

**NINTH DAY**

---

**Tuesday 23 August 2016**

**DRAFT HANSARD**

---

<b><u>SUBJECT:</u></b>	<b><u>Page No:</u></b>
<b>QUESTIONS .....</b>	<b>1</b>
East Sepik Permanent Administrator .....	1
Higaturu Oil Palm Equity .....	3
<i>Supplementary Question</i> – 37 Percent Shares for Bougainville .....	4
<i>Supplementary Question</i> – Equity Shares for Milne Bay Estate .....	4
Freida River SML Study .....	5
K20 Paper Notes.....	6
Expanding PNG Trade to Indonesia .....	7
<i>Supplementary Question</i> – Originality of Fijian Ox&Palm .....	9
RPAC for Nuku District .....	100
<i>Supplementary Question</i> – Corrupt Police in Chimbu .....	122
Gulf Position Paper .....	133
<i>Supplementary Question</i> – Misuse of IDG in Gulf.....	166
<b>ANSWERS TO PREVIOUS QUESTIONS</b>	
<b>BY MEMBER FOR RABAU .....</b>	<b>188</b>
<b>DEPARTMENT OF HEALTH – ANNUAL MANAGEMENT REPORT, 2015 –</b>	
<b>MINISTERIAL STATEMENT – MOTION TO TAKE NOTE OF PAPER.....</b>	<b>20</b>
<b>DEPARTMENT OF TRANSPORT AND INFRASTRUCTURE – MINISTERIAL</b>	
<b>STATEMENT – MOTION TO TAKE NOTE OF PAPER .....</b>	<b>278</b>
<b>DEPARTMENT OF BOUGAINVILLE AFFAIRS – REVIEW OF THE</b>	
<b>NATIONAL COORDINATION OFFICE OF BOUGAINVILLE AFFAIRS –</b>	
<b>MINISTERIAL STATEMENT – MOTION TO TAKE NOTE OF PAPER.....</b>	<b>334</b>
<b>ADJOURNMENT .....</b>	<b>601</b>

**PARLIAMENTARY DEBATES**  
**CORRECTIONS TO DAILY DRAFT HANSARD**

The Draft Hansard is uncorrected. It is also privileged. Members have one week from the date of issue of Draft Hansard in which to make corrections to their speeches. Until the expiration of this one week period, Draft Hansard must not be quoted as final and accurate report of the debates of the National Parliament.

Corrections maybe marked on a photocopy of the Daily Draft Hansard and lodged at the Office of the Principal Parliamentary Reporter, A123 [next to the Security Control Room].

Corrections should be authorised by signature and contain the name, office and telephone number of the person transmitting/making the corrections.

Amendments cannot be accepted over the phone.

Corrections should relate only to inaccuracies. New matter may not be introduced.

A handwritten signature in black ink, appearing to be 'LEE SIROTE', with a large, stylized flourish on the right side.

**LEE SIROTE**  
**Acting Principal Parliamentary Reporter**

## NINTH DAY

**Tuesday 23 August 2016**

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

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

Sitting suspended.

The Speaker again took the Chair at 11 a.m., and invited the Member for Gazelle, **Honourable Malakai Tabar** to say Prayers:

‘Bikpela God, mipela preisim neim bilong yu long dispela dei dispela moning we mipela bung gen long dispela Haus.

Yu yet, God, yu bin makim mipela na singautim mipela ikam long dispela wok, na mipela givim ruru long bik neim bilong yu long yu givim mipela save na strong long dispela dei. Mipela askim God long gaidens bilong spirit bilong yu taim mipela go insait long sampela ol bikpela toktok na bikpela ol disisen.

Papa God, each and every one of us, we submit ourselves before you this morning. We confess to you our life, father, and we ask that you continue to guide us. Mipela komitim Prai Minista bilong mipela, ol Ministas, ol Membas bilong dispela said, Oposisen Lida na olgeta brata na sista ol stap long narapela said, Spika bilong mipela na olgeta we mipela stap long hia. Mipela tu komitim ol pipol bilong Papua New Guinea, na mipela tok tenkiu long yu God, taim mipela sanap wantaim na bungim maus na kolim dispela prei pikinini bilong yu ibin lainim mipela long em. Amen’.

## QUESTIONS

### **East Sepik Permanent Administrator**

**Mr SALIO WAIPO** – Thank you, my question is directed to the Minister for Public Service.

Mr Speaker, I rise to ask this question on behalf of the people of East Sepik.

Mr Speaker, it has been four years since East Sepik Province has had an acting administrator.

Can the Minister explain to this Parliament and to the people of East Sepik when there will be a permanent administrator?

This is because we Members are facing problems when it comes to getting work and projects done in East Sepik.

Thank you, Mr Speaker.

**Sir PUKA TEMU** – Thank you, Mr Speaker, I would like to thank the Member for Angoram for raising this issue regarding the provincial administrator for East Sepik Province.

Mr Speaker, I wish to advise the Parliament that the current acting administrator, Ms Kaprangi will be continuing to act for another two or three months. I am also aware of the Court issues relating to the current acting administrator but so far, we have not been advised by the Courts or anywhere to do otherwise. So, we will allow her to continue to act.

The issue in East Sepik is a very sad one, Mr Speaker, in that, we have advertised a couple of times but every time we send the list to the PEC, they reject it for re-advertisement again. That is the dilemma that we have. Therefore, currently we have been advised through the Office of the Honourable Governor for the incumbent to continue to act, but we have requested the Governor to allow us to finalise the appointment of the provincial administrator in the province. This is because we need substantially appointed administrator to leadership in the province because of the issues that you and I know very well. And a leader must take charge of the public servants so that strict discipline and management can then be given to the province.

Unfortunately, regarding this issue, this is where we are at the moment. So, I strongly urge the Governor of the province and the leaders of the province to accept that with the final advertisement and when we send the final list this is very important because we can have the PA substantiated.

**02/09**

There are two or three provinces in the same situation. The matters are before the court and we have been given instructions to hold those decisions. But under the current law, the Acting Provincial Administrator must always come from within the Provincial Administration and not from outside. The PEC can only choose after the advertisement and

anybody in the country can apply for the position. That is when PEC chooses outside of the current organisational structure.

The appointment of the Acting Provincial Administrator under the current legislation, my Secretary and the Governor communicate and whoever the Governor recommends I will then advice His Excellency through a letter of advice to appoint the Acting PA and therefore gazettal.

At the moment we are still on the acting mode and I hope that this issue is the final one and that we will appoint the provincial administrator for the East Sepik Province. Thank you.

### **Higaturu Oil Palm Equity**

**Mr DAVID ARORE** – I direct my question to the Minister for Public Enterprises and State Investment. I ask the Prime Minister to take note.

Firstly, I thank the Prime Minister for giving back the shares of Panguna and Ok Tedi back to its people respectively and for recognising the landowners of these resource areas.

I understand, in 1992, the then Prime Minister honourable Bill Skate through an NEC submission approved and allowed 20 percent share equity of Higaturu Oil Palm back to the people of Oro Province. To this day, almost 20 plus years, this 20 percent share equity has been kept by IPBC. The interests from Higaturu Oil Palm continues to comes back to the national revenue while the Oro Provincial government and the people of Oro continues to suffer and are not the direct beneficiaries of the Higaturu Oil Palm operations in the Province.

Mr Speaker, my questions are:

(1) When do you think the government will return that 20 percent share equity of Higaturu Oil Palm back to the people of Oro Province?

(2) If so, when will it be effective?

**Mr WILLIAM DUMA** – Thank you Mr Speaker and I thank the Member for Ijivitari for asking this important questions.

I would like to highlight to the Member that late Bill Skate was the Prime Minister in 1997 and not 1992.

This is the first time I have been made aware of such an arrangement where the government is said to have approved for the transfer of equity to our people. I would like to assure the good Member that I will find out more and advise him.

If the Government has made an undertaking to deliver on that decision, then it will be effected. Thank you.

### **Supplementary Question**

#### **37 Percent Shares for Bougainville**

**Mr MICHAEL SOMARE** – Will the Minister for Public Enterprises and State Investment inform the House, when the Prime Minister declares 37 percent for Bougainville, how will the Bougainvilleans pay for the percentage.

Will it be funded by the national government or by the people of Bougainville?

**03/09**

**Mr WILLIAM DUMA** – Thank you, Mr Speaker, and I thank the Grand Chief for asking this question.

All I can inform the Governor is that it was a free gift from Rio Tinto to the government. There was no consideration involved in that.

Thank you.

### **Supplementary Question**

#### **Equity Shares for Milne Bay Estate**

**Mr TITUS PHILEMON** – My question is directed to the Minister for State Enterprises. It is also in regard to the same question asked by the Member for Ijivitari.

It was both Oro and Milne Bay; Higaturu and Milne Bay Estates, so Minister, can you also look into the Milne Bay Estate as well?

**Mr WILLIAM DUMA** – Mr Speaker, the people of Oro and Milne Bay are our people and if there was a decision made by the government, of course we will honour it. We will not let our people down.

I can assure the Governor that I will look into it and report back to Parliament.

### **Freida River SML Study**

**Mr SOLAN MIRISIM** – Thank you, Mr Speaker, my series of questions are directed to the Minister for Environment.

Just for the interest of the House and the people of Papua New Guinea I'd like to inform us that the Frieda River Project is in Telefomin District in West Sepik and not in East Sepik.

The operators of Frieda River Project have put together a feasibility report together with an application for the granting of an SML seeking to have the Frieda River Project granted. They have begun working on the environmental report of that project.

As a government, before the SML application is approve the environmental report must also come from the government. So, I want to know whether or not your team is already at the Frieda River Project site working on that report?

If they are not there doing this report when are you going to bring them in to carry out that study and compile the report for the approval of the SML and the granting of the approval for that project to start?

Those are my questions to the Minister for Environment.

**Mr JOHN PUNDARI** – Thank you, Mr Speaker and I thank the Member for Telefomin for his questions about a very significant development.

Mr Speaker, I need to remind this honourable House and the people of Papua New Guinea that in any development of that nature we need to balance economic and environment. Such development will have to occur in an environmentally friendly way.

The questions are very important because of the fact that all agencies of the State concerned with such development are cooperating and working together well to seeing a successful outcome of the project.

Insofar as my agency is concerned, I am aware that an environment inception report was approved by my agency.

Mr Speaker, an environment inception report basically covers a broader scope of what the developer is going to do in terms of where your tailing dam is located or how you are going to transport the ore and so on. After this a detailed investigation report has to be provided by the developer and that is called an Environment Impact Statement.

And, Mr Speaker, I am aware that the developer is putting together a detailed investigator report insofar as the project is concerned. And until such a time the Environment

Impact Statement is provided to my organisation then we will undertake an independent review of the Environment Impact Statement and be able to consider approval by the Environment Council.

**04/09**

Mr Speaker, Let me inform the Honourable Member and his people from East and West Sepik that our organisation will ensure that we cooperate and support to ensuring that very significant investment in the country, is supported at the same time we ensure that the development will occur in a way that is environmentally friendly to protect the environment going forward. Thank you

### **K20 Paper Notes**

**Mr SAM BASIL**-My question is directed to the Prime Minister regarding K20 paper note. This morning when I went to board the plane, an old woman from the village sent me K1000 00 paper money to change but I couldn't because I've tried before where the banks couldn't change the K20.00 kina note paper.

Mr Speaker, the village people usually go to the market and usually put their money in the pillow, suit cases to hide it, because there's no banking facilities in the villages and the Central Bank to change their paper notes to polly.

The advertisements by the banks only read by the people in the towns, cities and the settlements in urban areas. And in the remote villages there have no excessed to television, radio and the newspaper. So in my electoral at Bulolo which I have big populations of people who have many K20.00 kina paper notes. These paper note monies are hard earned by these villagers. They sales gold, sold food in the market or families from towns send them money to survivor and they keep those monies. So it is fair that I can ask the Prime Minister to ask the central Bank to allow the paper note from rural areas if they can change them and get the plastic notes, because all those money are floating around and it's unfair because those money are hard earned. So can the Prime Minister ask the Central Bank to allow that those money be taken in and replace for polly notes. Thank you

**Mr PETER O'NEIL** – Thank you, Mr Speaker, I would like to thank the Member for Bulolo for his good question. Mr Speaker, I want to also reiterate that the Central bank gave some notice, but I agree that most of our village people in the villages have never seen those

notices to make decisions to trade their paper notes to plastic notes where Central bank issued about K20.00 kina.

Mr Speaker, I like would to say that there also evidence of large trunk of K20.00 kina notes being transferred around by organised grouping trying to trade it back into Central banks.

Mr Speaker, on several occasions I been brief that large amount of money which we believe are counterfeit, that's why the Central banks has got very strict control of the changing of the paper notes to plastic notes

But Mr Speaker, I will advise the Central bank to try and see if they can extend the period so that the old people in the villages can changes them. But we also send the risks where large chance of k20.00 kina notes that are floating around brought in by people who are deliberately trying to legitimise some counterfeits that are taking places in the country, so I will get the Treasurer to handle that matter with Central bank. Thank you Mr Speaker.

