

FIFTH DAY

Tuesday 07 June 2016

DRAFT HANSARD

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FIFTH DAY

Tuesday 7 June 2016

The Parliament met at 10 a.m.

The Acting Clerk – I have to inform Parliament that the Speaker is unavoidably absent. Mr Deputy Speaker will take his place as Acting Speaker.

The Acting Speaker (**Mr Aide Ganasi**) took the Chair.

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

Sitting suspended.

The Acting Speaker again took the Chair at 10.55am, and invited the Member for Sohe and Minister for Community Development, Religion and Family Affairs, **Honourable Dellilah Gore** to say Prayers.

‘Our Heavenly Father, we give glory and honour to your name for who you are. We thank you Lord for today that you brought us together. Father before we shall go with the issues and agendas of this country we want to give glory and honour to your name and praise you dear Lord and thank you for your many blessings that you have given to us in our life.

We stand here with bowed heads representing our people. We ask you father to cleanse us from all our wrong that may stop us from receiving your blessings today and your wisdom from Heaven above.

We thank you Lord that you will lead us through this day in every discussions and every methods that we discuss today may it be to bring blessings to your people.

Thank you father for your son Jesus that came and died for us and have shown good examples that we can follow his footsteps to live on this earth.

We thank you Lord for the Lord’s Prayer that he taught us. We join our voices this morning to recite the Lord’s Prayer. Amen.’

QUESTIONS

Electoral Commission – Funding and updating of Common Roll

Mr SAM BASIL – Thank you Mr Acting Speaker. I direct my questions to the Prime Minister who is also responsible for the Electoral Commission.

Mr Acting Speaker, Papua New Guinea in 2017 will need an honest government. An honest government will only be elected in an honest election.

Outgoing and incoming Electoral Commissioners stated that 2017 general election is at risk because the 2016 budget was ridiculing below the Electoral Commissioners request for funding. An allocation of K10 million was granted which was a small fraction of what was required to prepare for the 2017 National Election.

The Government also refused to debate in Parliament on the National Budget, and any discussions of the funding of the Electoral Commission in 2016.

Preparation for an honest election in 2017 requires cleansing electoral rolls. Observers of the 2012 general election noted huge problems with electoral rolls often the dead or their spirits voted. Children voted as well and I believe there were some cases in regards to election disputes to this matter.

Some voters voted many times after removing the indelible ink from their fingers. Other countries are proud when 70 percent of their voters vote. Should we be proud when 140 per cent of the voters voted in an electorate?

Mr Speaker, an honest general election destroys our people's future, only corruption gained to update common rolls will then corrupt our government system.

The Government may decide to fund electoral commission in 2017. There are benefits in recent updates electoral roll. However, three months before issuing of writs is not enough time to update the electoral rolls.

Mr Speaker, my questions are:

- (1) Why did the Government decide not to fund the Electoral Commission so that the Commission could update and cleanse the electoral roll?
- (2) Why did the Government decide there should be no debate in Parliament on the 2016 budget which also includes funding to a very important office, the Electoral Commission?
- (3) What are the consequences for an honest general election if the electoral rolls are not updated properly?
- (4) What kind of candidates are likely to benefit if the electoral rolls are not cleansed and updated?

(5) Is there a national fiscal crises and the Government cannot afford an honest general election by funding the actual Common Rolls are cleansed and updated?

02/05

(6) Is there are national fiscal crisis and the Government cannot afford an honest General Election by adequately funding the Electoral commission office?

Mr PETER O'NEILL – Thank you Mr Acting Speaker, and I thank the good Member for Bulolo and the Deputy Opposition leader for his questions. We all want a fair, free and democratic elections to take place. I just want to remind the good Member that his call for honest elections is welcomed by the Government.

In 2011, I'm sure that he will recall when he was with us in the Government and he was part of the group that proposed for the elections to be deferred; this is just to remind him so that he does not forget.

