

**FIRST DAY**

**Tuesday 26 September 2017**

**DRAFT HANSARD**

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

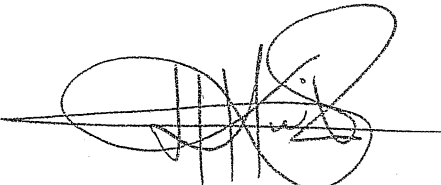
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Corrections may be marked on a photocopy of the Daily Draft Hansard and lodged at the Office of the Principal Parliamentary Reporter, A1 – 23 (next to the Security Control Room).

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

Amendments cannot be accepted over the phone.

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

A handwritten signature in black ink, appearing to read 'LEE SIROTE', with a large, stylized flourish above it.

**LEE SIROTE**

Acting Principal Parliamentary Reporter

## FIRST DAY

**Tuesday 26 September 2017**

The Parliament met at 2 p.m. according to the terms of Resolution of 22 August 2017.

The Speaker (**Mr Job Pomat**) took the Chair.

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 2.45 p.m., and read Prayers.

“Oh God the creator you are the ruler of this world and our country and our people and our Parliament belongs to you. Grant that we the Members of Parliament may fulfil our office with honesty and integrity. May our first concern be for the good of our people? Guide our deliberations this day. Bless our decisions so that your divine design for our beloved country may be realised through us. Amen.”

## TABLING OF RETURNED WRITS

**Mr SPEAKER** – Honourable Members in accordance with *Section 175* of the *Organic Law on National and Local Level Government Elections*, I lay on the table four Writs which His Excellency the Governor-General issued for the General Election held from Thursday 20 April to Monday 24 July, 2017.

I also inform Parliament that by the endorsement on the Writ, it was certified that:

(a) Mr Manaseh Luke Alfred Member for Kandep Open was duly elected on 2<sup>nd</sup> August 2017.

(b) Mr Onglo Gogl William Member for Kundiawa-Gembogl Open Electorate was duly elected on the 3 August, 2017.

(c) Mr Peter Numu Governor of Eastern Highlands Provincial was duly elected on the 5 August, 2017.

(d) Mr Dua Bogai Michael Governor of Chimbu Provincial, was duly elected on 7 August, 2017.

These new Members of Parliament made their declarations of loyalty and declarations of office at the State Dining Room on 8 and 14 of August, 2017 and 4 September, 2017 respectively.

I welcome these new Members to Parliament.

### **BROADCASTING OF PARLIAMENTARY PROCEEDINGS – STATEMENT BY THE SPEAKER**

**Mr SPEAKER** – Honourable Members, I have to inform the Parliament that I have approved:

(a) The *National Broadcasting Corporation* (NBC) will be allowed to televise live Question Time on television and radio and;

(b) *TVWAN* will be allowed to televise Questions Time for the duration of this Meeting for news purposes only.

### **DEATH OF FORMER SPEAKER AND MEMBER (Messrs EZEKIEL ANISI, MATHIAS IJAPE, TOM HORIK and TIMOTHY BONGA) – STATEMENT BY THE SPEAKER**

**Mr DEPUTY SPEAKER** – Honourable Members, I have to inform Parliament of the following deaths of:

(1) Mr Ezekiel Anisi on the 24 May 2017, a former Member for the Ambunti-Drekikir Open Electorate in the 9<sup>th</sup> Parliament 2012 to 2017. He was appointed Member of the Public Accounts Committee on August 2012. He was disqualified by the Court of Disputed Returns on the 24 October 2012 and Returned as Member for the same electorate in a By-Election on December 2013.

(2) Mr Mathias Ijape passed away on 11 May 2017. A former Member for the Goroka Open Electorate in the 4<sup>th</sup> National Parliament from 1987 to 1992. He was appointed Deputy Chairman of the Public Accounts Committee, Member of the Private Business Committee and Temporary Emergency Committee and was also appointed Minister for Police in July 1988. He was re-elected to the Fifth National Parliament from 1992-1997 for the same electorate.

(3) Mr Tom Horik passed away on 4 July 2017. A former Member for Kabwum Open Electorate in the Fourth National Parliament from 1987 to 1992. He was Minister for Forest from 1978 to 1988.

