

## SECOND DAY

Wednesday 22 November 2017

## DRAFT HANSARD

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**LEE SIROTE**

Acting Principal Parliamentary Reporter

## SECOND DAY

Wednesday 22 November 2017

The Speaker (Mr Job Pomat) took the Chair at 10 a.m..

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

Sitting suspended.

The Deputy Speaker (Mr Pesab Jeffery Komal) took the Chair at 10.40 a.m., and invited the Governor of Southern Highlands, Honourable William Powi, to say Prayers:

‘Father God in Heaven, in the name of Jesus we come before you. We thank you for this great day, we thank you for our life, we thank you for our blessings and all the things that you have done in our lives and in the lives of our people in this beautiful country.

We acknowledge you, we praise you and we adore you as our God and saviour and the master of our lives. We praise you for this great day, we thank you for anointing us amongst many to lead your people in this country.

We ask you for your wisdom to be servants of your people from the heart in our actions and in the conduct of our lives. We thank you for everything, we pray that you will bless all our leaders in this Parliament. Bless our Speaker, our Prime Minister, our ministers, the Leader of the Opposition and all leaders of this country to have a good day and good week and a good session during this last session of Parliament. Amen’.

Mr Kerenga Kua – Point of Order!

Mr DEPUTY SPEAKER – What is your point of order?

Mr Kerenga Kua – My observation of the Floor of Parliament is that the Questions Without Notice which is part of the proceedings of this Parliament is losing its meaning and purpose. Serious questions concerning the affairs of this country are asked as the only venue

available to Papua New Guinea for serious answers to be solicited not just for the Members but for the information, knowledge and action for the people of this country.

Mr Deputy Speaker, you will notice that the standard of the answers coming back from the Ministers has been declining and continues to decline.

If they do not know the answers then it would be prudent if they were to take the questions back to their departments and get proper answers and answer the next day. They keep on objecting because they do not want to understand these things. That is why the standard is declining.

*(Members interjecting)*

Mr Kerenga Kua – Your job is to answer the question precisely and accurately. If you do not know the answers then you need to have the integrity to admit it. We need serious answers to serious questions so that we can move the affairs of this country progressively forward instead of laughing and joking here like kindergarten children. This is not a kindergarten and we need to act like leaders of this country.

Mr DEPUTY SPEAKER – Honourable leader, please resume your seat!

Mr Kerenga Kua – Mr Deputy Speaker, you need to control the quality of answers coming from the Ministers. When they don't answer then it is your job to put them on track.

02/02

## QUESTIONS

### Royalty Payments

Mr PATRICK PRUATICH – I direct my questions to the Prime Minister but since he is not here, I will direct them to the Deputy Prime Ministers and Treasurer.

This matter relates to today's *Post Courier* headline in so far as the law and order issues in the biggest investment that is undertaken by this country and the benefits that flow on to the landowners.

Mr Deputy Speaker, today's newspaper headline indicates that the Angore Landowners have closed down the operations there. They have given an ultimatum to close the Hides Conditioning Plant if the Government does not respond appropriately to their demands.



As we all know the benefits of the LNG Project have been distributed to equity participants including the PNG Government through Kumul Petroleum. However, for some reasons the last Government and this Government have not passed on those benefits to the landowners.

(1) Can the Deputy Prime Minister assure the country particularly the landowners that they will receive their benefits. More so the K35 million that was given in the form of a dummy cheque and promised to be paid the following week. It however, has taken them a year to receive that K35 million benefit. Can the Deputy Prime Minister assure the people that that benefit will go to them and when will it happen?

(2) Can the Deputy Prime Minister assure the landowners on when will the Government commence releasing the royalties that are parked in the trust accounts held at the Central Bank?

(3) Can the Deputy Prime Minister assure this country that in the event ExxonMobil pulls out of the project site, the Government is capable of maintaining the situation in so far as luring additional investors to come into the country?

Mr CHARLES ABEL – I thank the Leader of the Opposition for his questions.

There are some concerns about the situation up in Hides and Angore at the moment in relation to the activities of the landowners and its impact on the company. It goes without saying about the effort put in by this Government and the last Government to ensure that that project is successful. It is a well-known fact that it is one of the most successful gas projects in the world in terms of delivering on time and on budget. It is a project that is very important to the future of this country.

Mr Deputy Speaker, we are therefore very much concerned about what is happening up there. I say again to the Parliament that a lot of issues that the current Government is dealing with goes back to the whole exercise of properly identifying who the real landowners are. It is to do with the clan vetting exercise and processes that was not completed fully during the commencement of this project. Therefore it is unfortunate that we continue to deal with this issues and as you know it is not easy issue to deal with particularly after the project has commenced.

The Government is doing it's very best to allocate the resources and to try and complete this important exercise. There have been court cases and interventions around those processes.

03/02

Recently, the Minister for Petroleum and the leaders from there attempted to recommence the process of clan vetting but it was stopped again by interventions from Courts by previous decisions that were made so these issues continues. I emphasise that it largely relates to the fact that we did not resolve those issues in the first instance. The Government remains completely and absolutely committed to the process of satisfying the benefits and to the landowners. You will see as we go forward in the budget process, those funds continue to be allocated. A lot of money has gone towards meeting those commitments and we remain fully committed to them.

In terms of the royalty issues, they are fully secured in the Central Bank. A couple of weeks ago, the payment process commenced with the plant site owners. We hope that within the next couple of weeks to release the royalty benefits to the pipeline landowners. We want to as soon as possible release the commitments to owners of the source of the gas. It is critical for all the PDL sites there.

If you can please exercise some restraint where it comes to the court cases process and allow the clan vetting exercise or the dispute resolution exercise to continue then we can move quickly as possible in making sure that these benefits are paid out.

Mr Deputy Speaker, in response those moneys are ready and the Government is committed but it is just the difficulty of the processes that is underway.

There are some security and law and order issues that continue to happen up there but we are addressing them. Yesterday, the Prime Minister gave some directives for additional reinforcements for security. It is not that we want to create confrontations with the landowners but we must fulfil some of our obligations to our investors. We are going to take some measures immediately through our Police Minister and possible our Defence Minister.

Mr Deputy Speaker, we are therefore fully committed to the process and there will be some actions that will be happening in the last couple of days to hopefully resolve the issue.

#### **Supplementary Question Sale of Shares**

**Sir MEKERE MORAUTA** – One of the benefits agreed under the Kokopo Umbrella Agreement was the ownership of 4.2 per cent shareholding directly by well head owners and the facility owners. After five or six years the landowners are still waiting for those shares to be transferred.

When are you going to facilitate the sale of these shares? I do know that the landowners have negotiated or identified three international banks already to finance their entry by purchasing those shares from the government. When are we going to see this because the dividends have been paid and the landowners are still waiting for the shares?

**Mr CHARLES ABEL** – I thank the Member for Moresby North-West for the supplementary questions.

The additional 4.2 per cent was a negotiated outcome to give our landowners some additional equity in the project. At that time it was negotiated that it will not be free carry. It would be actually paid for and there was a pricing formula that was established. Since then we have allowed the landowners an opportunity to arrange that financing. The Government has been very understanding and through a NEC decision, we gave a discount to that pricing. We also offered to provide some vendor financing around that arrangement. The landowners wanted to explore further options in terms of arranging the financing themselves. We have given them the opportunity and the time frame for them to do so.

Obviously, the window does not extend forever but the Government is trying its best to find ways and means to avail them of that 4.2 per cent. We are also thinking about other options in terms of existing obligations to landowners in offsetting these sort of arrangements. The point being, we want to make sure that we fulfil that commitment. The landowners receive their additional equity and benefit from the revenue streams that come from it.

04/02

#### **Re-visit ECP Arrangement**

**Sir PETER IPATAS** – My question is directed to the Minister for Police. Before I ask my question, let me say this; one of the main issues that this Government faces in this country is law and order. The people on the streets, especially our women and children expect us to come up with some solutions in regards to Violence Against Women, tribal fights, abuse of alcohol, misappropriation, sorcery etc.

I just want to mention here that the main government agency that really deals with a lot of the law and order issues is the police. As they have the power to enforce and whilst we may have differing opinions, I would like to suggest that the police have over the years have become incompetent and are not delivering. This is the second time I am asking this question in Parliament. This Government needs to be serious about law and order. We have a situation up

in Angore. In fact we have situations everywhere and the people are deciding to take the law into their own hands. I would like to ask the Minister:

Are you willing to take my agenda up to Cabinet to re-visit the ECP arrangement that the former minister Mr Bire Kimisopa had in so far as the Australians coming to this country to help us? We are now at the crossroads, we either deal with the law and order situation now or never. This is a serious matter as every citizen wants to know how we are addressing law and order in this country.

**Mr JELTA WONG** – Thank you, Honourable Governor for your question. The Royal Papua New Guinea Constabulary is 129 years old and over the years we have not had the control as we wanted. To bring back the ECP again would mean that we would revisit Court issues from the previous Governor for Morobe. That is what we are looking at now and we are not guaranteeing anything to the ECP but we are in talks with them to provide us with a better solution. We are also looking at other countries and we are taking the command and control situation very seriously. We are at the moment doing asset management to find out what we have and from there we can improve.

Law and order does not only limited to the police, it also come to us leaders, we must talk to our people. We must go and see them and tell them that if they break the law, then they will go to jail. They must understand that the law is there. Some of our people do not even understand our laws. This is where we are and we are working day and night to put a module together to train our police officers with the help of most members here.

As I have put it to the caucus today; that we will take five people, who have completed grade 12, from each LLG, scrutinise them and train them to become the link between the policemen and the villagers. This is the only way we can do it because we have vast culture and tradition. I agree with the Governor that we should re-visit ECP and we are in talks with the Ministers responsible in Australia and once we have a final submission, we will bring it to Cabinet and have it tabled.

05/02

#### **Supplementary Question**

#### **Police in Conflict of Interest**

**Mr PETER YAMA**- Thank you Mr Speaker, I thank the Police Minister and his Commissioner for being kind to accept me into his office twice despite huge law and order problems he is tasked with which is a big problem in this country.

My questions are: (1) When you and your Commissioner sits down to prioritise policemen and women going out to provinces and districts in the country to become station commanders and commanders, what are the criteria you are applying? Is it through their performances or ranks as superintendents or the type of positions they hold?

(2) What are you doing with the policemen who have served more than ten years in one province? They are now the cause of many problems in the provinces. They have their own interest, involved in politics and have established businesses like rent-a-car in Madang. A constable has made K2 million kina in less than a year. The report is very clear and I can't name him but will be arrested shortly by your own policemen.

Problems arises when policemen are posted in one place for more than two years. There is the conflict of interest when they get married there, have relations and business dealings with people and involve in politics and take sides.

When are you going to apply the *Police Force Act*, not allowing policemen in one place for more than two year?

(3) When policemen are involved in disciplinary charges, what actions can the police commander take? Do you dismiss them on the spot or do you penalise them and remove them from the province? Because these are the policemen who create problems in the province when we talk about law and order.

The issue here is that we have problems with the police where they are not performing. Now when we have a problem in one place, we are deploying a police unit or platoon or a command of mobile squad from other provinces to come and attend to one problem. Before, we had two to three policemen dealing with one big problem so this is the issue we are talking about now. Not police from Australia or elsewhere to come here, we have our own problem with our police force.

(4) When you and the Commissioner make decisions to move police to respective places like in Madang, what criteria do you use to have a police mobile squad to be based in Ramu Sugar?

Ramu Sugar is a lease hold area which I was not consulted as the Governor of Madang. I would have asked you to place the mobile squad in Bogia because of illegal trafficking coming in through the border by criminals with high powered arms. Bogia is the ideal location than Ramu Sugar which is already served by mobile squad from Wau, Bulolo, Kaiapit and Lae. Why have it one place? This squad is in one command structure which is creating conflict of interest

06/02

**Mr JELTA WONG** – With regards to Ramu, it was done before my time in the last government.

When we were in Alotau, we said that law and order is our first priority, we are looking at correcting many mistakes that have been brought to us in the past so we are working on it. My office is always open so I urge any Member of Parliament to come to my office and we can sort the matter out.

Yesterday, I spoke to the Prime Minister and he said that law and order will be the first priority so we will answer your questions once we sit down with the commissioner and put something together.

Thank you.

### **Supplementary Question**

#### **Rigo Police Post**

**Mr LEKWA GURE** – With the increasing population and as the population gets sophisticated, we do have law and order issues not only in the urban areas but also in the rural areas as well. I understand that there are plans afoot to have police post erected in specific or strategic locations in different parts of the country, so my question is whether specific or strategic locations have been identified in Rigo District for the establishment of the police posts?

Thank you.

**Mr JELTA WONG** – Thank you, Member for Rigo, we are looking into these things and as soon as I confirm with the Commissioner, I will come back to you.

Thank you.

### **Eliminate Tied Financing**

**Mr IAN LING STUCKEY** – My questions are directed to the Minister for Treasury relating to the 100-Day Plan and the amazing Chinese Government K16 billion financing deal.

Mr Speaker, in the 100 day plan that the Minister for Treasury published in both newspapers on 25 of August and other social media outlets he promised that 25 things would happen and there is a section of our plan titled I quote “Improving our Government’s record”.

In that section of improving the government, point 18 of that 100 day plan states “eliminate tied financing in favour of financing open competitive bid procurement process”.

Mr Speaker, the Prime minister issued a press release two days ago on 20 November, confirming that the Papua New Guinea Government had just signed big road deals that tied financing with China Railway Group of Companies.

Mr Speaker, this is tied financing which will not go to any open competitive bid procurement process meaning each and every single road contractor based in this country, investing in this country and creating jobs for our people are not allowed and will be banned from tendering and applying for these contracts. These deals are worth US\$5 billion or K16 billion.

My questions are:

(1) Is it true, that the Government has already broken its promise to stop tied financing as stipulated in point 18 of your 100-Day Plan?

07/02

(2) How can the people of Papua New Guinea, public companies, small businesses, international lenders trust other parts of the 100-Day Plan when they have all just witnessed a record K16 billion broken promise?

**Mr CHARLES ABEL** – Thankyou, Mr Deputy Speaker, and I thank the Member for Kavieng for his very important question relating to one of the points under the 100-Day Plan. In relation to the 100 day Plan, in the coming Budget Presentations, I will articulate in detail some of the achievements there so far. No one is saying that the commitments are perfect but certainly a lot of progress has been made and I will articulate those clearly.

