

**SEVENTH DAY**

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**Thursday 30 November 2017**

**Draft Hansard**

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

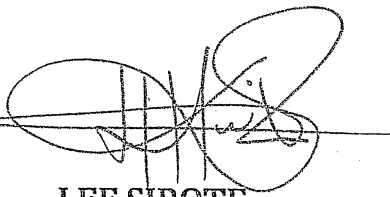
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**LEE SIROTE**

Acting Principal Parliamentary Reporter

## SEVENTH DAY

Thursday 30 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.

Mr Speaker, again took the Chair at 10.27 a.m., and invited the Member for Chuave and the Minister for Commerce & Industry, **Honourable Wera Mori** to say prayers:

'Tenk yu Holy Spirit na Father, mipela tok tenk yu long olgeta samting we yu providim lo mipela olgeta taim, guidance na protection bilong yu long olgeta families bilong mipela na pipol long dispela kantri. Father long dispela dei todei mipela askim yu long guidim mipela tru long dispela Parliament Sitting long wokim ol gutpela decisens nae m bai benefitim mipela na ol pipol bilong mipela. Long dispel, mi askim yumi olgeta lo kolim Lord's Prayer. Amen'.

## QUESTIONS

### Improve Procurement Process

**Mr LINO TOM** – Thank you, Mr Speaker. This morning, I would like to direct my series of questions to the Minister for Finance.

As we all know, a lot of these scandalous and shameful issues facing our beautiful Nation today surround the appropriation and actual use of public finances.

1. In light of the many new members having issues with the District Treasury and Provincial Treasury staff, what is the Minister going to do with matters like non-functioning or non-supportive Treasury staff who have actually become redundant and impede service delivery at the Provincial and District levels?

2. Many contracts, whether it be at the Districts, Provincial, National level or by the statutory bodies have a lot of question mark in the manner that are secured and delivered.

3. Can the Minister assure this House that the procurement system is safe and secure from corruption?

4. And if not, what measures is he willing to take to sort out this issue that has been nibbling into the lives of this beautiful nation?

I am reliably informed that millions of kina by-passed the main procurement process through provisions of *Section 61 (53) of the Public Finances Management Act*.

5. If so, which organisations are concerned and can you assure this House whether projects delivered are justified and are worth the value of money being given?

Thank you, Mr Speaker.

**Mr JAMES MARAPE** – Thank you, Mr Speaker, I would like to thank the Member for Wabag for asking a series of questions that is very pertinent to the issue of the way of use of public funds whether it be at the district, provincial or government level and many of the State Agencies we have that are dispersing public funds.

**02/07**

Mr Speaker, let me use this question to point to the fact that district treasuries and provincial treasuries staff are not indispensable. If there are any instances where they are not providing support to the district development authorities or provincial governments concerned, based on reports, may I request the honourable Member or the members of this House, where there are instances of non-compliance to lawful directions or non-performance at work or absence at work or in some instance requesting for favours to do work, we request that those instances be placed on report and in writing and forwarded to us.

I will not tolerate district treasury staff or provincial treasury staff who are abusive or non-performing, playing politics. They should be working above political lines. I would know from this question there are many new Members of Parliament and they are making transition from the administration who have served in the previous Members or Governors into now trying to serve you so the question is a very important one in regards to ensuring that they are comfortable in terms of their performances of those districts, and provincial treasury staff that report directly to the Department and the Ministry that I am responsible for.

Please report those instances of abuse or non-supportive district treasury or provincial treasury staff and we will try to ensure that they are penalised or held accountable for their lack of support or lack of functioning as public servants in those respective areas of work.

Let me caution all public district treasurers and provincial treasurers and their staff that must isolate themselves from politics and they must report to the new members concern who are at work.

To the second question concerning acquittals, looking back in the last five years, the then O'Neill-Dion Government has unfailingly disbursed huge amount of money for the first time to the province and districts. About K890 million in total every year unfailingly since 2013, that equates to over K4 billion transferred from Waigani straight to the subnational government section. Members come and members go, but it is incumbent upon all provincial district and treasury staff to ensure that the process of acquittal must be an everyday function of all district and provincial treasuries. Simple things like monthly bank reconciliation have culminated in a quarterly report and obviously its assembled into an annual report that must be furnished by law by 31, March the preceding fiscal year.

I take this time to make the second public announcement that all district and provincial treasuries, it is only fair to the nation that for the amount of money that we have remitted to them and districts and provinces have received over the last five years and speaking retrospectively for the fiscal year of 2016, reports must come in.

I am starring into a report that shows a declining trend of financial reports coming in and being submitted to the Department of Rural Development or the Department of Finance or in instances, the Public Accounts to the Auditor General's Office. In as far as our districts and provincial treasuries are concern, we cannot hide this glaring fact. It is incumbent upon us as chairman of districts or the governors of provinces and it is also incumbent upon all our provincial treasurers today we designate them as provincial finance managers or district finance managers right across as you are hearing this, your Minister is asking for those reports to come in as soon as possible before 31, March, 2018 for 2017 finances.

03/07

For those who have not submitted for 2016, we are giving them until the end of this year to submit their 2016 district audit and financial reports so that you can access 2018 funds that are designated in the Budget. It is a good practice and it is incumbent as far as public finance is concern that those reporting protocols must be maintained and kept up to date.

I urged every district to furnish those reports by 31 March 2018, for access and full use of the designated funds as far as PSIP, DSIP or DSG concerned.

In regards to the procurement system, we are now trying to overhaul the entire procurement process to ensure that all procurement has a common registry and filing system, so that we all know what is procured at the District, Province or Central Supplies and Tenders Board. So that, that registry is able to be part of our Government planning processes. For instance, when contracts were sent for an aid-post or health centre to be built, without proper registry then it's lost in one of those project that appears and then disappears again or out of radar.

There is no matching recurrent allocation to ensure that, that project or that asset remained active as long as it can. We are trying to align all procurement, and as members of Parliament would appreciate that the DDA concept also allows for you to have procurement at your level.

At the moment it's K500 000 and you can procure. But we are just trying to have a central procurement system set up so that every procurement that is happening right across every layers of Government, has a registry attached to it. This is so that we can know what procurement is taking place for terms of audit compliances but more importantly recurrent maintenance going forward so that those assets are totally aligned. And also it safeguards us from possible abuse that can happen at every intervals of procurement and these are some of the reforms going through.

I ask this honourable House to look at possible procurement reform concept that we are currently disseminating to all of us so that you have your contribution and we can create a safer secured procurement process for our country that is relevant from now going forward.

As most of you would know the current procurement system we have is as old as 20 years. It was enacted in 1995 when the *1995 Public Finance Management Act* was created.