Mr Sam Basil – Point of Oder! When we make decisions in Parliament or in any organisation, we always have it on black and white and we sign for it. If you have any proof, please show it to me Mr Prime Minister. If you do not have any proof and the country knows what you are and you never stop lying.

Mr PETER O'NEILL – Mr Acting Speaker, I do not need to remind him again. It is a well-known documented fact that he and few other colleagues of ours at that time wanted to defer the elections. I insisted on going to elections because people must have their own say on who get elected to Parliament. I want to assure the good Deputy Opposition Leader that the Government has already allocated close to K10 Million for that exercise. And I do not know whether he is interested in hearing answers or not and keeps on interjecting.

He has had the opportunity to ask the question.

(Mr Sam Basil interjecting)

Mr PETER O'NEILL – I want to assure this House that we have already cleared some funding for the Electoral Commission through CACC. And they have indicated to me that they will be releasing some funds over the next few weeks to start updating the Common Rolls throughout the country.

Mr Acting Speaker, despite the cuts in the budget, you can see from the recent bi-elections that the Electoral Commission has been able to deliver these elections without any difficulties. In fact we needed to re-negotiate many of the budgeted items to each of the bi-elections so that we can keep costs down. This is so we can be able to deliver a fair election. For a population of 8 million people and to spend almost half a billion kina on elections is unreasonable and not necessary. We need to do more and do a better job in managing our costs, to deliver a fair and free election. I want to assure this honourable House, our country and our people that like in 2012, despite the short preparations we delivered a good and fair election. That is why good leaders were voted in and we have had a stable Parliament for quite a number of years.

Mr Acting Speaker, that election will be held on time. And writs will be issued on April 24 and returned in July. The Deputy Opposition leader can be assured that we will make sure that the Electoral Commission gets the funding that it requires. We are doing things that are a little bit different and that we are telling the commission not to do unnecessary hiring of vehicles and incur unnecessary expenses unless we buy the vehicles so that they use these and after we finish the elections they can be given back to government agencies in the districts and LLGs.

We are now re-prioritising each expenditure item so that we can deliver fair elections at a reduced cost in 2017.

Mr Sam Basil –Point of Order! He did not answer one of my questions. The question is that, why did the Government decided, there should not be any debate in Parliament regarding the 2016 Budget, which also contains the Electoral Commission’s budget that we needed to debate?

03/05

Mr PETER O’NEILL – Mr Acting Speaker, I think budget was debated at that time and I know that we did not give the one week notice as demanded by the Opposition but there is no requirement of law to do that. In fact, the good Leader for Opposition made his reply and made his interventions on that day.

The budget has been passed by Parliament and I cannot more than that to him.

Thank you, Mr Acting Speaker.

Auditor General's 2014 DSIP Report

Ms LOUJAYA TONI – Thank you, Mr Acting Speaker.

I would like to ask this question to the Prime Minister and for all Members to take note as it will affect the management and roles as chairpersons to District Development Authority.

Mr Acting Speaker, the Auditor-General completed a report in 2014 on the uses of the DSIP. This report showed;

- (1) Very limited value from DSIP funds when measured against investment criteria,
- (2) Pervasive breakdown in DSIP governance across the districts,
- (3) Substantial improvements needed to the framework for administering and governing the funding of the DSIP,
- (4) Considerable education and health needed in the districts to re-enforce the need for good governance and good planning in spending public funds, and
- (5) Better processes of accountability are needed to ensure that the DSIP funds are well spent, including application of penalties for noncompliance.

Mr Acting Speaker, my questions are:

- (1) Should voters be informed of the performance in the district administration as measured by use of DSIP?
- (2) Should the government require the Auditor-General to undertake an audit of the use of funds 2014 to 2015, in order to take necessary steps to strength governance and administration of those funds?
- (3) Will the government apply penalties against Members and administrators who are shown to have used the DSIP funds?

Thank you, Mr Acting Speaker.