### **Expanding PNG Trade to Indonesia**

**Mr JIM KAS** – Thank you, Mr Speaker, my questions are directed to the Minister for Trade and Industry, for the last few weeks we have read in the newspapers about a war of words between Fiji and PNG over trade goods specifically on Ox Palm and I think Biscuits, Mr Minister where are we now with that war of words, is it in our favour or it is in Fiji's favour not to except our Ox Palm and other products?.

Secondly, if the Fiji Government and the people of Fiji do not want to accept the Ox Palm from Papua New Guinea, there is a huge demand for Ox & Palm, Twisties and Bleach across the border of the Indonesia today, so can you open up trade talks with the Indonesian Government to accept on a large scale or in huge quantity our Ox Palms, twisties, and especially at Bhata in the Papua Province.

Thank you Mr Speaker.

**05/09**

**Mr RICHARD MARU** – I thank the Governor for Madang for his question. Mr Speaker, I want to inform this Parliament that since 2004, Papua New Guinea has been trying to get Ox & Palm to be accepted in Fiji.

The Fijian Government or any government for that matter when you are bringing imports you will have to apply for what we call an Import Risk Assessment. They came over

here and with NAQIA went over to Hugo Canning and did a risk assessment on whether Ox & Palm had risks or not in terms of its health status. It was completed but up to now Fiji has never provided a report. In the meantime Fiji was able to get Island Corn Beef into the PNG market on the understanding the PNG and Fiji will exchange with Ox & Palm.

However, the Fijian brand of Ox & Palm is not tasty like Ox & Palm nor is it popular and therefore has not been able to penetrate the PNG market. In fact it was a complete failure. In the meantime Fiji continues to argue that Ox & Palm possess a bio-security risk.

Mr Speaker, I have now confirmed in writing from NAQIA that there is no bio-security risk. If there is, the Fijian Government has never communicated such finding and provided scientific data to show that Ox & Palm is a risk. Australia accepts Ox & Palm at the airport likewise Singapore, UK, and Japan. Hugo Canning is now owned by a group called the Heinz Global Group. Meaning every month there are auditors on sight from UK and Japan so we have one of the best products in the world.

We have now communicated that to Fiji and I am in the process of releasing a letter tomorrow to inform the Fiji Government and to tell them that we have proven that Ox & Palm does not have any bio-security risks at all. In fact it has been a lie for the last 14 years. They have been using that to protect their local Island Corn Beef.

Mr Speaker, in the meantime Fijians have been flooding our markets with Fiji water, all their flower and their exports into our market has increased dramatically.

*(Members remove it all)*

**Mr RICHARD MARU** – It is our view that the Fijian Government has breached the WTO trading rules. They have breached the MAC Trade Agreement, the MEGTA No.2 and therefore we are not putting it to their Government. I summoned the high commissioner to my office yesterday and told him we are writing a letter to him and told him that in the next two weeks we expect them to up lift the ban on Ox & Palm. I expect that to be done because we are writing a letter to them unless they have other reasons.

Mr Speaker, I want to inform this Parliament that Fiji has been very unfair in its trade practices and this Government will not tolerate this anymore. We are going to put our foot down and take them to the appropriate forums to deal with them to ensure that they do not behave like that. Papua New Guinea is not inferior and we should be treated with respect.

We will be sending the letter so I expect them to show maturity and remove the ban so that we can start exporting to Fiji.

### **Supplementary Question**

#### **Originality of Fijian Ox&Palm**

**Mr MARK MAPAKAI** – Firstly, I commend our Minister for his proactive action he has taken over these issues but let us look at the other side of the coin as a trade –

*(Members interjecting)*

**Mr MARK MAPAKAI** – You flip the coin and look at it from the Fijian perspective. Is there a law or a policy on issues on original products?

**06/09**

You tell me what ingredients make up a PNG Ox&Palm? And what ingredients make and Ox&Palm of Fiji?

The ingredients that make up an Ox&Palm in PNG are all imported into the country, unlike Fiji it is 101 percent locally produce, so the issue of technicality involved in this particular case.

*(Members interjecting)*

**Mr MARK MAIPAKAI** – Another question to you is on the issue of quarantine, every sovereign country have their quarantine regulations. I am not trying to be biased or being protective of Fiji but I think that Fiji have a case and that is on the origin of product and biologically its grown in Fiji.

Thank you, Mr Speaker.

*(Government Members interjecting)*

**Mr RICHARD MARU** – Mr Speaker, let me respond to the questions. Firstly, NAQIA has confirmed that Fiji's Ox&Palm comes from the same source in Australia as the PNG Ox&Palm so it is not a Fiji Product.

The Member must not mislead this Parliament.

*(Government Members agreeing)*

**Mr RICHARD MARU** – Secondly, in terms of where the goods originate from or the bulk of the materials used there is an issue when it comes to tariff not the issue of banning of products based on bio-security reasons, you must be clear on the difference.

Fiji is not talking about where the product is originating from, I am happy to show you the letter from their Trade Minister, he is talking about bio-security risks when there is nothing and NAQIA has now confirmed that.

Mr Speaker, let me inform this Parliament that I have received calls from very senior Fijians who are very upset about this ban, they do not eat their own corn beef they eat Ox&Palm.

Thank you, Mr Speaker.

### **RPAC for Nuku District**

**Mr JOE SUNGI** – Thank you, Mr Speaker. I have been trying to ask my question to the Police Minister last week and now he is here so I will ask.

I have this issue with the Police in my area in Nuku.

Mr Speaker, later I will put it writing but this is very important if the Minister can respond about the system of posting senior police officers from the districts.

Mr Speaker, just for the background since I got elected, I have no RPA in the district and I have gone out of my way to write letters to the Commissioner and PPC trying to look for RPAC and through my own efforts, I found one but he and his grown up children and are causing trouble for the district so I am stuck.

So, I would like to ask the Minister does the Police Department have an appointment process that will post senior officers to the districts or locations of police stations or rural police stations. For the case of Nuku, I am trying to upgrade the Police Station Command from the Rural Police Station.

Mr Speaker, can the Minister inform the Parliament if there is a process of posting senior police officers to the district and if there is one, why is it taking so long rather than Members of the Parliament going and influencing the process?

So, Mr Speaker, I would like to ask the Minister for Police that if there is a system in place, he can get the Commission through the PPC for West Sepik to appoint immediately a good senior officer who is a non-alcoholic to go and head the Nuku District?

**Mr ROBERT ATIYafa** – Thank you, Mr Speaker, that is a good question from the Member for Nuku and I know that we have the same issue and problem throughout the country, especially in the districts and PPC.

To answer his question, yes, there is a process in place but it got disabled some 20 years ago when the number of policemen decreased and for two reasons that it is not possible now.

First reason is shortage of houses and secondly is the funding. Currently, the postings that are possible are for the commission officers, inspectors and superintendents and when there is a change they move them from province to province.

**07/09**

It is quite challenging because we have shortage in manpower and commission officers. In the past we had inspectors and sub-inspectors to look after the districts, today we don't. We can appreciate that the sergeants and senior sergeants are looking after our districts and it's the real problem.

It was only recently that the Minister for Defence and I opened the training depot at Igam Barracks and the first commission batch will be dispatched next year to look after each district. But as it is, interprovincial transfers if possible we can have dialogue with the provincial police commanders to transfer the officer from one district to another if the officer is found to be incompetent but to shift them to another district we have that problem.

Thirdly the officers have families or extended families and it is challenging to transfer them to another district also because of their children's education of securing schooling spaces.

Mr Speaker, I appeal to all our Members to appreciate that we have those issues. Currently the Commissioner and his team have stabilised the appointments because of the impending 2017 Election.

There are a few provinces that have issues and we will look into those but for the districts, it won't be possible at this instant. Honourable Member, I will take up that matter with the Commissioner and get back to you.

### **Supplementary Question**

#### **Corrupt Police in Chimbu**

**Mr WERA MORI** – Thank you, Mr Speaker, I would also like to ask a supplementary question to the Minister for Police, I raised this matter during Grievances Debate on Friday and it was reported on page 8 of Post Courier today. There was an incident where some Policemen from Port Moresby travelled up to Chuave and destroyed the Chuave District Treasury Office and committed indictable crimes. When those crimes were reported to Kundiawa, the police officers in Chimbu, came down to arrest them but it was told by the Police Commissioner for reasons known only to the Police Commissioner. Now the issue has been twisted. The very prime suspect of this incident.

**Mr Joseph Lelang** – Point of Order! Mr Speaker, it is entirely a new question, it is not a supplementary question.

**Mr SPEAKER** – Your Point of Order is in order. I have allowed the Member, continue.

**Mr WERA MORI** – And now the prime suspect that has committed the crime and was supposed to be arrested by the Kundiawa police has led some policemen from Port Moresby to Chimbu and arrested the very policemen who were trying to do their job.

1) When can we see the very policemen exercising their duties within the bounds of law?

2) When members of the Police Force commit crimes, are they above the law, and why should they be given protection?

3) Can the Police Commissioner allow Chimbu based Policemen to arrest those officers who were involved in the destruction of the Chuave District Treasury Office and also on the assault and attempted murder on the staff of Chuave District and bystanders?

**Mr ROBERT ATIYABA** – Thank you, Mr Speaker, and I thank the Member for Chuave for the Supplementary Questions.

I have spoken to the Police Commissioner this morning and I asked him to meet with the Member for Chuave and myself to discuss this issue and respond to that.

**08/09**

There was a fraud team earlier from Port Moresby who were in Chuave, where they went and checked the office there. While there were a little rough when handling the situation there with the treasury office and some police officers on the ground.

Now, the people who went up there whom the Member is referring to are from the internal affairs to investigate, I am told. The actions of the officers who went earlier, but if they have gone out of line and that is the issue that I have now learned and it sounds serious. Therefore, I will take this up with the Police Commissioner and come back to the Member.

Thank you.

### **Gulf Position Paper**

**Mr HAVILA KAVO** – Thank you, Mr Speaker, I have got a series of questions that I would like to ask the Minister for Petroleum and Energy but he is not here for the second time. Therefore, probably I will ask our good Prime Minister and for the Ministers for National Planning and IBPC to also take note.

Firstly, the O'Neill-Dion Government has done very well in recognising the landowners' resource rights and certain decisions that have been made were in the interests of our people. Therefore, I believe that is the good thing that the government has been doing in recently.

I got a serious of questions that I want to ask.

On the 29 September, 2015, the Gulf Provincial Government developed a position paper on the LNG Project. That position paper was given on the 29 September and up until today we have not heard from the government whether the government supports the people of Gulf Province or that they support the stance of the developer.

(1) Will the government give their reply on the position paper?

The second question is about the IBPC. I believe that the government has reached some conscience with the people affected by the pipeline and resource corridors. I also heard that some payments of the IPBC and development levies will be paid this week. From the IPBC's

backgrounds from the Department of National Planning, Gulf Provincial Government is the provincial government that has acquitted for all the IDG funds as I have been told by the Secretary of the Department of National Planning.

If these IDGs are going to be paid to Southern Highlands and the other provinces who are the rightful resource owners but have acquitted these funds.

(2) How is it that, as it is unfair when Gulf Province have acquitted and reported on expenditures of all its funds from 2013 to 2016?

**Mr Francis Potape** – Point of Order! Mr Speaker, the Governor for Gulf cannot speak for the Hela or Southern Highlands or for all the other Governors and the other provincial governments. He should restrict his questions to IDG funds for his province only because it's a waste of time and he may mislead the Parliament.

Thank you.

**Mr SPEAKER** – Governor for Gulf, ask your question.

**Mr HAVILA KAVO** – Thank you, I have taken note of that.

If this paper is going to be made this week, Gulf shares would also be paid.

(3) Will Gulf Province be also consider in the payment by Friday?

My next question that I would like to ask the Minister is on the formula of equity shares of the LNG Project being 22.5.

(4) Where did the government get this 22.5 equity and started using it for the last 20 years?

Regarding the policy guidelines governing the petroleum and gas projects in the country.

(5) Is there a national or master development plan or policy being drawn up by the government over the last 20 years on which these resources have been developed?

(6) Is there a DMO policy in place?

(7) Is there a petro-chemical plant policy in place?

(8) If these polices are not there, how is this country managing the development of these natural resources?

Thank you.

**09/09**

**Mr PETER O'NEILL** – Thank you, Mr Speaker, and I thank the good Governor of Gulf with his questions.

His questions are quite detail and I will certainly ask the Minister for Petroleum and Energy to present detailed answers in the first available opportunity.

Mr Speaker, on the issue of the position paper, I understand that the Governor and his provincial government has lodged their position paper for the development of Elk and Antelop project to the Department of Petroleum and Energy.

As explained to this Honourable House, we have not received a development proposal from the project developer and until such time we receive that we will give him his position paper with due consideration.

Mr Speaker, I will be presenting him a commitment that I am not able to back up the development proposal yet to be lodged to the government.