One of the intentions in the 100-Day Plan that came from the Cabinet was around public procurement and the intention that when we negotiate financing bilateral or otherwise that the financing not be tied, that it be open tendering for the purposes of transparency, accountability and to allow local participation. We are going to hold true to those principles. The Prime Minister has signed some MOU with the Chinese Government to talk about an envelope of financing in the future subject to further negotiations in the future, it is in its preliminary stages. The Chinese Government has fixed criteria about public financing, things like these, it has to go to a Chinese company.

**Mr Kerenga Kua** – We don't have to accept that.

Mr CHARLES ABEL – It is part of their regime, doesn't mean that we accept it, as I am trying to tell you. We are trying to change those provisions. We want to access concessional financing but we want some of those arrangements to be reviewed so that the matters that are discussed can be met in particular open tendering to enable local companies to participate. It is a going discussion, it is a dialogue and we want to avail ourselves so that we receive financing under the right conditions. Nothing is in concrete so these are just further discussions at the moment with the China's Exim Bank.

### Presenting of Evidence

Mr BRYAN KRAMMER – Thank you, Mr Deputy Speaker, my question is directed to the Prime Minister in relation to a statement that he made yesterday in response to a question by the Member for North West Electorate. In that statement he said that, if there was any shred of evidence presented in relation to him misusing any toea relating to public funds.

Where do we present this shred of evidence? As I don't have this shred of evidence of him using one toea but I have material evidence in relation to a Court Judgement of a crime committed in 2012, finding the former Member for Madang guilty of bribery in the presentation of a cheque that was procured by the Prime Minister. The Court expressed to you that the presentation of the Gaming Board cheque was personally secured by the Prime Minister who had personal relationship to the accused and was an act of fraud. I also have an audio recording in relation to comments made by the Prime Minister giving knowledge and authority of the presentation of that cheque.

Who do we present this evidence to so he may honour his word and resign?

Mr PETER O'NEILL – Thankyou Mr Deputy Speaker and I thank the Member for Madang for his question. Member for Madang, when Members of Parliament or communities write to my office asking for support in some of their community projects, I access funds in the Gaming Board under the community development fund. Those are to support churches, schools and other non-governmental organisations in delivering the services that we cannot. So, I do authorise those transactions from time to time as requested by communities and as required by law.



08/02

But if there is evidence of fraud where the former member has misused the money then you should report it to the police to arrest and charge him.

What do you want me to do, I don't have the power to go around and arrest people.

But don't forget that you have already won the election and the former Member is not bothering you by taking election petition against you. You should instead, serve your community rather than becoming a leader who is vindictive and abusive in accusing leaders.

### **Councillors Allowances**

**Mr RENBO PAITA** – Thank you Mr Deputy Speaker, I direct my question to the Deputy Prime Minister and Minister for Treasury. I want the Minister for Inter-Government Relations to take note.

Mr Deputy Speaker, there are three levels of government system at each of our provinces with their delegated responsibilities. When you look at it, most of the work loads are done by our councillors back at the district level and we Governors and Open Members seem to ignore it completely. They are the front liners when major issues arise from the ground.

But yet, these councillors are not paid fortnightly but on a monthly basis. That's why over the last 18 months they were not paid their allowances and that created a lot of tensions. They didn't get their allowances and yet members of Parliament get pay rise.

This point was raised because just recently it was published in one of the two daily newspapers about pay rise for all the elected Members of Parliament.

Can the Minister clarify as to when exactly will all the councillors in each province get their backdated allowances?

Why I am raising this is because they are mandated leaders elected by the people and we the elected Members of Parliament must respect them as well.

Most of these councillors spend more time with the ordinary people back home and when need arises they turn to help the people. We need to settle this issue as soon as possible.

**Mr CHARLES ABEL** – Thankyou Mr Deputy Speaker and I thank the Member for Finschaffien for his question.

Mr Deputy Speaker, we all know that this O'Neill-Abel led-Government has given priority and attention like never before. The empowerment we are providing to Provincial and Local-level Government is unprecedented and well documented in terms of the SIP Programs.

But there are little issues like village court magistrates allowances and church health service offices bringing their pay up equal to public servants rates.

In response to the Member's question there was an outstanding commitment made in relation to their allowances. Funding was released last week with full appropriation in the 2017 Supplementary Budget and also in the 2018 National Budget as well.

09/02

It is our intention to ensure that those outstanding allowances to those very important people, the councillors down at the village level, will be fully paid out before the end of the year, hopefully within the next couple of weeks.

#### Low Remittance to Provinces

Mr GARRY JUFFA – Thank you, Mr Deputy Speaker, my questions are directed to the Minister for Treasury and are in relation to a taxation system or situation that has a significant negative impact on all provinces.

Mr Deputy Speaker, in 2015 the IRC introduced SIGTAS which stands for the Standard Integrated Government Tax Administration System replacing RASH the previous system that they were using.

This system has caused significant problems for most provinces by reducing their internal revenue remittances paid every month on the 21<sup>st</sup> by a hundred per cent. And in some instances more than 150 per cent.

I met with the officials of the IRC and I came away feeling very disappointed at their responses which was that they blamed this system but they don't know why these problems are occurring and they don't have any plans to rectify this situation so that the revenue that is due to the provinces are actually recouped and remitted to them.

(1) Are you aware of this?

(2) Would he be able to put in place a strategy so that those revenue that are due to the provinces are collected and remitted to them?

My other question is in relation to the recent announcement that the Minister made in regard to an amnesty for companies that are turning up to pay tax. Under this umbrella, there will be a number of companies that owe significant taxes that may use this opportunity to evade or avoid paying those taxes.

(3) What system do we have in place to guarantee that those companies pay the dues that this nation deserves in the form of taxes that they owe?

(4) Do we have a system in place or do we have the capacity and the resources to ensure that the IRC scrutinises and screens in a very explicit and careful manner to ensure that significant amount of taxes due unpaid are not avoided by this process?

Mr CHARLES ABEL – Thank you once again, Mr Deputy Speaker and thank you to the Governor of Northern for the questions relating to revenue to provincial governments and his reference to the SIGTAS computer system which is part of the ongoing reforms at the IRC and separately at Customs in relation to improving the collection of taxation.

As far as the revenue streams to the provincial governments are concerned. And the governor hasn't been specific as to which revenue stream he's referring to. The only one that I am aware of that has been reduced somewhat –

Mr Garry Juffa – Point of Order! My point of order is that just for clarification purposes, I'm referring to the GST remittances that are paid on the 21<sup>st</sup> of every month.

As we all know, GST payments are made after two years, the ratio being 60-40; 40 per cent to the National Government and 60 per cent to the provincial governments. They are calculated based on the collections made two years prior to the year of allocation. That's basically what I am referring to, the remittances that are paid every month by the IRC to the provinces.

Mr CHARLES ABEL – Thank you Mr Deputy Speaker. I was just going to say, my presumption is that it's related to GST because I am aware that in the recent calculations which are based on two years previously or two year in arrears as to what the provincial governments get today. There has been some reduction but not in all provinces but some provinces have had a reduction in their GST flow and we are looking into that.

In relation to the other funding that is going to the provinces, notwithstanding some of the cash flow and the timing issues, they are generally increasing. The share of the revenue, particularly through functional grants are increasing and off course, we won't mention the SIP and so on.

10/02

Mr Deputy Speaker, going forward, we have had directions from Cabinet which has had some publicity on the Floor of Parliament to increase the share of the GST that is accrued to provinces. We have to determine if it is the SIGTAS related matter or other related matter that has resulted in GST to some provinces being reduced.

We want to give the ability to provinces to raise internal revenue through small taxation measures and we are also looking at giving a larger allocation of the GST allocation back to the provinces.

In relation to the second question regarding amnesty, it was announced by the Commissioner of Internal Revenue Commission and was not announced by me. But it is one of the range of measures by the IRC to improve the collection of taxes and it is designed around the penalties. It is not designed around the based tax.

In many cases, we have a lot of arrears outstanding because of ongoing disputes and a lot those disputes are penalties accruing over the years. People are using that as an excuse to continue in the debate and not paying their taxes.

So, it is just an opportunity for tax payers of Papua New Guinea to clear their books by paying up all their base tax and in return, the penalty aspect of the Bill will be forgiven. There is a two-month window to do that.

This is not designed to forgive people for the base tax or they owe the Government but it is simply around penalty provisions and often these penalty provisions can be quite severe because a lot of it is computer generated based on time. As the dispute progresses, the penalties increases and the dispute is around the penalty itself. So the based tax we should receive today is suspended because of that.

By the way, there are some provisions in the Budget around that process. For example, if you want to dispute with the IRC, you must pay your based tax first, then you can provide your disputes.

So we are bringing in a range of reforms and hopefully, it gives an opportunity for the Government to raise some revenue and it gives tax payers to clear their books and start with a clean slate next year.

## Supplementary Question

### Request to Increase DSIP

Mr JOE KULI – Mr Deputy Speaker, my electorate has a total population of 124 000 and it captures three provinces, Gulf, Chimbu and Western Highlands Province.

There are three languages also captured in this one district, the Jiwaka language, Chimbu language and the Melpa language.

Mr Deputy Speaker some provinces have 20 000, 30 000 or 50 000 population and yet, we all get the same K10 million DSIP.

Since Anglimp-South Waghi District has the largest population in the entire country, I simply ask if the Minister for Treasury can see my plight and make an acceptance to add another K3 million or K4 million on top of the K10 million to help cater for my district?

11/02

Mr CHARLES ABEL – Looks like it is my day today in relation to the questions. Thank you, Member for Anglimp-South Waghi, it is a big district in terms of population and many of our districts are faced with similar challenges. If we can talk about Talasea, which has more people than Anglimp-South Waghi and it also has a bigger area, there are many different factors that go into the cost of service delivery and population is a very important one. You also have remoteness, geography, where our people are spread throughout the districts and it is very challenging how to come up with the basis to provide fair funding to everybody. In the first instance I say we should be grateful that we are receiving money down the district level and it is for the first time since independence, that you are getting K10 million, this is a significant amount of funding, when it is accumulated over five years or even ten years, this is a lot of money coming in.

The second thing is to continue towards a situation where you receive a third amount because of the cost of service delivery to you. The National Economic and Fiscal Commission is already doing it, in terms of the functional grants for provinces. They are doing on the basis of what it actually costs for that particular province to deliver services; its minimum priority areas services on the population that it has. And we need to begin to involve some of these across to the DSIP situation. It is something that we have started on and I know when I was with Planning. I had a look at it, but one of the solutions is the Boundaries Commission situation to activate the Boundaries Commission because the basis of this is to ensure essentially that all the relevant political areas have a similar population. When it was

established it was based around a population of around 70-75 000 per district. Often when we talk about the Boundaries Commission and electorates we are caught up in a discussion about creating more electorates but the very important aspect of the Boundaries Commission is the re-distribution of boundaries to maintain a similar population per district.

When you have the political boundaries aligned the boundaries can flow and match to help in that regard. I have a similar situation in Alotau. Half the population of Milne Bay resides in my district and I have 10,000 km to look after with 19 different languages to cater for but I also receive the same amount of money. Some of us need to have our districts split and others have to have their boundaries simply moved so as to maintain fairness while we continue to work on a formula that will satisfy all of us. I went through that exercise and as soon as you come up with a particular formula, some will be happy and others will be unhappy, this will create a new argument. There are many aspects to the problem but your point is taken. We have varied problems and we have to find a formula where we are all happy because others may have large population small area, and vice versa; while other are remote in terms of geography.

12/02

**ALOTAU ACCORD II RESOLUTIONS – BETTER SERVICE DELIVERY  
THROUGH POLITICAL AND BUREAUCRATIC PARTNERSHIPS –  
MINISTERIAL STATEMENT – MOTION TO TAKE NOTE OF PAPER**

Mr ELIAS KAPAVORE (Pomio – Minister for Public Service) – The *2017 Alotau Accord II* Resolutions have once again set the strategic direction of the O'Neill-Abel Government for the next five-year period. Our Government's manifesto brings a new and a more dynamic vision with new priorities to drive our economy forward.

Our manifesto provides for continuity in the Public Service reforms derived from the *2012 Alotau Accord I* Resolutions. A major emphasis in the ongoing reforms is to enhance Public Sector performance and their service delivery at the provincial and district level.

I will ensure that the departments and agencies under my control clearly recognise our Government's emphasis. The Ministry of Public Services will maintain policy continuity with emphasis and focus on effective service delivery at provincial and district level.

Mr Speaker, our people deserve improved and accessible government services. Under the leadership of Peter O'Neill and the dedication of our former Minister for Public Service, Sir Puka Temu, emphasis was given to effective political and bureaucratic partnerships. I will explain how accountable performance management system work in my presentation.

As the Minister for Public Service, and a long serving senior public servant, I can understand how partnerships between our political heads and bureaucratic heads are supposed to work together to serve our people. Political initiatives in our Manifesto must translate into policies which are implemented on the ground.

Just like my predecessor, I do not condone agency heads collaborating together in Waigani for their own selfish ends without reference to the needs of our people out there in the provinces and district levels. I will ensure that the Public Service re-focuses its priorities as emphasised in the *Alotau Accord II*.

We are not elected and appointed to office just to develop systems and procedures to benefit our people in Port Moresby. Our focus will be on utilising the latest ICT systems to progressively roll out management systems and procedures across the country.

Our Provincial District Administration, our schools and our hospitals must be able to function efficiently without constant reference to basic HR and Finance management support from Port Moresby.

Great progress in transforming the way that we do business in the Public Service and other Government agencies has been achieved and will continue under our new *Alotau Accord II* Resolution. I will focus on the Government's Performance Management System holding agency heads accountable and on time-keeping & Attendance System to ensure that public employees give "a full day's work for a full day's pay"

The National Public Service is the Constitutional and administrative glue which holds our diverse provinces together as One Nation. Our Government has pledged to devolve power to our Provincial Governments and our Districts Development Authorities. We will achieve this aim and at the same time maintain One National Public Service.

The main areas of past achievement and future achievement will be as follows:

**1. Timekeeping and Attendance**

I have made this my number one priority. Our people have every right to expect that our public employees give "a full day's work for a full day's pay" But all too often we are told that services cannot be delivered because public employees have not come to work. And yet they have been paid in full! This is unfair and wasteful practise will be ceased.

I have brought forward the tendering process for a new Payroll Linked Timekeeping & Attendance System. I expect the trials to be completed in the first quarter of 2018 and the T&A System will be rolled out progressively down to the Districts over the next two years.

