SIXTH DAY

Wednesday 1 February 2017

DRAFT HANSARD

Subject: **Page No.**

LIVE BROADCAST –
STATEMENT BY THE DEPUTY SPEAKER 1

MOTION BY LEAVE 2

SUSPENSION OF STANDING ORDERS –
ELECTION OF THE GOVERNOR GENERAL 2

ELECTION OF THE GOVERNOR GENERAL 2

MOTION BY LEAVE 5

SUSPENSION OF STANDING ORDERS –
RE-ARRANGEMENT OF BUSINESS 5

ORGANIC LAW ON PROVINCIAL GOVERNMENTS
AND LOCAL LEVEL GOVERNMENTS (AMENDMENT) LAW 2016 6
Second Reading 6

ORGANIC LAW ON THE NATIONAL AND LOCAL-LEVEL
GOVERNEMNT ELECTIONS (AMENDMENT) LAW 2016 9
Second Reading 9

Division 22

CONSTITUTIONAL (AMENDMENT) LAW 2016 24
Second Reading 24
Third Reading ..... **Error! Bookmark not defined.**

PERSONAL EXPLANATION 25

ADJOURNMENT 37

SIXTH DAY

Wednesday 1 February 2017

The Deputy Speaker (**Mr John Simon**) took the Chair at 11 a.m..

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

Sitting suspended.

Mr Deputy Speaker again took the Chair at 11a.m, and invited the Member for Kairuku-Hiri, **Honourable Peter Isoaimo**, to say Prayers:

> "Father God, we thank you for this day and every other day of our lives. Lord, we are here as leaders of this nation because of your own liking as you are the guard of enlighten to our people who have mandated us to lead them.
>
> Lord, you expect us to lead our people in the righteous passion that you would want us to follow. Lord, we have our achievements and our shortcomings but because you are awesome God of mercy, we pray that you will forgive all our sins and all the wrongs we may have done or committed.
>
> Lord, we pray for our Prime Minister, our Leader of the Opposition, the Speaker and the Acting Speaker, all the Ministers of the State, the Governors and all Members of Parliament.
>
> Father God, you created us in your own image and to be stewards over your creation. We are privilege to be representing and leading our people, but Lord God, we need your guidance and merciful hand to be able to lead us away from all things ungodly. Let's say the Lord's prayer together, Amen."

LIVE BROADCAST –
STATEMENT BY THE DEPUTY SPEAKER

Mr DEPUTY SPEAKER – This is an announcement to the general public and the media team that, for today's session I will use the Chair's discretion so that the media team will broadcast live as we will be passing important amendments, as well as the election of the Governor General. The media can broadcast live the full session of the Parliament today.

MOTION BY LEAVE

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

Leave granted.

SUSPENSION OF STANDING ORDERS – ELECTION OF THE GOVERNOR-GENERAL

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

That so much of the *Standing Orders* be suspended as would prevent the Parliament proceeding with the election of the Governor General.

02/06

ELECTION OF THE GOVERNOR-GENERAL

Mr DEPUTY SPEAKER – Honourable Members; I wish to inform the Parliament that as of Monday, 30 January 2017; the closing date of the nomination for the position of Governor General; a total of three proposal forms were handed to the Acting Clerk of Parliament. The Acting Clerk accepted proposal forms for these three candidates as they complied with the *Organic Law on the Nomination of the Governor-General*.

All three nominations were received before the closing time of 12:30 pm. These proposal forms have been scrutinised by the Acting Clerk and the suitability of the candidates has been sought with the Ombudsmen Commission, the Commissioner of Police and the Registrar of the Supreme and National Courts. And in line with the requirements under *Section 87* of the *Constitution* and Section 5 of the *Organic Law on the Nomination of the Governor-General*.

From these, the integrity and stability of checks by the Acting Clerk has been decided and there are no grounds to reject the proposal forms of any of the three candidates under Section 5 of the *Organic Law*, and that they are suitable to contest for the position of the Governor General.

In accordance with the practice of Parliament and as required under Section 6(a) of the *Organic Law on the Nomination of the Governor-General*, I am required to declare the names of the candidates furnished to me by the Acting Clerk. The names of the candidates in alphabetical order are as follows; Mr Timothy Bonga, Mr Bob Dadae and Mr Edward Ranu Diro.

Parliament will now proceed to elect its nominee for the Office of the Governor General to fill the eminent vacancy.

Honourable Members, voting is by exhaustive secret ballot and each Member present must indicate on the ballot paper the name of the candidate to whom he or she wishes to vote. To qualify as the Parliament's nominee, a candidate must receive a majority of the votes cast in the final ballot after the elimination process.

The Election of the Governor-General requiring a vote through exhaustive secret ballot, Mr Deputy Speaker ordered that the bells be rung.

03/06

Mr SPEAKER – Honourable Members, will you please write the name of the candidate you prefer on the ballot paper. I will repeat the names of the candidates. The names of the candidates are:

- Timothy Bonga,
- Bob Dadae, and;
- Edward Ranu Diro.

This is a secret ballot, so when you write the name don't show it to your friend because I will ask you to re-vote.

Exhaustive secret ballot means that the first one with the lowest vote will get eliminated and we proceed on to another vote.

04/06

(Voting in progress)

05/06

(Voting in progress)

06/06

(Voting in Progress)

Mr DEPUTY SPEAKER – Honourable Members the result of the ballot are as follows:

Mr TIMOTHY BONGA –	**26**
Mr BOB DADAE –	**44**
Mr EDWARD RANU DIRO –	**20**
INFORMAL –	**0**

Honourable Members, the candidate with the least number of votes is, Mr Edward Ranu Diro, so he will be excluded from further ballot and another ballot shall be held.

Honourable Members, I will soon ask the Clerk to ring the bells, however, before that happens I wish to inform the Honourable Members the names of the candidates for the next ballot, they are; Mr Timothy Bonga, and Mr Bob Dadae.

Mr Acting Clerk, please ring the bell.

07/06

Mr DEPUTY SPEAKER – Honourable Members, please write on the Ballot papers the names of the candidates of whom you wish to vote. The candidates are Timothy Bonga and Bob Dadae.

(Voting in progress)

08/06

(Voting in Progress)

09/06

(Voting in Progress)

Mr DEPUTY SPEAKER – Honourable Members, the result of the final ballot are as follows:

Mr TIMOTHY BONGA – 36

Mr BOB DADAE – 55

I, now declare Mr Bob Dadae as Parliament's nominee to occupy the Office of the Governor-General.

MOTION BY LEAVE

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

Leave granted.

SUSPENSION OF STANDING ORDERS – RE-ARRANGEMENT OF BUSINESS

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

That so much of the *Standing Orders* be suspended as would prevent Notice Nos. 363, 364 and 362 Government Business being called on forthwith.

10/06

ORGANIC LAW ON PROVINCIAL GOVERNMENTS AND LOCAL LEVEL GOVERNMENTS (AMENDMENT) LAW 2016

Second Reading

First required opportunity for debate and First Vote from 26th January 2017 (see page…)

Mr Kerenga Kua – Point of Order! Items 263, 264 and the other ones mentioned to be brought forward are not on today's notice paper nor are they on the daily program for today.

Mr DEPUTY SPEAKER –The Leader of Government Business suspended the *Standing Orders* to bring these forward; 362, 363 and 364.

