred to in Madang.

Can the Ministry of Lands through the Minister take some serious action to refer such individuals to the Fraud Squad or to take administrative action to blacklist these people so that they will not have any more chances of attaining State land?

14/05

The Morobe Province is no exception, we are also experiencing shortage of land because of land grabbing activities. But we now have a policy in place and that policy states that one man or one woman is entitled to only one block of land. This means that if you have already acquired a State land, you cannot apply for another one.

Mr Speaker, I urge the Minister for Lands and Physical Planning to identify such people and have them blacklisted.

Mr BENNY ALLAN – Thank you, Member for Morobe, for asking this important question. There was also a similar question raised on the Floor of Parliament by the Governor of Southern Highlands and it relates to a Papua New Guinean who has applied and is holding the land titles throughout the country. This person has portions of land in Lae, Port Moresby, Daru, Madang and the rest of the country.

We have identified that particular person and had him blacklisted. This same person is now applying again in the last Land Board meeting under a different name and company. So there are people like that who go around the country applying for State land.

The Department is now asking the provincial governments to establish their own land boards so that they can manage these issues at the provincial level.

Mr Speaker, I must thank the Morobe Provincial Government through the Governor of Morobe because they have a Provincial Lands Board and a Provincial Physical Planning Board in place. So the land decisions are now decentralised to respective provinces.

Mr Speaker, the lands board and the physical planning boards can make their own decisions in terms of land issues in their respective province.

Morobe Provincial Lands Board is now sitting as I speak and may I also inform this House that any State land in any part of the province belongs to the people of this nation. People who have the financial capacity will have to meet the requirements.

Mr Speaker, if a person from Western Highlands applies for a piece of land in Lae, and if he meets the requirement, he should be granted the title there. We have a situation where the provincial boards are saying; the land in this respective provinces belong to the people of the province. That is where we are wrong.

Let us not develop anti-Highlands or anti-New Guinea Islands. This is Papua New Guinea and anyone with the capacity who meets the requirement can apply anywhere in the country, and I am speaking as a Minister here.

No land in Madang is owned by the Madang Province, it is a State land. It is open to any Papua New Guineans to apply for.

(Members Interjecting)

Mr SPEAKER – Order!

Mr BENNY ALLAN – Mr Speaker, any land in Goroka is open for any Papua New Guineans to apply for whether you are from Kokopo, Western or Central Provinces. You have the right to apply and I must make that clear.

Let us not develop a culture and say that this land belongs to the Eastern Highlanders only and no-one from outside should apply. No, that is wrong. However, you must meet the requirements.

15/05

Mr Anton Yagama – Point of Order! My point is in relation to the provision made for the town bus stop. What is your position on this issue?

Mr SPEAKER – Member it's a new question therefore, I will not allow your Point of Order. You are out of order. Minister concentrate on answering the question.

Sir Michael Somare – Point of Order! When Minister for Lands granted the land in Lae to that person, he didn't develop that portion of the land and it's almost 15 years now. I know these portions of the land in Lae and I even know the name of this man but it's not right

for me to mention his name. That same person went to Madang and bought the land but provision states clearly that, that land must be developed within the certain given time. If not then Minister responsible must forfeit the title and give it to whoever is interested in developing the land within the required time.

Mr BENNY ALLAN – Mr Speaker, I thank the Governor for East Sepik, yes, under the *Land Act*, the Minister responsible or Lands Department has the power to revoke the title if land is not developed within five years. Therefore, basing on this, we are enforcing this rule of law now to State-owned lands around the country.

If you read in the daily newspaper, the Secretary for the Lands Department has issued notices to State-owned lands which are not developed and outstanding bills must be paid within 5 years. If not, titles will be terminated and sold to someone else who is interested and ready to buy the land.

In relation to the Point of Order raised by Member for Rai Coast regarding town bus stop, I have already answered the question but, *Land Act* allows for re-zoning of certain areas. Therefore, re-zoning has been done and that land became vacant and the applicant applied. This same person has a land in Lae and now in Madang and he is this sort of person, but he applied by following the right procedure. It's not land grabbing meaning you just squatter on State Land without any title at all. But he applied in the right way.

Mr Jim Kas – Point of Order! I apologise to Parliament for interjecting a lot but that person got the land within a day. He applied in the morning and got the title in the afternoon. That matter has been brought to court and the Judge made a ruling five weeks ago that the land was obtained fraudulently. Therefore, the Madang Provincial Government is pursuing this matter.