I have requested support from our development partners to fund this important initiative to be led jointly by the Departments of Personnel Management and of Finance. Proper funding is essential.

I will also be working closely with the Minister for National Planning in advancing the NID. To conduct physical staffing audits we need to put a face to a name. All public employees in the government payrolls must have a NID. A separate National Identity and Civil Registry office reporting to the Minister is being established to give the NID program priority.

## **2. The 100-Day Economic Recovery Program**

The Department of Personnel Management has an important role to play in enforcing cost control measures and by reducing the large Personnel Emoluments over-expenditure against budget. In order to hold agency heads accountable for remaining with budget, realistic appropriations must be handed down and Treasury has re-balanced the 2018 PE budget.

Comprehensive and advanced reports of organisational and staffing efficiency and expenditures have been developed in the Ascender HR Payroll System and these are being circulated to all agency heads. These reports are to be made available online through a DPM web based system which will be rolled out to the provinces. Agency heads will be held accountable.

13/02

As part of cost control measures to reduce staff expenditure and improvement operational efficiency, a whole of Government Retirement exercise has been commenced. A total of 1 229 retirees have been identified out of which, 143 have been retired and the department is seeking additional funds of K40 million to process and pay out the balance of retirees.

It can be noted that there is to be no retrenchment due to the high cost of ex-gratia termination benefits involved.

## **3. Constitutional and Legislative Amendment to Promote Service Delivery**

The Constitutional and Legislative amendments made in 2014 have placed responsibility for the appointments of agency heads firmly with the Executive Government. The role of the Public Services Commission has been confined to the provisions of Section 191 of the *Constitution* to act as the “watchdog” and report breaches to NEC and the Parliament.

The Bill to effect these changes were passed without dissent and supported unanimously by both sides of the House during 2014. The intervening three years has proven that these changes have worked very well in building political and bureaucratic partnership.



Agency heads who may be aggrieved by their removal from office are now free to go to the Public Services Commission instead of the Courts. Unfortunately, as a result of a misplaced application to the Supreme Court by the Public Services Commission further development of these Constitutional and Legislative reforms has been stayed by a Supreme Court Interim Injunction.

I have appealed to the Chairman of the Public Services Commission to recognise the harm that is being done to the Government's Manifesto by these stay orders. I expect that common sense will prevail and that positive outcomes in the Supreme Court will result very soon.

#### **4. Merit Based Executive Appointments to Promote Accountability.**

The new processes under the control of the Ministerial Executive Appointments Committee (MEAC) which I chair, are based upon properly analysed fit and proper criteria, which are also performance based.

Each minister has a direct say in selection of a preferred candidate and the Provincial Executive Councils are able to select their preferred candidate for appointment by the Head of State on advice.

Since the removal of the PSC from the Executive Appointment Process and the inclusion of the MEAC process in October 2014, by utilising the merit based selection criteria, a total of 70 appointments have been made. This includes 16 departmental heads; 14 provincial administrators and 40 CEO's of statutory bodies. This reflects the effectiveness of the appointment process.

I will ensure that the MEAC process continues to make both our political and administrative heads jointly accountable for service delivery.

#### **5. Contractual Performance Management Systems to promote Political and Bureaucratic Partnerships for Service Delivery.**

The Ministerial Executive Appointments Committee has since the 2015 Budget Year promoted the Government's Performance Management Contracts. The process confirms and cements the constitutional relationship between our political and administrative heads.

Performance Commitments Agreements establish a clear Political Bureaucratic Partnership between Ministers and their Agency heads and between Provincial Governors and their Provincial Administrators.

The Department of Personnel Management is in the final stages of completing the interactive, web-based online system that will be rolled out through the computers on office desk tops in the quarter of 2017.

This system – the Government PMS – will allow for the ongoing monitoring and mutual review by Ministers and Governors and their agency heads of performance against the Government service delivery priorities. During 2018 the system will be progressively cascaded down to the officers below the agency head level.

The “Guidelines for the Performance Management System” have been distributed to all Departmental heads, Provincial Administrators and CEO’s of statutory bodies. Copies were also sent to all Ministers of State, Provincial Governors and Board of Statutory Bodies.

#### **6. Support for District Development Authorities (DDA’s) through Organisation and staffing Regulations**

One of the O’Neill Government’s greatest achievements, supported unanimously by both sides of the House in 2015, was passing of the *District Development Authority Act* to create the service delivery mechanism at the district level. Each member is now made accountable for service delivery at the open electorate level.

We have a long way to go to perfect the modus operandi for the DDA’s.

14/02

Each Member is now made accountable for service delivery at the Open Electoral level. We have a long way to go to perfect the modus operandi for the DDA’a. Each Open Member as Chairman of the DDA must work closely with the DDA CEO to prioritise service delivery and funding allocation. At the same time they must work in harmony with the Governor of the province in accordance with the *DDA Act*.

My ministry with our stakeholders are promoting new regulations to ensure that the separation of powers between the Open Member and the district administrators required by the DDA Act is stated and respected.

If we are to deliver services to our people, a robust DDA akin to a town or a city authority is the appropriate service delivery mechanism. We will deploy every feasible option to eliminate duplication, ambiguity and confusion in its implementation.

I recognise some time ago, the need for finance officers at the provincial and district levels to be made accountable to the provincial administrators and district administrators. This is good governance so that Waigani cannot be blamed for the failure of their finance officers for misappropriation.

My ministry will have a deep involvement in the review of the *DDA Act* as espoused in the *Alotau Accord II*.

## **7. Mainstream Promotion of the Executive Leadership and Governance Framework**

Mr Speaker, in 2013, the Prime Minister then, Peter O'Neill, launched the Ethics and Values-Based Executive Leadership and Management Capability Framework. This recognises the importance the coalition has placed upon the development of our bureaucratic leaders that goes hand in hand with the reforms I have already described. The Ethics and Values-Based programs to recognise that service delivery to people is paramount. It is another priority the Ministry of Public service will be focusing on to ensure a leadership culture of ethical and efficient leaders is nurtured in the Public Service.

My ministry is promoting the framework through the various training and development programs at our institutes of learning, some co-founded by our development partners, through the Pacific Leadership & Governance Precinct.

To date over 2000 participants from the national departments, provincial administrations, Provincial Health Authority and public hospitals have gone through the Executive Leadership Program under the Pacific Leadership and Governance Precinct.

## **8. Creation of the Pacific Institute of Leadership & Governance (PILAG) by transforming the PNGIPA.**

The National Executive Council has approved the transformation of the PNG Institute of Public Administration into the Pacific Institute of Leadership and Governance (PILAG). This Bill, I believe is before Parliament and will be presented, debated and approved. In conjunction with our main development partner, the University of Queensland, the certificate and diploma programs will focus on capacity building and service delivery by the provincial administrations and district development authorities through work based leadership. The PILAG, as an independent authority will build public-private partnerships with the provincial governments and DDA's to raise governance and performance standards.

## **9. Government Office Allocation Committee (GOAC)**

As witnessed by the launching of the refurbished Central Government Office building under a Build, Operate, Lease & Transfer (BOLT) Project the GOAC made great progress over the past four years in achieving a major Government objective from 1996. Six government agencies have been relocated to the refurbished government offices since the launch in 2016 and more are on the way.

During the past four years, 15 government agencies have been relocated to improved office accommodations closer to the Waigani area. Significant savings from K200 million office rental bill will be achieved progressively as more agencies are relocated to the Waigani Government offices. My ministry recognises the potential savings that can be achieved by

relocating government agencies in private office accommodation into government office accommodation. This is something that our Government supports and we need to make sure that we have our own office available by the Government. According to 2017 information, we have 152 offices currently rented by the Government; 56 in NCD and the others are throughout the country, and costing the government up to K200 million and we can continue to reduce this over a period of time.

The Ministry in partnership with other key agencies is now taking an audit of all current lease agreements and office spaces to ascertain the necessity of the rental bills currently being paid. My Ministry recognises the rundown state of Morauta Office Building and will ensure that refurbishment works are tendered to enable occupancy of Morauta building in the next four years.

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Great progress was made in seeking and identifying through Government tender a suitable investor/developer for the Waigani precinct office development through BOLT. My ministry will competently satisfy the directives of the National Executive Council in the best interests of the nation.

The DPM property management database system was launched in 2016. It is a state of the art system and provides a smart tool to enable all government agencies to manage their institutional property and housing occupancy portfolio efficiently through this system.

A Public Service housing policy together with a comprehensive government office accommodation policy are close to completion to ensure value for money in the allocation of office accommodation.

**10. Promotion of Sovereignty in engaging aid funded non-citizen technical advisers and giving enhanced opportunities to our citizens**

Mr Speaker, at long last our Government has addressed the sovereignty issue and has removed officers employed by foreign governments from our Public Service departments. At the same time, we have enhanced mutually beneficial development partnerships between government institutions and their overseas counterpart development partners.

A major objectives is to request our development partners to focus aid funds into projects at the provincial and district levels. We need to be able to fill the technical gaps at those levels. We need in-line technical expertise and we smart solutions to get our engineers, accountants and doctors to work in the districts.

The major programs managed by Abt Associates, the PNG Governance facility (PGF) established by Australian DFAT, will be reviewed in line with our development partner agreements to achieve these objectives.

We will also make sure through a review of recruitment and selection progresses that our many competent Papua New Guinean professionals who have left the government for greener pastures, some overseas are given the opportunity to compete for aid funded engagements.

An Amendment Bill on *Section 45 of the Public Service (Management) Act 2014* has been passed by the Ninth Parliament in early 2017 and a regulation on the engagement of citizen technical adviser is expected to be in force before the end of the year.

#### **11. Mainstream promotion of gender equity and social inclusiveness (GESI)**

Mr Speaker, my ministry has given prominence to this overlooked and neglected area of capacity building. Since independence in our male dominated society we have paid lip service to equal opportunity for our women.

I am pleased to inform you that the laws have been amended and now all agencies must respect the General Orders and give a fair go to women who apply for promotional opportunities.

My ministry through the Department of Personnel Management is committed to increasing the number of women admitted into the public service workforce by 15 per cent and a general increase of women in leadership roles by 30 per cent by 2030.

The challenging observations is that before the GESI policy was introduced only seven (7) women held executive leadership positions. As a result of GESI mainstreaming us now have ten (10) women at the executive leadership level.

#### **12. Promotion of the Divine Word University public service development program.**

Mr Speaker, the DWU public service development program has grown in popularity and in strength. The third graduation of senior public servants took place in 2016 as a major component of the development of the next generation of public service leaders in 2016. The program offers Masters in Public Administration (MPA) and Bachelor in Public Administration (BPA).

A total of 37 senior public servants have gone through MPA and 33 BPA. Most of these are district administrators, program managers at Districts and LLG levels. Out of the 70 senior public servants who went through MPA and BPA, nine (9) were females.

I am proud to state today that I was one of the first products of the program and I strongly recommend the program to the honourable members of this House. My ministry through the Department of Personnel Management is currently finalising arrangements with Divine Word University and Department of Finance to continue the program.

**13. Supporting the ABG public service capacity building and draw down of powers from the National Government.**

The *2012 Alotau Accord* directs the Government to give prominence to supporting the ABG. The ABG is now in the critical stage of preparing to conduct the referendum on Autonomy and Independence in 2019. In order to witness a successful referendum the ABG will want to demonstrate the capacity to manage its own affairs.

The 2030 Bougainville Peace Agreement provides for successful draw down of administrative powers in order to achieve self-sufficiency. The key to success is the development of the ABG public service.

In March 2017, an overarching memorandum of understanding (MOU) was jointly signed by the ABG minister for public service, Honourable. Robert Hamal and the National Minister for Public Service Honourable. Sir Puka Temu. The MOU facilitates the transfer of essential powers and functions from the National Government to the ABG.

In terms of capacity development, my Ministry has been at the forefront of providing support to the ABG working in collaboration with the National Coordination Office of Bougainville Affairs. We will step up our joint efforts with the President and the ABG Public Service to meet their capacity development needs.

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With this regard, I want to encourage all Members of the ABG to work together with my Ministry to establish a pathway forward when it comes to establishing a structure that will meet the service delivery demands of the people of Bougainville.

**14. Improving management of Devolution and pay roll expenditure control.**

Despite the greatest effort of the Department of Personnel Management over the last four years and the establishment of OSPEAC led by the Treasury Department, excessive expenditure of personnel emoluments has still not been brought under control.

The Australian Government through DFAT jointly funded the “HR CONNECT project focused on HR that are, “One Person, One Position, One Pay” and this was a successful programme. However, DFAT ceased this programme in 2016 and the Department of Personnel

Management is collaborating with Treasury Department in continuing with an audit and data cleansing programme.

This is one of our key result shift that is affecting our HR today and we've seen continuous personnel emoluments blowouts in the public sector wage bill.

A major source of personnel emolument overspending is through the PGAS held in the IFMS which has no human resource control. The NEC has now directed the latest cost control measures that the PGAS must be turned off as soon as possible to remove bogus expenditure on personnel emoluments outside the government's pay roll system.

I wish to make it clear that the policies and procedures for expenditure of personnel emoluments is the responsibility, by law, of Public Service Ministry and the Department of Personnel Management under the legislation that I am responsible for.

Mr Deputy Speaker, I would like this House to know for certain that the Government's Ascender Integrated HR Pay Roll System has been rolled out to all provincial administrations for many years. The Department of Personnel Management is now actively rolling out Ascender Integrated HR Pay Roll System to the districts and, funding permitting, I am pleased to announce that Abau and Pomio districts are now online with Nuku, Pangia and all districts in East Sepik soon to come on board.

This is not to say that some kind of a system is in place, we are encouraging our Members, if you want the system to roll out to your provinces or districts, please come to my office, talk to my department and we can assist you as well.

Suggestions that the pay roll system can be integrated into IFMS is totally untenable. The IFMS after 20 years is sold out only to the central agencies in Port Moresby and has a long way to go to catch up with the Ascender Integrated HR Pay Roll System.

Mr Deputy Speaker, the issue on personnel emoluments overruns every year has been a major concern for successive governments and no corrective strategy has succeeded in providing the solution. The focus must now be on holding our agency heads fully accountable for personnel emoluments spending.

Agency heads key result areas and performance indicators included a very specific need to control staffing and personnel emolument against budget ceilings. I will be presenting a report to NEC and to this Parliament on the over-spending agency heads and severe action will be taken in the future.

An immediate recruitment freeze is now in place until we sort out some of these things. My ministry will also actively pursue an earlier government directive to establish Shared

Services HR Pay Roll Bureau with an external manager to manage the HR pay roll in collaboration with the central agencies.