Mr SOLAN MIRISM (Teleformin) – I rise to make a short statement on these proposed laws. The constitutional amendment to Section 103. Amendment to Section 34 on *Provincial Governments and Local Level Governments, 2016*. Amendment to Section 45, 87, 208 and 209 of the *Organic Law on National and Local Level Government Elections, 2016*. These laws once passed by Parliament will regulate the conduct of elections in the country.

Mr Deputy Speaker, the proposed laws are directly related to the preparation and conduct of National and Local Level Governments Elections. The constitutional amendment to Section 103 will increase the nomination fee from K1, 000 to K10, 000. The amendment to section 34 of the *Organic Law on Provincial and Local Level Government* will separate the elections of the Local Level Government from the National Elections by 12 months. This is a change from three months.

The amendment to Section 45 of the *Organic Law on Provincial and Local level Government Elections* will strengthen the Electoral Roll. The proposed law will ensure valid forms of identifications are used as determined by the Electoral Commission. The amendment to Section 87 of the *Organic Law on Provincial and Local level Government Elections* further supports the increase in the nomination fee from K1, 000 to K10, 000.

11/06

Mr Speaker, the amendment to Section 208 to the *Organic Law on National and Local Level Government Elections* will provide for petitions to be filed be a candidate or person aggrieved by the results or outcome of the elections 40 days from the date of the Issue of Writs and that the petition be filed at designated national court registers located in regional headquarters, Port Moresby, Southern Region, Mount Hagen and Goroka, Highlands Region, Lae, Momase Region and Kokopo for the New Guinea Islands Region.

The amendment to Section 209 of the *Organic Law on National and Local Level Government Elections* will increase the amount that is required by the petitioner to be deposited as security for costs from K5000.00 to K20 000.00.

Mr Speaker, the committee resolved that subject to *Standing Order 222E*, the committee supports the proposed law with amendments.

Given the two months adjournment the committee will conduct a comprehensive report of these proposed laws and report to the Parliament.

Thank you.

Mr PETER O'NEILL – Thank you, Mr Deputy Speaker. In accordance with *Standing Order 222B*, I, now commence the First Required Opportunity for Debate.

Mr Deputy Speaker, these amendments to the *Organic Law and Provincial and Local Level Governments* is intended to change the date of issuing of the writs for the elections of the provincial and local level governments. Thus, replacing the word, 'three months', with the words, '12 months'.

Therefore, Mr Deputy Speaker, the Electoral Commissioner now has the authority to defer the LLG Elections because in this term of government many of our councillors throughout the country were elected for a five year period for their term. Unfortunately, because of circumstance beyond our control in the conduct of the previous election they have only served four years until the next National Elections.

Thereby, Mr Speaker, many councillors throughout the country have expressed that they want to complete a full five year term rather than a four year term. Thus, this will enable this to take place and that is why, Mr Deputy Speaker, we are extending the elections of the councillors by 12 months.

Also, Mr Deputy Speaker, we want to ensure that there is a smooth conduct of the National Elections itself so that the councils' elections do not continue to disrupt the conduct of the elections for the Regional and Open Seats throughout the country.

Mr Deputy Speaker, this is why we are proposing these simple amendments to this law.

Thank you, Mr Deputy Speaker.

Mr DON POLYE (Kandep – Leader of the Opposition) – Thank you, Mr Deputy Speaker.

I wish to debate the amendments to Section 103 and the *Organic Law on National and Local Level Governments* regarding Section 245 and Subsection 87, which the Prime Minister introduced. I wish to debate these two areas and then go onto Section 208 on elections with regard to the increase in the security deposits from K5000.00 to K20 000.00 with regard to petitions.

The other amendments, Subsection 209, on the *Organic Law on Elections* –

Mr James Marape – Point of Order! Mr Deputy Speaker, can you point out to the Opposition Leader that he has digressed to other proposed laws which are coming in subsequent readings from this one. We are now sticking to the first item which is 316.

Mr DON POLYE – Thank you, I take note of that point of order and for the correction and guidance from the Leader of Government Business.

On the separation of the elections the Opposition thinks the amendment is good in order to separate the National Elections from the current timing that was given. The practical situation is that we have seen many LLG elections which were supposed to have been conducted within the current time span after the 2012 National Elections were found to have been practically not possible.

12/06

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

Leave granted to move the Proposed Law without amendments forthwith.

Motion (by **Mr Peter O'Neill**) proposed –

That the Proposed Law without amendments be agreed to

Motion – That the Proposed Law without amendments be agreed to – put

The vote requiring an absolute majority of Members as required by the *Constitution*, Mr Deputy Speaker ordered that the Bells be rung.

13/06

(Voting in progress)

14/06

The Parliament voted (the Deputy Speaker, **Mr John Simon** in the Chair) –

AYES – 91

NOES – 0

Motion so agreed to.

Bill read a second time.

Mr DEPUTY SPEAKER – Honourable Members, in accordance with the *Standing Order 222E*, I, now order the Third Reading as the second required opportunity for debate and the second vote adjourned for at least two months from this day as required by the *Constitution*.

ORGANIC LAW ON THE NATIONAL AND LOCAL-LEVEL GOVERNEMNT ELECTIONS (AMENDMENT) LAW 2016

Second Reading

First required opportunity for debate and First Vote from 26 January 2016 (see page …)

Mr PETER O'NEILL (Ialibu-Pangia – Prime Minister) – In accordance with the *Standing Order 222B*, I, now commence the first required opportunity for debate.

Thank you, Mr Deputy Speaker, the Amendment Bill seeks to address four main issues.

Mr Deputy Speaker, the first is that we are proposing an increase in nomination fees for the intending candidates for the coming elections to contest the Regional and Open Seats from the current K1000 to K10000 per candidate. This is an amendment to Section 87 of the *Organic Law on local-level Government Elections, 2016*.

Mr Deputy Speaker, the reason for this is quite obvious. Since the first elections in 1977 the cost of conducting the elections has increased in a dramatic and substantial manner. It is simply too high for a population of 8 million people of such an increase of number of candidates and the logistics to carry out and conduct a free, fair and accountable election in our country is simply far too high for the tax payer to meet.

Mr Deputy Speaker, this particular increase in nomination fees has been debated widely throughout our communities and we have heard varying views from our citizens, but it does not restrict any person or whatsoever from standing for the elections. This particular nomination fee does not restrict any citizen.

Mr Deputy Speaker, our intention is to help the Electoral Commissioner to offset some of the usual cost overruns that we carry forward to the following four to five years after each elections and because of those cost overruns we continue to see that even today.

Mr Deputy Speaker, as we speak many of our service providers continue to front up at the Electoral Commission to get payments for services rendered during the last elections.

Mr Deputy Speaker, this year we are expecting more than 4000 candidates running for the 101 seats and thus, increasing the cost of conducting elections in our country. Even though we have allocated close to K350 million for this year's elections. The Electoral Commissioner has requested for over K500 million for conducting elections but simply we have to live within our means and as a result the government allocated K350 million.

Mr Deputy Speaker, the Electoral Commissioner is doing his best to leave within that allocation but like I have stated earlier, we anticipate cost overruns. These nomination fees will help bring some revenue to the electoral commission so it can meet some of these costs.

Mr Deputy Speaker, part of this change will see also that only the winning candidates will be refunded the nomination fee while the rest of the candidates will be non-refundable and it will be paid to the Electoral Commissioner to meet election related expenses.