Yet, Minister bluntly mentioned that anybody can apply, yes, it's true but common sense must prevail and there must be respect for certain regions. Therefore, city of Lae and the town of Madang have been the victims of such practices.

Mr BENNY ALLAN - Mr Speaker, the point raised by the Governor for Madang where the applicant issued the title on the same day is un-believable and I can't even understand this. Because every land title must go through processes before title is issued and it takes time to do that.

I really don't believe that and I think I have answered the question.

16/05

**AUDITOR-GENERAL OF PAPUA NEW GUINEA – REPORT ON THE
ACCOUNTS OF THE PROVINCIAL AND LOCAL-LEVEL GOVERNMENTS
AND ASSOCIATED ENTITIES, PART 3, 2010, 2011-2013 – PAPER –
MOTION TO TAKE NOTE OF PAPER**

Mr SPEAKER – I present the following papers pursuant to statute:

- (a) Auditor-General's Report – On the Accounts of the Provincial and Local-Level Governments and Associated Entities Part 3, 2010;
- (b) Auditor-General's Report – On the accounts of Provincial and Local-Level Governments and Associated Entities Part 3, 2011-2013.

Motion (by **Mr Peter Isoaimo**) agreed to –

That the Parliament take note of the papers and that the papers be referred to the Permanent Parliamentary Committee on Public Accounts.

Debate adjourned.

**CONSTITUTIONAL LAW REFORM COMMISSION AND DEPARTMENT OF
PROVINCIAL AND LOCAL-LEVEL GOVERNMENT AFFAIRS – FINAL
REPORTS (VOLUMES 1 AND 2) ON THE INQUIRY INTO THE
*ORGANIC LAW ON PROVINCIAL GOVERNMENTS AND
LOCAL-LEVEL GOVERNMENTS* – PAPERS AND STATEMENT –
MOTION TO TAKE NOTE OF PAPERS**

Mr PETER O'NEILL (Ialibu-Pangia – Prime Minister) – I present the following papers pursuant to statute:

Constitutional and Law Reform Commission – On the Department of Provincial Governments and Local-Level Government Affairs.

- (a) Final Report on the Inquiry into the *Organic Law on Provincial Governments and Local-Level Governments* Volume 1 and;
- (b) Final Report on the Organic Law on the *Organic Law on Provincial Governments and Local-Level Governments* Volume 2.

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

Leave granted.

Mr Speaker, I am pleased to table this Report on behalf of the Constitution and Law Reform Commission.

On the 12 July, 2013, the head of State, acting on advice of the NEC issued a direction to the Law Reform Commission to enquire and review the workings of the *Organic Law on Provincial Governments and Local-Level Governments*.

Mr Speaker, after 40 years of Independence, I think it is time to have another look at our decentralised system of government.

Our system of government is a defining feature of our political and administrative structure, and like most things it is very much still a work in progress.

Mr Speaker, the very first amendment to our *Constitution* was to provide a decentralised system of government in our country. Very soon after that the Parliament passed an *Organic Law on the Provincial Governments and Local-Level Governments*. Our founders recognised that our country had great diversity, Mr Speaker, with over 800 different languages and cultures that spread from very remote islands to our coastal villages to highlands of our country. They knew that the only way that they could bring this country together was to shift decision making closer to the people so that the provincial and local-level administrations were created to cater for that decision making process.

Mr Speaker, the *Organic Law on Provincial Governments and Local-Level Governments* has served us well in many years.

Mr Speaker, in 1995, the country again changed the Organic Law on Provincial Governments and Local-Level Governments, and this was replaced by another *Organic Law*. And in recent years we have heard about the decline of rural services particularly, in rural communities, and is what has been described now as the 'lost decade'.

Many services like aid posts, roads and public buildings have never been maintained. And our people still continue to leave their homes and villages to move into urban centres in our country.

Mr Speaker, it is time to turn back to providing our rural communities services that they require so that our people can remain on their land.

17/05

As we approach the 40th year of our Independence and nationhood, Mr Speaker, it is timely that we take another look at how we can improve our system of government and how we deliver basic services to our people.

That is why on 14 April this year I received a Final Report from the Constitutional and Law Reform Commission.

Mr Speaker, there are two volumes. The main volume contains the report, summary and its recommendations and the second report expresses the views of all the public consultations that they have done throughout the country.