The last question the Member raised is on the issue of the use of Section 61. He also asked on what are some of the organisations that are using Section 61 to procure.

These are statutory bodies like NCDC. They use Section 61 and come outside of the central procurement processes and they have their own engineering unit and procurement at their own organisation.

But let me make it clear, that I am not a fan of Section 61, but I intend to bring a reform so that it removes Section 61 pathway or procurement so that every procurement is

brought within the boundaries of Central Supplies and Tender Board so that we have one unified procurement.

At the moment, millions of kina bypass the procurement radar of Cabinet and Central Supplies and Tenders Board and channelled through the statutory bodies that use leeway of Section 61. We want the reform to bring every procurement within the radar of Central Government because these are national funds. It must come with control of a unified system of procurement, instead of a side way access through Section 61, thank you Mr Speaker.

### **Supplementary Questions**

#### **Unqualified Officers – Provincial/District Treasuries**

**Mr GARRY JUFFA** – Thank you Mr Speaker, first and foremost, I commend the Minister on his efforts to carry out very important reforms.

**04/07**

I would also like to state here that the Minister has always kept in touch with many of us and kept an open door policy and I would like to recognise and commend his effort.

My questions are in relation to similar questions raised by the Member for Wabag and they would require brief explanation that is in regards to the process of acquittals as mentioned by the Minister.

Is the Minister aware that most Members of Parliament are not getting their monthly expenditure reports from the district treasuries and their provincial treasuries? This is a fact. These monthly expenditure reports are required to monitor the expenditure of public funds in the districts and provinces but they are not reaching the Members' offices every month.

Mr Speaker, the districts and provincial treasuries are simply not qualified for the positions that they have been hired against. For instance, the provincial or the district accountant, these are not even accountants in most instances.

When you go down the line you will find that the examiners and the systems administrators are also not qualified. This is one of the reasons why acquittals become a significant problem. The members end up hiring private accountants to come and help them do the accounting process for acquittal purposes. That is very costly.

My questions are:

(1) Are you aware that the human resource division within your department is carrying out a recruitment process that is possibly corrupt? Engaging many of the persons who are simply not qualified causing a lot of impediments to Members of Parliament in processing their claims and expending public funds in accordance with the *Public Finances Management Act*?

(2) Do you have a centralised system that would allow you to monitor the delivery of this expenditure reports and quarterly reports so that should they not be delivered on time, a red flag and an alarm bell will be raised so that you would be able to identify which district or province has not delivered and why and take appropriate pecuniary action?

(3) Does your Department carry out regular inspections to our audits to ensure that there are qualified persons in the districts or provinces occupying these offices. Are they meeting their responsibilities in delivering these important and vital information to the Members so that the Members may be able to manage public funds in accordance with the *Public Finances Management Act* and financial instructions they are under? Thank you.

**Mr JAMES MARAPE** – Thank you Mr Speaker. I thank the Honourable Governor of Northern for raising these series of supplementary questions..

Mr Speaker, I would agree that the monthly expenditure reports and monthly bank reconciliations are part of those activities that the district treasury or the provincial treasury staff are supposed to have, at the disposal of the member or the governor concerned.

If they have not been doing this, I am on call and you can make a report to me or likewise to the Secretary that your staff is not responding to what he is supposed to do.

So make a report in this instance, for not complying to this simple routine matters that all our districts and provincial treasury staff are attending to. This can be grounds of suspension or warning or termination of employment.

Secondly, on the issue of qualified staff. I do agree that we run short of many qualified positions in our district and provincial treasuries and they have specific qualification requirements. Especially in the matters relating to accounts and business studies.

In the public service structure positions are of lower remuneration. Many qualified accountants and business students do not wish to apply to us so we seem to pick up the leftovers. But to ensure that we upskill our staff, the Department of Finance has been running in partnership with PNGIPA for the last three years.



05/07

Targeting our district and provincial treasuries so they come back for degree programmes they've been running there now so that they become good government public accountants.

We've launched an association called Public Accountants Association, this is geared towards the body of accountants who work in our public service organisations. It is bigger than the total number of accountants in the private sector put together. We launched the Public Sector Accountants Association to ensure that they are conversant, they are upskilled in terms of public finance and public accounting systems and to respond to the need. Especially now where the O'Neill led Government in 2012 has continued on from the ad hoc arrangements of the previous government.

Let me put on record that the previous government, the Somare Government who started the DSIP concept but it was only in the last government that we consistently tried to fund and this government will try to consistently fund districts and provinces directly. And so it is only fair that we upskill our district and provincial treasury staff so that they are on par, if not they are skilled to handle the greater amount of finance that goes through them. As I have said, if you look through the last five years, over K5 billion has been transacted through the hands of our provincial and district treasury staff.

And so the Finance Department, seeing the enormity of the work faced by them, we've created this tailor made course at PNGIPA that is geared towards upskilling our public accountants and public treasury staff. That programme is running and we will continue the programme to ensure that all our staff are given the proper skills so that simple things like bank reconciliation, monthly reporting or quarterly reporting gets carried with.

I encourage Members of Parliament, as you convene your quarterly DDA meetings, as part of the requirement you summon them yourself to present those reports. If they don't present those reports that is a case in point for discipline in terms of that officer failing to live up to his call as an officer of the State in those designations.

On the reporting aspect we are operating a dual system here. Most of the central agencies in Port Moresby have now transferred to the IFMS but our provincial and district treasuries are still operating in the PGAS. We have received directions from the government and Cabinet that we cease or migrate every PGAS into IFMS. That is something that we are working on but it requires consistent funding and with the financial constraints, I can assure

this House that within the next three years if we consistently make interventions we can fully migrate from PGAS to IFMS.

In that way IFMS will be a real time supervision of what is happening in the districts and provinces but right now because it is PGAS we just have to wait for them to submit to us or also make the request for them to submit. But those configurations need to be made and those two systems need to be managed. But we hope that by 2019 or 2020 at the latest we will fully migrate from PGAS into IFMS and all our district and provincial treasuries systems have real time supervision, real time oversight and real time disbursement of resources or in term of acquittals, real time acquittals.

The last question on the audits. We do have the audit section of the Finance Department which also has oversight of our own district and provincial treasuries in the country but again with the tight financial situation we have we've been keeping our audits centred in Port Moresby but on request, dispatching audit teams to go and check if there is a problem happening at a specific work site can be done.

So if there are any issues that anyone of you have, and for that matter the Northern Provincial Government has, if you request us we can send an audit team to make sure they audit the funds and those anomalies you may see in your districts and provinces.

### **Digicel Towers**

**Mr PETER NUMU** – Thank you, Mr Speaker. I direct my questions to the Minister for Communication.

**06/07**

Now we see that the Digicel Towers are set up throughout the provinces with an agreement that was signed with the landowners without consultation with the provincial governments in the provinces.