Mr Deputy Speaker, at the same time, we hope that this law will bring out some serious candidates in this elections. For far too long we see candidates trying luck and hoping that the serious candidates will meet some of their expenses as we go into the elections.

15/06

This is not democracy, Mr Deputy Speaker, this is somebody trying to make money out of an entrant and we need to do away with such behaviour. I think that you will see that the serious candidates and many of us who have been standing for elections know that the cost of running an election is more than K10, 000. We all know that the candidates who are serious in contesting the seats in Parliament have already done their budget and fundraisings and K10, 000 is within their budget. I am certain that when they put their name forward they will give a very good challenge to some of the seats that are being contested throughout the country.

Mr Deputy Speaker, becoming an elected leader is a serious matter and contestants should not put their name up just for the sake of contesting. We know that it is their constitutional right but it has got certain conditions as well. The Government is proposing a change to Section 2 of it. We have seen in the past where petitions have been made by candidates who are losing and they continuously go to court to put out their grievances about the electoral process after the elections.

Mr Deputy Speaker, we have seen many Members of Parliament and even the petitioner themselves who have gone to court and lost cases and have been told to pay the legal costs to the winning party. Nevertheless, many times the losing candidates do not even reimburse the costs. This shows the lack of seriousness on the part of the losing candidate. If they have a serious matter and it is within their right then we encourage them to do so but as we know the legal costs in this country is quite high. And many of the practising legal brains who are with us in this Parliament know that the cost of legal fees just for the petition alone amounts to thousands of kina and our salaries alone cannot match that.

A lot times those who are facing petitions are heavily and financially burdened in trying to meet this particular cost. That is why we are saying that for the security aspect of the cost of the election petition they must deposit, thus, we are proposing an increase from the fee of K5000 to K20 000. Therefore, whoever is truly serious and has good evidence to pursue the matter in court can be encouraged through this.

Mr Deputy Speaker, our aim is to ensure that there is fair play and genuine cases going before the Courts. Although, the case is between the petitioner and the winner, they also drag the State into court and a lot times the Electoral Commissioner and the State Solicitors Office are engaged costing millions of kina. It's not just a one-off case. That is why we have to put deterrence in there to safeguard our election process in the country.

Mr Deputy Speaker, the Government is also proposing a change in Section 45 of the Act that will allow electronic enrolment of persons that are eligible. This is a significant step that has been put forward to us by the Electoral Commission to improve our electoral roll for this election and those to come in the future.

Mr Deputy Speaker, those are the changes that we are proposing to this Parliament.

Mr DON POLYE (Kandep – Leader of the Opposition) – On behalf of the Opposition, in regard to *Section 245, Subsection 209,* for electoral roll and the voters identification in terms of the administrative part of the election process the Opposition has no issues on that. We must have such identification process in place so that people will not use bogus names and names of their deceased relatives to vote. Therefore, we give our consent for this amendment.

Mr Deputy Speaker, nevertheless, the other two agreements are not proper. I can't believe that the Government had to support this amendment.

16/06

I don't believe the Prime Minister's explanation to justify why this amendments were brought before Parliament and I find the explanation very weak because it defeats the principle and conduct of the law of democracy of the country's elections.

The PNC-led Government led by Prime Minister Peter O'Neill and its decisions in the policies of the country is now becoming evident in the Bill in regards to the elections. This is dangerous for our country.

I can hear Government Members murmuring but Member for Kompiam, you listen to me.

(*Laughter in the Chamber*)

Mr DON POLYE – Mr Deputy Speaker, the Prime Minister thinks that to control the population, fight crime or to regulate people's elections by increasing the fees will do that.

For instances, in his debate he stated the 'traim luck candidates', candidates who are not genuine but they just out there trying their luck.

When you increase the fees from K1000 – K10 000 that will discourage them from contesting and allow for real genuine candidates to contest. To me that is one very weak argument.

The meaning of the Spirit of the Constitution of Papua New Guinea that is enshrined very clearly with democratic values allows anybody whether 'traim luck candidate', genuine candidate or a disadvantaged or advantaged persons and somebody who is not wealthy as the Prime Minister and Members of Parliament can nominate and be endorsed. And that is the Spirit of democracy. You cannot regulate democracy in that manner. No!

You can restrict it. You only raise and increase fees to curb a crime that takes place. If there is something illegal that takes place in society then you talk about increasing fees, penalties, imprisonment laws or jail terms et cetera.

Mr Deputy Speaker, let me tell the people of this nation that it is not illegal and not undemocratic and unconstitutional for even a 'traim luck' candidate to nominate to contest the General Elections with a K1000 fee. But the moment you increase the fees up to K10 000 you are restricting the very important values that the *Constitution* talks about. You are prohibiting their freedom. What kind of amendment is this? This is a corrupt amendment.

(*Laughter in the Chambe*r)

Mr DON POLYE – It will give rise to more corruption. When you see the nation suffering in the next 10-20 years you will regret that such laws were passed. Let me give you another analysis. Look at the private business companies who are awarded one after another under the O'Neill regime. It goes to the best 5 or 6 well-known contractors and the rest of Papua New Guinea SMEs and Micro SMEs are missing out time and again throughout the 5 years.

Now, you regulate only a few candidates with K10 000. You making Members of Parliament an elite group and making sure we suppress others because they don't have the money.

Do we not feel guilty that passing such a law restricts and prohibits other citizens from nominating for the office that all citizens have the right to? I say this law protects only the few rich and it will set a bad precedence and develop a culture where only the rich get into office with money and power and the real people will continue to miss out. Ordinary citizens will suffer under such a regime promoting such a law.

Mr Deputy Speaker, this Parliament should not allow such laws to be legislated. We must allow the freedom of expression and exercise natural justice and rights and democratic values and the laws that we enact in this Parliament must promote those values.

Sadly, this amendment does not promote those values. It promotes the culture of the wealthy and rich getting into office.

17/06

This promotes the culture of continuing to suppress the ordinary people who also have the equal right to nominate in office with a K5.00 or K10.00 let alone K1 000. I do not see any problem in allowing all Papua New Guineans to vie for an office. I do not care whether they are good or bad people or whatever they are, let them be nominated because this is their house. We have no right to restrict them.

This law cannot be passed because it is made for us only. We give ourselves a short time career to control the commissioner, control the system and when we get nominated and come home by whatever means the rest of the people will continue to suffer.

Mr Deputy Speaker, my next point, the Prime Minister is saying it is costly and the Electoral Commissioner is bargaining for five hundred million kina and over. But he has budgeted for K350 million and therefore, we need to extract money out of the candidates in order to run an election. Is that the argument I heard the Prime Minister raise. If that is the argument then it is a shame.

I want the Prime Minister and the Executive Government to realise that there were areas that they have spent millions of kina compared to an election of the country. If I go down the list you will find that you have spent so much amount of money in the areas that are not important to the people.

You have spent in the name of business to the infrastructure development and still you do not have money to fund adequately and properly any election for this country. You are telling me you do not have the money to fund the election of this country when one infrastructure is economically useless that it takes up about K320 million. The same amount

that is sought to run an election. This is a very important constitutional duty of the government but the government is failing this nation. They do not have enough money so they are putting another K200 million on top of the K340 million which was budgeted for? What a blunder and what a shame?