02/01

(4) Mr Timothy Bonga passed away on 1 September, 2017. He was the former Member for Nawae Open Electorate in the 3<sup>rd</sup> National Parliament from 1982 to 1987. He was elected Deputy Speaker of the National Parliament on Thursday 5 August 1982 and then elected Speaker of the National Parliament on Monday 8 November 1982 due to a vacancy in the Speaker's Office on 26 October 1982 of the Honourable Member for Milne Bay as a Minister of the Government. He was re-elected to the Fourth National Parliament from 1987 to 1992 for the same electorate. He was appointed Minister for Youth and Home Affairs in 1988. He was re-elected to the Eighth National Parliament from 2007 to 2012 for the same electorate. He was appointed Chairman of the Public Accounts Committee and member for the Parliamentary Referral Committee on Minerals and Energy on 18 September 2007 to July 2010 then he was appointed Minister for Forest on 2 August 2011.

*All honourable Members stood in their places as a mark of respect for the late gentlemen.*

## CERTIFICATION OF ACTS

**Mr SPEAKER** – Honourable Members, I have to inform Parliament that the former Speaker of the Ninth Parliament had in accordance with *Section 110* of the *Constitution* certified 12 Acts as having been passed by the National Parliament:

- (1) *Asia Pacific Economic Cooperation (APEC) Safety and Security Act 2017*;
- (2) *Excise Tariff (Amendment) Act 2017*;
- (3) *Income Tax, Dividend (Withholding) Tax and Interest (Withholding) Tax Rates (Amendment) Act 2017*;
- (4) *Inter-Governmental Relations (Functions and Funding) (Amendment) Act 2017*;
- (5) *Land Transport Board (Repeal) Act 2017*;
- (6) *Licensing of Heavy Vehicles (Repeal) Act 2017*;
- (7) *Motor Car Dealers (Amendment) Act 2017*;
- (8) *Motor Traffic (Repeal) Act 2017*;
- (9) *National Road Safety Council (Repeal) Act 2017*;
- (10) *Public Services (Management) (Amendment) Act 2017*;
- (11) *Road Traffic (Amendment) Act 2017*; and
- (12) *Stamp Duties (Amendment) Act 2017*.

## QUESTIONS

### Sale of Oil Search Shares

**Sir MEKERE MORAUTA** – I direct my questions to the Prime Minister and they are in regard to the Oil Search share transactions.

In March 2014, this is the tune you trumpeted to the people of Papua New Guinea justifying illegal borrowing of AUS\$1.24 billion from the Union Bank of Switzerland to buy 10 percent of Oil Search shares at a price of AUS \$8.20 per share. This is the tune.

**Mr Charles Abel** – Point of Order! The Member for Moresby North-West is alleging that this transaction was illegal. There is no basis to that and it is just an allegation that has

not been ascertained yet. Can you advise him not make speculations and mislead the Parliament?

**Mr Kerenga Kua** – Let him complete his questions.

**Sir MEKERE MORAUTA** – This is the tune that you have trumpeted and I quote, “This is the best deal for Papua New Guinea. This is a huge financial gain for Papua New Guinea”. You actually went on to predict that the value of oil search per share would double in months.

My questions are as follows:

(1) Why have you sold the shares at prices below the price we paid for?

It has been reported that you sold the last tranche of 31 million shares at AUS\$6.50 per share which is AUS\$1.50 less than the purchase price, incurring a loss on this final parcel alone of around K120 million.

**03/01**

(2) At what price did you sell the other 118 million shares, was it more than \$8.20 we paid for or less?

Last week, I made a statement based on the reports by Kumul Petroleum and the Australian Financial Review. In response from New York, instead of discussing the issue you accused me of three things.

The first was running all states investments in the ground when I was Prime Minister; that is your first lie. You know that I established IPBC to resuscitate SOEs. Look at the success of BSP, Nasfund and Nambawan Super, are living examples.

**Mr James Marape** – Point of Order! He has got limited time to ask questions so can you remind the esteemed Member of Parliament to get straight into asking the questions and raise the rest of his concerns during the Grievance Debate on Friday?

**Mr SPEAKER** – Member for Moresby North-West, ask your questions.

**Sir MEKERE MORAUTA** – The second accusation he made of me was that I illegally controlled PNGSDP, Mr Prime Minister, that is the second lie and the third

accusation is that I have been involved in hundreds of kina going missing from PNGSDP, Mr Prime Minister that is third lie. And like the state-owned enterprises, PNGSDP's annual audit accounts are publicly reviewed.

You also attacked IPIC Loan. Do you remember that you were the Treasurer when the IPIC Loan was consummated?

Mr Prime Minister, clearly you and I disagreed on the Oil Search and UBS Transactions.

(3) Can you table in Parliament all the details of the transactions for forensic investigation to establish the truth?