Mr PETER O'NEILL – Thank you, Mr Acting Speaker.

I thank the good Member for Lae for her series of questions.

Mr Acting Speaker, I would like to assure the good Member that we will look through the recommendations of the Auditor-General. We will also ensure that those recommendations that lead to improved accountability of the use of DSIP in the districts are improved. We are also concerned that, if there are instances where there are breaches then it needs to be brought to the appropriate agencies for that accountability to take place.

Mr Acting Speaker, the guidelines are very clear. I think many of the Members of Parliament will agree, when we were at the leaders' summit in February. That the reports that we were getting from the districts to be able to present how DSIP was working and how the

provincial improvements programmes' funding were working in the districts and provinces. Therefore, it was quite evident that there was substantial improvement in the way we deliver health, education, infrastructure maintenance and the economic empowering of our people in the remote areas.

Mr Acting Speaker, for the first time in forty years we are putting money where the majority of our people are living and that to the rural communities. It is also the first time in forty where there was evidence that there was lack of government presence in many of those districts throughout the country. Thus, the K10 million guideline is very clear and that, K3 million will be spent on education, K2 million will be on health, K4 million or so for infrastructure and maintenance and K 1 million for the economic improvement of our citizens in the districts.

Mr Acting Speaker, I can assure you that our public and our people are very well aware that each district gets K10 million a year and the provinces get PSIP support over time. They will be also holding us accountable for how we manage those funds through the District Development Authority in 2017. Where Members have managed well, I am very sure that the community will support these Members to be re-elected to this Parliament.

Mr Acting Speaker, just because there are one or two instances of abuse that does not necessarily mean that this is happening everywhere. It said that the reports that were presented to us at that Leaders' Summit was very encouraging. There is substantial improvement in the infrastructure and delivery of services throughout the district, and I think that this one programme that needs to be strengthened. If there are weaknesses in the accountability of some of those funds. Then the Auditor-General and the Finance Department must sit down and tighten those guidelines so that we can be able to more accountable.

Mr Acting Speaker.

04/05

Misuse of NID Funds/Updated Population

Mr GARRY JUFFA –Thank you Mr Acting Speaker, I direct my questions to the Minister for National Planning and Monitoring, and they are in relation to a number of reports that he tabled sometimes ago on the misused of funds prior to his taking office. This where misused of funds under the NID program to a tune of about K700 million and RESI funds of about K500 million and also funds intended for churches and NGOs that carried out various activities and programs. In these reports it was highlighter that a substantial percentage of these monies were actually misapplied, misappropriated, misused, diverted etc.

My question are as follows:

(1) Besides having tabled those reports, has the Minister made any effort to recoup the monies by way of putting together recovery plan, identifying the people responsible, taking pecuniary actions against them?

(2) Has the Minister putting in place the necessary controls in his Ministry to ensure that such does not happen again where the public monies intended for these types of programs implemented without being hijacked by individuals and identities who have no interest in ensure that the programs are delivered?

(3) I would like to ask the Minister, what is the total population of Papua New Guinea?

(4) In many instances, we see various reports where leaders and learned persons are quoting 7 million, 8 million, or 10 million but what is the really populations of this country?

His Ministry is responsible for this particular activity determining exacting what the population is and we need those fingers so we may plan and be able to budget accordingly.

Mr CHARLES ABEL – Thank you, Mr Acting Speaker, and thank the Governor for Oro for his series of questions in relation to corruption in general and the government recording.

Mr Acting Speaker, you will know that when our Government came into office, of course, one of the issues that we highlighter was addressing the issue corruption. We have taken several measures in relations to that including of course, the establishment of Task Force Sweep and supporting their activities to look into some of the issues that had risen.

In additional to that, our Government had made a special effort in relation to reporting and progressing something that has been neglected for many years, and that is, reporting on Government programs. And what has happened to significant amount of money that have been previously appropriated. We made a special effort through Department of National Planning to produce that you have mentioned.