This is the purpose of this Parliament. This defines the purpose of the executive government. We want better governance. We want prudence and wise leadership not moles like this. There should be better management of the country's money. We should not get loans. We should not spend money where it does not matter like when you get the loan to run an election.

I was very ashamed, Mr Deputy Speaker, when Autonomous Region of Bougainville had to borrow money from Australia. Australia being good as they are went in to aid the Bougainville Election when our Government did not have the money to run that election.

What is more important to this country? The election of leaders to represent the people of this nation is more important. Leaders who can talk about, shape and mould the future of this nation and can conduct business regarding the affairs of the people of this country. An election is much more important than any other economic programs that we have here because it is the leadership who conducts those economic programs and determine the decisions on behalf of the people. An election is an important thing in our *Constitution* and cannot belittle.

Mr Deputy Speaker, do you see the point I am raising here? If you do not see it then I am sorry that you are blind and will never see it. If you do not understand me then I am sorry because your grandchildren will ask the question. Then the day when you are about to go down into the grave you will feel guilty and drying as a sad man in that box.

(Laughter in the Chamber)

Mr DON POLYE – When we talk about K3 billion, Mr Deputy Speaker, for something that I find has no profound significant to the country's economy like APEC for over the last three years.

18/06

And to just fork out K200 million to run a proper election and you want to charge people to pay for it?

Mr James Marape – Point of Order! The Opposition Leader is going all over the place and is not sticking to the argument at hand. I make reference to the K3 billion issue raised on APEC. There is no expenditure of this amount on APEC. That is a misleading statement.

Mr DON POLYE – I do realise your point of order, but no matter how much the Government tries to pacify the issue the facts will remain the same all the time. I am speaking on facts. Add the moneys you will spend on the APEC expenditure and the Minister for National Planning and Finance will agree with me that you have spent over K3 billion. Normal ordinary Ministers and Members of Parliament will not understand.

So, to say that the Government is broke and we cannot run an election and therefore, we will have to squeeze the little toea out of a poor stricken nation and the candidates who want to contest for the seat which is rightfully theirs is unbecoming. Therefore, this is draconian and a corrupt law that will breed corruption. That law cannot be passed and that amendment is not necessary. It is the duty of the Government to fund the elections.

There was enough money but you spent it all over the place on prioritized areas thinking that the Election was just one of those little things. The Election must remain the most significant democratic thing in Papua New Guinea and it is so supported by the *Constitution* and other laws. Therefore, we need to support freedom of expression and do not suppress people from contesting.

If you reduce it or add another K500, I will support it as it gives a lot of people freedom to express their right to contest for elections.

Mr Sam Basil – It is not only your seat.

Mr DON POLYE – K1, 000 to K10, 000 is a draconian law that will breed corruption and it will create a club of the rich people vying for the important positions which all the people cannot afford.

On that note, let me say just one more thing before I move to the next point. Look at the per capita income for the people. What is the per capita income for our people? You have to look at this. It is the 21st Century, we talk about statistics but its way below the accepted standard.

I want the people of Kandep to challenge my seat but the per capita income calculated for the 80 000 people of Kandep is below the line. In one month they do not even earn K100.

The Prime Minister who is an accountant by profession needs to understand this but I do not think he does. When you talk about the per capita income it is not a complicated mathematics.

It is simple, you look at the wealth coming in in a year and divide that by your population. But it does not tell if all the people are getting that amount of money because the world is more populated in certain areas only. The mathematical aspect of dividing by the population is a misleading method as being in the pocket of individual citizens if you look at it from the grassroots level.

19/06

For a candidate who wants to challenge me in Kandep most of them don't earn that kind of money and when you tell them to fork out K10 000 they can't. Maybe somebody up there in Kandep is better than I am but he or she cannot nominate because they cannot afford it. Therefore I have an unfair advantage over them because I am a sitting MP and I've got the money.

Mr Deputy Speaker, let's be realistic and truthful. This law is not the right law. It destroys all the principles of democracy and what is enshrined in the *Constitution* and should not be amended.

Let me go to the next point regarding the security costs of the petitions. The security deposit is proposed to rise from K5, 000 to K25, 000.

Mr Deputy Speaker, you have to bring in statistics and make a comparative analysis of which electorates have had the highest number of election petitions since they got elected.

Let me just hypothetically indicate 2002. In 2002, when I was elected others who came in at that time would agree that Kandep had the highest number of election petitions.

I should be the first to say that this is a good law for me. I can give up to K20, 000 because I can still come back on primary votes again in this election. I will say let's put it up to K20, 000 because this would be in my favour. It may be good for Don Polye but it is not good for democracy. I want it to be reduced from K5, 000 or leave it at that amount.

Mt people have the right to petition me. If I am in the wrong then they've got the right to correct me through the court system. I cannot stop those loopholes. Why should I? The candidates must be given the freedom to file their petitions against each one of us or against any Member if they wish to do so. That is their right. That will help to build a strong country and nation that is just and that is fair.

Mr Deputy Speaker, the Prime Minister doesn't understand this. He thinks that building monuments is the right thing to do but it is not. That's just the tip of the iceberg. The most important thing and focus is not just fulfilling the desires of Vision 2050.

The most important objective this Parliament must pursue is to create, establish, mould and shape this nation into a just and fair country. Even if I am making laws that are against me, then that is fine because I am looking at a much bigger picture and that is to create a just and fair nation of Papua New Guineans that we can be proud of.

But, not like this. You continue to restrict, restrict and restrict. You suffocate, suffocate and suffocate. You alternate between depression and suppression and you debate these bills as a cluster and you do it again and again. With such a mindset then 20 or 30 years down the line young people will rise up against this. They'll stand up for human rights and values. They'll stand up for democracy and violence will break out six years down the line. It starts here today.

We have to be careful, Mr Deputy Speaker. These laws are not good laws. These amendments are not good. Therefore, I, argue strongly on behalf of the people of this nation, on behalf of the candidates, even though the candidates will be endorsed by PNC and other parties on the other side I am also speaking for them. I am speaking for all the parties on the government side as well as on this side.

The parties cannot endorse candidates with K10 000 each. It's draconian. Let's be realistic. Let's not just follow the majority. We can agree with other amendments such as those on identification and the separation of the intervals of time between National Elections and LLG elections. Nevertheless, the other two propositions should not be amended. We should not pass it if there is something called a moral conscience in us, and if there is something called visionary leadership so that this Parliament can see six years down the line.

We must develop a culture of what is just, fair and right by all the laws that we enact and amend here. Then in the future you will see a much better society.

Mr JAMES MARAPE (Tari-Pori – Minister for Finance) – Mr Deputy Speaker, let me give my support to the Prime Minister on these proposed laws that he has proposed to the Parliament.

20/06

Mr Deputy Speaker, having heard what my brother the Member for Kandep and the Opposition Leader has said, I am compelled to also agree with some of the sentiments that he has raised. I am compelled to propose to the Parliament, Mr Deputy Speaker, that the election is a very serious matter. The National Election is a very serious matter. Since 1977 the cost of running elections have increased exponentially.

Mr Deputy Speaker, the cost alone is not a factor in this increase. To run for public office is not a matter in which you rise one morning push the wheelbarrow down the street and decide that you will collect a hundred kina to get nominated. Whether you are getting nominated for an office to represent your ward, LLG or at the national level.

The Election and to stand for public office is a matter of great importance as the Opposition Leader has raised. It takes a candidate years, months and days of planning to be a candidate, Mr Deputy Speaker.