In response to the second question on the IDG. Mr Speaker, IDG are grants that are supposed to be spent for development of infrastructure in the licensed based area. Over time we have seen, since the agreement including the UBSL and LBFA agreements, there has been many disputes between the landowners, provincial government and everyone. As a result some of this matters are now before the court, particularly, the years 2013, 2014, and 2015, some landowners have taken the matter to court. So some IDG related issues are still in Court except in 2016.

Mr Speaker, that is the funds that we able to distribute. This was approved by Parliament for 2016 budget.

I want to again state clearly that under this agreements, there are licensed based areas with specific projects whether it be schools, hospitals or health centres. We will be using government agencies and procurement processes under the public financial management act to ensure that this dispatch take place.

We have seen many misuses happening where the government has allocated the funds but the projects have not eventuated. We are trying to avoid that. We are trying to get the government agencies to comply with *Public Finance Management Act* together with the landowners at the licensed based areas.

Mr Speaker, in terms of the funds relating to Gulf Province, if acquittals have been done properly, we will release the next batch of funds. There is no stop for that at all.

The third question was in relation to the 22.5 percent. That is very clearly stipulated in the *Oil and Gas Act*. We were just following that Act that was set many years ago. We will continue to do so. This House knows that we are now reviewing the Mining Act itself and at some stage we will go into reviewing the *Oil and Gas Act* soon after we settle the *Mining Act*.

On the fourth question on policy guidelines, I will get the Minister to make a detail statement to this Honourable House. So that we can be able to know where the industry is heading.

I want to assure the House that we will do everything possible to protect our country's interest including the landowners and the people.

### **Supplementary Question**

#### **Misuse of IDG in Gulf**

**Mr MARK MAIPAKAI** – My supplementary question is in relation to the dispatch of the IDG funds. Is there a Cabinet decision in place for dispatch of IDG funds? And the decision is that the IDG is supposed to go straight to the District authorities.

My questions are:

(1) The DA is supposed to be a signatory. In this case, this is not happening in Gulf. I did not receive any IDG nor is my DA a signatory. But the funds are still dispatched to Gulf Administration.

**10/09**

(2) Is the Government in a position to investigate IDGs expenditures and bring a report before this Parliament because misuse of these funds is on a large scale and it is only fair that the government be informed on issues like these because some of the landowners are accusing the government? The government, from my understanding has not failed.

Abuses have come from us as politicians and the landowners so it is only fair that the government systems be investigated and a report brought before us.

(3) My question is, is this government in a position to conduct an investigation into the abuse of these public funds?

**Mr PETER O'NEILL** – Thank you, Mr Speaker, and I thank the Member for Kikori for that Supplementary Question.

Mr Speaker, the disbursement of the IDG grants are very specifically mentioned in the agreements that the government has signed with the landowners and all the stakeholders.

It says that it has to be spent at the licence based areas, which PDL is part of the project then the funds will have to be spent there. What is lacking in the agreement, as far as I understand, is the part that did not stipulate which agency of government is responsible. Whether it will be the provincial government, the national department or the landowners at the Licence Based Area. This is where there has been some areas of disagreement or areas of contention.

So, the government has taken a position that it will use the provincial governments to try and manage these funds over time. But now we are finding that a lot of landowners are complaining about these funds not being spent at those licence based areas by the provincial governments.

So, the agreement that we have just reached with the landowners of PDL One and PDL Seven is that we have already set up a Special Purpose Authority in those areas. For example, in Hides PDL One we have got the Hides Special Purpose Authority.

What we are intending to do, Mr Speaker, is that we will arrange those authorities in those areas to manage those funds under the *Public Finances (Management) Act* and of course, go through the procurement process, as I have stated earlier.

Mr Speaker, there is no Cabinet Decision as the Member for Kikori has alluded to that the District Development Authorities will be managing those funds.

**Mr Mark Maipakai** – Point of Order! I have a copy of the Cabinet Decision, a decision taken in Wabag which is in place and I can furnish a copy of it to you.

**Mr SPEAKER** – Prime Minister, answer the question.

**Mr PETER O'NEILL** – Mr Speaker, I think that Wabag Cabinet was in the last government, in fact, two governments ago. I was not present in the Wabag Cabinet Meeting so I am not privy to it. But the government has subsequently, let me correct the Member for Kikori, District Development Authorities just got established in this term of Parliament. So how can you have a decision that will reflect districts managing these funds?

**Mr Mark Maipakai** – I have the Cabinet decision in place. I am not going to argue over here, the best way is I will furnish you a copy of the decision.

**Mr PETER O'NEILL** – Let me just say that I don't want the Member to confuse the issues. The IDGs will be spent through the special purpose authorities in the PDL areas and that's it.

## **ANSWERS TO PREVIOUS QUESTIONS**

### **BY MEMBER FOR RABAUL**

**Mr SPEAKER** – Honourable Members, we have run out of Question Time but let me take this time to provide some answers to questions that we raised by the Member for Rabaul last week. I'll try to answer those in a statement.

It is obvious that passing legislation is a key feature, it is not the key feature of this Parliament. And I would presume that all honourable Members are fully aware that Parliament is vested with this noble task of enacting laws. Parliament is also the venue for the making of government or the election of government further, it is a place where the government is kept in check and thirdly, the venue where we represent our people.

Bills or proposed laws and amendments that are passed into laws by Parliament, they have implications on the lives and work of our people.

**11/09**

Hence, it is important and necessary that a full or if not a fair understanding and appreciation of a proposed new law or a bill or amendment to any part of the law be established before a law or an amendment is made on the Floor of Parliament.

Sufficient time must be provided to the honourable members, for we are legislators to review and appreciate the contexts and implications of the proposed laws, bills and amendments in order to adequately debate before voting.

The Chair understands the suspicions or deception raised by the Honourable Member for Rabaul that there are conspiracy by the government to prevent adequate debate on bills.

The Honourable member has this deception because on a number of occasions may be bills and amendments were passed in a manner where insufficient time was provided for

the members to review and consequently living no time and space for adequate and meaningful debate for the passage.

The chair wish to inform the honourable members and the House that standing orders clearly stipulates the procedures for the initiating and to the passage of bills or amendments into laws.

It is the desire of the Chair that for the best interest of this Parliament, the honourable members and also the interest of our citizens and for the sake of upholding the principles of democratic system that we operate within that this Parliament must do its utmost best to abide by the provision of standing orders and processing propose laws for passing in Parliament.

Parliament should avoid as much as possible to suspense standing orders and bring in successional orders to facilitate passing of bills and laws into acts of Parliament.

To improve the performance of Parliament for the benefit of our citizens, the Chair will be initiating in the next session certain amendments to pass of standing orders and one of the amendments will be to, make some of the relevant parts of the standing orders mandatory that we ensure that those parts of passing bills are immune to suspension so that we can mitigate the concern that was raised by the Member for Rabaul.

But as it is all the laws that were passed in Parliament had been done properly in invoking the suspending of standing orders to pass the laws that we have so far. But for the sake of improving performance of Parliament I will be proposing those at the next session of Parliament.

Before we suspend for lunch, on behalf of all the Honourable Members I would like to acknowledge the presence of students from Kilakila Primary School who are here with us, I welcome you in your visit to Parliament.

Honourable Members I now suspend Parliament for lunch, we shall resume at two o'clock.

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

12/09

**DEPARTMENT OF HEALTH – ANNUAL MANAGEMENT REPORT, 2015 –  
MINISTERIAL STATEMENT – MOTION TO TAKE NOTE OF PAPER**

**Mr MICHAEL MALABAG** (Moresby North-West – Minister for Health) – I present the following report pursuant to statute:

*Annual Management Report, 2015.*

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

Leave granted.

Mr Speaker, I would like to thank you for the opportunity to present this report on the progress and achievements of my Ministry in 2015 to deliver health services to more than eight (8) million Papua New Guineans.

1.0 Health Facilities

Firstly Mr Speaker, my Ministry delivers health services through seven levels of health care facilities through the country. These facilities range from a one person Aid Post or two to three person Community Health Post in the ward or community to the provincial and regional hospitals at Levels five and six to Port Moresby National Referral Hospital at Level seven.

Mr Speaker, the system is designed to provide primary health care and a sustainable referral pathway to specialist care. We have 1,860 Aids Posts, 530 Health Centers, 78 Urban Clinics, 11 District Hospitals and 20 Hospitals throughout the country. That's a total of 2,608 health facilities to deliver health services to our people. I am pleased to note the churches work with my Ministry to manage 47 per cent of these facilities.

2.0 Governance Boards

Mr Speaker, the health system is diverse and complex. It must be managed properly to best provide for the health to our people. The *National Health Administration Act 1997* and the *Provincial Health Authorities Act 2007* empowers my Ministry to establish Boards to govern the various levels of the health system.

Mr Speaker, the National Health Board's term of office is current and the Board met on

a quarterly basis last year as required. East New Britain Province has a fully functional Provincial Health Authority (PHA) Board that was sworn-in to office in 2015. There are also seven other PHA Boards (Western Highlands, Eastern Highlands, Milne Bay, West Sepik Province, West New Britain, Manus and Enga Provinces). The 14 non-PHA Hospital Boards are operational. The most recent established was for Hela Hospital Board and process and documents for the establishment of the Gerehu Hospital Board are being finalised for NEC approval.

### 3.0 Executive

Mr Speaker, Secretary Pascoe Kase's term has been extended for another four years. All other Executive Management positions are current but will be reviewed and renewed this year. Seven Chief Executive Officer (CEO) positions for the PHAs position are current. Thirteen CEO positions for non-PHA Hospitals are current and the Tari Hospital CEO position has just been advertised for selection.

### 4.0 Policy Setting

Mr Speaker, in terms of policy setting, in my term as the Minister for Health and HIV/AIDS, my Ministry has developed fourteen health sector policies which have been approved by NEC and are and now implemented. My Ministry will continue to develop important policies that will contribute to the improvement of health service delivery in PNG.

**13/09**

### 5.0 Health Bills & Legislation

Mr Speaker, the health sector is subject to over twenty different pieces of legislation. My Ministry is reviewing a number of these and several are in Bills are in draft form for NEC and Parliament approval.

### 6.0 Mid-Term Review Of the National Health Plan

Mr Speaker, in 2015 the National Health Plan 2011-2020 reached its fifth year of implementation. A team of International and national experts conducted a Mid-Term Review and Joint Assessment of the Plan.

Mr Speaker, the findings of the review revealed that the health gains over the last five (5) years have been "sluggish". However, there were clear achievements in priority areas such as maternal and child health, immunisation and disease control.

Mr Speaker, my Ministry has analysed the findings and recommendations of the Mid-Term Review and is developing Strategic Priorities for the next five years to address this

sluggish progress and provide tangible health outcomes by 2020.

Mr Speaker, the Health Sector Strategic Priorities for 2016-2010 include:

- Leadership, governance and partnerships;
- Human resource planning and development;
- Improved medical supply procurement and distribution;
- Rehabilitation and development of health infrastructure;
- PHA reforms; and
- Health system improvement including health financing, ICT and performance monitoring.

Mr Speaker, I want to make a further call for all Members of Parliament to support my Ministry to implement these Strategic Priorities through the health facilities in your districts and provinces. May I request you to rehabilitate health facilities and build staff housing to and help improve accessibility to quality and safe health services in rural and remote areas.

#### 7.0 Human Resources

Mr Speaker, in 2015 the health workforce comprised 3,779 technical officers throughout the country. My Ministry is grappling with an aging workforce against an ever growing population. NDoH is endeavoring to implement the Health Workforce Enhancement Plan 2013-2016 and has commenced development of the strategy for the long-term health workforce plan.

Mr Speaker, I am happy to inform you that nearly all training institutions in the country are rehabilitated or re-developed to enable increased student intakes. My Ministry is establishing new nursing Schools in Enga, West New Britain and will soon introduce ones to Port Moresby General Hospital and in Hela Province. This coupled with Australian aid funded scholarships for midwifery, nursing and community health worker (CHW) programs at universities, nursing schools and CHW training schools, mean we are seeing increased numbers of graduates.

#### 8.0 Health Financing

Mr Speaker, for the first time my Ministry coordinated the health sector budget in 2015. From a national budget of 16.1 billion kina last year, the health sector was given K1.7 billion which equates to 10% of the national budget. From that, K1.1 billion were for Goods and Services while K139.1 million was for Capital Investment. This included K6.14 million for NDoH, K726.0 million for Hospitals, K149.0 million for Church Health Services, K155.2 million for PHAs, K98.9 million for Provincial Health Functional Grants, K8.8 million for the

National AIDS Council and K10.0 million for the PNG Institute of Medical Research.

Mr Speaker, there have been consistent increases in the health sector budget over the last four years and I want to commend the Government for its commitment to the health sector. We can see the visible improvements in infrastructure development and the replacement of aging medical equipment.

## **14/09**

### **9.0 Free Health Care Policy**

Mr Speaker, the Policy on Free Primary Health Care and Subsidized Specialist Services was approved in 2013. As a result of this Policy we have seen more people visiting outpatient facilities across PNG. However, the health systems has overloaded and we need to do more to support this policy shift. Mr Speaker, for the record, if the health sector was given appropriated budget in a timely manner then the additional K20.0 million earmarked for this Policy would not be required.