So, the first instance in terms of our reaction to what has being going on is to produce those reports in the first place. What happened to those reports previously and why under the previous Government, these reports have not come out? Why were in many instances, these reports were neglected in the first instances.

Mr Acting Speaker, the first thing to do was to produce those reports, identify the sources of funding and to identify what had actually happened in terms of that funding.

The second thing is to respond to how these programs are implemented by the government and I have said may times before on the process of giving Ministers and Secretaries

having too much discretionary authority over these funding and how it is dished out and dispatched was also part of the problem.

One of the first things apart from producing the report was to stop the way some these public investment program funding were implemented. So that was one of the first responses that we did in order to stop this thing going on and to begin a process including DSIP process to make sure funding was appropriated on a consistent and fair basis to district by district rather than the Secretary of the department entertaining and receiving thousands of PIP submissions and utilising this lump of funding to get into programs like National Agriculture Development Program, and on discretionary and abettor basis, allocating those funds.

05/05

That was what had been going on. Our government has since stopped that. It no longer happens that way. It's going to happen on a proper policy base, fair and consistent manner. If there is funding; for example, it has to go through such programs like DSIP, PSIP, LLG program so everybody get a fair share of that funding. So we went in, we produced the report, we looked at stopping the way Planning in the past had abused such funding because of loose guidelines around public investment program processes. We have reviewed that.

Second of all, through task force sweep and fraud squad as well, twenty five of the National Planning department staff were suspended. Many of them have been charged and of course many of them have been removed and some are still going through the process of being investigated and charge.

We know that even the former minister for Planning has suffered some consequences of this investigation which has been dealt with through the legal processes. No doubt there's still many instances that require further investigation. But our government is doing its best and the Prime Minister has just answered the question from the member for Lae. Like the Auditor General, our government provided K5 million a year to the Auditor General and the Office of Rural Development to progress with these auditing and many of these matters are with the fraud squad and we rely on the process of government to deal with them.

Mr Acting Speaker, there's a series of measures that have been taken so it is not to say that we've been able to stamp out all such instances. But I can tell you that a lot of these processes and abuse that has happened in the past with the Department of National Planning has been stopped.

If there are instances that have come up, I challenge people to give specific, like all accusations you make against the government, you must provide specifics. If there are things

going on that continuing to happen, if there are instances that are not investigated or progressed, please bring those matters forward so that we will do our best to make sure they are addressed.

But the arbitrary expenditure of funding that have been in the past through the Department of National Planning in the past has been stopped. It is systematic now and it is policy based. We will continue to try and produce on those reports against those programs.

And you mentioned for example the church partnership program. It is properly structured now. We take one submission comprehensively from all the mainline churches and we provide funding against that one submission and then we of course have a process of following up.

The expenditure through the church partnership program is based very specifically on education and health. So in the past where you receive one thousand submissions from various members of parliament and members of public and arbitrarily almost select the project you want and whether very small amount or big amount all over the place, non-systematic. These have changed now.

It's a proper policy base partnership program that has been established by Planning and will be handed over to the Ministry of Community Development to manage under this new process which I see is Planning's role to make sure there are clear guidelines on how PIP should be implemented.

Mr Acting Speaker in terms of the population, one of thing when we talk about reporting is that the population census that was supposed to be carried out in 2010 was incomplete when we came in. So we have to pick that process up and tidy up the mess to a large degree that was created and conclude that census.

We are also coming up now with a subsequent detail reporting out of that exercise. Of course the information is now historical, but they came up with a figure of 7.3 million after taking it up from 2011. Census was supposed to complete in 2010 after every ten years but we had to take out in 2011 because of issues with the 2010 census, we successfully concluded it, we are now tidying it up. That is the figure. Of course the population is growing at some 3 per cent, 2.8 per cent per annum so we can use that extrapolation calculation based on that base figure to give you an estimation of the population figure which should be between 7.3 and 10 million of course depending on those detail calculation.