The country cannot be held back in the past because we have to move forward into the future. Our history has shown that on the eve of elections numbers of candidates proliferate just for the sake of contesting elections, Mr Deputy Speaker.

Whether they run under a political party or as an independent candidate is another matter. Whilst section 50 of the *Constitution* gives right to them to stand up, it equally gives right to responsible candidates to stand, and it is a qualified right, Mr Deputy Speaker.

Part of the qualification means you have to put the nomination fee and fit and proper, Mr Deputy Speaker.

You do not expect every citizen down the street to turn up for nomination and to nominate, Mr Deputy Speaker.

(Members interjecting)

*(**Mr Don Polye** interjecting)*

Mr JAMES MARAPE – Of course but it is a qualified right. The National Election is a very serious matter. We have had instances –

Mr Don Polye – What makes you qualified!

Mr JAMES MARAPE – Mr Deputy Speaker, I sat quietly and listened to every word that my brother, the Honourable Don Polye uttered. Can he give me the same respect, please?

We have cases in this country and most of all of us have been through a few elections. We have cases where people raise money on the streets to raise fees so they can contest. There is nothing wrong with that but the cost of running that election and having that candidate run far outweighs the K50 for councils or the K1000 for National Elections that the candidates have subscribed to run in.

Mr Deputy Speaker, when you look with hindsight the elections are a serious matter for candidates with a plan. With that, I take you to a survey that the *National Newspaper* ran a few months ago. It said that candidates did not mind and in fact, some candidates said it distinguished between serious candidates and professional candidates.

Serious candidates plan to run at elections irrespective of costs, Mr Deputy Speaker.

Mr Deputy Speaker, when this law was proposed in the government caucuses it was the Prime Minister who reduced the fee to K10, 000. There were instances where some were proposing for K20, 000 to K30, 000.

*(**Mr Kerenga Kua** interjecting)*

(Members interjecting)

Mr JAMES MARAPE – This is a serious issue. There were extensive discussions on what exactly would be the fee for interfering candidates.

21/06

Retrospectively, looking back in history, K1, 000 has never been the fee. After about 10 years or 15 years or three terms of Parliament with K100 as the fee, the same rationale was used for an increase because there were proliferation of candidates on the eve of elections. Distinguishing between serious candidates and candidates that arise, firstly, just to make money during elections and, secondly, to compromise the winners.

Every one of us sitting in here know the stories of elections. I have candidates who nominate later to come to compromise with the sitting Member and ask for help. I never told them in the first instance to go and put up their K1, 000 fee.

Mr Deputy Speaker, my point is that serious candidates irrespective of costs meaning those who are willing to sacrifice their time and effort to contest will go into the race as candidates. There is nothing wrong about this law although the Member for Kandep seems to imply that it is for the elite only. The serious political parties would have had sufficient time and the law allows them to go out there and raise money.

The *Organic Law on Integrity of Political Party and Candidates* allows for parties to raise funds. What has stopped them from raising funds?

Mr Kerenga Kua – No, K46 million.

Mr JAMES MARAPE – Whether it is K46 million or K100 million, you are entitled by the law to raise up to K500, 000 per contributor to your party. I will contribute if you ask me to contribute because I also believe in your leadership. This law must not be seen in the hindsight as negative.

It goes to protect the quality and integrity of the election by distinguishing between professional candidates who arise during election time and serious candidates who want to contest. It does not stop anyone from contesting. Every candidate would have had 5 years to plan for elections whether they are running as independents or under a party.

As party leaders, you would have the ability to clearly strengthen your party, endorse candidates and rally your genuine candidates. Therefore, there is nothing sinister about this law. Under the leadership of the Prime Minister, when it was discussed at the Government caucus we believed that K10 000 is the right range for the fees.

Mr Deputy Speaker, with regard to the issue of election petition fees, we all know and the same story applies on pre-election, the contest and standing up as a candidate. For post-election, the losing candidates go the court house and we all jam the court house. Filing is another thing and this law does not stop genuine petitioners to file their case.

We all know one case in Southern Highlands where professional petitioners petitioned. They become professional candidates and professional petitioners. They can file petition after petition. During the petition there is usually collision with the sitting member. For instance, they sometimes ask the sitting Member for favours in order for them to withdraw their petitions and no one has been thinking about these sorts of things. Therefore, this law is about ensuring that genuine candidates who have planned in advance will contest.

22/06

And after the elections if you are serious that there is a flaw in the election law and you stand a good chance of winning, you go into petition.

So, Mr Deputy Speaker, I want to conclude by saying that there is nothing sinister about this law and this is an opportunity for us to look into laws we have passed in this Parliament. It is not a matter of the Government arriving one night and deciding to pass this law this morning. It has excessively gone through all consultation process and has arrived at this stage and this Law is before this Parliament for consideration of votes.

Thank you, Mr Deputy Speaker.

(Members of the Opposition interjecting)

Motion – That the question be now put – put.

(Members of the Opposition Interjecting)

Mr Wera Mori – Point of Order! This is a very important legislation which we are about to vote for in a second and for the best interest of the 10 million people of Papua New Guinea that we proclaim to is important that –

Mr DEPUTY SPEAKER – There is a division here so we will take a vote.

*(**Mr Kerenga Kua** interjecting)*

23/06

Division

That the Parliament voted (the Deputy Speaker, **Mr John Simon** in the Chair) –

AYES – 71

NOES – 14

Motion so agreed to.

Leave granted to move the Proposed Law without amendments forthwith.

Motion (by **Mr Peter O'Neill**) proposed –

That the Proposed Law without amendments be agreed to.

Motion – That the Proposed Law without amendments be agreed to – put.

The Proposed Law requiring a two-third absolute majority of 74 Members as required by the *Constitution*, the Deputy Speaker, ordered that the Bells be rung.

24/06

(Voting in progress)

25/06

(Voting in Progress)

The Parliament voted (the Deputy Speaker, **Mr John Simon** in the Chair) –

AYES – 75

NOES – 14

Motion so agreed to.

Bill read a second time.

Mr DEPUTY SPEAKER – Honourable Members, in accordance with the *Standing Orders 222E*, I, now, order the Third Reading which is the second required opportunity for debate and the Second Vote to be adjourned for two months this day as required by the *Constitution.*

CONSTITUTIONAL (AMENDMENT) LAW 2016

Second Reading

First required opportunity for debate and First Vote from 26 January 2017.

Mr PETER O'NEILL (Ialibu-Pangia – Prime Minister) – Thank you, Mr Deputy Speaker. In accordance with the *Standing Order 222B* I, now, commence the first required opportunity for debate.

It is in relation to the fee increase from K1 000 to K10 000. We need to make a consequential amendment to the *Constitution* under *Section 103* of the *Constitution, Subsection 2* by repealing the amount of K1, 000 and replacing it with the amount K10, 000. Thank you, Mr Deputy Speaker.

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

Leave granted to move the Proposed Law without amendments forthwith.

Motion (by **Mr Peter O'Neill**) proposed –

I move that the Proposed Law without amendments be agreed to.

Motion – That the Proposed Law without amendments be agreed to – put.

The Proposed Law without amendments requiring an absolute majority of 56 Members as required by the *Constitution*, the Deputy Speaker ordered that the Bells be rung.