Mr Speaker, through you, may I request the good Minister for Treasury and Finance, to release 40 of the health sector budget in the first quarter of 2016, 30 in the second quarter, 20 in the third quarter and 10 in the last quarter in a timely manner? If that happens, I guarantee you that the health sector will not need additional funding under the Policy and user fees at health facilities will be a thing of the past.

### **10.0 Medical Supplies**

Mr Speaker, procurement and distribution of medical supplies to the health system is one of the NDoH's core functions. Let me take this opportunity to commend the Government for increasing the medical supplies budget over the last four years.

Mr Speaker, the PNG Pharmaceutical Board was re-established in 2015 and NDoH is now able to perform these functions with increased efficiency. The 100 Kits once supported by Australian aid are now fully funded by the Government of PNG and implementation will be completed in 2016. NDoH will graduate into the "Pull System" from 2017 onwards, with medical supplies procured and supplied by our four Area Medical Stores (AMS).

Mr. Speaker, we have built 17 Provincial Transit Medical Stores (TMS) and are working to finalize procurement for the remaining five. We hope to transport all medical supplies from the AMS to the TMS where the provinces will take the responsibility for distribution to relevant health facilities based on need utilizing their Health Functional Grants. This strategy will reduce the current K25.0 million cost of distribution.

## 11.0 Medical Equipment

Mr Speaker, since the commencement of the medical equipment replacement program four years ago NDoH has purchased and commissioned hospital sterilizers, standby GENSETs, medical waste incinerators, anesthetic, ultrasound and dental units for 18 Provincial Hospitals. New fixed X- ray machines were installed in 11 hospitals while mobile X-rays machines were installed in 12 Hospitals.

Mr Speaker, let me inform you that CT scans were purchased and installed at Port Moresby General Hospital and Angau Hospital while a further 80 per cent of hospitals received Laboratory Analysers and 10 Hospitals received ICU Ventilators. Mr Speaker, for the first time in 30 years we have replaced and bought new essential biomedical equipment for the country. My Ministry will now require annual funding to maintain this equipment.

## 12.0 Health Infrastructure Development

Mr Speaker, the health sector has been implementing the Medium Term Development Plan 2011-2015 which has seen significant changes. We have seen the redevelopment of Mt Hagen, Mendi, Madang and Angau hospitals. This includes new operating theaters, new hospital wings, general renovations and staff houses. In 2015, we commenced work to build new hospitals in Enga, Gerehu, Central and Hela while work to relocate Nonga and Boram Hospitals.

## 15/09

Mr Speaker, work is progressing to upgrade Maprik, Teleformin and Tambul District Hospitals. These projects will be completed in 2016 along with Henganofi and Kandrian District Hospitals. The Korean Government funded the upgrade of Kwikila and Asaro District Hospitals. Kwikila in Central was completed in 2015 and Asaro in Eastern Highlands Province will be completed in 2016. We will further seek their support for more district hospitals to be upgraded through this great project.

Mr Speaker, the Community Health Post (CHP) Project is being implemented on two fronts. Six CHPs are under construction while contracts have been awarded for 14 out of the 32 to be constructed in eight provinces under the Rural Primary Health Services Delivery Project. Another twelve Aid Posts will be upgraded to CHPs by NDoH. Three are near completion. This Project to transform health services at the community level. I strongly encourage all Members to support my Ministry to build CHPs in your respective districts. You can obtain the standards designs for CHPs from NDoH.

### 13.0 Provincial Health Authority

Mr Speaker, the Provincial Health Authority (PHA) reforms are very important. The Government is committed to seeing improved access to health services and outcomes and to achieve this we have placed a priority on strengthening and improving health governance, management and structures at the provincial level. PHAs will unify the health system at the provincial and district levels.

Mr Speaker, PHAs have been introduced in seven provinces. No PHAs were established in 2015. In June 2015, NEC endorsed the recommendations of the Independent Review of PHA Management and Structures and directed NDoH to develop a PHA Implementation Strategy to implement the recommendations of the review. My Ministry has developed an Implementation Strategy for strengthening and accelerating the roll-out of PHAs to all provinces in PNG over the next three years. The Implementation Strategy was recently submitted to NEE for consideration and endorsement.

Mr Speaker, my Ministry will declare PHAs in five more new provinces in 2016 (Hela, Southern Highlands, East Sepik, New Ireland and Oro Provinces). I call on all Members and Governors to support the implementation of PHAs system.

### 14.0 Partnerships

Mr Speaker, health service delivery is a huge task and can comply be successfully managed through partnership with stakeholders. My Ministry developed the Public Partnership Policy in 2014 and implementation is progressing.

Mr Speaker, Christian Health Services (CHS) is a major partner managing more than 47 per cent of health services in the country. The Head Agreement between NDoH and CHS have been finalized for signature. Once completed, the Subsidiary Agreements between the Churches and their respective PHA or Provincial Health Board will be completed.

Mr Speaker, the Agreements with St John's, Susu Mamas and other non-government organizations have been reviewed and are current. The Bilateral Technical Agreements with China, Korea, Philippines and the USA are current and the Agreement with Taiwan will soon be completed. My Ministry also made inputs to the PNG IAustralia Partnership for Development for Health Cooperation.

**16/09**

### 15.0 National Health Service Standards

Mr Speaker, NDoH developed and is implementing National Health Service Standards

(NHSS). These standards address facilities and services in terms of buildings and amenities, staffing levels, medical supplies equipment and the types of services each level of facility may provide to the community.

Mr Speaker, NDoH commenced a major National Health Standards Survey in 2015 to assess compliance with the NHSS. The Survey is being conducted by our 14 Chief Medical Officers and to date, 12 of the 22 provinces have been assessed.

Mr Speaker, NDoH is supporting the provinces to develop Health Services Plans to identify the type and location of facilities required by respective populations. This will ensure that facilities are based on actual need. Health Service Plans have been completed for eight provinces. NDoH can provide Members with copies of these Plans.

Mr Speaker, my Ministry also reviewed the Standard Treatment Books for Children, Adults, Maternal Health, Surgery and Public Health in 2015.

#### 16.0 Public Health Programs

Mr Speaker, the health sectors public health programs are delivered by NDoH in partnership with our 2,608 facilities countrywide. NDoH has received 86 per cent of the 2015 activity reports from these facilities to date.

- 138,442 out of an estimated 263,545 pregnant women (or 60 per cent) visited antenatal clinics.

- 81,718 (or 36 per cent) pregnant women delivered their babies in a health facility.

Mr Speaker, while this figure excludes Port Moresby General Hospital, more needs to be done to encourage mothers to come to health facilities to have a supervised delivery to prevent unnecessary death resulting from complications during child birth.

Mr Speaker, with the outbreak of new and emerging diseases NDoH has increased surveillance and investigations on public health events (e.g. our response to the Zika virus, Measles outbreak). My Ministry has also endeavored to utilize mobile phone surveillance based system for reporting public health events in ongoing

Mr Speaker, there is clear evidence that adequate and sustained funding and staffing provide results. The prevalence of Malaria and HIV have declined in recent years to translate and apply these lessons to other programs to obtain results in fighting, for example, T8.

Mr Speaker, despite our achievements in a number of reforms and programs, we are still faced with challenges in the areas of maternal and child health, communicable and lifestyle diseases. The rate of children under five years of age being immunized and immunization coverage has decreased over the last 5 years. There are numerous reasons for

this decline. My Ministry has developed a policy framework and guidelines to respond to this issue and will continue to support midwifery and family planning programs through training, advocacy and other essential support to the provinces.

Mr Speaker, in summary, NDoH achieved much despite the many challenges it faced in 2015. However, stronger leadership, management and support is needed at the provincial and district level to ensure better outcomes. I will again take this opportunity to call on Members to continue support health care service delivery by working with the provincial and district health management teams to ensure Service Improvement Program funding is channeled to the right activities at the right time. 'Health is Everybody's Business'.

Mr Speaker, with that, I would like to present the Department of Health Annual Management Report for the year 2015.

Thank you.

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

That Parliament take note of the Paper and debate be made an Order of the day for a subsequent sitting.

Debate adjourned.

**17/09**

**DEPARTMENT OF TRANSPORT AND INFRASTRUCTURE –  
MINISTERIAL STATEMENT – MOTION TO  
TAKE NOTE OF PAPER**

**Mr MALAKAI TABAR** (Gazelle – Minister for Transport and Infrastructure) – Thank you, Mr Speaker, I am privileged to be standing on the Floor of this Parliament, this time as the Minister for Transport and Infrastructure to give a ministerial statement.

First of all, allow me to express my appreciation to the O'Neill-Dion Government for giving this important portfolio and especially the responsibilities of Transport. I would also like to express my appreciation to the outgoing Minister, Honourable Nixon Duban for his work that he did when he was there.

Mr. Speaker, in my statement I will provide an overview of the transport sector,

and as we all know this is an important sector. The priorities of the transport sector including some comments on the status of the Key Impact Projects relating to the Alotau Accord, the Challenges and the Way Forward.

#### Overview of the Transport Sector

Mr. Speaker, The Transport sector is a huge sector of the economy and absorbs about one third of the Budgetary Resources annually. Indeed, oversight is provided by four State Ministers, namely the Ministers for Transport & Infrastructure, Works and Implementation, Civil Aviation and State Enterprises.

The Department's principal business is to facilitate the development and coordination of policy, regulation, monitoring and planning of transportation for the three (3) modes (land, water & air) to ensure that the transport network and system is safe and secure and is maintained and developed to a standard that supports and encourages economic growth.

Mr. Speaker, We all agree that Transport is a conduit for service delivery, social and economic development and growth. As one will appreciate getting the right infrastructure in the right place within a limited budget is a challenge. This challenge is increased when we consider commitments such as those made to deliver the hosting of the APEC Meeting in 2018 and of course the very successful delivery of the Pacific Games in 2015.

Transport therefore is a sector of the economy that facilitates economic activity and community interaction. It provides the physical connections that allow the other economic sectors to function by providing access to markets and allowing people to travel for work, personal business and social purposes.

Mr. Speaker, the Transport System comprises infrastructure (roads, jetties, wharves, airstrips etc.) and services (ships, aeroplanes, PMVs etc.) with the objective of moving people and cargo. We need to be aware of this dual functionality as in most cases passenger and freight uses the same infrastructure and often the justification for one is based on the contribution of the other.

The Transport System extends to the regulatory framework and standards that ensure its safe and correct use. It includes the government organisations that oversee and set the strategic direction for the system and just to be clear, there are eleven transport agencies.

**18/09**

### Sector Priorities and Challenges

Mr. Speaker, The Department of Transport coordinates the Transport Sector Budget and this role includes demonstrating alignment of proposed investments with the overarching policies of the Government. The National policies - PNG Vision 2050 and the DSP 2010-2030 both place emphasis on the development of the transport system in Papua New Guinea and for this transport infrastructure to be well maintained. The transport sector continues to focus on those projects and other related activities which will deliver the best returns to the nation.

A key feature of the new approach being taken is to recognize the socio-economic benefits that flow from infrastructure investment but importantly to also recognize the costs associated with not preserving past investments.

Mr. Speaker, when we talk about investments in transport infrastructure, we are always talking in terms of green field development. However, preservation of transport infrastructure is an intergenerational responsibility since failure to adequately provide for infrastructure maintenance leads to increased costs to service providers and end users. That means farmers need to pay more for transport because service providers are incurring more costs through wear and tear on their vehicles and slower travelling times which reduces the productivity of their investment in equipment.

If the infrastructure is allowed to fail then we will be faced with major periodic reconstruction costs to restore the infrastructure to its design capacity. This is the financial cost associated with recovering the lost assets.

Mr. Speaker, What is not immediately apparent is that this direct financial cost also has a complementary opportunity cost attached to it. While reinstating roads that have been allowed to deteriorate; the nation is unable to build new roads or alternatively spend this same money on health care centers, schools, police stations and even on increasing the staffing capacity and programs in such areas.

Key Transport infrastructure investments in the pipeline are those related to the delivery of the APEC 2018 such as the Jackson International Airport and the replacement of key communications equipment for PNG Air Services Ltd. However, lack of adequate funding support from the Government has been a major hindrance to effective delivery of some of these infrastructure projects.

Major road infrastructure developments are also taking place in the Port Moresby

urban areas which include the Gerehu / Baruni / Town Road, the 6 Mile to Bautama Road which will also link the Magi Highway to the Taurama Road and the Gerehu to 9 Mile Road. In Lae, the reconstruction of the main arterial roads in the city into concrete pavements and the Lae to Nadzab Road currently in progress is consistent with this government's policy on redeveloping our ageing transport infrastructures.

Under the Civil Aviation Development Infrastructure Program (CADIP), we have witnessed developments at some of our regional airports. In the Maritime Transport, the relocation of the Port Moresby wharf to Motukea and the Lae Wharf Tidal Basin Development are the major investments. The Government has commenced implementing these key projects and there is great need for continuous funding support to effectively deliver them.