**15. Rightsizing, Amalgamation Cost Savings and Removal of Organisational Inefficiencies through OSPEAC.**

In addition to cost saving measures, measures are being undertaken through the control of the pay bill. A number of organisations have been identified by the Government through various Cabinet decisions for rightsizing. This means either abolition and/or amalgamation with other agencies and reforms of their functions.

The collaboration of the central agencies through OSPEAC has been task by Cabinet under the leadership of the Secretary for Department of Personnel Management to rapidly bring this programme to fruition in a cost effective way by the end of this year. I have a submission that will go to NEC with regard to this.

**16. Ongoing Management of Public Sector Industrial Relations and Negotiation of Triennial Pay Fixation Agreement.**

Over the past five years the Government has enjoyed unprecedented industrial harmony and good working relationships between the State agencies and the public service unions. There has been an acknowledgement of the mutuality in developing a constructive partnership for development.

17/02

A main plank of the relationship has been the three-year pay fixation agreements that have been in place with the main unions – the Public Employees Association, the Police Association, Teachers Association and the various Health Workers Association.

New three-year agreements have been renegotiated when the previous agreements came to an end in 2016. Due to the deficit budget situation the generous annual pay rises enjoyed in the past years have been significantly reduced, and peaceful settlements have been reached with the PEA and PNGTA in recognition of the Government's financial difficulties.

The need to implement the agreed 3% pay rise in the payroll before the end of the year, I believe is important. I express the hope that we will be able to implement these agreements before the end of the year and award the back-pay in the supplementary budgets as agreed previously.

Having said these, while most of the public servants are committed, there are many public servants who are not actually turning up for duties as well.



## **17. Supporting Health Services Reforms of the Provincial Hospitals and Provincial Health Authorities.**

My Ministry has worked with the Health Ministry to give greater independence to our public hospitals and provincial health authorities under the management of their respective boards.

Giving greater autonomy and proper financial support to Provincial Health Boards will witness a major transformation of the Health Services and bring them to the communities in which they operate. This process will see the progressive decentralisation of the health services under the joint responsibility of the National and Provincial Governments.

These reforms envisage a long term greater role for the District Development Authorities in overseeing the delivery of health service to our people. The Ministry of Public Service, in collaboration with the Ministry of Health, will seek a policy direction from the NEC to initiate appropriate work to commence.

As a former CEO of a Public Hospital, I have recognised the need for specialist medical officers currently occupying administrative positions in the Health Department at Waigani to be deployed to the hospitals and health authorities in the Provinces. I will be working with my brother Minister, Sir Dr Puka Temu to ensure that this change takes place.

I will also ensure in conjunction with Sir Dr Puka Temu, that the long awaited Regulations for the proper administration of our hospitals and health authorities are finalised and presented to Cabinet at the earliest opportunity before the end of the year.

Another initiative of the Government has also been delayed for too long. The recruitment of Cuban Doctors into District Hospitals will be actively progressed. The need for an overarching Development Cooperation Agreements between our two Governments at the highest level must be pursued by the Ministry of Foreign Affairs before any concrete commitment is finalised.

## **18. Support to the APEC authority, Secretariat and the Special Security Taskforce.**

The Ministry has been very supportive of the recruitments of the APEC agencies under the *Public Service (Management) Act* and *Salaries and Conditions Monitoring Committee (SCMC) Act*.

In order to facilitate the assignment of public servants to the APEC Authority, a Special General Order has been requested from Cabinet. It is expected that the arrangements will be in place by the end of September.

Mr Deputy Speaker, Development Partner Overseas Scholarship and Capacity Building Programs.

The Department of Personal Management has been working in partnership with our development partners, in particular Australia and New Zealand Governments, to identify up to 95 suitable candidates to undertake overseas scholarship. More opportunities are to be provided for women to give 50/50 gender balance with men.

The key priority areas for training are in the Agriculture, Transport, Health, Education and Governance Sectors.

18/02

Short-term fellowship programs are provided for locally and abroad. A total of 140 officers have undergone training in preparation for the APEC summit in 2018. Courses in HR, strategic management and procurement have been prepared for provincial staff, for DDA service delivery mechanisms. Fifty women also participated in the Women in Business Entrepreneurship Program.

Mr Deputy Speaker, in conclusion, I wish to say there are many other developments being undertaken under the reform in the Public Sector since the functions were transferred to my ministry through the amendments of the *Prime Minister and NEC Act* in 2014. We are witnessing true reforms under this Government and the development of constructive partnerships between the Open Members and as Chairman of the DDA in harmony with the provincial governments will be central to enhancing service delivery during our term in office.

I am confident that by working together through the performance based political and bureaucratic partnerships that we are creating we will succeed in delivering on our *Alotau Accord II* Resolutions starting immediately. During my term in office, I will be pursuing the Vision2050 Objectives in Pillar No.1 "Development of Human Capital". I believe that our country needs a National Policy on Human Resource Management and advancement of our people.

I believe that such an initiative will be welcomed by our private sector employers as well as our public sector employers. I will be pursuing this strategy through the newly created Pacific Institute of Leadership and Governance.

Thank you, Mr Deputy Speaker.

Motion (by Mr James Marape) agreed to –

That the Parliament take note of the paper and the debate be made an order of the day for subsequent sitting especially later this afternoon.

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

19/02

Sir PUKA TEMU (Abau – Minister for Health and HIV/AIDS) – Thank you Mr Deputy Speaker, I want thank the Minister for Public Service, honourable Elias Kapavore for a very excellent statement on this important machinery of government; the public service in Papua New Guinea. No nations on earth will do without the public service machinery in terms of those nations' dreams to develop their countries around the world and Papua New Guinea is no exception.

I want to congratulate the Minister for clearly articulating where we are in regards to current legislations and policies and the issues our government is concerned with and also the issues of efficiencies in service delivery throughout the country.

I take my hat off to the new Minister, he's already on the right footing to address and manage efficiently this very expensive machinery of government, the public service through this term of government.

Mr Deputy Speaker, as the former Public Service Minister and once a long serving public servant to the head of Department, I just want to acknowledge the contributions of many long serving public servants prior to Independence, many are not well educated but when tasked to do their jobs as didiman, policeman, councillors, medical orderlies, teachers and others, they did their job with very little pay, no vehicles. They were the key people who build the original foundation of what the public service should be and the machinery that so much complaints have been targeted in our time.

I pay homage to those civil servants who have passed on, particularly acknowledging those in my areas as orderlies in the front line serving in the remote areas and dispensing responsibilities with little bit of penicillin and chloroquine but very committed. Despite struggles by the mothers, they will go to the house with hurricane lamps to try and deliver a mother at the house or under the tree without proper hospitals and health facilities many of us enjoy today.

Same as teachers out there in the bushes. Many of them have served for over 30-40 years without receiving medals from the government.

Mr Deputy Speaker, under your leadership, I think we should give instructions that all those teachers or orderlies who have served for more than 30 years, we should line them up and give them awards (Queens Birthday Awards) or our own PNG awards (Logohu Awards).

Many times we cloud our efforts by criticizing the public servants then commending them that's why I want to say that there are many who have contributed and have passed on.

20/02

Since Independence with the localisation programme, many were taken out of university with first degrees without experience and were placed as departmental heads, governor of the Central Bank or Finance secretary or heads of Foreign missions. Many didn't do second degrees but they were given jobs like that 41 years ago and I also want to acknowledge them.

But more importantly I have to say that we have come a long way in the area that myself and the public service minister have been involved with in our lives as public servants. We have localised all the positions for doctors and nurses and I know in the legal fraternity, accountants or teachers and many of our fellow Papua New Guineans have occupied those honourable positions.

So, I think that when you look at the positive side, we as a very young nation, only 41 years old but we have had Public Service leadership that I believe is equally as qualified and as competitive as their counterparts outside of the nation.

And I can remember when I was employed in the Royal Prince Alfred Hospital, and I had a hand-over-take over from the Australian doctor and he didn't diagnose an old man with Meningitis I did a diagnosis and he laughed at me. After the ward rounds I did the lumbar puncher and sent it to the laboratory and they confirmed it and I was the proudest Papua New Guinean Doctor in that foreign hospital. Those are many examples of how we only pick up the negative sides of our public servants job and responsibility and try to paint a good picture.

Mr Deputy Speaker, on the positive side I know that there are many committed, well trained responsible public servants out there that are doing a fantastic job but at the same time, because nation building is a long-term effort there are areas that we lack and have weaknesses in our national institutions. And whilst trying to build them up, we create some gaps in terms of governance, in terms of efficiency and skilled workforce but we must maintain a positive view about our civil service and always maintain a positive view of where we are in comparison to other nations around the world.

Mr Deputy Speaker, I am so happy and as the former Public Service Minister in the last term of Parliament which my colleague has taken over there are some of the areas that he

highlighted which I will debate on. And that is the long-term view of creating a civil service for Papua New Guinea for the 21<sup>st</sup> Century with the right ethics and value, for me that is really wanting today..

So, as the Minister has announced, the old Institute of Public Administration with good support from the Australian Government in the last term of Parliament we have now created a new campus that we are now calling the Pacific Institute of Governance. This will bring Papua New Guinea to the leadership level in this region in terms of Public Service and how we properly train and equip them as they come through the first degrees or certificate so when they enter into the civil service they are well-groomed to become good leaders.

And so the Minister talked about a very important acronym.

21/02

I will emphasise for example that if the Open Members or Governors find our CEO's or district treasurers are not performing and we are having problems, my recommendation is to sit down and iron out those differences at a mature level rather than shoot at each other because we all have families. Some of these officers have built this country and contributed in their own way at their salary levels back then and have just been promoted to these positions as provincial administrators or CEO's and district treasurers.

My recommendation is, spend time with them and iron out your differences and start working together because now under the District Development Authority, funding is targeted at the district level, it's incumbent for the leadership at the district level and the political level and as Open Members, we now have to make it work. Let us form a political technical team and let us make the team work, otherwise our people will suffer at the end when we start blaming each other.

If they are not qualified and you are not happy with the performance, the process is there for the district treasurer to consult the Finance Minister, and identify a qualified person or in terms of district CEO to consult the Public Service Minister and provincial administrator. Under the new law on the appointment of Chief Executives Officers of DDAs, the Open Member must have a say on who should be appointed before the appointment committee that is chaired by the provincial administrator makes a decision. So the Member has an input on the process. The reason why I emphasise on this is because all of us as leaders know that if we don't make it work in terms of technical leadership and political leadership at the frontline, I think we will be having difficulty in terms of moving programs on the ground. And with the enormous volume of funds, it will be a waste of time.

The second point is in regards to the Institute of Public Administration, I would recommend to the Governors and the Open members to go through the Ministers to the director of IPA and pick up a training brochure so you will know the type of courses that are being offered at IPA. They are very good short courses for CEO's, program managers for education and health or whether you are the CEO of the provincial health authority. The Minister for Public Service went through that program. More importantly, spend some of the DSIP moneys to have a training program for your district staff in those critical areas as that facility is now available.

Mr Deputy Speaker, the next point that I want to raise in support of the ministerial statement is the issue of the Bougainville public service. As you know, Mr Deputy Speaker, in 2019, the referendum opportunity will be offered to Bougainville and so our responsibility as the National Government is to make sure that the referendum process is managed very well. Part of that process is for our government to make the biggest impact on Bougainville. So when I was Public Service Minister, we supported the ABG on their *Public Service Management Act* and they delivered it.

22/02

On that note I recommend the following Ministers; Ministers for Fisheries, Lands and State-Owned Enterprise to instruct your respective CEOs to assist your counterpart Ministers in Bougainville in helping them with the type of legislation that you would recommend and work with them because we would want Bougainville to progress and there is a lot of catch-up work to be done. They got the machinery on the ground now and so what we need to do as the responsible National Government is to make sure that the referendum is managed proficiently as possible because we only got one year to do that.

Once again, I strongly recommend my colleague Ministers to help your counterpart Minister in Bougainville in regards to what other areas that you need to clearly determine in transferring those powers to Bougainville and the laws that are required with the administrative structure. We can work together for the good of Bougainville which is still part of PNG.

Mr Speaker, the other issue is the issue of working eight hours a day and earning your pay honestly according to your own consensus in the eye of God, Government and the Community. Technology is available and I want to point out one technology which the Minister has not been advised and it's called a time and access technology. This technology is now being used by Air Niugini, Eda Ranu and other State entities and also the Southern Highlands Province is trying to use it.

When this system was introduced especially with the payroll section, they have found out so many ghost names which saved huge sum of money in regards to the Wages Bill. And apart from other technology that the Minister for Department of Personnel Management has announced this technology is available.

My last point, is the issue of smart government. Today when you attend global conferences the hot topic now is smart government and it's based on how we harness ICT as a government to roll-out program delivery in the country.

As Minister responsible for Health I am now pushing for E-Health or tele-medicine, E-Commerce, E-Agriculture and E-Education. I think we as a government in terms of this debate on public service, E-Government is very critical and its smart government. Therefore, I strongly recommend that we move into E-Government.

Shortly, I will roll it out in Health because we cannot train all the specialist that we need in every district or hospital. But if we introduce E-Health and tele-medicine you can cover this specialist problems.

Therefore, it's best our country moves into E-Government because we are isolated from many of these modern activities around the world. We can hook up the entire health system with E-health and I believe it will transform the delivery of essential services in our country just by harnessing ICT in our country then we will be transformed

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On that note, I wish to thank the Minister for Public Service for supporting me in the Provincial Health Authorities, PHAs.

Once again, I appeal to my honourable governors to identify your board chairmen, members and CEOs because I want to establish all the PHAs by June next year.

You will find that when the Treasurer presents the 2018 Budget that PHAs are supported in the Budget so make sure that you have yours. For example, the functional grants in Health will go straight to the provincial health authorities so that those recommended by the National Fiscal and Economic Commission will be dealt with accordingly.

It seems that the National Economic and Fiscal Commission is very important and in this whole issue of public service I believe that it should become a truly full blown constitutional office.

It must report to Parliament because when the executive government is not structuring the Budget right in terms of protecting minimum standards, NEFC can then say no. That value is wrong, the unit cost of delivering that service in Telefomin is not the same as in NCD. So, it

should accord more funds in terms of service delivery to Telefomin rather than taking about K10 million, K12 million or K13 million.

I think this is a direction that we as a country should take as a whole overall approach to how the civil service should and the delivery mechanism can be improved in our country.