26/06

(Voting in progress)

27/06

The Parliament voted (the Deputy Speaker **Mr John Simon** in the Chair) –

AYES – 74

NOES – 14

Motion so agreed to.

Bill read a second time.

Ordered – That the Third Reading which the second required opportunity for debate and the Second Vote be adjourned for two months as required by the *Constitution*.

PERSONAL EXPLANATION

Mr WILLIAM DUMA (Hagen – Minister for State Enterprises) – I ask leave of the Chair to make a personal explanation.

Mr SPEAKER – Do you claim to have been misrepresented?

Mr WILLIAM DUMA – Yes, Sir!

Mr SPEAKER – Go ahead, leave is granted.

Mr WILLIAM DUMA – I wish to make a personal explanation in relation to a fellow Minister and I in this Chamber.

Mr Kerenga Kua – Point of Order! My point of order is that can we defer this debate to the appropriate authority and whatever he has to say be said to the right authority?

Mr WILLIAM DUMA – I have a right.

Mr Kerenga Kua – Why try to pre-empt whatever the authorities are going to do.

Mr WILLIAM DUMA – I am a Member of Parliament. I have a right to explain.

Mr DEPUTY SPEAKER – The Chair will allow you to continue.

Mr WILLIAM DUMA – Thank you, Mr Deputy Speaker, it is necessary firstly, to set out in detail the facts, starting with the various decisions of the National Executive Council to relocate the PNG Defence Force at Taurama Barrack, Murray Barrack and the naval base. And the decision by the NEC for Kumul Consolidated Limited to develop the land on which the Naval Base is located as part of the Lakatoi Port Development Project which was launched by the Member for Kavieng, Honourable Ben Micah. And finally, the decision by the board of Kumul Consolidated Holdings to make payments on behalf of the State as well as the Defence Force to the former owners of the land which was compulsorily acquired by the State and then given to the Papua New Guinea Defence Force for the purpose of relocating the military barracks.

Mr Deputy Speaker, the O'Neill Government has, through various NEC decisions, starting in October 2012, may I remind this House that I was not the Minister for Public Enterprise in October 2012 when the decisions was made by Cabinet to relocate Taurama, Barrack, Murray Barrack and the Naval Base to a new location outside of Port Moresby.

Mr Deputy Speaker, as for the land on which the current Naval Base is located, the National Executive Council, at the instigation of the former Minister for Public Enterprises, the Honourable Ben Micah, already authorised the PNG Ports Corporation to purchase the Motukea island from Curtain Brother for more than K800 million and shift the operations of the PNG Ports Corporation to Motukea. And direct the PNG Defence Force to shift the Naval Base elsewhere.

Mr Deputy Speaker, there are many NEC decisions in October 2012 starting with these projects. The first one was the one on 18 October, 2012 where the National Executive Council.

28/06

Mr Deputy Speaker, the first one was the one on 18 October, 2012 where the National executive Council (NEC) in its decision No. 70 of 2012 approved the relocation of the naval base in Port Moresby harbour and Murray Barracks to a new location outside of Port Moresby.

The NEC decision, Mr Deputy Speaker, in paragraphs (2), (4) and (6), and I quote, "the NEC approves to relocate the PNG Defence Force Landing Craft Base and Murray Barracks to a new location outside of Port Moresby. And direct the Minister for Lands and Physical Planning to assign officers in the conduct of evaluation, physical planning, surveying and land lease and approved", Mr Deputy Speaker, may I emphasise this, "approved the funding allocation of K50 million to facilitate the relocation of the PNG Defence Force Landing Craft Base and Murry Barracks, including the purchase of land and some initial construction works on roads and other engineering surveys", Mr Deputy Speaker.

This, Mr Deputy Speaker, confirms that the NEC approved funding of K50 million for that project.

Mr Deputy Speaker, on the 21 February, 2013 and again, when I was not the Minister responsible for Public Enterprises, in its decision No. 46 of 2013, directed Kumul Consolidated Holdings to do everything that was necessary to facilitate the relocation of the naval base to another location outside of Port Moresby.

Mr Deputy Speaker, again, about a year later on the 12 June, 2014 the National Executive Council in its decision No. 168 approved and directed that Murray Barracks and Taurama Barracks and the naval base all relocate to location outside of Port Moresby.

Mr Deputy Speaker, on the 29 April, 2015, again, one year later, the National Executive Council in its decision No. 95 of 2015, particularly, in paragraphs (12) and (13) approved for Kumul Consolidated Holdings to implement the redevelopment of the existing Port Moresby port precinct and approved Kumul Consolidated Holding's plans to purchase the naval base site. And re-develop it in accordance with appropriate master plan for the entire port precinct.

Mr Deputy Speaker, again, another year later on the 4 February, 2016 the National Executive Council in its decision No. 6 of 2016 noted the existence of an MOU between the PNG Defense Force and Kumul Consolidated Holdings. For the relocation of the naval base and directed and approved for Kumul Consolidated Holdings to facilitate the naval base relocation site, planning and funding requirements as part and parcel of the Kumul Consolidated Holdings funding for the whole Port Moresby re-development project, now, commonly known as the Lagatoi Project. This was initiated by the Member for Kavieng, Honourable Ben Micah.

Mr Deputy Speaker, on the 10 December, 2016 the NEC again, in its decision No. 360 of 2016 approved the annual operating plans for Kumul Consolidated Holdings Limited of

2016, and that included the famous amount of K46 million related to the naval base relocation.

Mr Deputy Speaker, finally, again, the NEC in its decision No. 349 of 2016 approved the revised annual plans for Kumul Consolidated Holdings for 2016 and the annual plan for 2017. This also included budgetary allocation for all the costs associated with that naval base relocation and the development of the Port Moresby Harbour.

Mr Deputy Speaker, these are NEC decisions which the three entities of the State have been trying to implement.

Mr Deputy Speaker, in each of those mentioned NEC decisions the government demonstrated its intention to relocate the two military barracks and the naval base. And it also allocated funds and authorised Kumul Consolidated Holdings to do all things that were required to achieve the objective of clearing the prime land along the Port Moresby harbour in preparation for the re-development of the Lagatoi City Concept.

Mr Deputy Speaker, this Lagatoi City Concept was developed before I become the Minister responsible and was promoted by the former Minister and current Member for Kavieng, the Honourable Ben Micah.

Mr Deputy Speaker, this included relocating the main wharf used by PNG Ports Corporation to Motukea as well as the naval base as to enable Kumul Consolidated Holdings to develop the prime waterfront land.

All of this, Mr Deputy Speaker, are in line with the existing National Executive Council decisions, the PNG Ports Corporation, Department of Lands, Department of Defence and Kumul Consolidated Holdings merely being the entities of the government were implementing decisions of the executive government.

29/06

Mr Deputy Speaker, the PNG Ports Corporation borrowed nearly K900 million before my time as the Minister responsible to relocate the wharf to Motukea and to develop the facilities there while Kumul Consolidated Holdings spent more than K60 million during the Honourable Ben Micha's time only for the costs of drawings and designs for the Lakatoi Project. There are documents there to prove these payments about the so called Lakatoi City Project. That is nothing compared to the K46 million that was used to pay the poor owners of a company which had their land acquired by the State simply to implement the decisions of the Executive Government.