## **19/09**

### **Status of Key Impact Projects under the Alotau Performance Agreement**

Mr. Speaker, as part of the Alotau Accord Commitments for effective service delivery and development, our Government resolved to have all Government Departments and statutory Agencies to provide clear statement of commitments to contribute to improve service delivery by undertaking to deliver at least three impact projects that they consider will optimize socio economic returns annually. For the Department of Transport, the three Priority Projects are:

- National Transport Strategy Formulation which transitioned to - Report Card on the Development of the Implementation and Monitoring Framework of the MTTP 2014-2018.

- Improvement to the quality of the Land Transport Services - through the establishment of the Road Traffic Authority.

- Establishing a Transport Subsidy Framework to address the high cost of transport/freight costs.

Mr. Speaker, I am pleased to report that the first project was partly delivered with the approval the National Transport strategy and the subsequent launching of same at the Parliament House in July 2013. To monitor implementation of the strategy and its supporting Medium Term Transport Plan 2014-2018, there is a need to develop an effective Monitoring Framework. This is the next critical task that needs to be implemented in association with the National Transport Strategy which is to establish a

Whole-of-Government Approach to Monitoring and Evaluating of Policy implementation.

Mr. Speaker, The Second Priority Project relating to Improvement to the Quality of the Land Transport Services has been progressed with the establishment of the Road Traffic Authority. All enabling work and legal requirements were fully completed which led to the certification of Road Traffic Authority (RTA) by the Parliament and was gazetted to commence operations by the Governor General on 05<sup>th</sup> September 2014.

An Acting CEO was appointed through NEC Decision Number 283/2014 of 25<sup>th</sup> September, 2014 and an initial one-off funding arrangement from the government is being pursued with the Board Chairman. A Complete overhaul of the public transport system in Port Moresby will be undertaken after the completion of a detailed "Port Moresby Public Transport study" that will be commissioned by the board pending funding support from the Government.

The next step is for the RTA to set up its Office and start implementing its mandated functions in terms of improving land transport services. As far as the Department of Transport is concerned, we have successfully completed our task in getting the enabling Act approved BUT securing funding remains a challenge. This will continue to be the main task of the inaugural RTA Board approved by NEC on the 10<sup>th</sup> December 2015.

Mr. Speaker, The Third Priority Project is about establishing a Transport Subsidy Framework. The objective of the project is to develop a robust framework for subsidizing transport (freight) costs in a reasonable and sustainable manner by defining the project task and approach to be taken through:

Mr. Speaker, The outcome of this project is to have a robust and sustainable Transport Freight Subsidy Policy Framework for the three modes of transport (air, land and maritime) that will encourage disadvantaged rural communities to participate meaningfully in socio - economic activities by having access to markets as well as to improve delivery of Government goods and services such as health and education etc.

Engagement of external expertise is required and funding requests for engagement however have not been forthcoming and alternative sources of funding may have to be considered.

## Challenges and Way Forward

Mr Speaker, against competing priorities, there is a need to strategize and prioritise investments, especially since our economic fortunes are changing due to the fall in the prices of our commodities including crude oil. Alternative sources of financing to develop our transport infrastructures such as the Public Private Partnerships (PPP) and User Charges are provided in the NTS for consideration by the sector and the Government.

This requires robust analysis of the projects that we want to invest money as provided in the MTTP 2014-2018 and not so much being dictated by politics or parochial interests.

We are continuing with the legislative reviews and the institutional and regulatory reforms in the Transport sector. Discussions are advanced and there is presently a review going on in the maritime transport area for introducing further reforms and to properly align the functions of the National Maritime Safety Authority (NMSAj, PNG Ports Corporation Ltd and the Department of Transport with the creation of a National Maritime Authority.

Mr. Speaker, The Transport Sector, in particular the Department of Transport was the lead agency in successfully hosting the 42<sup>nd</sup> Transport Working Group (TPTWG42) Meeting here in Port Moresby in April, this year, 2016. Going forward, PNG will play host to the APEC Senior Officials Meetings (3) in 2018, which is an annual event for any Host Economy and for PNG, this will culminate into the APEC Annual Executive Leaders' Meeting (AELMj and Transport Ministers' Meeting (TMM) towards the end of the host year, 2018.

Mr Speaker, Positioning PNG to successfully deliver APEC will require a recommitment to ensuring the Transport sector is there to support delivery. My Department is currently coordinating the estimates of the essential infrastructure requirements across the transport sector. This will encompass items such as runway and terminal upgrading through to the navigation systems that will allow visitors to safely navigate their way to our country. These will be complemented by critical investments in road infrastructure to enable the safe and efficient movement of delegates between venues. The maritime sector will also be integral to APEC delivery by ensuring the port infrastructure and services are adequate to meet the additional demands of servicing APEC.

Setting the transport sector for APEC 2018 will be a key focus for my Department in the next two years and the spin-off benefits to the broader population are expected to be considerable.

Mr. Speaker, In conclusion, the need to have a well-integrated transport system is important for a country's growth. The desire of the Government of Papua New Guinea therefore, is to develop the transport sector and its assets to achieve the ultimate goals of connectivity and accessibility for all its users.

Mr. Speaker, I thank you once again for the Opportunity and now commend this Ministerial Statement to this Honourable House.

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

That Parliament take note of the Paper and debate be made an Order of the day for a subsequent sitting.

Debate adjourned.

**20/09**

**DEPARTMENT OF BOUGAINVILLE AFFAIRS – REVIEW OF THE  
NATIONAL COORDINATION OFFICE OF BOUGAINVILLE AFFAIRS –  
MINISTERIAL STATEMENT – MOTION TO TAKE NOTE OF PAPER**

**Mr JOE LERA** (Bougainville – Minister for Bougainville Affairs) – Mr, Speaker, I seek leave of Parliament to present the Review of the National Coordination Office of Bougainville Affairs (NCOBA) which I have commissioned as the newly appointed Minister for Bougainville Affairs.

Before I present my review findings I want to first and foremost thank the Prime Minister, Hon. Peter O'Neill, MP for his wisdom and confidence he had in me and appointed me as the new Minister for Bougainville Affairs. I am truly humbled by the appointment and I give my undertaking that I will also closely work with the Prime Minister and his Government to serve my people of Bougainville under my Ministry to the best of my capability especially in light of the Bougainville Peace Agreement nearing conclusion.

Furthermore, I have identified five (5) key initiatives that require my leadership to

address to strengthen the good work that the O'Neill-Dion Government has put in place for the Bougainville Peace Process and they are;

- Re-alignment & Review of NCOBA.
- Building & Strengthening Relationships amongst National Government, Autonomous Bougainville Government, Politicians and Bureaucrats and all other key stakeholders and donor partners.
- Education of National Parliamentarians on Issues pertaining to the Bougainville Peace Agreement in particular the peace process and the systems used in implementation and the problems encountered.
- Channel of Communication is for the Ministry of Bougainville Affairs and NCOBA to be the first contact point or port of call to finding answers to all issues relating to Bougainville Affairs.
- Improve JSB or any Referendum Forum/Committees; to better gauge the politicians views to influence the resolutions or outcomes.

Mr, Speaker, I also would like to acknowledge and thank the Prime Minister, Hon. Peter O'Neill, MP for being in the fore front of –

**Mr Sam Basil** – Point of Order! With respect to the Honourable Minister, Mr Speaker, there is a confidential Cabinet Paper being circulated. Is it the correct one or it's for NEC?

**Mr SPEAKER** – I think it's alright. You can sign the statement of the Minister somewhere in there.

Thank you, for that Point of Order, Deputy Opposition Leader.

Minister, you can go ahead.

**21/09**

**Mr JOE LERA** (Bougainville – Minister for Bougainville Affairs) – Mr, Speaker, I also would like to acknowledge and thank the Prime Minister, Hon. Peter O'Neill, MP for being in the fore front of the Bougainville's Peace Agreement Process as being the Co-Chair to the Joint Supervisory Body, the body specifically established to address outstanding matters relating to Bougainville prior to the referendum.

On the same token I also would like to thank my colleague ministers the Minister for Public Service, Hon. Sir, Dr. Puka Temu, Minister for Finance, Hon. James Marape, Minister

for Treasury, Hon. Patrick Pruaitch, Minister for Planning, Hon. Charles Abel, Minister for Works, Hon. Francis Awesa, Minister for National Airports Corporation, Hon. Stephen Davies, Minister For Police, Hon. Robert Atiyafa, Minister for Education, Hon. Nick Kuman, Minister for Agriculture & Livestock, Hon. Tommy Tomscoll, Minister for Tourism Arts & Culture, Hon. Tobias Kulang, all other parliamentarians & all Donor partners for your contributions towards the Bougainville's Peace Agreement Process.

Mr Speaker, I will also be seeking the assistance of other Ministers along the Journey which I am taking to strengthen NCOBA to better full fill its mandate.

I would also like to thank the Parliamentary Committee on Bougainville matters for their contribution on the Bougainville Peace Process which I will have them work closely with my Ministry and NCOBA.

Mr. Speaker, NCOBA was created to demonstrate to the people of Bougainville the then, National Government is genuine and serious commitment to restore peace and nonnalcy on the island of Bougainville. Under my leadership I want to ensure NCOBA as an organisation is strengthened to perform its mandated roles and responsibilities. NCOBA as an organisation is here to stay even after the Referendum, as such every effort must be made to ensure NCOBA is effective in executing its roles and responsibilities, now and into the future.

Hence, I have commissioned the review to assess NCOBA's mandate and performance and to identify ways of improving NCOBA's capacity to perform its mandate.

This Review is very crucial from Bougainville's stand as NCOBA Office was created to serve the people of Bougainville but to date the effect of what NCOBA is doing is not been felt nor seen by the people of Bougainville back in the Autonomous Region.

I will ensure appropriate measures are taken, based on the findings of the Review to enable NCOBA's capacity to be strengthened and become more responsive to its mandate so that the effect becomes tangible on the ground in Bougainville in relation to the Bougainville Activity Programs.

Mr. Speaker, the Review found numerous anomalies or short falls that have attributed to NCOBA not delivering as it was supposed to. This all began from the time NEC made a decision to establish an organization called National Coordination Office of' Bougainville Affairs (NCOBA).

#### 1. NCOBA'S Mandate Legitimacy

Mr. Speaker, my no. 1: point on the Review finding is, NCOBA was created by a NEC

Decision no. 1012007 on 16<sup>th</sup> January 2007 which reconstituted the Bougainville Peace & Restoration Office (BPRO) to become the National Coordination Office of Bougainville Affairs (NCOBA)

This NEC Decision issued specific key policy directives some of which were never actioned to date as follows;

## **22/09**

- A detailed NEC submission encompassing all policy directives inclusive of;

- a) NCOBA's own Act that would provide a clear legal basis for its existence.

- b) Prepare a Public Investment Program (PIP) Project of National Bougainville Support Initiatives

- c) Review of the structure of the new office and make recommendations

- d) Develop a Road Map for Autonomy, Restoration, Development and Referendum

- e) Establishment of a Resource Centre to support activities to promote awareness and build capacity in co-operation with other Government agencies.

### **2. Understanding NCOBA's Mandated Roles & Responsibilities**

Mr. Speaker, my no. 2: point on the Review finding is, NCOBA's role as the National Coordination Office of Bougainville Affairs was never really understood as to what NCOBA was going to coordinate. NCOBA's coordination role meant coordinating the implementation of pillars of Bougainville Peace Agreement that is;

- Autonomy & Governance,
- Weapons disposal,
- Referendum,
- Social Economic restoration & development

Secondly, NCOBA did not fully understand or even visualize how the coordination role was to be implemented. There is lack of clarity on the actual mechanism, systems and processes used by NCOBA to implement its mandate even though the mandate remains the same to date.

This resulted in NCOBA being in isolation from key stakeholders such as the National Government, the Autonomous Bougainville Government and Donor partners for a long time.

NCOBA was to implement its coordination role through a NCOBA's Coordination Structure. Should this Coordination Structure was clearly understood and visualised NCOBA could have aligned itself as the link (middle person) between the National Government,

Autonomous Bougainville Government and all other relevant key stakeholders.

### 3. NCOBA's Organizational Structure

Mr. Speaker, my no. 3: point on the Review findings is; that NEC Decision specifically directed for the review of NCOBA ~ s 2007 organisational structure and report back to NEC within (4) weeks but, was never done. The review established that there are currently three (3) different organizational structures since 2007;

- First organisational Structure dated 12<sup>th</sup> Nov 2007 had the Department of Personnel Management (DPM) approved structure.

- Second organizational structure was undated and not approved by DPM.

- Third organisational structure consists of (36) positions in which (16) additional positions, mostly administrative positions, are not approved by DPM.

The unapproved structures did not add significant technical capacity for NCOBA's mandate nor improve NCOBA's capacity to full fill its mandate but rather added more confusion on the roles and responsibilities and lines of reporting.

**23/09**

### 4. NCOBA's Mechanisms, Systems and Processes for Coordination of its mandated roles & responsibilities

Mr. Speaker, my no. 4: point on the Review findings is; it has been found that there are no specifically designed mechanisms, systems and processes for coordination. This is reflective of lack of understanding of NCOBA' s mandate and lack of technical capacity resulting in inefficient utilization of existing mechanisms due to lack of specifically designed processes.