Kumul Petroleum has now, three years later, conceded the deal costing US\$254 million or K813 million, for the interest payment and the bridging loan repayment at the start of the deal. This amount was apparently written off in 2014, although kept secret from the public until now, because the way you set up Kumul Petroleum with you as the sole shareholder does not allow any public scrutiny or legal requirement to publish annual accounts.

Since then, there will have been further costs, plus the interest lost on the sale of the 149 million shares. The total loss is the loss on the share sale plus all the financing costs. Anything else you say is just trickery.

(4) Mr Prime Minister, the fact is that you have gambled over K3 billion of public money and you have lost it, therefore, how does it benefit Papua New Guinea?

Now, apart from the huge financial gain and the "best deal" you promised, you also said you bought the shares to protect Oil Search which you have now sold the shares.

**Mr SPEAKER** – Honourable Member for Moresby North-West, can you ask your question?

**Sir MEKERE MORAUTA** – (5) Having sold the shares, what are you going to do to protect Oil Search?

(6) Were the shares sold to a party or parties that will continue to protect Oil Search?

Thank you.

04/01

**Mr PETER O'NEILL** – Thankyou Mr Speaker, and I thank the honourable Member for Moresby North-West for his questions and I am very happy that he asked those questions because they require good explanations.

Mr Speaker, our shareholding in Oil Search is a long story, and today, that shareholding is held by Kumul Petroleum Holdings. The Prime Minister of the day is a trustee shareholder of that company for the people of Papua New Guinea. It's not a personal investment and the Member knows that but he is simply misleading the Parliament.

Mr Speaker, it's a long story that started 20 years ago when the Morauta Government was in office. In 2000, Santos made an offer to the Morauta Government to buy all the Oil Search shares. There was a Cabinet meeting in Lae where all the members of the Cabinet opposed that sale and yet, the Prime Minister bulldozed it through and with the advice of many he sold it to Origin Minerals. Origin Minerals at that time, was the holdings company for all the mineral assets for Papua New Guinea on behalf of our people.

In 2001, Mr Speaker, the same Morauta Government sold the entire Origin shares to Oil Search at some sweet heart deals. Oil Search was a very small exploration company but Morauta Government saw fit to sell the interest of all our country to them.

Mr Speaker, as a result, we held some shares in oil Search because of that sale. And in order for us to participate in the LNG project that we now have today, the Somare Government of which the Member for Moresby North-West alluded that I was the Treasurer, in fact, he got his facts wrong to suit his arguments. My good friend, the Opposition Leader was the Treasurer then. He led the discussions on these arrangements. Mr Speaker, the Somare Government saw fit to mortgage all our assets like Air Niugini, PNG Ports, Telikom and all the shares in Oil Search just so that they can secure the IPIC loan. We were led to believe that the shares will be bought back by PNG Government for the people of Papua New Guinea in 2014.

Mr Speaker, IPIC is the sovereign wealth fund for United Arab Emirates and it has no scrutiny or transparency. It is the same IPIC that has been accused of parking almost one billion dollars in the account of the Prime Minister of Malaysia.

Mr Speaker, these are the sort of people that they dealt with but in 2014, when the arrangements were due for PNG Government to take back the shares, they refused.

Mr Speaker, this is the property of the people of Papua New Guinea, what else can I do. As head of Government, it is my responsibility to secure the interest of our people. That is

why I went and saw UBS to give us the money to finance the purchase and secure our interest in the biggest employer and the biggest taxpayer in our country thus protecting our national interest.

So Mr Speaker, this is where we are. We had no money so we had to borrow.

**Mr Patrick Pruaitch** – Point of Order! Mr Speaker, the questions are very straightforward and they relate to the transaction that took place. Can the Prime Minister limit the history, we all can read about the history of the changes that happened?

*(Government Members interjecting)*

**Mr Patrick Pruaitch** – He just needs to explain the transaction that took place.

*(Government Members interjecting)*

**Mr Patrick Pruaitch** – Be quiet! Be quiet! The Prime Minister is misleading Parliament and he needs to explain whether that transaction benefitted Papua New Guinea or not. Thank you Mr Speaker.

**Mr SPEAKER** – Prime Minister, you may continue.

**05/01**

**Mr PETER O'NEILL** – Thank you Mr Speaker. I thank the good Opposition Leader.

Papua New Guineans have been misled by constant political accusation that we have misled the country and not for their benefit.

Mr Speaker, in 2014 when we were trying to buy back the shares under the wisdom of the National Alliance Government, they decided to shift the US base loan into Australian currency. Again, at the cost of millions of dollars and the exchange rate losses caused the country a lot of money.