Mr Deputy Speaker, the Cabinet already had approved for Kumul Consolidated Holdings to purchase a naval base in 2015, even before I became the Minister for Public Enterprises. The National Executive Government decision of 29 April 2015 was stunted by the Honourable Ben Micha who has now forgotten that he started the process but yet he is making defamatory allegations against a fellow leader.

Mr Deputy Speaker, pursuant to all the NEC decisions which I have quoted, three entities of the State namely the Department of Defence, the Department of Lands, and Kumul Consolidated Holdings were required to collaborate and assist the Papua New Guinea Defence Force to relocate its barracks and naval base. We have a company owned by the State called Kumul Consolidated Holdings which has been expected and required and now it is implementing the decisions of the Executive Government.

Mr Deputy Speaker, in relation to matters involving the former owner of the land in question, one will have to look at the facts. The following facts are briefly relevant for our purpose. The process of compulsory acquiring land held by a title holder and one who has applied and obtained a title through the normal processes and finally given title by the Lands Board with an evaluation done by the Valuer General of this country, is an exhaustive, long and transparent process set out and prescribed in the *Land Act*.

Mr Deputy Speaker, all the process of compulsory acquisition after having identified the land in question which is the subject of so many allegations were exhaustively complied with by the Department of Lands. I am not the Minister responsible for Lands.

On 18 July 2016 and I am told that the lawyers who work for the company in question wrote to the Attorney General copying both to the Department of Land and Defense giving notice of its intention to commence legal proceedings against the State for the recovery of the K46 million which the State has already agreed to pay for the acquisition of the land.

Mr Deputy Speaker, there was a process that was followed and the figure of K46.6 million was arrived at not by me or the Prime Minister or anybody else but by a Valuer General. All one needs to do is to check the records of the Valuer General and I am sure you will find the basis of that valuation.

The land in question is not one or two hectares but 867 hectares. For those that have been to town, you will know that the land service from the sea within town all the way to Tatana Island is that big and that far. All you need to do is to go and inspect the land yourself.

On 10 August 2016, the Secretary for Defence wrote to Kumul Consolidated Holdings requesting it as the entity which is taking over the land on which the current naval base is

located to resolve the outstanding matter for payment to the owners of the land compulsory acquired by the State as soon as possible.

Mr Deputy Speaker, legal proceedings against the State were issued in August 2016 at the National Court by the lawyers for the former landowners seeking payment of the sum of K46.6 million that was approved and valued by the State. Again there is correspondence showing that the Secretary for Defence wrote on many occasions to Kumul Consolidated Holdings requesting them to settle the claim on the basis that they were taking over the land on which the current naval base is located.

Mr Deputy Speaker, on 12 September 2016, the Board of Directors of Kumul Consolidated Holdings in a meeting resolved and approved for Kumul Consolidated Holdings to provide funding of K46.6 million to enable the Defence Force to finance settlements of the compulsory acquisition of the land.

30/06

A month later an MOU between the Department of Defence, Kumul Consolidated Holdings and a company in question whereby Kumul Consolidation Holdings agreed to pay the money on behalf of the State and the Department of Defence in consideration of the Department of Defence surrendering its lease over the Naval Base to Kumul Consolidated Holdings and for the State compulsory acquiring the land in question.

Mr Deputy Speaker, you have three entities of the Government who cooperated and were assisted and tried on their path to implement existing decisions of the National Government to relocate the Military Barracks and the Naval Base.

And, Mr Deputy Speaker, pursuant to that agreement two payments were made; the first instalment was paid and three months later the last instalment was made. When the first instalment payment was made no one complained.

Mr Deputy Speaker, there are numerous documents which show that the long and tedious but transparent process involved in the compulsory acquisition process and payment of the moneys so there is nothing fraudulent or corrupt about this arrangement.

Mr Deputy Speaker, I am not privy with the decision making processes of the Papua New Guinea Defence Force but I have been briefed that the Papua New Guinean Defence Force after conducting investigations identified Portion 406 and Portion 415 Milinge Manu Arawa, Central Province as suitable for the relocation of the Military Barracks and associated facilities.

Mr Deputy Speaker, I have been told that Defence after having been satisfied that the land in question met its requirements then requested the Department of Lands to compulsory acquire the land in question from the former title holders.

Mr Deputy Speaker, the documents which are available for public inspection and they can be inspected by any member of this Parliament show evidence of due process being followed and there is nothing to show of fraudulent conduct by anyone in that process.

Mr Deputy Speaker, the minutes and resolutions of the decisions by the Board of Directors of Kumul Consolidated Holdings are available for inspection and I can tell you this, there is nothing to show fraudulent conduct on the path of the Chairman and the Directors of Kumul Consolidation Holdings. The Board of Kumul Consolidation Holdings made that decision which is normal and transparent and that was an end result of a process involving the Valuer General, Department of Defence and the Department of Lands.

Mr Deputy Speaker, in summary it will be clear to anyone who has the time and patience to go through the documents that in accordance with the various NEC Decisions issues which I have mentioned earlier with the decision made to the relocation of the Military Barracks and the Naval Base. The PNG Defence Force firstly identified portion 154 which is the adjoining one which was purchased by the Defence Force earlier. The Papua New Guinea Defence Force then identified adjoining land which is the land in question and requested the Department of Lands to compulsory acquire it for the Defence Force.

Mr Deputy Speaker, in accordance with the various NEC Decisions Kumul Consolidations Holding has been granted exemption by the Department of Lands to take over the land in which the current land that the Naval Base is located and that Naval Base has been valued by international valuers at K50 million. There is a document showing that a transparent process was followed and completed.

Mr Deputy Speaker, the Defence Force than requested Kumul Consolidated Holdings to assist them by paying K46.6 million to the former owner and then paid the balance of K4 million to the Defence Force to help relocate its Naval Base to the Land already acquired by the State.

Mr Deputy Speaker, when the owner of the land in question –

Mr Peter Isoimo – Point of Order! Can the Minister for State Enterprise State who the former owner of the land is?

Mr WILLIAM DUMA – Mr Deputy Speaker, I am coming to that.

When the former owner of the land started legal processing at the National Court seeking the payment of K46.6 million the Papua New Guinean Defence Force requested Kumul Consolidated Holdings to assist given that Kumul Consolidated was going to take over the Naval Base by paying the former owner of the land.

Mr Deputy Speaker, the various NEC decisions starting with NEC Decision No. 70 of 18 October 2012 and the Kumul Consolidated Holdings Annual Operating Plan of 2016 and 2017 included the expenditure of that money which was already approved by NEC.

Mr Deputy Speaker, the decision by KCH to pay that money was made conditionally upon separate and new NEC approval as a transaction was in accordance with existing NEC Decision which was already approved expenditure.

Mr Deputy Speaker, there was no fraudulent or illegal conduct on the path of Public Servants from the Department of Lands and Physical Planning, the Department of Defence, the Chairman and Directors of Kumul Consolidated Holdings –

31/06

The Department of Lands and Physical Panning, the Department of Defence, the Chairman and Directors of Kumul Consolidated Holdings and the Management of KCH in the entire process.

Mr Deputy Speaker, I am not privy to the decision making process of Kumul Consolidated Holdings board which I am responsible for. According to the management of Kumul Consolidated Holdings due process was followed. The directors of the board properly and competently made a decision to assist the state and the Defence Force to make payment in return for the Naval Base which was valued at K50 million.