### 5. Staffing Capacity

Mr. Speaker, my no. 5: point on the Review findings is;

In terms of staffing capacity and capability, NCOBA does not have the appropriate mix of skills to effectively and efficiently carry out its mandate.

### 6. NCOBA's Overall performance of its mandated roles & responsibilities

Mr. Speaker, my no. 6: point on the Review findings is;

NCOBA as an organization can be performing better than it is performing currently, but due to lack of strategic direction it 'lead to inefficient use of resources, hence lack of concrete outcomes compounded with lack of appropriate skills & knowledge set.

## ACTIONS TAKEN TO DATE

Mr. Speaker, I am pleased to advise the Parliament that since my appointment as the Minister of Bougainville affairs, I commissioned a review on NCOBA in May 2016. The Review identified numerous deficiencies which I have reported on and are now being addressed.

Mr, Speaker, I will operationalise all policy directives issued under NEC Decision no. 10/2007 that were never implemented. On the issue pertaining to NCOBA's Mandate Legitimacy, my Ministry has already commenced by;

a) Initiating the process of consultation towards the enactment of an Act for NCOBA to legitimise its existence.

b) Develop a Road Map for Autonomy, Restoration, Development and Referendum

c) Establishment of a Resource Centre to support activities to promote awareness and build capacity in co-operation with other Government agencies.

Mr. Speaker, Understanding NCOBA'S Mandated Roles & Responsibilities is a critical area which is currently being addressed. This is being facilitated by development of NCOBA's Strategic Plan and Corporate Plan.

Mr. Speaker, Ministry of Bougainville Affairs & NCOBA's first Strategic Plan is currently in draft format undergoing adjustments based on the inputs provided by staff prior to finalisation.

Similarly, Mr. Speaker, NCOBA's first draft Corporate Plan has been completed. NCOBA in house workshops are being conducted to finalise the Corporate Plan so that NCOBA staff can have ownership of it.

Mr. Speaker, NCOBA's organisational structure will be reviewed and re- aligned after the completion of the Strategic Plan and the Corporate Plan to provide clarity on the organisation structure itself, its roles and responsibilities, as well as depicting clear lines of reporting and the eventual filling of vacancies

Mr. Speaker subsequently, each year NCOBA based on the implementation of its (5) year, Corporate Plan will produce Annual Performance Reports. From these Annual Reports NCOBA's performance can be measured without doubt whether NCOBA is performing its mandated responsibilities to the best of its abilities or not.

Mr. Speaker through the NEC submission I recommended the reinforcement of the NEC Decision for the Ministry of Bougainville Affairs to be the first Port of Call or Contact for all Politicians and Bureaucrats from the National Government and the Autonomous

Bougainville Government. This is crucial for building and strengthening relationships, effective communication and protocol purposes. It's the role of the Ministry of Bougainville Affairs & NCOBA to facilitate or organise arrangements with either Governments and have definite appointments prior to arrival in Port Moresby or in the Autonomous Region of Bougainville. In this way continuous communication between both Governments is enriched.

**24/09**

Mr. Speaker, the Ministry of Bougainville Affairs under my leadership has already started implementing this role at both the Political and Bureaucratic level between the National Government and the Autonomous Bougainville Governments and Donor partners too. Something that has never been done before as indicated by the following;

- I have organised meetings and courtesy visits to the President of the ABG and provided briefs.

- I have conducted similar meetings with the ABG MPs and Bureaucrats

- I have for the first time organised a get together and invited my fellow four (4) National MPs.

- I have for the first time invited my fellow four (4) National MPs with the ABG Referendum Bi-partisan Committee.

- I have for the first time under the stewardship of the UNDP met with my colleague National MPs, Parliamentary Referendum Committee, ABG Bi-partisan Committee & UNICEF

- Ministry of Bougainville Affairs & NCOBA provide shuttle services to and from the Airport for both politicians and bureaucrats from the Autonomous Region of Bougainville.

- Ministry of Bougainville Affairs doors are open to assist both politicians and bureaucrats in any possible way.

- Office space and the conference centre including refreshments IS available for their use.

#### 7. Conclusion

Mr. Speaker, the Role of NCOBA, is even more relevant today as the Bougainville Peace Agreement (BP A) nears conclusion. Hence, it IS my responsibility to ensure NCOBA is strengthened to effectively support the O'Neill-Dion Government course on the Bougainville Peace Agreement by;

- Understanding its mandate

- Strengthening the Leadership capacity by providing appropriate technical capacity to the Director

- Develop Strategic Planning & Corporate Plan for next 5years & beyond
- Better utilize Parliamentary Committee & National Task Force
- Re-align organisational structure & clarify lines of reporting
- Immediate filling in of vacancies
- Conduct series of In house Capacity Building Programs
- Strengthen capacity for Coordinating Development support, liaison & Networking with partnership
- Improve Information Management
- Seek Government Support via NEC Policy Submission

Mr Speaker, I humbly present to you NCOBA's Review Report.

**Mr WILLIAM POWI** (Southern Highlands) – I move –

That the Parliament take note of the Paper.

Mr Speaker, before I commend the Minister for this important statement that he presented. I, as the Parliamentary Committee Chairman for Bougainville Referendum Process have seen a lot this, lack of capacity and reporting between the Autonomous Region of Bougainville and the National Government. I think that there is a critical lack of capacity and coordination.

I wish to make clear here in Parliament and commend the Minister and his team for this statement, because in the course of our consultative meetings that, I have realised that there are so many national committees and ad hoc committees involved in the Bougainville affairs, each doing different things and in my view more or less performing parallel functions or undermining the Minister's responsibility in this regard.

Therefore, I would like to also inform the people of Papua New Guinea that there is a critical lack of capacity in the NCOBA and the Office that the Minister is responsible for.

Capacity in terms of institution, human resource, financial – so the NCOBA and the Minister's organisation can carry out capacity in teams of financial and human resource so the NCOBA and the ministers and the organisations can carry out this mandated national coordination function properly in a very cohesive manner.

**25/09**

I think this idea of parallel functions by different committees doing its own thing is not helpful. We need to strengthen the work of the good Minister so that the national government and the ABG leadership can go through this particular body set up by the national Government.

I think that way we will manage this process very well and we will realise some sanity and understanding in the issues that is coming up between Papua New Guinea and the Autonomous Region. This is very important and the government must take it on board and support the Minister.

In terms of coordination, we must have courtesy to reciprocate the visitation of the office of the Bougainville affairs to and from Port Moresby.

Right now what we see is that they are left in the dark. Although they are mandated with a very important function to coordinate between Papua New Guinea and the Autonomous Region. This is important and the government needs to take it on board. I also realise that there are three important conditions of the peace agreement: the national government's commitment to transfer functions of government in financial administrative and capacity building which is an ongoing process.

The office of the Bougainville Affairs must take leadership of that. I also inform the Parliamentary Committees on Bougainville Affairs on the referendum that we will work through and with the Minister's office and NCOBA. We will coordinate this functions so we will do it properly.

Secondly, the weapons disposal. This is the very important matter. Thirdly, the referendum which will be a separate statement when Parliamentary Committee makes a detail thorough visitation right across the breadth and length of the province.

Mr Speaker, I urge us all to work with the Minister and all the Bougainvillea leaders. The Office of the Bougainville Affairs should be the government body to coordinate activities for national government with the Autonomous Region. But, leaders on both sides are saying all kinds of things.

Leadership has come underneath the Minister now and they are doing a fine job. We need to give capacity and financial support as well as human resource support so they do the coordination between the Autonomous Region and rest of the functions of government in Papua New Guinea, that way we will coordinate the process the events in relation to

referendum and other matters between Papua New Guinea and Bougainville. Thank you for that good statement.

**Mr SAM BASIL** – Thank you, Mr Speaker. I believe three Ministers have spoken. I think we should incorporate all our statements in terms of debate.

**Mr SPEAKER** – The *Standing Order* do not allow this. We should not digress from the ministerial statement. Opportunity for debate will be entertained later.

**Mr SAM BASIL** - Mr Speaker, I was responding to the Heath Minister's statement. Since I have the Floor, I will continue.

**Mr SPEAKER** – You will be going against the *Standing Order*, Honourable Leader, you have to debate on the matter that is before the House now.

**Sir PUKA TEMU** (Abau – Minister for Public Service) – Thank you, Speaker, I also commend the Minister for Bougainville Affairs on the initiatives that he has taken and the acknowledgement that he has given on this Honourable Floor particularly in relation to his vision to restructure and reorganize and build capacity on the coordination body for Bougainville Affairs based under his Ministry.

**26/09**

Mr Speaker, I just want to highlight a few important points so that we can stay focussed on the direction that we need to go under the leadership of the Minister at this stage.

Firstly, I would like to acknowledge a very important fact and that is Papua New Guinea is one of the few nations in the world where a major civil unrest was contained. When you look at many nations around the world for example in Africa or the Middle East or even in the UK, you will find that their own civil unrest have continued for years. And they have not resolved those conflicts and many of them have become real wars where millions of their own citizens have died.

I pay tribute to many leaders in former Prime Ministers, Grand Chief Sir Michael Somare, Sir Julius Chan, and the late Sir Bill Skate who made an effort in providing a lot of leadership in bilateral relationships with New Zealand, Australia and the United Nation and

also many of the leaders of Bougainville. With their effort came peace but those nations that started civil unrest before Bougainville are still continuing.

Through our Melanesian Way of discussing issues, we were able to contain this civil unrest on the island of Bougainville which we must complement ourselves as a nation for it. That is a very important achievement on our path in terms of our ability to identify those issues and how to address them. Bougainville has gone through the third peaceful election process and have established their own parliament therefore greater autonomy was given to them.

As a nation we never really knew how to handle greater autonomy. If you can look at it that in this case we were following a crises but at the same time we were talking about amending the National *Constitution* and so the Bougainville *constitution* came in. We were struggling about how we were going to handle it therefore we came up with the idea of greater autonomy for Bougainville. In it we factored the opportunity to have a referendum so that s can choose whether to stay with Papua New Guinea or have their own country.

Mr Speaker, you may recall during your term and those of us who were here in the previous Parliament that this I believe is only the third parliamentary statement on Bougainville. We haven't been allowing debates on Bougainville in parliament because of its sensitivity. All Prime Ministers after the crises have taken the role as minister responsible for Bougainville Affairs because of its sensitivity. We want the issue to park at the highest level of the country. Only recently ministers of Bougainville have been appointed in the Somare Government and now the O'Neill Government and so a dedicated office for Bougainville Affairs have been created.

However what has been happening and prescribed under the peace agreement is the establishment of the Joint Supervisory Body or JSB. It was the JSB that was coached by both the president of ABG and the Prime Minister of Papua New Guinea. That was the body coordinating the restoration process and the peace process. It was called the Bougainville Peace and Restoration Office but later changed after the successful election of Bougainville leaders, NCOBA came in. It became a coordinating office because Prime Ministers provided the leadership making sure that this sensitive issue between the President as well as the Prime Minister of the country through the joint supervisory body.

27/09

Unfortunately, in the process the National Court and National Office of Bougainville was viewed as the body to coordinate the JSB process and so what the minister is doing now is elevating that process and this is where I would like to highlight some of the shortfalls that we have recognised in terms of why is it that we have not moved some of the projects as effectively as we should have been.

Firstly, because of the sensitivity and secondly the Autonomous Region of Bougainville Government (ABG) has its own developing agenda and we tried to fit in the priorities from the National Government as we have been providing provincial budget support through the process.

One of the constitutional requirement was to identify a certain level of funding to provide restoration but those are currently still debated as to the right equation as to how much do they really deserve and how much have they missed out on. In the process under the leadership of the Prime Minister there is a special package, the K100 million which is now providing that restoration program in a very visible and transparent manner so that is the direction now.

However the greatest challenge for us as a Nation in terms of facilitating the Bougainville Peace Agreement and allowing Bougainville to be restored is really on the need for us, this is where the Minister is struggling for the review, and this is where the individual Ministers of State support the Minister for Bougainville Affairs who does not have control over, for example me as the Minister for Public Service has no control over my ministerial responsibility. And, so I have to go directly to my counterpart in Bougainville Autonomous Region and work with him to develop the *Public Service Management Act*, and through that initiative we will establish the *Bougainville Management Act*. And therefore, we were able to restructure and organise and now we got the Public Service moving.

Now, the dilemma therefore is that other ministries fail to help their counterparts on the other side to develop the enabling legislations to realise Autonomy on Bougainville similar to what happened to the country when this Parliament passed the Organic Law on Provincial Level and Local-Level Government, under the provision which is the structure for service delivery throughout the country.

There were many Enabling Laws yet to be passed before this *Organic Law on Provincial and Local-Level Government* is actual effective because when you look at Public

Servants and when you look at us the Politicians, we will not move if we do not have the legal basis to do so.

And so, the Minister for Lands for example in Bougainville must be helped by the Minister for Lands here to develop the Lands Law on Bougainville. That has not taken place so without the Law on that side we cannot transfer the Lands function to the other side.