(1) Can the Minister inform my people whether that arrangement have brought in some benefits for the province or not?

Digicel Communication Company is making a lot of money in the provinces through their sales of flex card and all other businesses.

We have a lot of problems in the Eastern Highlands with landowners where they have signed agreements with landowners and the Provincial Government doesn't know any of this and there are too many unsolved issues on this matter leading to unnecessary fights.

(2) What kind of arrangement was undertaken with the Government to set up Towers all over Eastern Highlands Province and also elsewhere in the country?

(3) Are these arrangements proper and legal?

I raise this because they are erecting their towers on our land and when landowners bring their frustration to the provincial government, what can we do?

**Mr SAM BASIL** – Mr Speaker, I thank the Governor of Eastern Highlands for his very important questions and I think all the other governors and Members share the same view on the question.

Mr Speaker, since Independence Telikom PNG has been the one erecting towers throughout the country and now we have a new communication company that is setting up communication network and they are negotiating with landowners to do all these.

My Speaker, the tower rollout has happened throughout the entire country and we are now beginning to see that it is happening with a lot of good and bad issues stemming from all these.

Mr Speaker, I agree with the Governor of Eastern Highlands raising this concern and we have to go back and find out where we went wrong and try to devise a proper way to approach this issue in all the concerned districts and provinces, and understand and work out how we can be part and partial of this development and as a Government can help solve some of these problems.

Mr Speaker, while at that, let me take this opportunity to clarify some questions and concerns coming from the 89 districts in all our provinces on how we can benefit and capitalise on this arrangements I will direct make department to come out and show some clear sites where we can put up the towers.

Since the last Parliament Districts have been putting down the money for Digicel to erect their towers. That is alright, because we need the service. But one will ask the question what we are getting out of this arrangement, when we are investing the peoples' money in this project.

So rather than complaining we can make the sights available to you were there is no electricity going through and improve the coverage and we can provide those information to all the Governors and District Boards and they can inform landowners to erect their towers and invite the communication companies to come and use that network and agree on rentals and have a business arm in the making.

But right now a good opportunity now is on provincial capitals. Throughout Papua New Guinea we have the provincial government and the headquarters and it would be good to put up some towers, maybe 100 meters or 50 meters in the town so that opportunities of businesses can be captured like EMTV, NBC or Two-Way Radio operators can use to generate money for the district.

7/07

This question I know has not been very well answered so I will check with Lands Department, NICTA and other concerned authorities and I will have a written response submitted to the Minister.

### **Outdated Road and Bridge Specifications**

**Mr WILLIAM SAMB** –Thank you, Mr Speaker.

My question is directed to the Works Minister. This week he had a lot of questions to answer and he handled them well, so I would like to commend him on that. My questions are on two issues that were raised; first is on the question raised by the Member for Daulo, and supported by the Governor of East Sepik.

Contractors paid to rehabilitate and maintain the roads do not do a good job and these roads continue to deteriorate. And we continue to seek funds to maintain the roads. We do not seem to be addressing the problem.

(1) Does the Department of Works have certain Works specifications for roads and bridges?

A lot has changed, we are towards the end of 2017 and we are still using the specification dated 1995; this is old and irrelevant. Now there is no more tar on the roads and we have gone into putting concrete on the roads. We now have donors assisting with funds to build the roads with certain trenches in loan arrangement with ADB for roads in the Highlands region. In my experience prior to politics, I have seen this loan arrangement doing a lot for only the Highlands region.

(2) Why is there no such arrangement for roads and bridges in the other provinces? We have agencies stepping on each other's toes to fix only main highways, what about major feeder roads like Goilala connecting onto the main Hiritano Highway. No one seems to know whether this road exist. My people of Goilala do contribute to the economy of this country.

So can the Minister talk to the agencies and the departments concerned so that there is fairness.

**Mr SPEAKER** – I would like to inform all Honourable Members and those in the public gallery to switch off your mobile phones while the sitting is in progress.

**Mr MICHAEL NALI** – Mr Speaker, I thank the Member for Goilala for his questions. I would like to firstly respond to his query on the standards for roads.

**08/07**

In 1973, there used to be a standard used by Department of Works. The standard talks about how thick and how deep road construction materials can be measured. It depends on the location due to muddy, swampy, rocky, dry land, et cetera, where roads are to be constructed.

Mr Speaker, depending on the location and the composition on the land, the department applies different methods to conduct its operation.

The 1973 standard clearly indicated that after determining the type of land areas to conduct the operation, the standard is applied such as road base or sub-base. There is a level of 150 mm for sub-base and then 150-200 mm of road-base materials before they apply the 20mm to 25mm of bitumen.

Mr Speaker, that standard has changed. Since 2016, the department has employed a new standard where the amount or thickness of materials have increased from 250mm (25cm) to half a meter (500 mm) combining both the sub-base and the road-base materials.

With the new standard, Mr Speaker, there are different applications available which you will see from wet areas, Department of Works will apply a white material called, geotextile at the base to contain water before the actual materials are applied.

Mr Speaker, depending on the materials as well, if there are quarry materials that are crushed, you don't need to stabilise it. But now in many parts of the country, especially where there are no limestone, we are now beginning to use this stabilisation material.

Standard of building roads have now improved and I was interested to see how they have constructed roads such as Hebou Construction, constructing road from 6 mile to Bautama and Global Construction building road from Manu Auto Port to Taurama and towards 6 mile and I noticed the new standard being applied. The amount of materials they

have filled is closer to half a meter (500mm) and a lot of materials that were used are all crushed. But in the areas where there is no quarry, the roads cannot be crushed, so stabilisation materials are used.

Mr Speaker, in terms of standardisation, whatever materials used have now been upgraded from the 1973 to 2016 standard.

Mr Speaker, another question that has been circulating, not directly from the Member for Goilala but from many leaders. They want to know the standard width are also asking for sealed roads.

**09/07**

But there are many other members, asking what the standard width of roads being sealed? On a two way lane road, the minimum requirement is to have a seven metre road sealing so all the roads that are being compacted should reach the minimum width of seven metres.

Mr Speaker, a lot of these roads that are being constructed are designed and approved by ourselves, meaning that in the case of the National Roads in Papua New Guinea, the Department of Works have this responsibility and if not they engage other companies, then it is their responsibilities to make sure that it is done. In NCD, NCDC is responsible.

The contractors go and construct the roads but the design part of it supervision is done by ourselves so if you see that some road design are not happening than you have to carry that responsibility.

Mr Speaker, the other issue that is also coming around is that the sealed roads are not lasting long. The lifespan of a sealed road with bitumen is seven years. After seven years we are supposed to reseal on top of that resealed road to fill the gaps so that water does not go into the bitumen itself when it wants to crack.