But Mr Speaker that process has been improved and this is one of the reason why we have the national identification program and the fact that civil and identity registry is now properly established and is rolling out through the country so that we got a real time system that gives us population information on a timely basis.

06/05

It also gives us a foundation data platform for all sorts of data application; that once you have a proper population information management system including the very population data itself can be generated from this system. So, it all comes back to the issue of reporting and it all comes back to Department of National Planning to a degree organising this process.

And as you know we have recently brought in the *Planning and Responsibility Act*, which incorporates the legislation relating to the monitoring and evaluation framework of our country and setting the basis of NSO, in Civil and Identity Registry Establishment Office.

It also, provides legal obligations on heads of agencies to provide the relevant information that Planning need to produce this report because that has been the issue no one cares about producing. It is almost irrelevant to them. They are more concerned about dishing out money as it has been in the past. This is part of our reforms our Government we compel the agencies to comply with law, produce the information so that we can report to Parliament on what is happening in Education and Health, what is happening with Millennium development goals.

Now the Sustainable Development Goals etcetera is part of this ongoing process that I have explained on the floor of the Parliament.

Mr Acting Speaker, I hope that answers the question but it is an ongoing activity that reforms to the Department of National Planning with the whole monitoring and evaluation system of Government.

Thank you, Mr Acting Speaker.

Transport Authority/System - NCD

Mr POWES PARKOP – Thank you, Mr Acting Speaker, for giving me the opportunity to ask my questions. My questions are directed to the Minister for Transport regarding our transport system in the city.

Mr Acting Speaker, last week I drove down the Sir Hubert Murray Drive and there was a road block stationed there. Then, as I continued to drive up Lawes Road at the top of the hill, there was another road block stationed there. I think all you honourable Members have come here to the city and experienced this and Mr Acting Speaker, I am sure you are aware of this situation.

The problem here in the city is that there are many Transport Authorities. MVIL, Police Traffic, Transport Authority and National Road Safety Council are all setting up road blocks.

In one street you will find that there is more than one road block. Even, in New York City doesn't have that many Transport Authority, I think they have only one authority.

My question is, can the Transport Minister and his Department or Road Safety Council or whatever the division in the Transport Department tell us if they have any plans to merge all the authorities so that we have just one authority in the city?

Secondly, can the Minister and the Department, look at the electronic type of monitoring like CCTV? I think now a days we will install CCTV and we can see which cars are running and see the number plates so we can check against the records that we have. MVIL can be able to do this because they have all the registry so when they see which certain vehicle is unregistered or safety sticker is expired they can report it instead of having road blocks at every corner in the city.

I think it is nuisance to have road blocks at every corner in the city because we already have congested streets and many vehicles but then all these transport authorities are setting road blocks everywhere and it frustrates a lot of people were not long someone will fight with the authority.

Thirdly, can those authorities who are setting up road blocks all over the city help to control the public at bus stops? They become Traffic Warden and they can control the public and moving the traffic in order for the traffic to flow. You see this at Hohola and 4mile where the PMV Buses are all lined up because there is no warden checking the registration and safety sticker.

07/05

Otherwise they have not assisted on other wider traffic management in the city so that is the second part of my question along that concern.

I would also like to know, if the Minister's department has any plans to improve public transport system in the city?

The public motor vehicle have done a good job in serving the city up to now, allowing the city to function. But it has come to a point where the city is expanding and the economy is expanding where we cannot rely on these PMV's anymore. They don't run on time, they don't complete the routes, they are not efficient and reliable. I am not tarnishing them, but we are going forward into the future and this city belongs to us all and it needs some better transport system that we can implement it here and then duplicate it in Lae and Hagen.

Mr NIXON DUBAN – Thankyou, Acting Speaker and Governor for NCD.

NCD is the biggest city in Papua New Guinea. We all can acknowledge that managing the transport system in the city is very challenging and I agree with the concerns raised by the Governor.