Mr Speaker, this is the dilemma that we have right now, there are real enabling laws that we need to help the Parliament of Bougainville to pass to know what functions to transfer.

Similar to us struggling on *Organic Law on Provincial Law and Local-Level Government* what functions should we transfer to the provincial Government, to the Local Level Government or to the National Government so we are just talking but we haven't passed the *National Provincial Agriculture Act*, they haven't got it so how can the Minister for Agriculture transfer the National Agriculture functions to the provinces or even to Bougainville.

So, there is a dilemma that is why the Secretary for DAL cannot manage those programs because the Law is required to prescribe a policy which determines and administrates the structure that is why Ministers I always say we are dealing with major structural issues and this Parliament has not allowed us to do those things. To me this is the dilemma, as a young nation trying to find our place in this global competitive market place in order for us to move Autonomous Region of Bougainville.

**28/09**

Mr Speaker, my own view maybe very provocative, but I will say it, I believe that when we talk about Autonomy, we should never talked about the referendum for independence because the Constitution says, Papua New Guinea must be one people, one nation, one country.

I believe allowing the constitutional reform to allow for Bougainville to gain independence, in my humble opinion is unconstitutional.

**Dr Allan Marat** –Its part of the Peace Agreement

**Sir PUKA TEMU** – Its part of the Peace Agreement but the *Constitution* is the fundamental law but we allowed that amendment to take place and now we are looking at that

referendum which the President has pronounced for 2019 and we have a team to assess what we do and how we perform, whether we have complied with that Peace Agreement and the requirements. If we don't comply and we don't allow referendum, what will this Parliament do? Do we hold it back, how will they respond? To me these are the issues that because of the sensitivity we really have not allowed proper debate in the process. The beauty of it is, as a young nation we are now experiencing the autonomous provincial government process through ABG. We now have an opportunity to provide the legislation that is in this country, in order to respond to Morobe and New Ireland and East New Britain who are asking for autonomy and Central Province will announce soon for autonomy.

*(Members applauding)*

**Sir PUKA TEMU** – Its very true. What do we mean by politically sensitive, should we allow the word in our legislation and in our national conversation? Just recently Professor Eric Kwa when he presented on the organic law on provincial government he did acknowledge that maybe we should not use the word autonomy but greater development of powers to the provinces. This means greater responsibility and therefore better resourcing to carry out those provincial government responsibilities.

Mr Speaker, I am moving this debate to a level where we really need to think now only on Bougainville but as a nation experiencing the ABG issues how do we prepare properly and my strong view we must remain nation, one country one people.

Mr Speaker, the Constitution guarantees that. We now have the opportunity to give ABG every autonomy requirement but as a Minister, I acknowledge that we build the capacity of the Bougainville Government and her people in order to manage this autonomy in Papua New Guinea.

This is a very important debate and the Minister is talking about the coordinating mechanism, we have a constitutionally established JSB which is the legal vehicle under which the Autonomous Region of Bougainville, the Bougainville leaders, the President in leading, the National Government and the Prime Minister go to address those issues.

Mr Speaker, we need to have this conversation as a people and as a nation, 2019 is very close and I must say that we have not yet addressed all the requirements of the agreement and therefore we need to support the Minister.

**29/09**

My question is, whether strengthening NCOBA is the very way to go or whether that we have not yet address all the requirements of the peace agreement and therefore we need to support the Minister so my question is; whether strengthening NCOBA is the way to go or we have to restructure in order for us to use the JSB process or combine both in order to move the Bougainville peace agreement restoration and rebuilding of this beautiful province of Bougainville so that we comply with the Constitution passed on the floor of Parliament so I commend the Minister but I believe there are many other options we can go through but what happened recently when our Prime Minister announced this important gifted shares to the national Government but this government through its wisdom transferred those proceeds to the landowners and the people of Bougainville, 17.4 per cent and then the President comes out in the media on the matter, to me that's not the way to handle those issues in Bougainville. The two leaders must sit down and agree and not go out to the media so I call on the President that those issues are sensibly managed.

Now we have the right leader, the Prime Minister at this time has made the commitment and is willing, dedicated and made commitment and delivered on his public pronouncements and policies and we need to work together for Bougainville to achieve what was prescribed in the legislations.

Thank you, Mr Speaker.

**Mr DON POLYE** (Kandep – Leader of the Opposition) – Thank you, Mr Speaker, I want to join in the debate by making some comments on the Ministers statement. This is the first time we see a cabinet paper in the form of ministerial statement. Mr Speaker, this Government is always very careful about disposing Cabinet papers and this is the first time I've seen one Cabinet paper now. Anyway, the argument is I'm glad to hearing two distinct views coming out showing very explicitly where the fault lies in terms of addressing Bougainville issues. But let me make some rebut on some points raised by some Government members and others, when I hear they say Papua New Guinea and Autonomous Region of Bougainville, I think we need to be very careful. There is no Papua New Guinea against another independent state called the Autonomous Region of Bougainville, Bougainville is part of Papua New Guinea, except that it is not a province but an Autonomous region. Mr Speaker, I think our people need to understand the provincial system as against an autonomous system. Autonomy is not bad just as the provincial system is not bad. Unless you

understand Autonomy as against the provincial government systems we will continue to get ourselves misconstrued in understanding the facts and bring fear into ourselves, just like Dr Puka Temu bringing fear on to himself. Autonomy is not bad. Mr Speaker there are two district issues here, in the Ministers statement focuses mainly on the NCOBA and its shortfalls and the recommendations he puts in-place is to improve. But that is not the solution. What the Minister presented is about a bureaucratic system in place, he is yet to addressing the issues on Bougainville. This is completely different, we must not be misled. I commend the Minister he presented as to how he can administer his role as a Minister to make sure this Parliament through the Government to achieve these four objectives put in place at that time Somare government came into office in 2007. But that is not the solution, the solution lies elsewhere.

**30/09**

Mr Speaker, I would like to commend Sir Puka Temu for being very honest. If you listen carefully to what is debated. You will realise without any share of doubt that why NCOBA did not achieve its objectives was not because it did not do his job or it was not properly structured.

Like any other system, the systems are there. So we are talking about cohesiveness, coordinating efforts to fix the problem. It is a shame for every public servants in this country. We have been criticizing the public servants time and time again. This is not a new issue.

For the first time Sir Puka Temu has been very honest but only for once. He said several things.

*(Laughter in the Chamber)*

**Mr James Marape** – Point of Order! I would like to ask the good Opposition Leader to withdraw his statement that Sir Puka has been lying to this Parliament for many times and this is the only time for him to be honest.

**Mr SPEAKER** – Your point of Order is in order. Honourable Leader, I ask you to withdraw this comment.

**Mr DON POLYE** – It was a friendly debate, so I will redirect my statement. In fact, I did not make that inference, I was only inferring that most statements have not been correct or proper based on facts.

Mr Speaker, to be honest I have not been scared to discuss any issue about Papua New Guinea on this Floor of Parliament. I discuss them head on. The Opposition have been discussing issues head on. They have been very sensitive to investments, peace, rule of law and constitution and upholding of justice.

If that has been the fear Members of Parliament then there is where the shortfall has been. I am glad that Sir Puka Temu is saying that.

**Mr Puka Temu** – Point of Order! We are not talking about fear. We are talking about sensitivity of the issue. There are two different things.

**Mr DON POLYE** – When somebody sense that there is a ghost there, they do not go there. When they sense enemy there, they will be scared to go there. So sensitivity is bringing fear.

*(Laughter in the Chamber)*

**Mr DON POLYE** – Mr Speaker, why are we fearful to discussion the issue of Bougainville. Are you afraid because the bomb might blast or the people might die in the sea? We are not saying NCOBA is not doing its job. The public servants in the province are doing their job but we are just fearful to be honest about issues.

Look at the NEC decision, the issue is autonomy and governance. But we did not address that. According to the Minister's number 2 point, they never really understood the autonomy because it will segment the nation. But I am for autonomy for Papua New Guinea and for riches in the provinces. We have to correct our autonomy.

You have just done that under the peace agreement for Bougainville. If the government had delivered all details of objectives agreement on Bougainville then you would have seen a fully pledged autonomous region in Papua New Guinea. There is no independence. It is empowering the people to run things. Identifying and recognising them and what they are?

**31/09**

So, let's not get things misconstrued on the Floor of Parliament, Mr Speaker. The government must be very focused on specific issues.

You have a duty to make sure that the Autonomous Region becomes a fully-fledged autonomous region, by its definition of it being an autonomous region. There's nothing wrong with that.

I am for the position that Papua New Guinea should give autonomy to the New Guinea Island, to the Momase and to the Highlands so we will see, bring in competition, we give all the economic power and money powers and other powers so you can build this nation by building your own economies in your provinces and regions.

**Sir Puka Temu** – Point of Order! The Opposition Leader is not talking on the basis of law. There is no regional government, we only have provincial governments, what law is he talking about?

**Mr SPEAKER** – We are in a debate here and he is expressing his opinion, so I think it is in order, let him express his view.

**Mr DON POLYE** – Mr Speaker, I am not talking in Kandep. I am not talking in Abau. I am talking on the Floor of Parliament where the buck stops, where you can legislate, amend or enact new laws. What is the Minister talking about, I know what I am saying. This is where you change.

**Sir Puka Temu** – If you are talking about the New Guinea Islands Region then I am the one who voted for them.

**Mr DON POLYE** – You're talking about the Autonomous Region of Bougainville. It is a region so-called because you have given it autonomy. It is not impossible, it is possible and you should be for autonomy. You should be for autonomy.

**Sir Puka Temu** – Under what law?

**Mr DON POLYE** – It is people like the Minister for Public Service, Mr Speaker, who have continued to hamper and delay services being delivered to the autonomous region.

**Mr SPEAKER** – Honourable Minister, avoid interjecting.

**Mr DON POLYE** – Mr Speaker, let me just continue on before I get myself completely distracted.

But, you see Mr Speaker, I know what I am doing because he is where the problem has been because he was a very key Minister in the previous government who looked after Bougainville Affairs and that's why I am saying this. Because if I can change him then I think I can convince the others to change too.

He is not like any other minister and he is not like any other person. He is Sir Puka Temu. He is a long-serving public servant, he is a long serving minister so he can start with the autonomous region that's why I think we should convince him.

**Mr SPEAKER** – Debate on the statement, I think there are inferences.

**Mr Sam Basil** – He is here to defend himself.

**Mr James Marape** – Point of Order! Mr Speaker, let me point the good Opposition Leader to the issues on hand instead of diverting elsewhere. And for the record, he himself had been a senior minister over a long period of time. In two governments which he was a part of, what has he done for the Autonomous Region of Bougainville?

**Mr SPEAKER** – Your point of order is in order, Leader, stop diverting and speak to the Ministerial Statement.

**Mr DON POLYE** – I like that. Yes, I am speaking to it but if they are attacking me personally then you can see the reason why I am trying to rebut the point.

Yes, I was a long time minister and that's where I spearheaded in putting K500 million, a hundred million per year for the Autonomous Region of Bougainville. And you haven't delivered, Minister for Finance.

*(Uproar in the Chamber)*

**Mr James Marape** – Point of Order! Mr Speaker, let me correct the Opposition Leader. He was not in that meeting room when Minister Peter O’Neill as Treasurer instructed the Honourable Sam Abal as Acting Prime Minister to put in K500 million PSIP every year, Mr Speaker. That’s on record. Sam Abal was the Acting Prime Minister. We were there. You were not in the room. Don’t claim credit for something you didn’t do.

**Mr SPEAKER** – Let us argue on the debate that is before us. Opposition Leader, please continue.

**Mr DON POLYE** – Well, I’ve got at least one Member for Bougainville who is my witness. He is the Minister for Communication and Technology when I put the K500 million down after he came and talked to me about the Bougainville issues during my tenure as Treasurer. Ask him if that is true or not.

Is it true? See, he is nodding, that means I am telling the truth.

So, Mr Speaker, all of us played a part. But now they are in an executive position to implement whilst I am not. They have failed so let me tell them. All of us made those decision but you have not delivered, you have failed.

Mr Speaker, let me just say here that you talk about autonomy. Autonomy is not bad. I’d like to argue that we should give fully fledged autonomy, including all the services included under the autonomy and governance objectives of the previous Somare Government. The current government has failed to deliver those and I am saying that the Parliament should fearlessly deliver to them all the services through the, Autonomous Region Government through President Momis, what’s wrong it?

**32/09**

Mr Speaker, we should deliver and NCOBA should do its work as mandated to do the Members of Parliament from the autonomous regions can also do their job as directed by this parliament or by the Government. But the other systems of autonomous government in place should not be frustrated by the National Government but to continue to pumping money in terms of K100 million per year to the Autonomous Government to perform his functions

without any delay. In that way, I believe that you will empower the Autonomous Region. Let me say one more argument about autonomy.