Then, after refilling, that road should last for another three or four years and it should be redone, meaning that the old material should be reused and a new road is supposed to be built.

Mr Speaker, unfortunately because of funding issues and inability to make sure that this roads are being maintained every year, you will see that many of these sealed roads are getting spoilt.

To answer the questions from yesterday, we have now come up with a Zero Tolerance Policy by this Government and it is the Prime Ministers idea.

We have kick started that with Dekenai Construction, to look after the roads from Brown River to Malalaua and to Kerema, To make sure that they will always be maintaining this roads for the next three to four years or even five years because that is funded by the World Bank. Their job is to make sure that when the road is upgraded and redone, it is Dekenai Constructions job to make sure that they are fulltime to make sure to maintain the road.

Mr Speaker, when it comes to donor agencies taking up the responsibilities in assisting the people of Papua New Guinea to build roads, we must understand that our friend like the AusAID, give us money as a donation and we became the receivers and as the saying goes “Beggars can’t be choosers”.

But, Mr Speaker, I think that if our friends are serious about having a relationship with us, I would really appreciate if these donor countries took up the responsibility to pick up at least one highway each, like the Buluminsky Highway where AusAID has funded K48 million –

**Mr Allan Bird** – Point of Order! I would like to remind the Government that there is a development corporate policy in place that guides all donors and I would encourage Ministers to read that because it is the property of the Government.

Thank you, Mr Speaker.

**Mr SPEAKER** – Minster continue.

**Mr MICHAEL NALI** – Thank you, Mr Speaker. When we have ministerial forums, that is what we discuss but many times when there are ministerial forums, our people go unprepared and sometimes we find it very difficult to put the matter straight to our friends that we are thankful for their assistance.

**10/07**

An example is the road from Watarais to Ramu and Madang, our friends from Australian Aid did the consultancy work and designs and it has remained in the designs phase until today, but for the actual funding of the road construction , I don’t even know when the road construction will start.

Last week, the Departmental Secretary had a dialogue with the Australians about the actual road construction. So we should advise our development partners to fund one specific road. For example, the World Bank proposed to fund the road from Brown River to Kerema. It would be better if our development partner's did the same with national roads so that the PNG Government can focus on the town roads and the provincial roads and district roads and managed under the DSIP and if there is money from Department of Works, we can help.

Mr Speaker, this is our responsibility and it's important that we have some serious discussions with our partners and get some serious answers. Thankyou.

## **SUSPENSION OF STANDING ORDERS EXTENDED TIME FOR QUESTIONS**

Motion (by **Mr Koni Iguan**) agreed to –

That so much of the *Standing Orders* be suspended as would prevent time for Questions this day being extended by 20 minutes.

### **Supplementary Question**

#### **Revived Works Stations**

**Mr KONI IGUAN** – Thank you Mr Speaker. I direct my question to the Minister for Works.

Mr Speaker, I am happy to hear that the Minister plans to decrease the number of potholes in roads down to zero.

Mr Speaker, in the past when I was a child growing up, I have seen works stations along the Highlands Highway. These stations were on standby to maintain the roads if there were potholes and keep it clear from obstruction like falling trees. The roads were well maintained back then. These work stations are all closed down and pot holes are occurring everywhere along the road. Today opportunists and villagers are now covering up the potholes and demanding money from vehicles travelling along the road.

Can this works stations be revived and machinery set up again along the highways to maintain the roads?



This is so that when the contractors who construct the road are gone these people in these Works stations will maintain these highways so it lasts longer.

**Mr MICHAEL NALI** – Thank you, Mr Speaker. Yes, it is true that no longer ago we had the Department of Works establishments right along the main highways. These are now all closed down because of government decisions.

Therefore, right throughout Papua New Guinea, you will find that the Department of Works has land and houses but there are no officers and equipment.

**11/07**

I encourage you honourable Members to utilise this because Works is not performing the work that it is supposed to do such as maintaining the roads.

I know who did it but I will not call the name of that government. But it was a decision made by the government at that time to shut down all the operations and responsibilities has been given to private contractors to do these jobs. So these contractors can continue to do that but our –

**Mr John Simon** – Point of Order! Mr Speaker, can I just remind all the ministers and all of us that every time when we answer questions, we pass the buck to previous governments and I for one, am sick and tired of listening to this.

We are at this place to correct these things and we have been there. So, let's correct it instead of continue to pass the buck and I have been hearing it over and over.

So please member, let me say what I have to say, can you shut up and let me talk. That's okay, your turn will come. I have been hearing it so many times so I want to make it clear that we must learn to appreciate the fact that we must correct mistake, instead of blaming past governments. When will we stop passing the buck?

**Mr SPEAKER** – Your point of order is out of order.

**Mr MICHAEL NALI** – Thank you Mr Speaker, I appreciate my brothers point of order. But what sort of answer does he want? Does he want me to take the blame for it? I was not responsible for shutting down the Department of Works, and that's the truth.

You guys on the other side did it. You want me to call the names? I did not come here yesterday, you know I was around to know who did it. But I don't want to mention names.

Mr Speaker, the Department of Works is still functioning. And we can handle these big tasks such as procurement, supervising, providing engineering and et cetera. And it's proper that we award the contracts back to our people so that they can participate and benefit from the business.

Mr Speaker, it's true the work along the National Highway have all been shut down and that responsibility has then been taken up by private businessmen in PNG, who are doing construction work. But the major problem now is funding issues, which we all know. And it was not created by this Government and we all know why we are in this situation. But then the Government has always tried its best to make sure that we keep these roads maintained. As the Minister responsible, I am still alive and prepared to do all these work. But you know what? I got a big hole in my pocket also and that is my problem.

*(Laughter in the Chamber)*

**Mr MICHAEL NALI** – But to maintain the roads up to date we have people in this country, who are capable of making sure that these roads are kept up to acceptable standard and I thank you for a good question.

There is nothing wrong with the Government reinstating the Department of Works for full operation again. But then I have to stop all the private construction companies who are contracted to maintain the roads.

And, it's a two-way thing and right now as you would realise the Japanese Government has given us a lot of equipment. The first lot was 70, and just recently when I flew to Lae I got another 27, and these equipments will assist us very much in the natural disasters.

These equipment will be distributed mainly to natural disaster affected areas only. Sandaun Province will get one set of equipment to upgrade the roads there and Oro Province will get the other set of equipment followed by Southern Highlands.

12/07

Southern Highlands is going to pick up some so I want to advise Sandaun and Oro that if your Works managers have not delivered the equipment, well, you have them sitting

on the ground to help you maintain some of our roads, so make it your business to pick them up in Lae.