In broad terms, Mr Speaker, the recommendations are that:

- (1) A new law be established to be called the Organic Law on Decentralisation,
- (2) In order for us to improve service and service delivery we revitalise and modernise state departments and state services delivery mechanisms.
- (3) Improve and modernise our political system so that it can be in line with and geared towards improving services we are seeking.
- (4) The public sector be integrated so that it can have an integrated system of structure that would deliver a more improved services and of course, deliver national development.
- (5) Financing arrangements to fund these services and of course, create wealth and growth as we aspire for the national development of our country.
- (6) Law making powers that can facilitate the continued economic growth that we enjoy in our country.
- (7) Growth of the district towns, provincial towns and cities through a municipal authority so that we can manage services in those areas a bit better.
- (8) Autonomy based on principles of providing reward for excellence,
- (9) Further strengthening of district authorities by reviewing focus on rural development and rural growth.

Greater integration of government services so that it can facilitate for national development.

Mr Speaker, our government has already made some significant reforms, in enhancing the centralisation of government services and we are already in the process of revitalising and modernising services delivery mechanisms, but we still have a long way to go.

Although we can see changes in our communities today, especially in our districts and rural communities, Mr Speaker, we must continue to facilitate ongoing change so that we can empower our local communities.

Mr Speaker, we must invest in infrastructure in rural areas which will create more economic opportunities for our people.

The emphasis of this Government, Mr Speaker, is to support rural communities rebuild rural, provincial and district administration.

As part of the devolution of power, Mr Speaker, we have brought about the introduction of district development authorities right throughout the country, especially Mr Speaker, I want to inform this Honourable House that many of our district development authorities have had their first board meetings in many parts of the country. And I encourage all the Members and of course, all our public servants to work together so that we make sure that the district development authorities take charge of the service delivery that we all are seeking.

Mr Speaker, I know that this authority will grow from strength to strength in the coming years. Mr Speaker, another support that we as a government must provide is to make sure that we support the work of the provincial government which will also partner us in the greater responsibility of service delivery to our rural communities.

18/05

Mr Speaker, at the leaders' summit early in February, I invited the provincial governments and their administrations to come forward and work with our national government departments where we were to award more functions and responsibilities to provincial administrations.

The current laws allow for provincial governments to obtain these additional functions and responsibilities. We must enter into agreements that will empower provincial governments to take up specific responsibilities that are being funded by the national government.

Our government is encouraging more autonomy for provincial governments where it will provide for more service deliveries and functions as we continue to strengthen the current laws. I understand that the Department of Provincial and Local-level Government Affairs is currently having discussions in some provinces like New Ireland and Enga.

These provincial administrations have already identified areas in which they have capacity and that they are interested in so that they can assume those responsibilities. We are expecting these agreements to be concluded before the 2016 Budget is tabled in Parliament.

Mr Speaker, this Government is fully committed to giving provincial and local-level government more funding so that they can be able to more responsibilities of the service delivery functions. I am certain that the final report provided to us by the Constitutional

Reform Commission will make a valuable contribution to the ongoing discussions that we are having in this country which will be to further decentralise our system of government.

The recommendations contained in these report affect the whole of government. Therefore I have asked our Chief Secretary and the secretaries of various national departments and agencies to provide us with a detailed report on the likely implications of the Report so that we can then be able to decentralise and empower our people more at the local-level and districts as a defining feature of our system of government in this country.

Mr Speaker, with those few words it is my pleasure that I table this report by Constitution and the Law Reform Commission on the Organic Law on Provincial and Local-level Governments.

Mr DON POYLE (Kandep) – I move –

That the Parliament take note of the papers.

I think the report by the Law Reform Committee is a timely study and report presented in terms of how we assess our political and administrative structures of Papua New Guinea and come up with reforms to address all those fundamental issues in the *Constitution* of Papua New Guinea.

I would like to focus on national unity and democracy so that any law or amendment that we do that is legislature wise and whether it be in the political structure we establish or in the administration of the Public Service and the mechanisms of delivery, national unity must be the focus or the fundamental principle enshrined in these reforms democracy.

Mr Speaker, national unity definitely charts the course for achieving national greatness, national prosperity and it places Papua New Guinea as a regional leader and showing it when you have got the coercion within as a solidified country. We have seen many countries both near and far have gone through experiences of blood shed at the cost of many lives and property in them vying to achieve a national unity.

19/05

They've gone through civil violence and a lot of controversies to arrive at their unity. But, thank God that Papua New Guinea stands tall as a very united country regardless of over 860 different cultures and the traditions we have. We stand tall and proud in the Region as a very unified and very democratic country. However, Mr Speaker, I'd like to say that the unity

of Papua New Guinea cannot be separated from all these 860 longest and diverse cultures we have.