Mr Acting Speaker, we have established a National Traffic Authority by an Act of Parliament. New board members were sworn in to take control of those issues and that board is mandated to look at all the affairs of the land transport system. I am mindful of those roadblocks which I must admit is chaotic for the traveling public. I have raised that issue to the traffic authority and we are looking into addressing it in the long term.

On the issues of managing public property like the bus stops, I think that is an area that I need to be properly advised on. I think it needs collective advice from the city management by the city authority with the Police, and the traffic authority.

In answer to the third question, regarding effective transport system, I think in most cities around the world, that particular opportunity has already been privatised and given to effective transport management companies to ensure that efficiency and effectiveness of those transport are managed at a level that is acceptable.

Port Moresby is a growing city. We need to consider looking into that area and in the long run allow a more efficient system.

One of the mandate of the road traffic Authority is to look quickly into addressing these, and I would recommend that the good Governor and his team make time available and I will also advise the Road Traffic Authority to make a formal presentation to his management so he can direct intervention to satisfy some of those problems.

Road Upgrade – Sinivit LLG

Mr ELIAS KAPAVORE – Thank you, Mr Acting, Speaker, my question is directed to the Minister for Mining. My office was advised last year by MRA that there was a K3 million funding made available to construct and upgrade a road at the Sinivit LLG.

Can the Minister clarify further on these monies allocated for this project and if any progress has been made to date regarding the use of those monies and how soon we can see the upgrading of the roads?

I just returned from the district recently and I noticed that the road at Sinivit LLG going towards Apanam Sinivit mine site has greatly deteriorated. Therefore, I would like the Minister to clarify further.

08/05

Mr BYRON CHAN – Thankyou Mr Acting Speaker, I want to thank the Member for Pomio for his question regarding Sinivit road. I have consulted my Department (MRA) and confirmed that Sinivit road is part of the existing MOA. And an allocation of K5 million was appropriated under 2015 National Budget and MRA is in consultation with the New Britain Provincial Works Department for the first three kilometres of the road at the total cost of around K4.5 million.

Public tender has been put out by Central Supply and Tenders Board (CSTB) as of last year, and only two bidders have submitted their bids for the road project. As of May 12 CSTB had officially endorsed MRA to convene our technical evaluation committee meeting to deliberate on this two bidders and make final recommendations to CSTB to award the contract to the successful bidders. And in consultation with CSTB and East New Britain Provincial Works, the MRA confirmed that they will ensure that within the next two weeks the contract will be awarded to the successful bidder for the first three kilometres and construction should commence this month.

Pending UBSA Payment

Mr PETER ISOAIMO – I want to direct my questions to the Minister for Petroleum and Energy.

Before I ask my questions, I want to thank the Minister for taking the lead in conducting a consultative meeting with the landowners, but my people of Cape Porseccion to Cape Shackling and the landowners of Plant Area are still asking these questions:

(1) When exactly will the Government pay their benefits starting from the time the project commenced up until now?

Because they are yet to receive their benefits and the shipment of the gas has already commenced.

(2) Confirm whether the MOU of UBSA is still the same or changes done to it?

(3) If it's the same then when exactly will the Government pay the landowners benefits, especially the plant landowners and pipeline landowners in my electorates?

Mr BEN MICAH – Mr Acting Speaker, I thank the Member for Kairuku-Hiri for his questions on this pressing issue. This issue of landowner benefits has been here since the commencement of the extracting of gas, oil and gold by the developers. So since I became the

Minister responsible I tried to understand this continuing issue. This is not a new issue but it goes back to the times of Moran, Gobe and Kutubu in 1991 to 1992 and it's not new to PNG LNG gas project only.

The late Anderson Agiru mentioned this during Governors and Members of Parliament of impacted projects in each provinces, LNG Presidents and Special Purposes Authority Chairman's meeting.