**Mr Geoffrey Kama** – I ask the Chair to recognise everybody in the Chamber. I have been standing up continuously and I do not want to stand up again.

**Mr SPEAKER** – The Chair has noted your concern, the Member for Karimui-Nomane.

### **Protect Female Population**

**Mr ALLAN BIRD** – Mr Speaker, my questions concerns all of us. According to this week's newspaper article, six young girls were raped in front of a school. Last week's newspaper reports that a Journalist was almost kidnapped and raped by a taxi driver. In another instance, a young girl child was burnt under suspicion of sorcery. During the elections a young girl about to graduate from the University somehow was ejected from a car and died. There is outcry amongst the communities.

Just over the weekend, a young teacher was killed in my province which the police have not investigated yet.

Mr Speaker, my series of questions are directed to the Prime Minister and I ask the Minister for Police and Attorney General to take note. The Prime Minister made some statements in relation to the burning of women under suspicion of sorcery and I want to applaud him.

Mr Speaker, most of our population is made of women and girls. As a society we are not doing enough to protect our women and girls. This House has not raised its voice to talk about the situation that our women and girls are facing all across the country.

Mr Speaker, my question is to the Prime Minister. What are we going to do with this disgusting and horrific hunting down of our women like animals across the country? We cannot give excuses anymore that it is a village custom or another person's fault –

**Mr James Marape** – Point of Order! Mr Speaker, with respect to the Governor and the question that he is trying to frame, may I ask the Chair to make a ruling for the Governor to rephrase his statement hunting down across the country? It is a bit exaggerated which can be splattered across the media and point negatively to our country.

Mr Speaker, there must be statistics attached to this sort of sentiments instead of making gross statements.

**Mr SPEAKER** – Point of Order is in order. Can the Honourable Governor rephrase his statement?

**Mr ALLAN BIRD** – I withdraw it. I want to say that, it still does not take away the fact that our women are living in fear and that they are being killed, burnt and however you want to describe it.

I can remove this statement but it does not change the situation. I have not read today's newspaper article but I am sure you will find that something bad is going on with a poor woman out there in this country.

(1) Can this Parliament give some prominence to the issues that are facing our women?

(2) Could the Prime Minister finally put together a bi-partisan committee from both sides of the House so that we can assure the female population of PNG that even though there are no women here, we are fairly representing and equally concerned about how our women are being treated across the country. Thank.

**Mr PETER O'NEILL** – Thank you Mr Speaker. I thank the Governor of East Sepik for his important question.

13/07

Mr Speaker, a large portion of our population is equally concerned as the Governor has rightly said. Acts of violence against our women and children, either through beliefs in sorcery or any other matter that the individuals concerned justified their act is unwarranted and unacceptable in today's day and age. This Parliament must condemn it in its fullest that we cannot accept such behaviour in our society.

Mr Speaker as for the laws and acts of Parliament, these have already been enacted. For example the *Lukautim Pikinini Act* which we passed in the last Parliament is designed to give protection to our children, women and the most vulnerable in our society.

But it is the implementation of these laws that are a concern. I agree with our Governor that our law enforcement agencies, both the police, judiciary and all the other

village level magistrates and leaderships that we have must work together to make sure that these practices are not tolerated in our communities.

Mr Speaker, traditionally such acts were well managed in our societies. We've never seen such gross abuse of the most vulnerable in our communities, women and children. We recognised these, especially the cases which the good Governor has stated, the rape and murder of the young girls and the sorcery act against a very young girl in our country. The police must act on those. We are all aware of it so police must go in there, investigate and arrest those people.

Mr Speaker, I will ensure that the police Minister goes to the Police Commissioner and put together a special task force in order to address this immediately. If the local police is not taking charge of the issues on the ground then headquarters must take control of it. We will make sure that happens immediately.

In terms of the long term solution to some of these issues and challenges, we have, our government, as you will note in the budget, for the first time has allocated some decent funding so that we can carry out awareness right across the country on a daily basis, whether it be on radio, newspaper or at the community level.

Almost K40 million has been allocated for public awareness that this kind of behaviour is wrong. We must continue to educate our people and change their mindset about their beliefs, particularly in sorcery.

Mr Speaker, we continue to profess ourselves as a Christian country. A Christian country means behaving like a Christian, not believing and saying one thing and doing something else.

Mr Speaker, I think it requires support from all sectors of the society, particularly as leaders in our communities and districts. We must increase the awareness that this is wrong and make sure that we continue to fight against such violence that is becoming so prevalent across our country and society. This is unacceptable in this day and age.

Mr Speaker, we will work with all our law enforcement agencies but more importantly, I urge all the Governors and open Members, please use you DSIP to also address some of these challenges we have in the communities. Especially in carrying out awareness by working closely with the wards. We are now funding the councillors, what is that funding for? It is to maintain some level of peace and good order in our communities. We must utilise some of these funds to enforce some of the laws that we already enacted in this Parliament.

**Mr GEOFFERY KAMA** – Thank you, Mr Speaker. Since my arrival, I have not been picked to speak but I will now direct my question, to the Minister for Works.

Before I ask my question I wish to acknowledge the many good policies outline in the newspapers and on your trips around the country, you made commitments to deliver many good roads.

My question is, I see a lot of discrepancies to the Department of Works. I will quote a news article which you made in the media –

**14/07**

I quote from a Newspaper article that you appeared and you stated that, senior Works Department staff have private companies and they are operating getting Works Department projects.

#### **Works – Awarding of Contracts**

(1) If you have any proof of this, will you be able to take any actions against such people?

Mr Speaker, as part of this coalition Government in the last Parliament six Chimbu Members were part of this Government and also in the Tenth Parliament there are six Members in the Government and we have all contributed in the formation of this Government.

Mr Speaker, the Minister is making a good stance but in his department as he stated there are many senior offices who have companies in the department.

It's frustrating to note that these officers engage their companies in Chimbu alone and not other provinces. They are engaged in all the proforma contracts in Chimbu.

Proforma Contracts are the contracts under K500 000 and Certificate of In-expenditure (COI) comes under project of K5 million. Above that they all go to CSTB.

But, Mr Speaker, those proforma contracts that is supposed to be reserved for Chimbu locals come to Port Moresby and are raised under COI and they raise up to K3-K4 million and it is happening.

Mr Speaker, if the Minister for Works doesn't address these small issues these people will run the country down and the Ministers good stance is for no good.

Most of these COI's are being raised in Port Moresby when it should be done in the provinces and this is becoming a normal process.

(1) Can the Minister look into this matter and put them into its rightful places because these contracts should go to local Chimbu businessmen but are going to people outside of my province?

(2) Can the Minister also inform this Parliament and my people what criteria are they using in selecting these contractors?