Mr Speaker, they then parked the price at AUS\$8.50 per share but the price was not something that I determined when we decided to buy it back. We bought it for AUS\$8.20 per

share through a collar arrangement. This basically means that we will sell it when the price is right so that we can continue to repay the loan that we have borrowed.

Mr Speaker, on many occasions in the past, the same Opposition and few of our friends have always told us to sell the Oil Search shares. Today, we have done that knowing very well that we will get a good price and at the same time, have a residual value of close to K120 million in returns to the State.

Mr Speaker, there is no further obligation whatsoever. The State has no further obligation, it has not paid any interest nor any repayment, Kumul Petroleum Holdings has done so.

We paid some initial interest payments but all the carriage has been done by the Kumul Petroleum Holdings.

For the benefit of the Member for Moresby North-West, Kumul Petroleum Holdings is required by law to table their annual report and all their transactions to Parliament which I will do so.

Mr Speaker, there is nothing to hide. UBS is one of the biggest banks in the world. It is not a side sovereign world fund where people go and do private deals.

This is a publicly listed company and their transactions are scrutinized by all countries through their legislations and the stock markets. The disclosure of requirements are very high with high standards. So nobody did any side deals like the IPIC deals or the Santos or the Oil Search at the back of some rooms.

Mr Speaker, I am simply cleaning up Sir Morauta and Mr Pruaitch's mess as well as Sir Somare's mess.

*(Opposition Members interjecting)*

**Mr PETER O'NEILL** – I am simply cleaning up those messes, let the facts speak for itself.

Mr Speaker, it is always easy to point fingers but never take the blame.

The good Member for Moresby North-West made reference to PNG Sustainable Development Program Ltd so let me explain again.

Here is a gentleman who gave immunity to the biggest environmental damage in the history of our country to a foreign company; immunity by an Act of Parliament, Mr Speaker.

He then created this monster; PNG Sustainable Development Program Ltd and put conditions which was very honourable saying that there must be no political interference in this organisation.

Anybody who has been a Member of Parliament or State Minister or Prime Minister should not be on the Board. But Mr Speaker, as soon as he was out, he claimed to be the Chairman.

Mr Speaker, he is the first principal person who has breached his own rules. And today, he sits there and earns thousands of dollars for board fees and chairman fees. He is of course the consultant and he cannot deny that.

Member for Moresby North-West, it is written in your annual report so just admit the fact that you are misleading the Parliament. You are simply breaking your own rules and the principles that you portray to present.

Mr Speaker, a lot of rubbish. Thank you.

### **Supplementary Question**

#### **Benefits From Oil Search Sale**

**Mr KERENGA KUA** – Mr Speaker, in my village we tell fairy tales at night to put children to sleep.

*(Laughter in the Chamber)*

**06/01**

**Mr KERENGA KUA** – I nearly fell asleep on my chair here while listening to the fairy tale coming from that side and the responsible question for each one of you to understand and try to solicit some education, understanding and answers is about Oil Search transaction.

(1) Did we expect a benefit out of it or did we lose money? My questions are designed to achieve that.

(2) Previously, in 2013 and 2014 when the Prime Minister was unilaterally going about trying to make these purchases, he was advised by a whole horde of advisors, including myself that he should not go down this pathway because it was prone to bring about this kind

of disaster. But he chose to take it alone. He was even asked to bring it to Parliament for its approval in accordance with the requirements of *Section 209* of the *Constitution*.

**Mr Westley Nukundj** – Point of Order! The honourable Member should ask his questions rather than making a statement.

**Mr KERENGA KUA** – You can't have a point of order at this time. How could you possibly -

**Mr SPEAKER** – The Point of Order is in order. Honourable Member for Sinasina-Yonggamugl, ask your questions.

**Mr KERENGA KUA** – I know patience is not one of his virtues, but I'll ask the question anyway.

He insisted to execute it alone, he did not even seek Section 209, Parliamentary approval that is required by nothing less than the *Constitution*.

Now, the disasters that some people predicted would happen have happened and Papua New Guinea has suffered considerable financial loss; substantial financial loss to the tune of K120 million in share price alone, forgetting the interests and costs.

Alright, maybe he has some money but, Sinasina-Yonggamugl doesn't have any money so we have to ask these questions.

(1) Can the Prime Minister now admit, on the face of this arithmetic which is undeniable, that he was reckless and grossly negligent in the way he chose to bulldoze that deal through to the point of gross professional incompetence for a man who holds himself out as Prime Minister of a sovereign nation called Papua New Guinea?