In that meeting, I found out that there were a lot of complicated and unsolved issues and today it's really affecting those areas.

09/05

All these areas according to my understanding are very clear. In the short time that I have been here, I can say that I do understand the complexity of all these things. Nevertheless, this is not only because there have been some disputes in the project area but as well as the pros and cons, and the issues faced in getting these benefits over the years as resulting in the comprehension of such an issue.

Therefore, what has happened is that after the meeting and after I consulted the industry and the operators like ExxonMobil and Oil Search. I also consulted the department and the gas office as well other agencies such as the Issues Committee. I have also held discussions with the judge who is leading the ADR issues and I have put together a Cabinet paper and I have advised the department. Also, the secretaries of the departments responsible are leading the ARC Committee not to give any payments until the Cabinet gives clear instructions on how we are going forward in resolving all these issues.

Mr Acting Speaker, this is not only in terms of benefits but also in terms of landowner disputes over impacted areas. I am also happy to tell the Member that this joint submission where the Treasurer and I put together and signed is now before the CACC and hopefully it will come before Cabinet anytime for discussion. Therefore, whatever decision that Cabinet makes, this will enable government to move forward in solving all these issues.

I also would like to ask all the Members of Parliament and Governors of those impacted provinces and districts plus the landowners themselves to work very closely with me and the various agencies and operators involved in moving forward after the NEC decision to settle all these outstanding issues.

Thank you, Mr Acting Speaker.

Road Project under Tax Credit Scheme

Mr AMKAT MAI – Thank you, Mr Acting Speaker.

My question is directed to the Prime Minister and for the Ministers of Finance, Treasury and National Planning to take note.

Recently, we heard about a plane crash in which twelve of my tribesmen plus the Australian pilot died in the plane crash in Kiunga. In 2006 OTML under the tax credit scheme did a survey work from Tabubil to Teleformin to Olsobip to Kopiago.

I had a talk with the managing director, Mr Peter Graham, and he told me that the cost of that road at that time was approximately K160 million and we have discussed these issues.

(1) Could the Cabinet or this government approve and increase the Ok Tedi tax credit scheme, which is at 0.75 percent to about 1.5 or 1.25 percent?

This is so that Ok Tedi under its tax credit scheme make funding available to complete that project that was surveyed at that time.

(2) Could the Prime Minister assure the people of West Sepik and Western Province and the isolated Min people that the road under the tax credit scheme will be completed?

Thank you, Mr Acting Speaker.

Mr PETER O'NEILL – Thank you, Mr Acting Speaker and thank the good Governor for West Sepik for his questions.

Mr Acting Speaker, firstly, again, let extend our sympathies to the families of those who were killed during the plane crash near Kiunga. I do know that the Air Safety Authority has done some investigations and we will soon know the cause of the crash that took place.

Mr Acting Speaker, it more appropriate that we connect places like Teleformin to Tabubil and the rest of the country so that people can travel and receive the services that they rightfully deserve.

10/05

Mr Acting Speaker that is why this Government entered into an arrangement with Ok Tedi for the road from Tabubil to Teleformin so that it can allow for people to access and travel to and from that area.

The contract was awarded to Curtain Brothers and they have already started work on that proposed project and I am sure through the tax credit arrangement we can complete this project.

I know there has been a request by OK Tedi to increase the thresh holds for tax credits from .75 per cent to 2 per cen cent that is trying to increase the number of funding that is

available for projects like that. Our Treasury Department and the Internal Revenue Commission are looking into that request to ensure that we do not unnecessarily forgo funds because this is our Government money that supports the Budget.

We don't necessarily want private companies to manage the Government funds that will enable them to bypass all the other procurement processes and financial processes.

Mr Acting Speaker that does not mean that we cannot continue the project. With the .75 per cent of the tax credit scheme arrangement it can be done every year, dividing the project into stages and exercise delivering that funding for that major road project.