Mr Speaker, some genuine claims have been raised by managers and officers of Works Department in the Province but priority is given to wantoks and people they know and many people are still awaiting their claims.

(3) Can the Minister look into this and give an undertaking to sort out these issues because I am also affected too.

**Mr MICHAEL NALI** – Mr Speaker I thank the Member for Karimui-Nomane for his questions.

In regards to the first issue whether I have evidence of senior officers of the Department of Works involved or doing construction business, my answer right now I don't have any evidence. But in the past I had evidence when I was just a citizen when I use to see ordinary Works Managers and Works Engineers but all of a sudden they became involved in business and when the Government allocate3d funds for this specific jobs they diverted them to other companies.

Mr Speaker even without evidence I still think I hit the nail on the head because it has become a normal practice.

So I have warned my Department Officers especially Works Managers and Regional Works Managers throughout the country not to be involved in this practices.

**15/07**

Works managers throughout the country should not be engaged in construction contracts. There's nothing wrong with provincial Works managers getting into construction businesses, but I am saying.

**Mr Garry Juffa** – Point of Order! There is something wrong with public servants engaged in business. It is explicitly detailed in the *Public Service Management Act* and the *Finance Management Act*. Also it is confusing that before Parliament, the good Minister had evidence and then after Parliament he doesn't. Aren't the same people doing this things?

**Mr MICHAEL NALI** – Sometimes please listen before you jump up and down with your point of order. You have a full Public Gallery and audience watching from the television. I am saying there is nothing wrong with any citizen including works managers from getting involved in construction businesses but my instruction is for them to get out of the Works Department if they want to get involved in construction work. It is not wrong, they just have to get out of the department and do construction work.

If they are employed and are involved in construction then it is wrong. My advice is if there are employees still doing that then get out and go do your own business. There is nothing wrong with you going into business, just get out and do not tarnish the name of the department.

I also want to stress here that if you have evidence that there are staff involved please do let me know.

Secondly; there are instances where we have landslides or other natural causes that block the roads, so the Department of works has to get out to clear the roads as a matter of urgency and because of such situations there is a limit that the department secretary has but he does not commit money for nothing he has to consult with his regional and provincial managers before any decisions are made. There is a limit were pro-forma contracts are given out.

Therefore it is not good to say that I am being biased and apply favouritism when it comes to pro-forma work.

**Mr Geoffery Kama** –Point of order! What I am stressing here is that, if there is work in Enga or other provinces, someone from Simbu go and do it. If it is in your province, get it done because most of this contracts are below the K100 000 which locals are capable of doing. What they failed to do in this case was they did not have the equipment to do so and borrowed from Simbu, so I want the Minister to address this.

**Mr MICHAEL NALI** – I fully agree with the application of this question but it will not be right for me to stand up here and be racist about this, that highlanders cannot go and construct roads on the coast and vice versa.



16/07

Mr Speaker, with common sense, if there's profoma work coming from Simbu Province with equipment lying around doing nothing, why getting contractors from somewhere to come and work for some K500 000 to K1 million in Simbu? That I totally disagree.

Mr Speaker, some people from Chimbu organised a construction company and arranged for Engans to go and work for them. At the moment, if you pass Wara Simbu and come towards Sinasina-Yongumugl where and the flood washed the road and the culvert away, the contract was given to Kaia Works, but the job was done by some Engans. So other subcontracts or hiring of equipment.

**Mr SPEAKER** – Question Tme has lapsed so get straight to the points in answering the questions.

*(Laughter in-the-Chamber)*

**Mr MICHAEL NALI** – This is not funny, Mr Speaker. In relation to compensation claims, road maintenance money from Watabung all the way to Miunde at the border of Western Highlands and Chimbu, K100 million was paid as compensation to the Simbus. K100 million was never planned for compensation. The last time I visited Chimbu, they came to lodge in claims and I told them that there are no claims.

Mr Speaker, I want to make this absolutely that the Highlands highway did not come up yesterday, it was built years and years ago, even before some of us were born.

It is publicly known that from the centre of the highway, 20 meters either way left and right, 40-meters, that road has always been there and is always the national highway. And if you are building within the 40-meter road corridor, you are illegally using State land. So I might as well get you to compensate me than me compensating you. Compensate the Government for using Government land. Let's come to some sense.

I paid for the advertisement yesterday for the Highlands highway road reconstruction. The notice will come out in the media this week or next and followed by major works to take place from Nadzab to Kagamuga.

Simbus, if you want to participate along your road corridors within your province, you organise yourself. Don't come up with all kinds of companies. How many contractors are

there? Put yourself together, get one management company and you become the major sub-contractors or you can have the local participation rather than trying to come up with 5 to 10 different companies.

I'm just letting you know because there will come a time when you will knock on my door saying you have a company. If you have a company, go and organise yourself and come up with a good team so that we can participate well and our people can also benefit.

The issue of COI (Certificate of Inexpediency), some profoma contracts are within the limit of the department Head so that's okay. Depending on case by case, when the COI goes past K500 000 to some millions of kina because the job is quite big and the Government needs more money to fast track a major land-slip or major cases like opening up a highway, the *Public Finances Management Act* provides for that, so there is nothing wrong as long as it is within the limits.

17/07

The *Finance Management Act* does provide for COI and there is nothing wrong with that as long as it is within the limits.

**Mr SPEAKER** – Honourable Members, the Time for Questions has lapsed.

#### ANSWERS TO PREVIOUS QUESTIONS

**Mr RIMBINK PATO** (Wapenamanda – Minister for Foreign Affairs and Trade) – I wish to seek leave of the Chair to answer questions raised by the Member for Rabaul yesterday.

Leave granted.

**Mr RIMBINK PATO** – As I said yesterday, I will provide detailed answers to the questions asked.

Significant developments in the past 40 years have impacted on the global environment as well as PNG's Foreign Relations with its international partners. This includes amongst many other development the global spread of international terrorism, instability,

conflicts in the Middle East, including the flight of refugees, threats to the use of nuclear weapons by North Korea and tensions in the East and South China Seas.

Whilst some of these developments are located on the other side of the world, they have nonetheless significant direct implications for Papua New Guinea.

Instability and conflicts in the Middle East for example is a case in point, closer to home, the tensions in the South China Sea have the potential to impact adversely on Papua New Guinea's trade and other economic interest and priorities.

In addition, Mr Speaker, these and other sources of tension, treats and conflicts between and within other countries have wider important implications for peace, security, respects for international law and human right and generally irrespective of where they are located.

With direct reference to the issues surrounding nuclear armament and nuclear disarmament and North Korea, I wish to reply as follows.

The first question was, what is the government's policy on nuclear armament and nuclear disarmament?