(2) Can he now admit that despite his best efforts, he was cornered and beaten in a game that he thought he knew better?

(3) Can he now humble himself in shame and apologise to the people of Papua New Guinea, the owners of this money?

(4) Can he now do the right thing and set up a commission of inquiry instead of self-justifying himself and talking about fairy tales and putting all of us to sleep?

**Mr PETER O'NEILL** – Thank you, Mr Speaker and I thank the good Member for Sinasina-Yonggamugl for his questions.

Mr Speaker, he was a member of our Cabinet and it was a Cabinet decision and certainly the –

**Mr Kerenga Kua** – He is misleading Parliament yet again!

**Mr PETER O'NEILL** – Mr Speaker, the Member needs to understand, he forgets that Cabinet approved this. I don't make unilateral decisions, Mr Speaker. It is not a private business of Peter O'Neill or anybody. When Cabinet makes a decision about getting loans whether it be in the country or outside of the country, Cabinet approves it. And, through the budgetary process, and during the presentation of the budget, all those loans are taken into account at that time. It cannot be done otherwise.

Like the IPIC loan, NA Government did not come into Parliament and get its approval.

**Mr Kerenga Kua** – Point of Order! Let me now put to him fair and square. Did he get *Section 209* approval of this Parliament? Did you or did you not?

**Mr PETER O'NEILL** – Mr Speaker, I am not going to enter into a legal debate with the learned lawyer when he knows for a fact that this is not a courtroom.

Mr Speaker, many of the transactions that Papua New Guinea Government –

**Mr Patrick Pruaitch** – Point of Order! Mr Speaker, on record, I respectfully ask the Prime Minister to check the *Hansard*. The National Alliance Government came to Parliament to get that approval.

07/01

**Mr PETER O'NEILL** – Mr Speaker, the approval process as I said happens during the presentation of Annual Budgets. It is very unlikely that any Government, every time they get a loan, they come and of course present it to every Parliament. But that has never been practised in this country, Mr Speaker, it has been always included in the budget and the Parliament has been approving it.

So, Mr Speaker, we have complied with what is necessary for any government. When you look at some of these transactions, IPIC deal was done in the backroom while this was done through proper processes.

Today, we had to protect the interest of the country. During the Morauta-led Government, they sold a lot of state investments and he probably thought this was the right thing to do. But for this Government, we are not interested in selling but interested in protecting the ownership of the rights of our people whether it be in minerals or any investments. We are always having children in this country and there must be a future for them. We cannot sell everything that we own. When are we going to start having something for our children? These are the basis in which we have invested for our children and they will continue to participate in the country by paying taxes, employ people and invest in our country's infrastructure. They are a big contributor to the economy of our country.

Those are the basis in which we have to continue to work with them. I know that the good Member for Sinasina-Yonggamugl wishes that there will be some inquiry but really there is no need for it. I have already mentioned that I will table the reports presented to me by Kumul Petroleum Holdings. He was then the Attorney-General who created Kumul Petroleum Holdings with me and his firm, Posman Kua Lawyers received millions of kina for establishing it.

**Mr Kerenga Kua** – Point of Order! May I ask him to withdraw that statement because it has the effect of being defamatory. As a matter of fact and as of law, I never had any share-holding in that law firm which continues to proudly bear my name. Because it was such a professional law firm that I had helped to create, they kept keep my name but I am not a share-holder and never have been, quite unlike other former lawyers sitting on that side who continue to have share-holding in their law firms as they exit.

*(Government Members interjecting)*

**Mr Kerenga Kua** - I never did hold a share and I exited in June 2011, before the election. I did the honourable thing, so get your facts right, Prime Minister.

**Mr PETER O'NEILL** – Thankyou Mr Speaker, I did not say that he had some share-holding in there. It is your former law firm, you worked for that company and it bears your

name. Even whilst as Attorney-General, you gave your former law firm a lot of businesses in millions of kina like you did when you were advising on IPIC and also as Chairman of Kroton, you did not declare any of your interest when doing business with this people. Come on, stop pointing fingers when you know the facts that many of you have muddy hands. You don't come clean to the table but let's get the facts right. We will table the documents and let the country decide for them.

### **Gabadi-Manumanu Land Issue**

**Mr PETER NAMEA ISOAIMO** – Thankyou Mr Speaker and I also thank the Members of this Parliament.

I direct my question to the Prime Minister and it is in relation to the controversial Gabadi-Manumanu land issue in my electorate. Our good Prime Minister undertook in the last session of Parliament that the Government deviated from establishing a commission of inquiry into this controversial land issue and told this Parliament that he had an internal investigation set-up to look into the matter.