Mr Speaker, Papua New Guinea is not Papua New Guinea because we just give a blanket cover and we say we are National Papua New Guineans or we say national patriots. Papua New Guinea has a national unity because you have Bougainvillean as Bougainvilleans, Papua New Guinean is Papua New Guinean me I am a Kandepian here, and I am a Kandepian here. We Papuans are Papuans because we have Motu Koitabuans. It must be identified as they make Papua New Guinea, so when I talk about regions, you argued with me. Yes, we do have regional people of New Guinea Islands there, and we got regional people called Papuans, we got regional people called Highlanders and Momase, there's regions and you call regional conferences through the Governors, when this people you give them the autonomous and recognised them as who they are, then you truly achieve that national unity.

Mr Speaker, if we try to put them and pack them to one of feed box and think that Papua New Guinea will remain united, no? We will not! When don't identify and respect and recognised the indigenous Papua New Guinean for being who they are, to be listed by god and placed in their own provinces, villages and every parts and hamlets of Papua new Guinea, you find the country that will be fragmented.

The best thing to do is recognised them, empower them, recognised who they are, give them empowerment, give them the autonomy, I stand for autonomy. I believe that somewhere down the line in the future, this parliament will legislate, if we amended the *Constitution* to give autonomy to provinces that are prepared to autonomous power.

In that way you build economic cultural, you build that provinces or regions, you'll find that they have the power, for instant if you want to give the full autonomy to Bougainville, and if we successfully or achieved that, now Bougainville will be charging the coarse and leading the way. Because they are the people that were tormented, they have come from the hard part of life extreme and they rise to achieve something better like the rest of Papua New Guineans, they will be working event harder, you see that province or that region grows faster than their economic growth.

The thing is we are too scared, we with think that this country will break like a glass, no it will not? All you need to do is we recognise them, to see who they are, identify them and give them empowerment and autonomy, that in fact will created the national patriotism, because they have been recognised and respected for who they are.

Let me, finally say Mr Speaker, that the history of Bougainville, I have been saying it again is completely different to what we try the best to think, the issue of Bougainville in the first place in 1960, 67,68, 74, Bougainville wanted to grant independence, of course they wanted too, look at the history.

Mr Speaker, of course they wanted to, the s out there will tell you, that's why I have been saying that.

Mr Speaker, the Provincial Government came in and Mr John Momis than introduced the provincial government system to integrate the rest of Bougainville into the rest of Papua New Guinea. But now that thinking is still there and when we give them that autonomy, it's easier for PNG to managed Bougainville as well as other provinces and the time to manage them is now, we got four years there.

Mr Speaker, deliver to them that one hundred million kina per year, just give them. Treat Bougainville as more sensitive, more delicate and let more work done compared to other places like Port Moresby or Lae city.

Mr Speaker, I believe that the Prime Minister you can agreed or disagreed with me, but really your solutions to the Bougainville being a part of Papua New Guinea is in the area that we are delivery services to them now and the next four years.

**33/09**

Your solution to Bougainville being an integral part of Papua New Guinea is in the area that we are delivering services to them now and in the next four years and not by fixing NCOBA or all these administrative staff. Do not think that is a solution. The solution is that we need to deliver services.

Prime Minister, your Government has failed and we need to deliver these services more expeditiously and we should do that now.

**Mr PETER O'NEILL** (Ialibu-Pangia – Prime Minister) – I too would like to join other leaders in commending our Minister for Bougainville Affairs in giving his first statement on Bougainville issues and the affairs of the Office of Bougainville.

Mr Speaker there are some leaders who say less and do more. Here is a leader who has done that so often in the last five years in this Parliament despite the rhetoric of my good brother and the leader of the Opposition.

Since forming the Government in 2012 after the Election, the efforts that this Government has put in under the leadership of the late Minister for Bougainville Affairs, late honourable Steven Kamma is quite commendable. You have to give credit where it is due.

Mr Speaker, I know that the Government in late 2010 agreed under the Joint Supervisory Board Meeting here in Port Moresby about the special funds for Bougainville. At that time under the leadership of acting Prime Minister Sam Abal agreed to roll out these funds. As Treasurer we started putting out those funds in 2011, 2012 onwards. At that time we gave money directly to ABG which was close to K100 million in a year. But we did not see much changes on the ground.

Funds that were marked for special infrastructure grants were used for administrative purposes. As a result in 2012, we decided to have a joint team to manage those funds. We went further by nominating projects that we thought would make a significant impact on Bougainville.

Mr Speaker, today I am proud to say that after making three or four trips to Bougainville. We are not afraid of going to Bougainville or discussing Bougainville issues. People know our intentions in Bougainville. When I visited Bougainville, we made it very specific that we are not here to talk about autonomy or referendum or independence. We are here to talk about service delivery. We are not here to talk about Panguna for that matter. The people took our word for it.

Mr Speaker, since then our Government has delivered milestone infrastructure. I urge the good Opposition Leader to go to Bougainville and see it for himself. He has a long career in Parliament and I am surprised he has not been to Bougainville. He is good to talk about people he doesn't know about.

We have resealed almost all Buka Township. It is different from what it used to be. We have resealed most of Buka ring roads. There is a second phase to go and we will complete it. I was very happy to see in the paper that some of the sealing programme is continuing because of our Government's direct intervention.

As we speak we are now starting to seal from Kokopau down to Arawa. We are in partnership with JICA and we have finished most of the bridges along that road and it is up and running. When you go to Arawa Town, the sealing is going on with our own funds and with AUSAID assistance.

Mr Speaker, when you go to Aropa the road is being maintained and people are starting to move freely back and forth. We have reopened using our own special infrastructure grants Aropa Airport which is serving the entire Bougainville Island, as we speak.

**34/09**

In fact, Mr Speaker, we have recently given a contract to open up the section of the road from Arawa to Buin.

So, Mr Speaker, this Government for the first time is doing a lot of things. We have restored Banking Services, Telephone Services, Port Services, Airport Services, Post Office Services, the towns Hospitals Service, the schools are functioning, DSIP is working, and PSIP is working on Bougainville so don't talk your government and country down. We are making changes on Bougainville as we speak today.

Mr Speaker, there is a lot more to do as we must win the confidence of the people back, they must have confidence in our Government and Leadership. We have got up until 2019 to tell our people that they are better off being with Papua New Guinea than alone.

You see many countries with the population of 200 000, the likelihood of them surviving is very limited because they do not have an economy strong enough to survive. So they are better off being Papua New Guineans that is what they are told to understand.

Mr Speaker, the only way we can win their confidence is by making sure that we deliver on what we say we will deliver, not letting them down, like we did for 20 years since the Peace Agreement. And some of us have been in Government for quite a period of time just giving Lip service only.

Mr Speaker, this Government for the first time is doing the right thing on Bougainville, in terms of Autonomy, we are slowly passing on the Legislative powers to the Bougainville Government including recently the Mining laws. s are building their own capacity but it is not as fast as we all expect and as we know, trying to put up a new Government Structure in a province that has been through crisis like they have been is not easy because a generation of people have missed out on education. There is not enough talent to fill out the positions and that is why it is slow to get off the ground but ABG is doing the right thing, they are doing what is required of them to build a Public Service Structure that is going to roll out the services of Government on Bougainville.

Mr Speaker, I know that there is a lot of interest on Panguna but I have told the people of Panguna when I visited right at the mine Pit, that to open or develop that mine, it is the decision of the landowners and not this Governments or ABG's decision.

Mr Speaker, we haven't changed our position, the only position that has changed as I explained to this House few days ago is that we were gifted by Rio Tinto, it was given as a free gift and we are giving it to the people of Bougainville. We have explained that to ABG and President Momis but he does not accept our decision and that is his rights if he doesn't want to accept our decision. But that is the decision of the National Government of Papua New Guinea. Cabinet as made that decision and he will have to work with us if he likes it and we will work together to identify the landowners, which groups are entitled to these shares and making sure that there is an orderly transition of those shares to the people of Bougainville. There is no law, it doesn't matter if you are an Autonomous Government or a Provincial Government that is superior to the Laws passed by this Government in the *Constitution* of this country.

Mr Speaker, we are all subjected to this one Constitution and that includes all the other subsidiaries legislations. So this argument that we are going to do this and that is not going to serve anybody any good, it is for us to work together to make sure that we deliver to the expectations of our people and what they basically need today.

Mr Speaker, it is not the reopening of the Mine, they need services such as schools to be reopened, hospitals to be reopened, and townships to be built and of course roads to reopen and those are the challenges we have before us.

And, Mr Speaker, there is only one or two more years before the special infrastructure fund runs out, this is a five year program and there is no other extension, we have our priorities all around the country so we have to put to good use whatever limited money we have for Bougainville on Bougainville, and that can be only achieved if all the leaders both from ABG and the National Government and our National Parliamentarians from Bougainville work together.

### **35/09**

There are some very good programs in agriculture and tourism going on using the DSIP and PSIP for Members and the North Bougainville MP has done an excellent job so we are heading in the right direction. But Mr Speaker, the crucial point is 2019 where we have the

referendum. That is where we have to make sure that we have a good understanding between Bougainville and Papua New Guinea.

It is easy to say, we will give autonomy and power to everybody but let us not forget, over 20 years ago when the provincial governments system came into play which was done to accommodate the wishes of s and especially our current system, but has the provincial government system really worked for our country? There are many places that are struggling to work because the National Government over 20 years has failed to fund the provincial governments properly. They gave them all these powers and structures yet the funding was not matched to carry out those work. That is why many provinces failed despite good leadership, despite the hard work of Members of Parliament and Governor. So even if we create more autonomous government, how are we going to fund all these structures? The idea is that when we create a new structure, it's going to create miracles and a new solution for us is false. We just need to make the systems that we have work properly. The laws and structures are there already, we just need to be focused on it. That is what we need to talk to ABG and the s about and other provinces who are asking for autonomy.

They are only asking for autonomy because governments in the past have let them down. Only when we came into this Government, we saw changes in the districts and provinces because we are putting the funding where it ought to be. I know Kandep has been developed and you don't need any more funding, so we are quite happy to divert that SIP elsewhere but I'm certain that the roads that we seal, schools that we build and hospitals that we fixed are serving our people. Let us be focused on what is before us rather than just because of political grandstanding, we talk about things that are not possible. Mr Speaker, can be very proud that we have not let the people of Bougainville down.

We can hold our heads high that we have done the right thing for Bougainville. Yes there a lot of challenges ahead of us but if we go to Bougainville today, unlike the first time I visited Bougainville, I can guarantee you that there are smiling faces in Bougainville. Thankyou Mr Speaker.

**Mr TIMOTHY MASIU** (South Bougainville) – Thank you Mr Speaker, I would like to join in on the statement given by the Regional member and Minister for Bougainville Affairs.

Mr Speaker, firstly, I acknowledge this Government under the leadership of the Prime Minister Peter O'Neill which has done a lot of work for Bougainville. I appreciate it and

acknowledge it because I left Buin at 4 o'clock this morning, and I travelled smoothly on a good road to Aropa airport so that I could come to Port Moresby to listen to this statement being presented by my Minister.

I was pleased as I listened to all the statements the leaders made which are very meaningful, but I really appreciate and acknowledge the statement presented by my Minister and I thank him for that. I acknowledge him for his appointment as the Minister for Bougainville Affairs and for presenting his first ministerial statement.

I also acknowledge my three other fellow Members of Bougainville now seated in Parliament for their efforts to work together which we have developed to serve the people of Bougainville.

I also acknowledge the Government and Opposition for their assistance to help us.

### **36/09**

Many of you leaders have been here for a long time and you are very familiar with our problems in Bougainville.

When listening to you leaders and the statement by the minister, I realised that this is an opportunity for us because if we are not communicating between the National Government and the ABG then in turn we should have a middle man to do just that and NCOBA is that man. I believe that we should give it powers to function. The points that the minister has mentioned are very valid and should be considered. I would like the Government to look at the Ministers finds and the future of NCOBA.

NCOBA is a very strategic entity that is in place right now and that can help to facilitate a lot of things in Bougainville. People are just going and coming as they please and we do not know what the donors are doing.

We need a coordinating centre where everybody will be going through it. That is why it is very important that this paper came out. All the debates that have been made are good because it has clarified a lot of issues too. It is also good that many of our taught about Bougainville are also being debated.

Our people in Bougainville need hospitals, schools, roads, bridges, airports, wharves, and many other things and we are responsible to provide it for them. We should go ahead with service delivery because that is the way forward. We should give the people what they need because for a long time they have missed out on these things.

Our Government under the leadership of Prime Minister Peter O'Neill, if you owe Bougainville money then I urge you to please give it to the people of Bougainville so that they can carry out development there.

I once again would like to thank and commend the Minister and his offices for a job well done and for coming up with NCOBA. I am very pleased and assure my support in delivering services to our people. I am willing to give my support to the Government to make sure that work progresses. All your debates have meanings and status to it. Some things we can really debate on while others are sensitive and must be taken with a lot caution.

I commend the Government under the Prime Ministership of Peter O'Neill and his Minister to have come up with this statement.

Thank you.

Motion – That the question be put – agreed to.

## **ADJOURNMENT**

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

That the Parliament do now adjourn.

The Parliament adjourned at 4.23 p.m..