Our position of these have always been very clear. Papua New Guinea's commitment to international peace and security remains steadfast and is consistent with our Constitution and the United Nations Charter.

A clear statement to this firm commitment is demonstrated by Papua New Guinea being a state party to the following international disarmament framework arrangement.

(1) Treaty on the Non-Proliferation of Nuclear Weapons, which PNG acceded to on 13<sup>th</sup> January 1982

The main objective of the non-proliferation treaty is to prevent the spread of nuclear weapons and weapons technology, to promote cooperation and peaceful use of nuclear energy and to advance global goal of achieving nuclear disarmament and general and complete disarmament.

(2) The second firm commitment was our signatory to the Comprehensive Nuclear Test Ban Treaty signed on 25<sup>th</sup> September 1996.

This treaty is intended to ban any nuclear weapons test, explosions or other nuclear explosion. It is also associated with burning of fissile materials for anything other than verified peaceful use.

(3) The third treaty, PNG is a party to is the South Pacific Nuclear Free Zone Treaty of 1985, the Raratonga Treaty. Its protocol seeks to ban all forms of nuclear acquisition, possession, placement, testing and dumping in our region.

(4) The fourth treaty that we are a party to is the Treaty on the Prohibition of Nuclear Weapons signed on the 7<sup>th</sup> of July 2017. Papua New Guinea supported and voted in favour of the adoption of the landmark treaty on the prohibition of nuclear weapons and this was supported by 122 countries out of 193 nuclear member states.

**18/07**

This new international agreement places nuclear weapons on the same legal footing as other weapons of mass destruction which have long been outlawed. It now outlaws nuclear weapons in the threats of use, testing, development, production, possession, transfer and stationing in different countries. The treaty also has provisions for a pathway for nuclear arm states to join in due course. This treaty will not eliminate any nuclear weapons. It can either delegitimize or strengthen the legal and political norm against their use worldwide. This opened for signature on the 20, September 2017 during the 72 United Nations General Assembly Session. It is a high level treaty arranged by the UN Secretary General and it will enter into force 90 days after it has been ratified by 50 states. Papua New Guinean will undertake its own domestic consultations then prepare a submission to the National Executive Council for his endorsement and ratify this important treaty. In relation to the second question, what steps has Papua New Guinea taken to address the threats from North Korea that would not necessarily expose PNG to nuclear disaster?

The Cabinet paper for Papua New Guinea's membership to the treaty on the provision of nuclear weapons shall address this question. However, Mr Speaker, I wish to inform this Honourable House and the people of Papua New Guinea on the latest development on North Korea issues as of last night, 29 November 2017. At the request of Japan, the Republic of Korea and the Unites States, the United Nations Security Council held a public meeting on the Democratic People's Republic of Korea following the launch of an intercontinental ballistic missile yesterday that was on the 28, November 2017. A possible outcome is still under discussions with UN Security Member Council. The Council is expected to receive its regular 90 day briefing from Ambassador Sebastiano Cardi of Italy, the Chair of the 1718 sanctions committee applicable to the Democratic Republic of North Korea.

On the committees' work, this meeting is already been scheduled as a briefing in consultation but following for the request of the meeting on the missile launch, it was decided that Italy's briefing should be part of the public session.

Whilst there has been increase, this year in the pace of missile tests conducted by the DRPK, yesterday's launch was the first since 15 September this year. According to the DRPK the intercontinental ballistic missile reached the altitude of 4.575 kilometres that is 2780 miles and flew 950 kilometres which is 590 miles in 53 minutes before falling into the seas of Japan. It has claimed that the missile was a Hwasong 15 capable of striking the US mainland. If true, this would mark the launch of a new type of missile by the Democratic Peoples Republic of Korea. The other launchers in 2017 have been all the ICBM, the Security Council Members will be interested in obtaining further details about the launch including whether it was a new type of ICBM that was tested indicating technological progress in the DPRK's nuclear development program. It is clear to all members that this was a violation of council resolution and members are likely to strongly condemn the launch and the demand that the DPRK abide by the resolutions of the United Nations Security Council.

**19/07**

As I said yesterday, there were number of permanent Security Council Resolutions on the Democratic People's Republic of Korea. In general there are 21 United Nations Security Council Resolutions on the Democratic People's Republic of Korea, related to a wide range of issues relates to the Korean Peninsula. However, since 2006 there are nine specific United Nations Security Council Resolutions on Democratic People's Republic of Korea (DPRK) against its nuclear weapons and missiles programs and phase and strengthen imposition of expanded sanctions.

The first one was United Nations Security Council Resolution No.1615 of 15<sup>th</sup> July 2006. The second one was United Nations Security Council Resolution No.1718 of 14<sup>th</sup> October 2006. The third was United Nations Security Council Resolutions No.1674 of 12<sup>th</sup> June 2009. The fourth was United Nations Security Council Resolution No.2087 of 22<sup>nd</sup> January 2013, which condemned DPRK's 24 satellite launch and added to its sanctions against countries.

The fifth was United Nations Security Council Resolution No.2270 of 2<sup>nd</sup> March 2016. The sixth was United Nations Security Council Resolution No.2321 of 30<sup>th</sup> November 2016. The seventh UN Security Council Resolution No.2356 of 2<sup>nd</sup> June 2017, which

condemn the strongest possible terms the nuclear weapons and ballistic missiles development activities including the series of ballistic missiles development activities conducted by the DPRK since 9<sup>th</sup> of September 2016, in violation of showing disregard of the UN Security Council Resolutions.

The eight was UN Security Council Resolution No.2371 of 5<sup>th</sup> August 2017, ninth was UN Security Council Resolution No.2375 of 11<sup>th</sup> September 2017. In spite of the strengthening sanctions against DPRK, that country has continued to develop its nuclear capabilities in ballistic missiles in violation in all of these resolutions. Whilst China has expressed concerned over the launch it still is likely to repeat its position, which is long standing that a more comprehensive solution is needed that takes into account all key stakeholders. Some other member States while fully urging implementation of Council's sanctions, they also call for all parties to refrain from actions that could increase tensions and lead to destabilisations in the region.

In recent months, the Council has responded to the DPRK's recent missile and nuclear test with resolutions imposing further sanctions.

The Resolution No.2375 prohibited the import of textiles produced in North Korea, bans Gas export and sets the limit of export of petroleum product and other crude oil related products.

But the position of North Korea remains adamant and that is why PNG has taken the position it had.

In relation to third question, what capacity does PNG have to counter nuclear radiation and any other consequential environment damage from the North Korea actually firing a nuclear ballistic missile into the Pacific and into Australia?

**20/07**

This shall be addressed in the Cabinet Submission I have referred to above, however, I have another important area that I should address in terms of Papua New Guinea fostering international cooperation to combat nuclear weapons and that is through the promotion of nuclear non-proliferation activities within the UN Comprehensive Test Ban Treaty Organisation.