(1) Is the investigation report concluded and if so, I would want the copy of that report as the Member responsible for the electorate?

**08/01**

He indicated that like the land in Milne Bay, namely the Woodlark Island land, he would give back my people's land.

(2) Will the Prime Minister honour that commitment or not?

**Mr PETER O'NEILL** – Thank you, Mr Speaker, I thank the Member for his questions.

Mr Speaker, just let me correct him on the issue about the Commission of Inquiry on the land matter that he is referring to.

Mr Speaker, as I have explained publicly that there is a court order in place questioning the legality of all the commissions of inquiry brought about by Posman Kua Lawyers in reference to the inquiry that we have established on the legal fees. It is an ongoing saga. That report is ready to be tabled in Parliament but unfortunately, that law firm has obtained a court order seeking reference to the legality of the commissions of inquiry. While the State is

handling that matter, I have established an administrative inquiry because the public needs to know what has been happening with the land that he is talking about.

I am advised that the administrative inquiry is coming to its conclusion and as I have indicated, I will table the report on the Floor of Parliament for the benefit of the Members and the public at large.

### **Supplementary Question**

#### **Manumanu Land Deal**

**Mr JAMES DONALD** – Thank you Mr Speaker, my supplementary question to the Prime Minister is in regard to the Manumanu land deal.

This saga is before the House and the two Ministers who were involved in this land deal in the last term of Parliament have been appointed as Ministers in this term of Parliament during the appointment process.

Since he knew very well that there is a case against them, why did the Prime Minister go ahead and appoint them as Ministers?

**Mr PETER O'NEILL** – Thank you, Mr Speaker and I thank the Member for North Fly for his question.

Yes, in order for us to address the issue and establish an independent inquiry, I made those decisions in the term of the previous Parliament.

Mr Speaker, this is a new Parliament and I have not received any reports from either the Ombudsman Commission or the police to suggest that there is a reason why I should not make those appointments.

Mr Speaker, this matter is now under an inquiry and we will wait until the report comes to address issues that may arise at the end of that inquiry.

There is no point in my trying to pre-empt the outcome of the inquiry because under our jurisdiction the Member should know that all citizens are innocent until proven guilty. As of today I have not received any reports from any investigating authority on this matter so that as why as mandated leaders, they are entitled to occupy such positions.

## **PNG Games**

**Mr SASINDRAN MUTHUVEL** – Thank you Mr Speaker, I also wish to direct my questions to the Prime Minister.

I am sorry that all the questions seem to fall on the Prime Minister today.

Mr Speaker, this is in regard to our Ninth PNG Games. The games has already been postponed twice and now it must happen in November 2017.

Mr Speaker, this is a national event and West New Britain as a province only agreed to host the games.

In fact, we have spent well over K20 million in building various educational facilities for the visiting teams to stay by way of accommodation.

Mr Speaker, my question are:

(1) Can the Government, through the Prime Minister who is Minister responsible for Sports Minister confirm that the PNG Games will go on?

(2) Can he also confirm if the Government can give some form of transport subsidy so that all the other provinces' players can travel to West New Britain to make this thing happen?

**09/01**

**Mr PETER O'NEILL** – Mr Speaker, I thank the good Governor of West New Britain for his questions regarding the PNG Games that is going to take place in Kimbe in November.

Let me confirm that there will be no further delays as to the Games and I know it is quite a distance for many of the provinces to travel to and I can assure the Governor that the Government will provide some subsidy for airfare travel for athletes but we request that we have to limit the numbers so that we can try and transport all the athletes throughout the country as much as possible.

Also during the Supplementary Budget, we will put some more funding assistance for the Games to be hosted and we look forward for the commencement of the Games in November and it will continue to do so.

Mr Speaker, in future we need to look at the way the selection of host of the Games will have to take place because it is putting unnecessary burden on the budget of the Provincial Governments. So rather than having it on an annual basis, we may have to make it biannual or every three years or so there is a breathing space between games so that the

funding arrangements that are needed to host these Games are in place before we allocate to the provinces.

Mr Speaker, there is a lot of work that needs to be done ahead of us but I want to congratulate the people and their Governor of West New Britain Province for the excellent facilities they have built so far and of course I am certain they are going to be good hosts to the visitors that will come this Games in November.