**Mr JUSTIN TKATCHENKO** (Moresby South – Minister for Lands and APEC) –  
Thank you, Mr Deputy Speaker.

Firstly, I'd like congratulate the Minister for Public Service for the fine work he is doing in a short period of time with the experience and the know-how left by the former minister, Honourable Puka Temu.

The Public Service has always been a big problem in our country and getting it right is going to take some time. But really at the end of the day it comes down to leadership by those who are looking after the public service because at the end of the day you are only as good as your leader.

And taking it forward is a big step. Since becoming the Lands Minister I've faced many issues when it comes to public servants in my department but with the new reforms, ideas and activities that the Minister is now putting forward, we have already started to implement those changes. And we are now beginning to see big differences in our departments which used to have a perception of corruption.

So, when it comes to public servants, at the end of the day, looking at those that are around in my department and those that are around, especially the public servants, it comes down to giving them the opportunity to prove themselves and to rise themselves up and putting out your hand to them to work with them to find out the issues, find out the problems and resolve those long outstanding issues that have been causing the department and the staff problems.

One of those issues that have been brought to my attention, and I am sure many other departments will also have that problem is housing, public service housing.

A lot of our public servants live in the settlements and villages, though some have high covenant houses, not many do.

And when it comes to providing a service to us to make sure that they do their jobs, I am sure that most people would like to have a shower, wake up in the morning refreshed, drive easily to work, have a full stomach during breakfast and lunch so that they can do their jobs without any problems in the knowledge that their children are also going to school in a good environment.



These things also affect our public servants in a big way and housing is one that I am sure if we are all under a good roof then we'll feel more comfortable and we can do our jobs much more easily as well.

24/22

This are some of the issues that, as Minister for Lands, I'd like to support the Minister for Public Service and the other Ministry in ensuring that we have a proper land for helping all our public servants for the long term which I think is very important.

One of the things that we need to do which has already been addressed by the Minister and also the Minister for Health is empowering our public servants to have better knowledge and a better education so they can take them forward in a bigger and better way, especially our new recruits in the Department from universities or institutions that have been employed as public servants.

Let me give an example, last night I was with the Prime Minister and we were there for the graduation of the new students. The graduates that just finished their studies for further studies in APEC, and they all came from all different Departments and Ministries.

I was very proud to see many young Papua New Guineans lifting their lives and lifting themselves up and taking themselves to the next level. The vehicle was APEC because after APEC, they can then go on and do much more and leave lasting legacy in their lives for their future career. I saw the training and education was the big thing to take our public servants forward, and I know a lot of you and the Minister himself stated that he was part of that process that has made him who he is today.

We need to encourage that, we need to keep it going, we need to make it bigger and better, so that we have the best public servants with the highest degree, with the highest education looking after our important Ministries, and departments.

On the NID system. With support of the Minister for National Planning, I made it very clear from day one talking with the Minister for Public Service as well. No ID, no pay! Simple as that. We put a person to a position, we have to make sure we do a complete audit of all our government departments, all our Ministries to ensure that we weed out the corruption of misinformation and misuse of public funds for salaries for ghost names and ghost people.

As we speak, the NID officers are in the Lands Department, getting NID cards for every single staff member to ensure that everybody has that NID card, including myself, including my Secretary, everybody from the tea boy or girl up, because that will then clearly show who

we have in the Department and they can also utilise that NID card for their own benefit in the long term in many other different ways as well.

So, I encourage all Ministers and Departmental Heads to ensure they do the same. That will help to resolve some of the issues the Minister is facing on the blowout of the Public Service budget and then we will get the true picture of actually who we are employing because that will correct that situation.

The other issue I think we are all facing in the Public Service which the Minister is now addressing, there's a lot of Hollywood actors in all our departments. So many actors, people being suspended, reinstated and people not knowing where they are or what they are doing so they can't do their job properly because they are uncertain of their position.

We need to give some guarantee and some comfort to our public servants so they know they've done the right thing. They deserve to be in that position and to be confirmed.

Mr Deputy Speaker, performance based contract is the key. If you don't perform, if don't pick the boxes, get out, we don't need you, simple as that, enough of looking after your own wantoks and your own friends. If you don't perform, you don't deserve to be in that position. So going with confirmation of acting positions and the defended officers or reinstated, I feel that all public servants, no matter who you are, must all be on a very strict performance based contract depending which department they come from and they must perform and pick the boxes or else they are not deserved to be a public servant.

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A lot of the failures that the ministers and members get is because the public servants do not do their jobs. It works two ways we have to support them and they have to support us. That's the way to move things forward in that regard and at the end of the day I look forward to implementing and supporting the Public Service Minister in his directions and activities to ensure we get our departments corrected and operating well.

For me especially as the Minister for Lands, changing the perception so that people will have confidence in what my department is all about and getting it right; continuing and living a legacy that will be a positive one for our people.

**Mr GARRY JUFFA (Northern)** – Thank you Mr Deputy Speaker, I wish to say a few words in support of the statements made by the ministers for Health and Lands, both of whom made correct statement in regards to the state of the public service and how it can be improved.

I am particularly impressed with Sir Puka Temu's passion about technology. I think we should all take that on board because IT solutions can cut through a lot of the red tape and save us a lot of money.

If we just put in place simple IT solutions, for example, I visited DPM not long ago and was astounded to find out that there were no electronic files for senior public servants. This is an example as to what we can do with IT solutions. I would like to commend the Minister and the government for their effort to overhaul this machinery that has remained stagnant for the last forty years and we all need to participate in the process of overhauling and rebuilding this machine. This is the machine that is going to transform the economy and take us to the next level.

How we put our effort into rebuilding and modernising of this machine will see whether or not we end up where we want to go or not or continue to wander around for another forty years. We have to look at how public service machineries are operating around the world. Public service machineries are not in the business of delivering goods and services. They do not do that around the world. Only in Papua New Guinea we are struggling to do this. Public service machineries around the world play an oversight role; they develop policies, administrate and enforce. They define the parameters where the private sector can operate and where its people can do what they do.

If we can do that then you can see a significant savings take place whereby the transfer of responsibilities of delivery of goods and services should fall upon the private sector. And if you enter into relevant private sector, public sector arrangements, you can see this happen. You can take a leaf out of Singapore for example and see how they have done that. Secondly, we have to look at how to make the public service become an attractive employment for people for our young generation.

Right now it is not an attractive place to go and work in and if you look at the advertisements in the papers they will tell you Housing is not a condition for employment. This already makes it difficult for the public service machinery in the rural areas. How can they attract good people to those places when housing is not one of the benefits offered?

Mr Speaker, so straight off, you are not going to get the right person. All the brilliant people are moving to the private sector and overseas, and only those who are truly dedicated are trying their best to get into the public sector. And those who are merely in transition; they are nomads who go to the public sector and while they are there they are looking to greener pastures.

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Then there are those who treat the public service system as Dole system or social security system not intending to do much but intend to get paid while there. What we want to do is make it attractive to the right type of people, the innovators, and the brilliant managers who are going in there and help build this country.

We have to build civic pride which is lacking today. It drives many people right to the most remotes part of the country to provide the services to the people in education, health, agriculture. This lacks today because it's not trained in many of our educational institutions.

Civic pride is not been trained so that we cannot harness the patriotic favour of the people that we want to send out to these places to build this economy. They'd rather stay in towns to have access to TV, rugby league, pokies and so forth. The *Public Service Management Act* is a cumbersome *Act*.

To try to go through the process of rewarding a public servant or trying to punish a public servant is a very lengthy process which we all know. This Acts actually punishes genuine public servants to make it very hard for them to progress and perform. Meanwhile, those not so genuine are the ones moving and climbing and eventually landing in powerful positions of control and making decisions for the department or division etcetera.

Mr Deputy Speaker, we also have to look at contracts which I agree with the Minister for Lands where it's detailed in very explicit format exactly what a person is supposed to be doing or expected of a public servants. If they don't comply, there are necessary actions to take or reward them for doing something well.

We also have to look at taxes. After serving so long and a public servant decides to go home and collect his retirement or retrenchment benefits, a significant amount is taxed. Why can't we do away with this tax so that public servants can at least enjoy their small savings? He needs to go home and start a small business, build his house in the village but can't do that because most of his savings have been taxed.

Mr Deputy Speaker, housing and benefit, again during colonial period, drivers, tea boys, messengers, they have houses. I used to walk up to Kokoda station to visit my uncle who has a three-bedroom house in the yard, pulling up his socks every morning to the office at 7.45am, finishes at 5.00pm and enjoying his job. He's a driver and was provided a house.

We are not doing that now where Senior Directors and managers are living in settlements and villages with no water to shower and no power to iron their clothes. Do you expect them to come and be loyal and patriotic and serve, how can they be?

Training and Structure, I think we really need to overhaul our training system. Are we training our public servants about ethics and morals, are we training them about basic management? Lot of the problems we are talking about boils down to lack of basic management.

The *Public Service Act* and the *General Order 15* tells you exactly what you are supposed to do with public servants who don't turn up early, who don't dress well, who are negligent in their duties or who behave in ways which is disgraceful or improper. But many of our managers are failing to do anything because they are simply not trained to manage. We have to look at training leaders, discipline and management.

In the public service there is going to be two streams, two career paths, one is a technical career path and one is the management career path. There are people who are technical experts in certain areas. They don't want to be managers but we need to remunerate them well for their technical knowledge and experiences to retain them and encourage them, promote them and so forth. Then there are those who are going to be management materials. They can work in any divisions or department but have the management skills to manage.

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Here is an example, in Malaysia after every three years they change their CEO's for the departments. They can take a CEO who is managing water and instantly put him in charge of police, they can get a manager who is in charge of defence and put him in charge of another organisation all together. They rotate them regularly but for us we have some departmental heads who have been there for so long. And with no criticism to them but they have become stagnant. If we rotate them, to a new environment they can improve.

These are just some thoughts that I have which I thought I would add to the wonderful presentation by the Minister. We are on standby to work and assist the Minister and the Government in this very important undertaking of modernising our public service machinery so that it can bring about the changes we want and that our people so deserve.

Thank you.

Mr MICHAEL NALI (Mendi – Minister for Works and Implementation) – Thank you, Mr Speaker, I too would like to contribute to this very detailed ministerial statement that the Minister for Public Service has presented. He is a first time Member of Parliament but a very experienced man. As I sat and read along quietly as he was reading I saw that there were many important points that he raised.

Mr Speaker, the Public Service we are talking about is not a tree or stone or a giraffe from Africa, we are talking about human beings here. You do not have to go to university to have the right sense, common sense comes from God.

All of us human beings have some basic rule that we abide by; first is to be honest and secondly you must have respect for others and most importantly is to do the right thing and when you do not do the right thing you can end up somewhere before a judge. Especially when you go to Court you will try to fabricate all kinds of lies to the judge and the judge is sitting there listening and because he has been listening to a lot of lies he knows where to catch you with one little question and you will sweat in the Court House because you have been trying to defend your lie.

Another thing is that this country is a Christian country but you do not need to be a Christian to know what is right or wrong. Naturally you should know the right from wrong.

If you are a Public servant and you do not go to work or if you go to work but is not sitting at his table as early as 8. 30 a.m., you must know that you are stealing the hours that you have not worked for.

Mr Speaker, that is common sense and I am stressing on.

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Mr Deputy Speaker, back in the old days, especially most of us who are now elderly, our fathers were villagers. When I was in the village, there were houses built from bush materials and these houses belonged to the Government. These houses had no doors but the people in the village respected them because they belonged to the government where we had public servants who visited our villages and resided in them. These government officers visited our villagers to see how we lived and to check and assist with the systems of education, health and agriculture or didiman. These didiman officers taught us how to raise farm and raise livestock's such as pigs, chicken and how to build fencing or how to plant coffee and other food crops. You will not see that today.

I congratulate the Members of Chimbu because out of all the provincial governments, Chimbu Province seem to be doing the right thing. Chimbu has very rocky soil but it also has many young leaders who are serving their people right, I have seen that.

Mr Deputy Speaker, we need to revisit the *Public Servants Management Act*, because they are over protected in my view. I am an employer too. When my employee is absent at work, when he does not deliver to my expectations, I call them up to discuss the issues with

their work performance. I warn them twice but if they don't perform then they sack themselves, not me.

In the public service, as long as you are a public servant, your job is guaranteed, you are not worried about job security, because you will be paid, these public servants are protected. We must revisit that *Act* and harsh discipline measures must be put in place. We have rules and regulations to abide by. I am a minister of state so I am answerable to the Prime Minister, NEC and to my people. For the public Service, they have their Minister, their Secretary and that is the cut off mark, below that is the duty of the Departmental secretary.

There's too much friendship in the public service covering up each other's back. We are spending too much money paying for public servants who are either not delivering or because the government is not making sure that functions are funded and people are being discipline. We don't need a rocket scientist to tell us where we are going wrong. We know our sins, yet we are ignoring it.

Mr Deputy Speaker, we just heard the Governor of Enga asked a question regarding the abuse and torture and lawlessness in our country. It's not a good name to sell which has been publicized in the media and the whole world knows about PNG. How many people did we arrested? I was trying to enjoy a peaceful meal during lunch when mothers from NCD raised the topic on violence against women

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This issue is getting out of hand nowadays but yet we are encouraging this bad practise by not doing our job. And that boils down to all the young police personnel who are roaming the streets they must stop this business of spending their little earned money on poker machines, drinking beer and borrowing money here and there. And half the time they are running around looking for someone to do a favour for and they are not doing their job. They even collaborate with the thieves, torturers and liars, it's all wrong.

Mr Speaker, I seriously want the Public Service Minister to do this country a favour. We got ten people attached to one position. And the general term that they use is unattached. What is unattached? From that ten people, nine unattached animals are eating out of the people's pocket. Minister, if you want to achieve some results then get rid of the unattached and save people's money. Simply pay their final entitlements and let them go.

The introduction of NID system that we are talking about is in a way good though it may not solve all our problems. But NID system will automatically identify the true identity of

the card holder without any confusions caused. And also the issue of law and order will be properly managed and solved in issuing of the NID card.

This morning during question time Honourable Member for Anglimp-South Waghi raised a question in relation to the population of 124 000 in his electorate and in my district I have a population of 70-90 000 people. But you know what? Half of these names are all ghost names. When we want to deliver services to our people we must know the exact number of people living in PNG that we need to look after as responsible citizens. So many issues in our country today are being ignored right before our eyes.