Mr Acting Speaker, I want to assure the good Member that like what we are doing now we are going to link up the Gulf-Southern Highlands road which is almost 20 kilometres away from Erave to Simberiki and we are trying to open all these other roads which will give our people access to services like a Port.

Mr Acting Speaker, this a very important road for the country especially linking up the people from West Sepik down to the Western Province so that they can be able to access services.

As I have stated our Government has already given a contract and we will continue to support and fund it so that we can be able to link our people through that road.

Classify Road Maintenance Program

Mr BOB DADAЕ – Mr Acting Speaker I direct my question to Minister for Work and Implementation.

Roads are very important to our country's socio-economic development. It seems that a lot of funds are concentrated more on national roads and other city roads whilst many other important roads are missing out as a consequence.

Can the Minister inform the people of this nation and this Parliament about what his Department is doing to classify the country's roads properly and fairly finance the road maintenance programs, so that the condition of our roads from national highways to provincial and district roads improved to promote service delivery?

Mr FANCIS AWESA – Mr Acting Speaker, I thank the Honourable Member for Kabwum for this very important question regarding the need for allocating enough funds to maintain our roads in a more sustainable manner.

Mr Acting Speaker, since independence successive governments of Papua New Guinea have invested significant portions of public funds in constructions of extensive road networks.

Today, PNG has an extensive road network of approximately 30 000 kilometres of which approximately 8700 kilometres is national road network.

11/07

The volume of overdue maintenance works will soon become unmanageable creating emergencies everywhere if nothing sustainable is done.

Mr Acting Speaker, let me put on record that this Government for the first time has increased funding for road maintenance. Over the last three years our government has allocated more than K3 billion for maintenance of all our roads. Despite the efforts of our government to improve our roads, the maintenance needs continue to out weight funding capacity which requires more than K2 billion a year to properly maintain the entire national, provincial and district roads.

Mr Acting Speaker, the current approach will not fix all our problems and we will continue to point fingers at each other because the current system only promotes ad hoc maintenance support approach.

Mr Acting Speaker, a major road sector reform is necessary. My Department is already undertaking major policy reforms to aim at improving the current issues and challenges affecting the performance of the country's road network.

Mr Acting Speaker, my Department is already re-classifying all roads under different category and will transfer the ownership and maintenance responsibilities to respective levels of governments.

The Department of Works will not manage and maintain the entire 30 000 km road from Waigani. It is important that provincial government and district authorities take ownership and full their responsibility of provincial and district roads maintenance. The Department of Works will regulate the standard only.

The reforms will see the Department of Works establishment to be decentralised to the operation of government and district authorities. The duplication of establishing provincial works unit and district works unit will be abolished and savings made can be put back into billing the provincial and district infrastructures.

Mr Acting Speaker, the alignment of funding to the priority roads of economic importance to the country is very important. The reforms will be aligned to government priorities and plans.

We cannot continue to thinly spread the limited funds on all roads and expect miracles. It is important that we are rectifying and prioritising which roads are important to allocate resources accordingly.

Mr Acting Speaker, all donors and loan funding must also support government priorities and plans.

No donor or development partners should pick and choose projects of their choice. They will be required to compliment government efforts on government development priorities including the recently passed *National Planning Act* early this year.

Under the reforms my Ministry is working on establishing a dedicated road maintenance fund to supplement the budget, to make up for the shortfalls –

Mr Titus Philemon– Point of Order! With due respect to the Minister, is he responding to the Member’s questions or making a Ministerial statement?

Mr FRANCIS AWESA – Mr Acting Speaker, I am responding to the questions.

There is no pick for maintenance problems concerning our roads.

I strongly believe that our commitment for supporting this reforms will truly transform the road sector and promote a sustainable approach to maintenance that will deliver better results for our country’s road network.

Suspended from 12 noon to 2 p.m..

12/05

ADJOURNMENT

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

That the Parliament do now adjourn.

The Parliament adjourned at 2.03 p.m..