### **Vehicle Led Lights**

**Mr KENNEDY WENGE** – Mr Speaker, my question is in regards to the main cities and their policies on street lights and vehicle led lights. Many semitrailers travelling to and from are vulnerable to accidents on these roads. Led lights used by some vehicles are harmful to the eyes and can cause accidents.

Can Parliament enact a law to control the use of these lights?

There should be a policy because this is very dangerous issue.

**Mr SPEAKER** – Member for Nawae, to whom did you direct your question?

**Mr KENNEDY WENGE** – Mr Speaker, I directed my question to the Minister for Transport and hopefully he can come up with a policy on this issue.

**Mr WESTLEY NUKUNDJ** – Mr Speaker, I thank the Member for Nawae for his question on this issue and I will look into it and come back to him in writing maybe the latest tomorrow.

### **Payment of DSIP**

**Mr JOHN SIMON** – Mr Speaker, I direct my question to the Prime Minister but before I ask my question, I would like to take this time to congratulate our PNG Hunters Rugby League team contesting in the Intrust Super Cup in the Queensland rugby league competition for winning the major honours and it was a great result for our country and I congratulate the team and its management.

Mr Speaker, over the last two weeks during the country's Independence celebrations, I overheard that certain Members of the Government were paid K1 million each of the DSIP funds.

Mr Speaker, I experienced this thing when I was on that side of the Floor.

**Mr Patrick Basa** – Point of Order! Mr Speaker, I would like to ask the Honourable Member for Maprik to direct his questions to the Minister for Finance in regards to DSIP so that he can adequately answer his question.

10/01

**Mr JOHN SIMON** – I have directed my question to the Prime Minister but the Minister for Finance should take note.

When I was in Government, I heard so many stories why the Opposition do not get their DSIP. Prime Minister, it would be a very honourable thing for you to do for all of us in making sure that we all get our DSIP. If there is not enough money there then, whatever that is there should be distributed equally amongst all of us. I have not gotten mine that is why I am concerned.

**Mr PETER O'NEILL** – I thank the Member for Maprik for his question. I am happy he is proud of the win by the SP Hunters Rugby Team. Their win has lifted the pride of our country. Despite our differences, their win has restored a lot of pride and confidence in our country. We must continue to support our teams like the SP Hunters and our rugby union team that won the World Cup in Melbourne.

He was with me for five years in Government and he knows what kind of a person I am. I do not discriminate, gossip or be unfair to other people. The DSIP Funds are to look after our people back home. My Government is not like Morauta's Government or Somare's Government who kept all the money in Port Moresby.

*(Laughter in the Chamber)*

**Mr PETER O'NEILL** – They kept all the money in Port Moresby to take care of their wantoks but we are now sending money home to our people. This DSIP and PSIP programs will not stop. We are bit slow when we are low with cash flow but when we have enough cash then we will not have problems. I would like to tell the Member for Maprik that

even some of us in the Government have not received our DSIP Funds. With the little funds that we have, we gave them mostly to the new Members of Parliament and some Government Ministers who want to carry out projects in their electorates. When money is available then we will make sure everyone benefits from it.

### **Provinces Functional Grants**

**Mr ALLAN BIRD** – I thank the Deputy Prime Minister for making time to meet with the Governors last week. I did ask him the same question last week but I want to ask him again.

As a Governor, I am worried about the Functional Grants and after listening to other Governors, I realised that we all have the same issue. For example, in East Sepik, we are getting just around 10 percent of the DSIP grants. In Health, we should have gotten K13 million but instead we only received K400 000. As a result, 216 aid posts have been closed down because we could not afford service delivery.

Will the Government still pay out whatever that is owed to the provinces? Three-quarters of the year has gone and we only have one-quarter remaining. I understand that every time, it is an issue with cash flow but can you clarify as to whether you will give priority to DSIP and PSIP or the Functional Grants that provinces use?

Thank you, Mr Speaker.

**11/01**

**Mr CHARLES ABEL** – Mr Speaker, I thank the Governor of East Sepik for his question.

Mr Speaker, in relation to the Functional Grants, these are funded by the National Government for all the Provincial Governments to perform all basic needs and requirements in terms of providing service delivery, and it forms a critical part of funding that goes down to the Provincial Government on an ongoing basis.

Of course, the PSIP and the DSIP are from the capital side of the Budget, it is from the development part of the Budget that the O'Neill-Dion Government introduced and we continue to support in the O'Neill-Abel Government.