Mr Speaker, coming back to Public Servants, one good example is a gentleman who use to work in my Province and he is from Sepik and he has been a public servant all his life. I am not saying all public servants are bad but there are few who practise this. Most of them maintain this good name all through their working days.

And some public servants here in Parliament are still here and have grown grey hair or gone bald just like me when I first got elected and came to Parliament in 1992.

30/02

Many public servants have a habit of getting payouts and such mentality creates all sorts of visions such as, when I get my payout I will make a business and so on but as soon as he receives his payout and goes out, his money will barely last him two days.

The father will forget his family in favour of new friends he will make because they know that he's got some money and if he is lucky, that money will last him two months otherwise, he would have spent it all in two weeks.

After that, the poor public servant who has given all his life to serve the Independent State of Papua New Guinea is back on the streets again just like another normal person.

So, Mr Deputy Speaker, I wish to inform the Minister that we have to look carefully at the retirement savings of public servants. I know they save their money through POSF or whatever but their own contributions should be given to them while the employer's contribution should be left to give them a few bucks every fortnight until they die and then their spouses can take over.

Mr Deputy Speaker, in conclusion, I wish to say that this country has a big problem in that many good public servants upon attainment of retirement age get ignored and released into the wilderness but he or she is a very worthwhile person with a lot of experience and can be used in a positive way.



We tend to bring in our school mates, in-laws or other people who have convinced us in some way to engage them thereby we have a system that is not able to deliver because from the start we've all got it wrong.

I must also say that everything that is said here is said in our capacity as leaders of this country but I hope that the public servants are taking note of every debate and advice. We are not new here, we are experienced enough to contribute positively.

With that, I wish to thank and congratulate the Minister for Public Service on the good paper you delivered. I hope you take note of some of the points I raised and keep up your good work so that we can achieve some milestones in your tenure at the ministry.

Mr CHRIS HAIVETA (Gulf) – Mr Deputy Speaker, I stand to support the Minister in his statement.

In so doing, I wish to commend you and your secretary for devolving all the powers to the provinces to control public servants. I think this is the way of the future for the provinces and sectoral agencies. If you keep this up then all political leaders, whether they be ministers, DDA executives, governors and provincial executives responsible, we can go a long way towards resolving all the problems that we have been talking about for so long without much success.

31/02

Mr Deputy Speaker, I note there are nineteen initiatives spelled out by the Minister this morning. These initiatives were built up over the last five years and we are going to build upon this extend.

In my views, this is too much because there are too many initiatives. I, therefore, ask the Minister and his department to review them for the following reasons: Firstly, we do not have the money. Secondly, we do not have the expertise and thirdly, we do not have the staff to implement all of these effectively.

I urge the Minister to look at the *Personnel Management Act* together with the *DDA Act* and the *Public Finances Management Act*. He should also look at all the relevant Acts that relates to public service. He should also meet with the key ministers especially the Minister responsible for Provincial and Local Level Government, Minister for Justice and Attorney General, as well as experienced old hands like Sir Puka Temu including public and private sector and people from both sides of the House.

It is about time we review these laws. It is about time to really empower and increase the flexibility with which we can implement governing programs.

Mr Deputy Speaker, the ministers can do the job but in situations like today, where we do not have the money, where we are told that you cannot take on new public servants because you are restricted by the budgets then we need to look at smarter ways to implement the policies that we want this government to deliver for our people.

The *Alotau Accord II* and all other initiatives that the government will formulate as a result of the policies that we are making will never be delivered if we do not review the laws and if we do not find smarter ways to do it at the district and provincial administration levels and in the line agencies.

Mr Deputy Speaker, this is a challenge to all of us so we need to work together. Partnership is the right word. It should not only be between bureaucrats and politicians but it's between various level of politics, ministers, vice ministers, governors and their chairman.

We cannot formulate these relationships until after the local level government are over next year when those in the provinces can really move to implement the policies that we are talking about.

On that note, Mr Deputy Speaker, I want to commend the Minister. He has a huge challenge ahead of him and I would suggest that we all take this to heart and hold further consultations to at least set a very realistic platform for all of us to implement the reforms that we really feel that we should undertake in the next five years. Thank you.

32/02

Mr ALLAN BIRD (East Sepik) – Firstly, let me commend the Minister and I want say thank you to the Prime Minister for appointing a bright Minister to the position and I am impressed with the presentation. I want to give the support of East Sepik and I am happy with the roll out of the integrated HR payroll system that you will begin in my province and all the districts. We are trying to clean up in my province and I have taken a very hard step against corruption.

I managed to stop some but there is still a lot to be done. As you know that the system we have in place to select persons to the positions of authority in the public sector we need to resolve how we do some of these things. While you have my support on some of the roll-out work that you are going to do but the biggest problem with public servants is this, they are very legalistic.

Mr Speaker, if you want to have discussions with them on some matters, they will ask you under what jurisdiction is the discussion based on. I called the PCMC meeting, this meetings are required where all those national agencies in a province and some of the State owned enterprises operating in the province have the opportunity to come together and resolve some of the issues. And many of the national agencies do not want to attend these meetings. I do not know what the issues were in the past. I am a new governor and I want to make things work.

I called for one such meeting earlier, on a Saturday on an issue and I this person told me straight off, I do not report to you. It is not about you reporting to me, the fact is we are living in a province and if something is not right and I am not responsible, I need to talk to you so we find a way to solve despite your boss not here. We need a review to set the standard and see things moving forward for our people. Remove those who want to fight over territory and authority back to wherever they belong and it all goes back to merit based appointments.

Right now we have a flaw and there is a situation in East Sepik, if I conduct a full PEC and allow every single member of the PEC to voice their opinion over a matter, and if the entire PEC without me bulldozing as a democratic decision, that decision needs to be respected.

And Mr Speaker, if my PEC makes a decision that is above question and we make an appointment where I am not appointing my friend, cousin or tambu to a job, I am appointing a professional to try and correct what was not fixed in the past. I do not want people to say the public servants in East Sepik are not working. I want to stand up in front of my people and say to them that I am responsible. Right now I can't say that because there is another appointing authority. And when that appointing authority makes that decision they run away from it and make me accountable. With the current system of appointments, it is the NEC that is making the appointments and legally the appointee has the right to go before the Courts and say my appointing authority is the NEC and not the PEC. He can tell the PEC, I am not answerable to you because I am appointed by the NEC. So who takes the responsibility?

33/02

One of the principles of management learnt in any universities in the world including UPNG is, the appointee is only accountable to the appointing authority. Those are the rules and principles of management. You go to any company, the CEO is answerable to the Board and nobody else.

But in the case of provinces appointing a Provincial Administrator, the Administrator is legally appointed by the NEC so he is not accountable to the PEC.

Mr Deputy Speaker, for instance, if you give money to someone else and hold me accountable for the delivery of the results that is wrong, than these are the kind of mismatches we have in terms of our policy so we need to fix it.

If NEC is going to object to a decision of the PEC, then it needs to do so in very clearly articulated principles and criteria.

Why are you objecting to my Provincial Government decision? Are you objecting because the Governor is appointing his cousin or someone of closer relation? Then the process must be clearly defined because when it reaches the DPM who makes the recommendation, then my PEC makes a decision based on the recommendation from DPM. Then there is an issue. We need to sort out this relationship between the National Government and the Provincial Government.

If we are going to resolve the issues of delivery, the accountability issues must be sorted out. I have to be completely accountable as Governor and head of my province for everything that happens in my province.

If I contest the election and the people criticise and remove me, then I have to appoint the right person to carry out the job. Just like the ministers should have the right to select their Secretaries so that when the secretary fails, the failure is on the minister. If the Administrator fails, the failure is on the Governor. We cannot separate these responsibilities. I can't sign a cheque because *Section 32 Powers* goes to the Administrators. If that person decides to do something else because NEC appoints him, why should I be held accountable? I should not be held accountable when the power for appointment is someone else.

Mr Speaker, it comes back to the issue of good governance. I commend the good Minister and I really want you to take a good look at that so that we can resolve this issue.

Mr TIMOTHY MASIU (South Bougainville) – I also commend this very important paper the Minister presented today. I wish to acknowledge all the hardworking public servants in the country who have served in very remote places without proper government services. These public servants have worked so hard. They are the ears, eyes and the mount of the government. They served in our borders, mountains and islands. They have worked so hard for too long and their children even continues to work as public servants in those various positions until today and deserve credits.

Now we are discussing the changes that are going to take place. Change is inevitable and must happen because today, technology is changing and many other things in the world are changing so we must change our Public Service to connect to all these changes that are occurring.

I would like to thank the Minister for Public Service for presenting this paper on the many important changes that he is making. I give my full support to him.

Minister, I would like you to look at point 13 on the drawdown of powers in Bougainville.

I see that the power of the Public Service in the past was not effective because capability and capacity was not there.

That is why, Mr Minister, I would like you and your officers to liaise with the ABG Public Service and review it because when there is no capacity to acquire the power it will be too big to handle. Because there is no capacity or well-equipped person to handle these powers.

So, I am asking for a review again and see what measures you can take to address the issues of ABG Public Service because when a lot of powers are given they get misused and some public servants become too powerful, so I am afraid.

I think that you need to withhold some powers until we have the capacity, capability, infrastructure and machinery which are ready to take on these responsibilities.

So, that is what I would contribute to these debate on this paper but, Mr Minister, I see that you have a big job on your hands and you will need support from all the Members of Parliament, both in the Government and the Opposition.

We must stand together to decide how we address our public service machinery. It is not an easy task,

Now we have heard comments and views that have been aired from our very learned and elite members of this Parliament. We have some Members who have come from the private sector who are here, some of us came from the public service sector and we understand the situation but it is good to have awareness so that we all must learn how the public service operates. We usually don't know what happens in the Public Service and the enormous responsibility that is involved.

I want to say thank you again for your appointment as the Public Service Minister and I believe that you will put all your efforts after we push this Bill through.

Before, I take my seat in Bougainville there is another issue many of our public servants are growing old and their response to work is very slow.

The public servants are not punctual in their attendance to work. These are some of the issues in Bougainville and I would like to meet with you to discuss these issues. The Minister for Bougainville Affairs is also here, he can assist with some ideas and we can try to find new and improved ways to assist our public servants.

Some of our public servants particularly, the nurses, worked during the crises and they were never paid during that time. I appeal to the Minister to look into these issues because they served people when the government made an economic blockade on Bougainville. The people were left alone without government support and yet the nurses served the people and the teachers taught the children. So, we need to compensate these people as well for the 10 to 15 years they were not paid. They brought their claims to South Bougainville for me to pay them. I told them that under the DDM, it does not provide for me to pay the wages for public servants. So Minister, do have a dialogue with your colleague Minister and look into these issues. I thank the Minister and commend him for his presentation and please, let us work together to see these ideas come into fruition.

Mr PETER NUMU (Eastern Highlands) – Thank you, Mr Deputy Speaker, before I start, I would like to support the statement by the Governor of East Sepik on the plight faced by most of us, as Governors.

I thank the Minister for Public Service for introducing these reforms which will help us as heads of the provinces to work with Public Servants.

Mr Deputy Speaker, as they say, 'who will make us or break us' it is the public servants. When services are not provided adequately, then we will be voted out by the people especially, when public servants don't perform their duties or if there is politics involved within public servants thus depriving the people of services. After five years, the people will vote us out and what will happen to the public servants? We are talking about performance outcome and if these public servants don't perform their duties, they won't be voted out by the people. So how do we deal with them? It is unfair because we share a common purpose and that is to serve the people and we cannot allow the current system of government to allow for public servants to create divisions among us the governors or leaders. If we don't perform, the people will decide to vote us out so there must be tough regulations in place to address this. We can make laws but it is important to implement these laws.

Mr Deputy Speaker, we the Eastern Highlanders are known for political impasse as it has affected and derailed many services in the Province. The National Government has given us

numerous funds but we have not delivered these services because of the impasse. This is a big problem in the Public Service.

36/02

The other major issue is about the performances of public servants in each provinces; in my province all the other public servants consider our Administrator as the overall boss of the province and not Governors. And Governor's powers and responsibilities are questionable. We are mandated by our people to take full charge of the province in passing of provincial budgets so that services must be benefited.

At one time one of the public servant from my province approached me and said, I don't report to governors. My entire working years I report to the Administrator only.

These public servants don't understand how the system works; the Governors are the immediate head of PEC and if the public servants are saying that they report to the administrator then who appoints the administrators.

This is a very big issue affecting this country. True the NEC appoints the administrators but we the governors have the powers to run the province. If they don't agree with us then how are we going to work together?

Mr Speaker, what I seriously want the Minister for Public Service to consider is that there must be provisions put in place. All these provisions must highlight us on how we go about following the proper channel of command starting from PEC down to Administrator. The PEC comprises of the governor elect with all the LLGs council presidents; we come together and make decisions for the good of the province. But if the public servants don't agree and abide by the rules and guidelines set then how do we deal with this.

Therefore, there must be provisions put in place so that if they don't agree on what the decisions made by PEC then it must be seen as serious administrative offence or insubordination.

**Sir Puka Temu** – Sorry Governor, I just want to clarify one point that is beginning to recur and that is, NEC makes a decisions on PA but the contract is signed between the Governor and the PA. So based on performance indicators, you can recommend for his removal or progress. It's in the contract, sorry Governor.

**Mr PETER NUMU** – Thank you for the clarification. This is a serious issue in dealing with administrators in the province. As I mentioned there must be strict rules and guidelines

put in place for the administrators to follow. If we the PEC finds that they don't perform accordingly to the set rules and guidelines then why not NEC allow us PEC to make decision on their behalf.

37/02

We know who we want to appoint so I think the authority to appoint an administrator should be given to the PEC.

It is a long process and politics also comes into play at the national level so leave it with the PEC. We will use our wisdom and understand the process properly before we make appointments to ensure that there are checks and balances in the public service machinery.

Mr JOHN KAUPA (Moresby North-East – Minister for Housing and Urban Development) – Thank you Mr Deputy Speaker. I wish to thank and commend my brother minister for coming up with his ministerial statement to guide our public service in the country.

Secondly, I wish to share the sentiments raised by the governors of Northern, Gulf and Eastern Highlands. The issues they raised are very important and we need to address them because in the political career path that we have come through we came through on our strength but these people are the ones who will make or break us in the future elections. So it is an important issue which we should take into consideration and study carefully.

Thirdly, I am also running my public servants. All the staff in my district are my public servants. Whichever way I want them to work with me they must comply just as the case is for the honourable Prime Minister.

Now, that they have given me this ministry, many of my public servants are engaged in politics and many do not turn up for work. And the Housing Corporation has become a national issue which you all are aware of.