Mr Deputy Speaker, I did not at any stage whether directly or indirectly influence any of the public servants starting from the Department of Lands and Physical Planning and the Defence Force to make an influence. I must be God to be involved in every process. I am just a normal human being. I did not at any stage direct or influence any of the directors of KCH to make that decision.

Mr Deputy Speaker, I will be tabling an extract from the Registrar of the Companies office to your Office which shows that the Honourable Ben Micah and Honourable Ken fair-weather have got their facts wrong. Contrary to their allegations, I will hand out a copy of the company's extract which was printed only yesterday. The registered office of this company is

not in my private residence. Where in the world do you come across a registered office of a company located in a private residence? The postal address of that company is post office box 32 and not post office box number 556 as the honourable Member alleged.

As Members, they have an obligation to be fair and sensible in the way they ask questions in Parliament of fellow leaders. Mr Deputy Speaker, I must also say that I am not a shareholder of that company. The name of the company, for the information of the Member for Kairuku, is Kurukaram Estate Limited as far as I know. We are raising questions and calling names of companies owned by private individuals who are not present in this Chamber to defend themselves. The owners of this company simply had their land compulsorily acquired by the state, they did not sell it to the state. These are people who applied through normal channels through the land board, through the process that we all respect and follow and obtain title just like anyone else or any company. Why should we as responsible leaders drag their name in when they were not involved? They just had their land taken away. Nothing is free, Mr Deputy Speaker. I must remind all of us that we all come from electorates which contain urban centre where the former colonial administration took away land for the price that existed at that time. The minute we honourable Members talk about taking back land, we might as well give all the land back to the customary landowners and we should not deal with towns and cities. Once we talk about that every land goes back to the land owners and you will certainly not have cities and towns and we will not have a country called PNG. Once the government releases a title that person has an indiffusable title and I'm sure the Member for Sinasina-Yonggamugl will know that as he's a lawyer. When you get a title, you obtain indiffusable title unless you demonstrate that you acquire through fraud. These are people who acquired the title through the normal process only to have their names dragged into this you can have all the innuendos you want but the fact is according to the Registrar of Companies Office, I am not a shareholder. All of us have friends and we must protect friends. I have friends from that area. There is nothing wrong with that. Why should I deny my relations? I am a leader, I have friends like all of you and certainly I do not remember putting a gun to the Department of Lands, Valuer General, and Department of Defence to do all these things. I became the Minister and I was faced with the last end product of process which started in 2012 as per the decision of the executive government led by our Prime Minister. At that time, I was not the Minister for Kumul Consolidated Holdings. You must get this fact correct.

Mr Deputy Speaker, I have heard all of us speaking about it. None of you honourable Members specified which of this particular process is illegal and fraudulent. Was the decision of the Defence Force to select the land and central Province fraudulent? Was the decision of the department of Lands to compulsorily acquire the land fraudulent?

32/06

Was the MOU between KCH and the PNG Defence Force under its Naval Base land fraudulent?

Was the decision of the Board of KCH to approve and make payments to the former owners of the land fraudulent after it had gone through its own investment committee and management made a submission to the Board, was that also fraudulent?

Was the valuation of the Value General for more than 800 hectares of prime agriculture land fraudulent or corrupt?

None of you have pointed out which aspect of this transaction is fraudulent and corrupt.

All you are saying is that maybe William Duma was involved. But none of you have identified which aspect of the transaction I was personally involved in a corrupt fraudulent way. All you are doing is stirring up political hot air.

Mr Deputy Speaker, if you want me to answer those questions I posed, the simple answer I will give is no. A big no.

When one considers all these circumstances and all the transactions which I have outlined, all of them were above board and there is enough paper trail to demonstrate that there is nothing illegal or corrupt about this transaction.

I became Minister and the Kumul Consolidated Holding Board was expected to make a decision at the last end of a process which started in 2012.

Mr Deputy Speaker, the process to relocate the two military barracks and the naval base and to shift the main wharf to Motukea and the decision to compulsory acquire the land in question started and finished before I became Minister responsible. The process to acquire and the awarding of the land title came about before I became Minister responsible.

Mr Deputy Speaker, finally the legal position is this, the State Solicitor of Papua New Guinea in its letter of advice to the management of Kumul Consolidated Holdings dated 27 January 2017 and 21 January, only yesterday, advised clearly which I will be tendering to the Chair that there is nothing fraudulent and corrupt in the transaction.

The State Solicitor also advised the payment of K46.6 million made by Kumul Consolidated Holdings was in order and that it was not necessary for the Board of Kumul Consolidated Holdings to seek further approval as NEC had already approved the expenditure.

Mr Deputy Speaker, I seek leave of the Chair to table copies of the following documents;

(1) NEC decision No.17 of 2012

(2) NEC decision No.46 of 2013

(3) NEC decision 168 of 2014

(4) NEC decision No.95 of 2015

(5) NEC decision No.360 of 2016

(6) NEC decision No.6 of 2016

(7) NEC decision No.208 of 2016

(8) NEC decision No.349 of 2016

(9) Extracts of Board Minutes of KCH of 12 September 2016 which approved the payment of K46.6 million

(10) Letter of advice from the State Solicitor of Papua New Guinea to Kumul Consolidated Holdings dated 27 January 2017

(11) Letter of advice from the State Solicitor Papua New Guinea to Kumul Consolidated Holdings dated 31 January 2017

(12) Results from the company search from the Register of Companies showing the details of the company shareholders which formally own the land in person.

Mr Deputy Speaker, I am dumbfounded and I am not sure from which extracts from the Register of Companies which the Honourable good Members for Sumkar and Kavieng are referring to. But the extracts from company details from the Register of Companies Office as of yesterday show that these written details have remained unchanged since 21 May 2014.

The postal address is PO Box 32 Port Moresby, the registered office is Nuigini Accounts, level one, ADF House Musgarve Street Port Moresby National Capital District. I don’t know where all these information are coming from so I seek leave of the Chair to tender these documents.

Mr Kerenga Kua – Point of Order! Mr Deputy Speaker, before the tender those documents he needs to clarify three further issues. This is an explanation and I seek more details. The explanation is incomplete.

33/06

Mr Kerenga Kua – Point of Order! The explanation is incomplete. Thank you, Mr Deputy Speaker. We appreciate the initiative taken by the Minister to put his explanation on the Floor of Parliament which is helpful. The explanation would be complete if he also addresses this three additional questions.

(1) Does the Defence Force ever have a title deed to the Lancron Base? Not a certificate of occupancy but a title deed.

(2) Does the Minister ever have an indirect interest in the company Kurukaram Estate Limited and indirect interest and shareholding held in trust?

(3) Did he benefit personally from the proceeds of the Sale?

Mr DEPUTY SPEAKER – Member for Sinasina-Yonggamugl, I think I will not allow debate on this one. Member, you can raise this question tomorrow during Question Time.

Minister, you can seek leave of the Chair to present the documents.

Mr WILLIAM DUMA (Hagen – Minister for State Enterprises) – I seek leave of the Chair to table the Papers.

Leave granted.

(Mr William Duma tabled the papers)

Mr DEPUTY SPEAKER – Under *Section 68* of the *Standing Orders*, Personal Explanation, it says that "With leave of the Chair, a Member may explain matters of a personal nature, although there be no question before the Parliament, but such a matter may not be debated.

ADJOURNMENT

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

That the Parliament do now adjourn.

The Parliament adjourned at 2 p.m..