I will be presenting a Supplementary Budget tomorrow on behalf of the Executive Government and the public and Parliament will see some of the changes that Government is

taking in terms of adjusting the envelope in response to some of the financial circumstances that are happening.

Through that, you will see the priority that the Government is giving to sectors like the Functional Grants in ensuring that medicine is in place, free education continues and all the other functions of government. You will see how our Members of Parliament have decided to sacrifice the DSIP Program on a temporary basis so that we are able to continue some of these basic goods and services.

So, we are not cutting Functional Grants, it remains integral to the Provincial Government through the Governors. I was very happy to have the Governors come in and give some transparency on the budgetary process around the 100-Day Policy of the Government so that you can see the body language of the Government and have an opportunity to participate in a process as well and we will continue to do that.

I have also asked the Secretary for Treasury to look into the queries of the good Governor which are very concerning, particularly in relation to the closure of the aid posts. The first report I received from Treasury indicates information a little bit different and that on the lack of funding, it is not as severe as the Governor is saying. So, we need to reconcile some of these reports and information but I am so far as to saying that it is concerning and I will make sure that we look in to it and if there is a shortfall we will do everything in our power to make sure that that important funding gets down to East Sepik Province and the other provinces that are also experiencing similar issues.

Thank you, Mr Speaker.

### **Outstanding Grants for AROB**

**Mr TIMOTHY MASIU** – Thank you, Mr Speaker, before I ask my question I would like to congratulate you on behalf of my people of South Bougainville for being elected as the Speaker and also I would like to congratulate the Prime Minister for regaining his stand as the Prime Minister and the good work he and his team having being doing and I am very happy that we are all here in this House to discuss issues of our country.

Mr Speaker, tomorrow the Government will present a Supplementary Budget and my question is directed to the Prime Minister, are you going to think of Bougainville in the Supplementary Budget in funding the Restoration and Development Grant where Bougainville has been due for it from years ago during the Peace Agreement?

Mr Prime Minister, I want some good response because Bougainville is still a first priority in the country. Please, Members of this Parliament and the Ministers, do not forget Bougainville because the issue is not yet finished and PNG is still our mother country where we receive help during this time.

Thank you, Mr Speaker.

**Mr PETER O'NEILL** – Thank you, Mr Speaker and I would like to thank the Member for South Bougainville for his question.

Mr Speaker, the priorities and the commitments to Bougainville set out in the 2017 Budget are not changing. The commitments are still there and of course the Restoration Grants, the good Member is talking about. We have been trying to catch up because prior to us coming into Government in 2012, Mr Speaker, there were delays in the payments to Bougainville.

But, Mr Speaker, I am certain that the Member agrees that this Government has done more for Bougainville than any other Government in the past.

**12/01**

All the infrastructure that we are building, the additional commitment of K100 million that we are finding some of those infrastructures in Bougainville.

Mr Speaker, places like Arawa have opened up to be a very vibrant township where people are now starting to receive government services, conducting business and doing all the other activities that the rest of the country takes for granted.

Mr Speaker, I have a long term commitment to Bougainville, I know sometimes the political differences and political issues may stand in the way but that does not mean that we don't have a commitment to making sure that we carry out the responsibilities that we have in Bougainville.

Mr Speaker, in 2019 there will be a proposed referendum that is taking place, but I want to make a very clear stand on Governments position and that is that the referendum is subject to all fulfilment of all the obligations clearly stated in the peace agreement. That includes a proper establishment of rule of law, a proper establishment of Government structure in Bougainville and proper disposal of weapons so all these issues are yet to be met.

It is a long way so I don't want Papua New Guinea and Bougainvilleans to think that it's an easy path, that we will wake up tomorrow and go have a referendum. It may be such

that it won't be possible so we need to work between now and then to work harder in making sure that we attend to the issues that are clearly defined and stated in the peace agreement.

Mr Speaker, those are issues that require us to work together. I want to assure the ABG and the people of Bougainville that we are here to work with them in resolving these issues.

Going back to the restoration grants, one issue that we are having difficulty reconciling between our officials and the officials in Bougainville is the formula of the increments that are supposed to be done every year. Bougainvilleans have a different interpretation in the peace agreement while we have a different interpretation. The amounts that are being now stated by the Bougainvilleans is something that the PNG government cannot afford even in the future. We need to sit together and work out a reasonable arrangement on a figure that we all can afford and fund Bougainville well into the future.

Mr Speaker, I want to assure the Member, that we are fully committed to the process in Bougainville.

### ADJOURNMENT

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

That Parliament do now adjourn.

The Parliament adjourned at 3.45pm..