My fellow Ministers and the Opposition as well as the public servants are in dire need of houses. As long as they are in the public service they are entitled to a house and this is how we can complement their welfare to ensure that they live well having access to power, light, water and other utilities. This will complement their benefits.

Now what I wish to discuss here is my desire to manage my public servants in my district. I will now turn to my department, the National Housing Corporation. I wish to run the Housing Corporation with the public servants as my private business.



In the private sector you will see that they start work on time and finish on time. Likewise the public servants. They have the guidelines there but as stated by the Minister for Works, common sense must prevail.

We have university degrees but people are running around on the streets looking for jobs. If public servants cannot perform we must remove them.

I wish to commend my good Minister for making a good statement with his experience from the health sector. I want this Floor of Parliament to take serious note of the points raised by the governors because it is a continuous downward spiral that has been going on in the provinces and needs to be arrested.

Likewise, I know that all public servants need houses and the controversy in Housing Corporation is well documented in Port Moresby and elsewhere. When a new Managing Director comes in he brought in with him an entourage of 150 people with him. Despite the fact that the Housing Corporation structure has a limit, when he came in he used his power. So, as Minister I went in and saw the mess and I am doing my house keeping.

I will also present my ministerial statement to the Floor of this Parliament but I need your input because we are here to serve the eight million people of this country. When we see that one of our colleagues missed something, we are not deity to be omniscient.

38/02

We must help consolidate all our ideas together and make it effective so our people get the service.

So with this, I commend my colleague Minister for the detailed ministerial statement he presented. I will be presenting the next ministerial statement because all the Members of Parliament want houses and they are always asking me about this but my house is not in order yet. I want to run the National Housing Corporation as a private enterprise so when bureaucrats do not follow my instructions, I can fire them. I want to deliver this service not only to the public servants but all the citizens.

Funds have been allocated for the Duran Farm Housing project and it is said that Housing Corporation belongs to Chimbu. Housing Corporation does not belong to Chimbu, it belongs to 8 million people of Papua New Guinea. Do you now see a Managing Director from Chimbu? No, I have appointed someone from Sir Puka Temu's electorate.

So those are things that all the Ministers and leaders must administer. When you do this in your districts, then you can administer your province, your ministry and public servants.

I want to ask all the members of Parliament to look at the issue of housing because this is one of the important needs of the public servants. Before you ask me anything, I want to clarify I am currently concentrating on my house keeping matters so that after next year, Duran Farm Housing project will progress, public servants will have houses and I will send all my officers to all the 22 provinces in Papua New Guinea and secure land for the National Housing Corporation so that we can deliver houses. If you have a one-bedroom house for your family and they stay there and your children go to school is important or if you have two or three bedroom house is even better.

With this, I want to compliment my fellow Minister for Public Service and while observing his guidelines, my ministry will operate as a private sector and we will see if there is any productivity or not.

Thank you, Mr Deputy Speaker.

Mr SOROI MAREPO EOE (Kikori – Minister for Community Development, Youth and Religion) – Thank you, Mr Deputy Speaker. I would like to note the quality debate on this issue and demonstrate its importance to our country and society. Without having to be repetitious, I would like to commend the Minister for Public Service for this important report in reforming our Public Service. I note with interest some of the important initiatives to improve and enhance service delivery mechanism by the Government through Public Service reforms.

Mr Deputy Speaker, the Public Service machinery has come a long way, it has evolved since independence. It has not been perfect in terms of its outlook and structure hence its performance to date.

Mr Deputy Speaker, any organisation to improve its performances, it must constantly assess and reassess itself and align itself with the changing dynamics insofar as achieving its desired objectives. I, therefore, support major initiatives by the Government through the Public Service Minister insofar as his report goes.

Most of these major initiatives have always been in the Public Service insofar as the General Orders are concerned but it needs to be strengthened in terms of governance, accountability and commitments. Amongst the 19, I would like to comment on two major issues and the first being gender equality and social inclusiveness.

39/02

I would like to comment on two issues, the first being Gender Equality and Social Inclusiveness. It is a pity this country for too long has unfortunately discriminated against the

womenfolk. They are an important part of the family, community, our country and important partners in our development efforts so we must give them the support and the respect they deserve. If there is no other reason then let us give them the support for their qualification and their experience.

Mr Speaker, gender based violence is one of the biggest problem that we face in this country. It has been obvious in the last few months from woman bashing to children being harassed and burnt. By giving recognition to our women in this manner we are giving the support that they need. The second issue that I would like to comment on is, Revolution of Powers. I commend PSE for the process of revolution of powers to line agencies, provincial governments and particularly the DDA. May I make a special reference on DDA. It is where much of the money has been going to and we need to have best people to manage the offices of the DDA to deliver services to our people.

One of the things that I have encountered is that, the will is there but the staff are very slow in reacting to political directions. I hope through the processes that have been outlined we will address this and other issues.

**Mr RICHARD MASERE (Ijivitari)** –Thank you Deputy Speaker, firstly I would like to congratulate the Public Service Minister for presenting his Statement this morning. I had the privilege to hear the Minister made a speech prior to becoming a Member of Parliament. He had the passion to try and make a change as a leader. This is the passion that he is trying to translate into the statement; therefore I want to congratulate him on his effort to revive the Public Service to become more effective and efficient machinery for this country.

I grew up in a home where I had parents who were public servants and my mum shared her passion as a nurse for 45 years. I have seen her passion for work and the only time that she missed work was when she is sick. When she was at work, even though her work involved serving the sick patients and when there were no patients, they would clean around their work area and that was how passionate they were towards their work. Today when you walk into a government office you do not see that passion. Nowadays when you are in a government office you notice the officers will ignore you but when you give them something for lunch, you become their number one client. They run around and even if they trip and fall over they will serve you faster than lightning.

Looking at the reforms, I am happy that the Minister is trying to make the public service have an effective system. When we look at public servants we must understand that they are servants in a public domain where they are to do their work to serve the people. They are our

servants to serve our people. We are talking about accommodation and a lot of the public servants have no houses.

40/02

We are talking about housing and if I may share my views. I came out from a private environment and quite a lot of people that work in the private sector do not have houses. But they go to work at 8 o'clock and finish at 5 o'clock and if they have to work on the weekends then they do. Housing is never an issue but when we talk about public servants that is the number one issue that we always raise. I believe it has become an umbrella where all public servants are hiding under. Housing is a problem so they do not want to work.

If a private person can work without a house then I can't see why a public servant has to use that excuse to carry out their duties. We have raised the necessary forms to the district finance to raise cheques but my staff go and wait during the day time because the finance people are busy running around in town. In return I get my staff to sit there till night or until they raise their cheques. But when they work during night they then claim overtime for it.

We, therefore, really need to go down and really look at this issue and address it properly. I believe that successive governments over time have created a white elephant. This elephant becomes untouchable.

Mr Deputy Speaker, if we want to reform our public service then we must come down to the simple hire-fire policy. We introduce that so that public servants become accountable. If citizens in the private sector can go to work because they fear termination then our public servants must come under the same scrutineer. This is the only way we are going to fix this problem. If the Honourable Minister can take this on board and bring it to the NEC and table it in Parliament then we must address this issue once and for all. I believe if we address this issue then we can solve a lot of this problems.

The other issue is I agree with the Minister is that he wants to introduce training and scholarships for our public service. However, my concern here is that we are training people who are almost coming to their retirement age.

Our universities and colleges are graduating about 28 thousand young men and women who need jobs. If we employ them then we need to also train them. The private sector is using a program that is called a graduate program.

It is an important part of bringing this universities graduates into private companies and putting them into positions where you would pay more to hire experienced people. The young cadets are keen, eager, ready and willing to put in the hour for a lot less money.

Mr Deputy Speaker, I believe those are some of the things that we need to incorporate into the public service so that we can change our system. There is also another issue that I see in the public service.

When we retrench old people, we create a vacuum in the service because the knowledge is leaving with those people. If we employ young graduates under the graduate programme then we might be able to fill that vacuum. If keep up with that then over time we will have a vibrant public service.

The other issue with regard to NID which I totally agree with. I think recruitment should start with the NID. The question back to the Floor of Parliament is how many of us are registered NID members. To talk about it and to actually do it are two separate things. What about stopping all fortnightly salaries for Members of Parliament until they become registered NID Members. I think many of us will quickly run to the NID Office to fix their IDs. I will be okay because I already have my NID. Before we challenge our people we as leaders need to sort out our issues.

41/02

But the important thing is that NID has led us meaning that we need to take the lead before we challenge our country men/women to go and register themselves. As leaders we need to lead by example.

So, I want to challenge the Minister on your good statement, I concur. I can see your passion being translated to this statement and I am confident that over the next five years, under your leadership there will be good reforms and changes in the public service.

**Mr THOMAS PELIKA (Menyama)** – Thank you, Mr Deputy Speaker I will be very brief.

Firstly, I want to congratulate you on your appointment as the Deputy Speaker of this Parliament.

Secondly, I wish to commend the Minister for Public Service for formulating this paper to reform the public service.

As a former police commander and a former public servant and as somebody who grew up in the system during the colonial period I want to speak a bit on our system. Historically when the bugle sounds in a police barrack or government station everybody comes to a stop to

allow the flag to rise. Likewise in the afternoons. What has happened today? It is not the case anymore. People just don't care.

It is also the same in schools. When we were at schools teachers punished us corporally to get us to show respect to the school system. The fear of teachers instilled in us a sense of negative reinforcement.

Nowadays, what has happened? There is no one else. We are the ones to be blamed for making stupid laws and taking notice of people who come here and tell us that it is their right. Give them freedom. This is our country and where will we go?

For example, we are now crying about law and order. When I was a police commander I arrested leaders. Now police officer are allowed to be at one station for more than 10 to 20 years. Many are still there well after their retirement age because we allow them to remain. Why?

For example, when I was Minister for CIS some consultants came and advised me not to establish prison industries, let the government feed them. In answer, I said why is this conman coming and tricking us like this? We did not send people to prison to remain passive. We sent them there to work to feed themselves and learn to be self-reliant.

This is our country. The education system that we have establish, are we going to allow them to come and create a new education system that will allow our country to deteriorate further? So where are we going?

These are some of the arguments I wish to put forward. I wish to ask that we amend the *Public Service (Management) Act* and give power to the provincial administrator to fire and also hire staff.

The tenure of the district managers should be five years just like we have power for five years and if I fail that is my problem, the people can vote me out. It's that simple.

When I was a Minister, I asked the Public Service Minister to delegate the power to me and it was bestowed on my district manager. So if anybody is in breach of a provision we immediately charge them and dismiss them. Why can't we allow that, Mr Minister?

My other point is this, we have created another system. I was one of those who voted against local level government councils on the Floor of this Parliament. Why do we have to create this for ourselves? Because we adhered to the advice of some foreigner and say we can do it. We can bring in some small people and that gave us too many leaders in this country. We are a small country and we are inundated with leaders.

And now the public services has established council manager and their staff where we have created another giant. And do we have the money to pay the public servants? Yes, we have money to pay the public servants but what about the politicians?

42/02

Do we have the money to pay them? Yes we have the money to pay the public servants. But what about the politicians? They are also playing politics with us so we must look at it seriously, whether we can afford to keep the council these are some of the issues, we should grab the bull by the horn and tell them.

*(Laughter in the Chamber)*

Mr THOMAS PELIKA – That's it, grab it and tell them directly. Don't delay.

As leaders, we either put our foot down or grab it and do the right thing. Thank you for giving me the opportunity to make this contribution. I know there are many decent public servants but this is what I feel and it's my opinion.

My district is one of the most isolated districts in Papua New Guinea and the leaders of Waigani hardly visit my district, even the leaders in Lae. Even when they visit, they don't evaluate the work performance of the public servants who are in the district. That is why many things go wrong so please we must have a monitoring and evaluation team to carry out inspection to see if these public servants are really at work or they are in Lae or Port Moresby. So I recommend that a team of inspectors visit each electorate at any time to evaluate the performance of public servants.

Mr IAN LING STUCKEY (Kavieng) – Thank you, Mr Deputy Speaker, for the opportunity.

Mr Deputy Speaker, it's nice to be back.

I want to commend the Minister for Public Service for a very comprehensive statement. I am very encouraged by it. It is comprehensive because it touches on core areas or initiatives of the public service and I couldn't help but notice that of the 19 areas that he touched on. One of them goes all the way back to 1998, about 20 years ago, when I was the Minister for Public Service and that is initiative number one, time keeping and attendance.

Mr Deputy Speaker, during my time we made some very bold statements and tried to initiate reforms in this area and there wasn't much of an appetite at that time to this particular

initiative and after 20 years I realise that we are still talking about it. So, Minister, good luck on this initiative. I really hope that you gain some traction here and we can get that initiated because there's a lot of big savings that we can achieve in that area.

Mr Deputy Speaker, I would like to talk about initiative number six and that is, support the District Development Authorities through organisation and staffing regulation.

Mr Deputy Speaker, it was 10 years ago since I spoke in this Parliament. During my first two terms, we talked about reforms of the Joint District Planning Budget Priority Committee. We never really thought we would get too far with reforms, let alone finally enacting legislation. Today, after I return from my holiday, I am confronted, I think that is the right word, with a legislation called the District Development Authority 2014, and I hold this 15 page legislation here. It's not very complicated

It's quite straight forward. I am not sure about this Act, it's a funny legislation. I am not too sure how I am going to take it after three months, I am still getting used to it.

43/02

I like to comment more and raise some of my concerns with this legislation and share it with my colleague because this legislation is so important and I commend the Minister for bring it up and I'm happy that he is going to spend time on this. My Ministry will have a deep involvement in the review of this *Act* and we all must take part in it. Because some sections of it conflict, with other existing legislations and I heard that there is a Supreme Court reference brought forward by the Public Service Commission and it's unusual. I was living on an Island underneath the coconut tree when all this happened.

Mr Speaker, on this particular legislation let me comment on it by wearing two caps; firstly, as a concern citizen of my country and secondly, as a politician. Putting my cap on as a concerned citizen of this country, I am shocked to see that part of this legislation haven't gone through and why I am saying this is because when I became a member of Parliament in 1997, we use to have leaders of this House visiting us by knocking on our doors and say young minister, your job as a politician is to be a planner and legislator and not an implementer. I am referring to late Anthony Siaguru. He gave me that advise and I didn't really know what it meant then in my first term and though I understood him but he used to remind us that our role as members of Parliament are to be planners or legislators and not implementers.