Sometimes we hear debates in various forums that we try to achieve national unity but at the expense of the erosion of some of those underlying cultures and traditions we have. Those very good ones we must nurture and continue to strengthen them all the time.

For instance, you look at some of these arguments that we've had with regard to land betel nut trade. As they go on they become embedded in the day to day lives of Papua New Guineans.

Mr Speaker, we realise that it only goes to show that they are very important diverse cultures within Papua New Guinean groupings, tribes and clans that must be respected and understood.

When there is understanding and there is respect you find that there is mutual relationship that comes out naturally from our people.

Papua New Guinea is a united Papua New Guinea, we are so proud of it because the Sepik is respected as a Sepik, the Tolai as a Tolai and the Pomio as a Pomio. You've got all those 860 tribes and cultures that exist in this country that make up Papua New Guinea and they give that feeling of unity only when those different values and traditions are respected.

Sometimes we feel we overlook those that are in the minority or are less aggressive and those that are not forceful in all those various sectors of life in PNG society and their rights are open to abuse. And that brings down to this country deterioration and fragmentation of the unity that we already have.

We need to enact some laws that need to address those very important areas. If there are people there that have those common interests, we may need to look at them in terms of autonomy.

Mr Speaker, the other issue that I also see is the issue of the District Development Authority. Is it really a centralised organisation or not? If you look at it closely, the powers in fact lies with the Minister for Inter-government Relations at Cabinet level.

We need to really look at these and reform them to make sure that there is really decentralisation occurring at the district level. We need to address the interest of those people out there.

There is no point in trying to decentralise and then you centralise the powers in terms of making the decision as to the management, the running, whether the powers of suspending or running the DDA Board and the DA in the district lies with the Minister because that defeats the whole purpose of decentralisation.

This needs to be looked at and the real powers and empowerment needs to be given to our people in line with the reforms that the Committee has looked at.

Let me also address another perspective, I think it's a perspective that's quite new, there might be differing view on this but I'm looking at economic development.

Mr Speaker, the provinces can be created as growth centres, we've got 22 provinces with the inclusion of the two new ones. In those provinces, if we look at them and you concentrate on the provinces alone, there might not be a conducive environment for the economy to grow. The provinces might be too small to have that economic cohesiveness.

We should look at the growth centres within the regions.

20/05

You look at, for instance, the New Guinea Islands region consist of provinces with all those different traditions and ethnicity but they generally have a common culture in their social structure.

So, rather than just giving one province an autonomy, let us give regional autonomy to that region because the region comprise of provinces that have similar kind of cultures. They understand themselves better than everybody else would in a wider spectrum at the national level. When you look at the three provinces of Momase region, they are very different in their cultural setting and they interact with one another very easily. They understand those different diversities within their region better than the other regions would. You create that as the economic growth centre within Momase region. They have that economic set to growth in a region like structure that is established, and that is similar to the Papua and the Highlands.

We should look at it from the economy, the coerciveness and how to make the people interact together so they share the commonness. They come up with a structure that they can easily handle and run and then relate to the national government.

Mr Speaker, when we talk about autonomy we should not only look at provinces but we should also look at a regional setup that looks at all the province within the region where you create the growth, you have the market in there, you have trade taking place within the region and feeds the national economy and identity.

Mr Speaker, the three points are, there must be national unity but there must be democracy, because in some of those laws that Parliament has passed, there is no unity that is encouraged. There should always be democracy, for instance the parties on the Floor of Parliament should be respected. They represent the views and values of hundreds of Papua

New Guineans. Democracy should prevail in making sure the existence of parties whether small or big should be respected and supported to strengthen their seat in this parliamentary democracy.

When we talk about autonomy, we should look at how to address national unity in a more coercive manner; how do we address democracy where every view is respected and not even a single disadvantaged or a minority group is overlooked in its rights. Looking at even district development authority boards, you have a Minister controlling at the Cabinet level or controlling at the district level that is not decentralisation but centralisation. We should look at amending that act to making sure that the power is given at the district level and of course a regional autonomy, is what we should be looking for, not just provinces given autonomy. But give the region an autonomy and create the regional structure to grow the regional economy because there would be cohesiveness and there would be commonness in the culture of people living in the region. You give the regions autonomy and I think we will see a different level of growth in Papua New Guinea's economy and social growth and you will see a more mature level of politics coming into the Parliament democracy.

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

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

21/05

ADJOURNMENT

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

That the Parliament do now adjourn.

The Parliament adjourned at 2.20 p.m..