It was quite naive of him to say that and I didn't understand the meaning of it until I became a Member of Parliament. And for me to be re-elected, I couldn't be just a legislator or



a planner, but was forced to be an implementer not so many of us would like but just didn't have a choice.

One of the main reasons was because we didn't have that relationship with the implementing structures which we called public service to help use implement our then policies. It was always a difficult time and even now I see the same issues being faced again. So as I look at this legislation as a concerned citizen and when I opened it, I studied it carefully the nine functions of the authority.

And the first function of an authority is to perform service delivery functions and carry out service delivery responsibilities specified in the Ministerial determinations.

Mr Speaker, this seems to be pulled out of the *Public Service Management Act*, and in one copy and paste with just legislated and enacted and legalised the role of members of Parliament to be legislators. I don't know whether we all should be heading this country and that should be the role of Members of Parliament?

44/02

Then as I went through the legislation, I looked at the powers of an authority and I saw language that disturbed me. Let me remind my colleagues that I am speaking as a concerned citizen, the powers of an authority, *Section 7(1)* says an authority has the power to do all things that are necessary or convenient. When I read that kind of language it tells me immediately that it gives me all kinds of powers under the sun to follow the law or to bend the law and dare I say it, perhaps even to break it.

Mr Deputy Speaker, that's a very brief comment putting my cap on as a concerned citizen. Now I am going to put my cap on as a politician and give you my comments.

You can recall earlier I said, I have a love-hate relationship with this legislation. As a Member of Parliament when I look at this legislation, I've got to say, it's the best piece of legislation I've ever read to re-elect me back into office. And there lies the issue, the quandary because when I look at the issues that we were told were wrong are now right. The things we were told we couldn't do, we can do now. The things that we said we shouldn't do, we're doing now. I won't go into all the details but I say again, I'm very concerned with this legislation.

There are other aspects of it I'll just touch on briefly and I'll let others have their say. As I looked through this particular legislation there are aspects of it that really troubled me and two of which I'd like to touch on.

*Section 23* of this legislation, subheading Secretariat and other staff of authorities, it touches on implementation structure for the DDA. When I was re-elected again, I called my

first meeting as chairman, like my other colleagues here, I wasn't really sure what my role was. I had to go through the legislation again and understand it. I sought some advice from my Chief Advisor, the CEO, and I made a visit to the Department of Personnel Management and spoke with the deputy secretary there and received some good advice.

And I asked a question, as the Kavieng district development authority, who is my implementation structure? Is it the district administration, or is it someone else? And as I read through the legislation it became quite clear, Section 23 (2) specifically states the head of the department responsible for personnel management shall approve a proposed staffing structure for an authority and determine the terms and conditions.

Goodness me; what I saw in that was that this legislation now says that we've got to create another public service body and I'm pretty concerned with that. Because right now, with Kavieng District Administration, as I am sure with most of us in this country, we're understaffed and we're under-funded. We've heard it so many times before, we don't have the capacity, and to create another public service structure when the first one is not working quite the way it should be, I have some doubts. I have some great doubts.

And so, I go back to my problem, I asked my district administrator, who will be implementing the policies of my new government; the policies that I was clearly mandated to implement.

To date, my district administrator has never responded to me verbally or formally, clearly he himself is not sure. We both went through the legislation together in several meetings of my District Development Authority.

45/02

We have a healthy working relationship, not quite a productive one but it's healthy. We are talking and we are learning to get to know and trust each other but it is not quite productive at the moment. Sometimes, we give an instruction and he says yes and then nothing happens so I am not too sure whether I have a good working relationship yet.

Mr Deputy Speaker, my concern is this, in this legislation, it states clearly in *Section 22(3)*, the Chief Executive Officer is responsible for implementing the policy and decisions of the authority on one hand. On the other hand, he continues to report to the Provincial Administrator so my question to my district administrator is, if I make a decision and ask you

provincial administrator. And the response was, well this is a simple law, the provincial administrator comes underneath the *Organic Law* and it has more weight than this so listen to provincial administrator.

So Mr Deputy Speaker, I don't find that to be a really comfortable stricture to work with and I hope that as part of the Minister's review, we might be able to resolve this very important aspect of the *Act*.

The last thing that I want to share is *Section 8* of the legislation and that covers authorities to cooperate with provincial governments. I've got some really big issues here Mr Deputy Speaker. And it is nothing to do with my relationship with my Governor. I can say very sincerely, I have a very good attitude and look forward to working with him if he also looks forward to working with me.

*(Laughter in the Chamber)*

Mr IAN LING STUCKEY – Mr Deputy Speaker, *Section 8* talks about authorities to cooperate with provincial governments and I want to raise this on the Floor and it states, 'Authorities shall cooperate with the provincial governments, yes sir, ready and happy to do that. *Section 8(b)* states, not perform any of its functions or exercise any of its powers. In a way, that is in consistent or in conflict with the policies and plans of the provincial government.

Here we have a clash of law because let me give you an example, during the campaign of 2017 in my province, my Governor who represents another party supported autonomy.

My party in effect did not support autonomy. He campaigned on autonomy and won his election because he was mandated by the people of New Ireland to implement his autonomy policies. My brother Member for Namatanai and I did not support autonomy and we won our elections and therefore, we were mandated not to implement autonomy. He has a right because he has been mandated as we have a right not to be mandated. Here lies the conflict because the *Organic Law on Integrity of Political Parties* says very clearly that when we are candidates and when we contest, we must have a very clear platform and we did. We had a very clear platform, we typed on A4 paper on both sides and distributed to thousands of people. We had sectoral meetings and community development forums with them and explained to them our policies.

Mr Deputy Speaker, we have a situation in New Ireland where both governments; provincial and DDAs have been mandated to support autonomy and one not to.

So clearly, Mr Speaker, my policies are now in conflict with the Provincial government and here is my concern and of most Members of Parliament. If I don't co-operate at this point, I am subjected to suspension so are the chairmen of the KD is subjected to suspension because there is another section in this *Act* that says very clearly that the NEC may by a notice published in the Gazette suspend the board for six reasons. And when we are governors and Members of Parliament, how each one of us interpret the law can be very different. And at this point in time because of the clear mandate that the people have bestowed on me; my colleague brother, Member for Namatanai and I are subjected for suspension because of a conflicting policy.

Mr Speaker, I urge the Minister to look at this particular clause and amend it and allow for the situation that now exist. This concludes my comments and I want to commend the Speaker for tabling this particular legislation and I note that the Minister while making 19 pledges said; "in the same way all of our agencies must be judged by their success," I will reiterate on the Minister's speech, I expect the executive government of this House will judge me on my success. I and the people of Kavieng and the people of Papua New Guinea will not be judging the Minister on his success, we will be judging the Minister on his work ethic, attitude and his ability to listen.

I am very encouraged by the Minister's initial display and also the other colleagues on the other side who have been working very hard. Mr Minister, thank you for your statement and we look forward to working with you.

Mr JAMES MARAPE (Tari-Pori – Minister for Finance) – Mr Speaker, I am conscious of the fact that we have gone beyond 4pm but let me take time to contribute to this discussion. Before I proceed, I would like to commend the Minister who's trying to initiate change. Some of which maybe a review of past activities. I am reminded to say a quote from Albert Einstein, you continue to do the same thing whilst failing but expect a different outcome is insanity. We have been doing so much of the same things for the last 40 years and expecting absolutely good outcome for our country but nothing much has happened as yet. So sometimes it is worth embarking on changes and some of the changes that have taken place in the last few years are changes that have been put in place to initiate and bring access to our people

It is a big monster, a big sector that consumes 60 percent of our total allocation every fiscal year since 1975.

Last year, we tried to ramp up allocations of development budget to try to come up with 50 / 50 on average but since 1975, Public Service wage bill and matching recurrent expenditure that goes with it consumes over 60 percent of our annual appropriations.

This year alone, K150 million a fortnight, we will pay up to almost K3.9 billion this fiscal year for all public servants on government payroll including ourselves too. This is a huge expenditure taking into consideration the limitations of revenue and money space we have.

So let me commend the members of parliament who have contributed and those who have sat in and listening to those enlightening debates that are coming through and I'm encouraged to hear good comments coming from both ministers, backbenchers and Opposition.

We all need to pull in and reign together to ensure that some of those inconsistencies are addressed from where they started off. It all stems from the notion that delivery of services to the people has not been happening at all, there's something wrong somewhere and we trying to twig the system, the structure of government, the system of government and the relationship between us as legislators and policy makers to those who are supposed to be implementers.

For instance, since the 1995 reform on the provincial and local level government system, it was felt back there that there were so many impediments on service delivery. Impediments comes from bottle necks in various place and strata of public services as well as leadership structure we have in reference to member for Menyamya's statement on councillors and public servants at the grass root level. Considering the huge recurrent expenditure that goes towards maintaining at that level as well up to Waigani.

Those questions have been prevalent for so long and we are trying to find answers to unlock some of those impediments to ensure that monies that are allocated for service deliver goes straight to where it matters most where people are.

It's a very interesting debate and we just hope that our public servants and officials listening can take note of some of these discussions so that we can reconcile some of these huge policy and legislative difference that are still impediments to full service delivery.

Now when you look back at the *1996 Organic Law and Provincial and Local Level Government*, the intention was clear back then. There were impediments in the structures that were meant to deliver services to the people. When that law was passed even to this date, full devolution of powers to the provinces and districts were still lagging behind. We created the laws but we never transferred the functions and the resources to the districts and the provinces.

So, since 1995 up to date, those reconciliations in policy and ensuring that matching resource allocations were transferred to the provinces and districts, there has been no government that has put a serious effort into saying that those were undertaken. Inconsistency remains and that is something we in this House must endeavour to undertake and address.

In as far as the *District Development Authority Act* is concerned, I have considered some of the points that have been expressed by the Member for Kavieng but the intention is simple districts and provinces are where the people are and as you see in the last government, we try to match bearing the circumstances that allow for us to pull together money to transfer to the districts and provinces but when the money is available to us we transfer them to the districts and provinces.

We have to have a structure which is also geared towards ensuring that they are responsive to delivering to the policy expectations that we set here in this House so the DDA came in place.

The DDA and the provincial government have some of those laws that are meant to support us in facilitating for delivery for our people, Papua New Guinea unlike many nations around the world, especially the advance or even in most nations where population is largely centred around urban areas or they have a monogamous kind of population where they have one administrative which is dominant but for Papua New Guinea fortunately for that matter our diversity holds us together. The circumstances that is prevalent in for instance Rai Coast, is totally no match to circumstances that is prevalent in my electorate for that matter.

So there is totally different geographies and environments to confine us to our own way of thinking, business and the public service that operates there and so we were trying our very best to structure implementing agencies on the ground that is responding to culture, the location and the people so that they at that locating better serve their people and at Waigani, we become the centre that just concentrate on policy, law making and transferring resources straight to where the people are.

Mr Deputy Speaker, in Papua New Guinea, 90 per cent of the people are located in a local land place back in our districts and provinces. So, in that context let me come to that point of confusion between the roles that sometimes take place in our politicians and public service.

Politicians, we are time bound, we have a five-year mandate and if we are mandated again than we come back for another five years. Our public service have the luxury of becoming indispensable, they have a luxury of having a general order around them.

Mr Minister, I recommend you look at the General Order and I totally support the course for a contract based on every public service at the moment you have a top structure that is contract base and a rank and file where the actual officers are not on contract based so they do not care whether you give them instruction or not even at our district CEO's or provincial administrators.

But the actual officers are the once running around with the luxury of time. So it is something that you have truly embrace and it's about time we step back and see what is the purpose of the general orders act that protects them.

And when you suspend the issue of dual pay or two people getting paid on one position everything coming to play because they are appealing and being reinstated while in the mean time someone else is coming in.

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Mr Deputy Speaker, we need to consider and all of us can come together and make a concerted effort on how we structure our public service and bring it forward. One starting reference point is that it can be performance based but they are time bound, just like us being time bound. Whether giving them an overlapping time beyond ours or a time frame that is less than ours. This is something that we can all take into consideration but I basically stood up in reference to the Member for Kavieng who raised some very interesting issues on DDA operations. We also take into consideration the issues raised by the Governor of East Sepik and others about the need to reconcile about the provincial governments and how they are functioning as well as their relation to the National Government and their roles.

These are issues that are bi-partisan and both sides of the House can approach so that we tidy the relationship we have. Now, part of the issue where we structure DDA or the precursors to the DDA's and the CEO structure was the JDPBC structure in the *Organic Law on Provincial and Local Level Government*. The rationale of that coming into place simply was the fact that public servants were not responsive to the demand a leader has because the leader secures the mandate from the people and wants to drive development in his district but the public servants put on the resistance. So in that rationale we structured it where there's a relationship where the Member or governor for that matter sits at the head of the province and district and tries to impose policy mindset development agenda at the public service than response.

Mr Deputy Speaker, I propose to this Parliament that jointly we can all sit down and if there are issues we can reconcile as far as those key legislations are concerned to ensure the intention of us as leaders as far as development is concern gets delivered by our public service.

We just have to iron out those issues of law and policy and make it come to pass. Having said this, let me give respect to the public servants especially those who continue to put in their hard time. Most of them work under duress especially out there in the hinterlands and the back areas of our country.

Some problems are also caused by us as leaders, we sometimes step into their domain or we sometimes try to establish very good relationship with public servants that is sometimes not healthy for the cause of them doing their work. They must remain at arm length and that sort of space needs to be secured in law and we give respect to them for them to do their work and we can do our work as policy makers and those who source resources to supply to the district and the province for work to take place.

Mr Deputy Speaker, seeing here now, having served as the leader of Government Business since last term, noting the level of debate that is emanating from this House as late as half past four and we all sitting here and contributing is something that is worthwhile. We will register this statement on the *Notice Paper* and the debates can continue as we pick up this discussion on the course of our Parliament Sittings.

Mr CHARLES ABEL (Alotau - Deputy Prime Minister – Treasury) – Thank you, Mr Deputy Speaker. I rise to move a motion but I want to take the opportunity to congratulate the Minister for an excellent statement and in particular, I note the excellent level of debate on the Floor this afternoon from our senior leaders particularly the new Members of parliament who gave their first debate in Parliament and it's of high standard and I commend Parliament here today.

Debate (on Motion by Mr Charles Abel) adjourned.

#### ADJOURNMENT.

Motion (Mr Charles Abel) agreed to –

That the Parliament do now adjourn.

The Parliament adjourned at 4.40 p.m..