PNG presently hosts four international seismic, infrasound and radionuclide monitoring stations in Kavieng, Rabaul, Kimbe and Port Moresby that contribute to monitoring and detection of nuclear test radiation. Recent upgrade of the facilities now also

assist our State of preparedness for disaster risk reduction given that we are part of the Pacific Rim of Fire.

The radionuclide IMS in Kavieng is part of the global network established by the United Nations to monitor and detect atmospheric and underground nuclear weapons testing as part and parcel of the international community's effort to foster global security and peace through ensuring the prevention of nuclear testing and strengthening nuclear non-proliferation.

It is in this spirit that PNG, therefore, plays a critical international role in promoting global security and peace through the hosting of this critical infrastructure of international importance.

In relation to the fourth question, why cannot the National Government move away from its dependence on friendly foreign military powers and begin to take steps to be self-reliant in its defence development program? This is an area which will be critically addressed by the Parliamentary Foreign Relations and Defence Committee and the question is being referred to them. So we will take a bi-partisan approach to that issue.

In relation to the fifth question, what compromises on our national sovereignty have the executive governments in the past until now, exchanged for dependence on friendly foreign military powers?

Again, this will be conferred to the Parliamentary Foreign Relations and Defence Committee on a bi-partisan basis.

Question number six, how many Papua New Guinea nuclear physicists have the Executive Governments of PNG produced in the last 42 years?

Obviously, this is a matter that needs to be looked at and we will conduct that research if there is information available, please provide it to my department.

Question number seven, will the current Executive Government consider enacting a National Sovereignty and Self-Reliance Act to project sovereignty in defence interests in the event of PNG's foreign policy of PNG Connect being threatened? This again will be addressed through the Parliamentary Foreign Relations and Defence Committee.

Mr Speaker, I, once again, thank the Member for Rabaul Open, Dr Allan Marat, for these important questions raised because the position of Papua New Guinea is advocated by all our speakers in the UN General Assembly and on the last occasion by the Prime Minister in September this year.

As in other multilateral forums, we heard that Papua New Guinea is a peace-loving country and we again complete disarmament of weapons of mass destruction including nuclear weapons.

We have continuously maintained and steadfastly saw the position that disarmament irreversibly and elimination of nuclear weapons and other weapons of mass destruction for global peace and security remain a critical agenda for us and globally.

Whilst I said yes to that, it is not a matter for USA, Australia, Canada or New Zealand but it is our participation in terms of our contribution to global peace security which impacts on our prosperity of our country and our people.

So I thank you, Mr Speaker, for giving me the opportunity to answer those questions asked yesterday.

21/07

**A NEW WAY OF DOING BUSINESS FOR PAPUA NEW GUINEA –  
MINISTERIAL STATEMENT – MOTION TO  
TAKE NOTE OF PAPER**

**Mr RIMBINK PATO** (Wapenamanda – Minister for Foreign Affairs and Trade) –

Thank you Mr Speaker, it looks like this is my day away from work.

Mr Speaker, I rise to make a statement in Parliament in my extended role as the Minister for Foreign Affairs and Trade.

Clearly, trade is an instrument of foreign policy and I can say with great confidence that the profile of Papua New Guinea has heightened in the last five years of my term in office as Foreign Minister. And on my way to the completion of the next five years, I can see that Papua New Guinea's position globally is only going to heighten for the best interest of our people and our country.

Mr Speaker, let me begin by thanking the honourable Prime Minister for reappointing me as the Minister for Foreign Affairs with the added responsibility for Trade in the second term of government that he is leading.

The decision to amalgamate Foreign Affairs and Trade has been welcomed by our private sector here in Papua New Guinea and by similar departments and government abroad.

I give my assurance to our Parliament, our nation and our prospective partners that I will do my very best to manage all aspects of our foreign policy, trade relations to enhance



our reputation as a safe and rewarding place to invest and also to bring home practical benefits as I have said to our citizens.

Combining Foreign Affairs and Trade is an innovation on the part of the Prime Minister but, as I've said, that is an instrument of Foreign Policy and I believe the Prime Minister made the right choice in terms of the amalgamation.

It comes at a time when there is acceleration of globalisation of the world economy. The World economy is also suffering great strain and stress, a time when we must continue to be strong advocate of a rural based international order that protects our trade, our natural resources, our oceans and our national security.

Mr Speaker, in relation to integration of past initiatives, in the final months of the last government's term the Department of Foreign Affairs and the Department of Trade, Commerce and Industry completed major policy reviews in their respective portfolios.

The government was pleased with the outcomes and adopted the findings and recommendations of the foreign policy review report and the formulation of the first ever trade policy.

I commend the officers of the agencies who completed the reviews and seek support from a similar whole of government approach in its implementation.

Mr Speaker, I especially acknowledge and thank the honourable Richard Maru for his most valuable work towards the Government's small to medium size enterprises policy, market access to our products in overseas markets and the proposal for a very independent trade office which the former minister championed as the previous Minister for Trade, Commerce and Industry.

I further acknowledge Minister Maru's leadership in the successful completion and launching of the new PNG Trade Policy last year. These all fits in well with the foreign policy theme of Connecting for Peace and Prosperity in a Changing World and the PNG Diplomatic Strategy adopted by the government arising from the foreign policy review report.

So, given the complexity of some of the issues that emerged from the two reviews, the Prime Minister has wisely directed that a study be carried out on how best the integration of Foreign Affairs and Trade will proceed to maximise opportunities for our country and its people.

22/07

The study will take into account the commitment given in the *Alotau II Accord*, firstly to adopt a new National Foreign Policy, and secondly to seek donor support to partner infrastructure development.

My task now is to prepare a platform to give a stronger trade, investment and business facilitation focus to the conduct of our foreign relations.

In the longer term, aid must diminish, and trade and investment become the key drivers for our growth and prosperity, all boosted by increasing and developing the involvement of our own citizens in business, management, the professions and the trades.

### **Expected Gains**

There are some obvious gains to be made by giving such a new focus provided by the combining of the two portfolios; Foreign Affairs and Trade.

First, it will provide much needed assurance of the Government's commitment to work closely with the private sector, and it will give us an opportunity for a win-win scenario in which benefits to business will go hand-in-hand with increasing employment opportunities and prosperity for our citizens.

Trained Trade officers posted to our diplomatic missions and consulates abroad, will add value to the frontline work of dealing with investors and traders.

Our APEC policy development work will get a sharper focus, because one of APEC's principal goals is trade and investment liberalisation, business facilitation and connectivity.

But more importantly, adding the Trade portfolio to Foreign Affairs will help employ the expertise gained both here and abroad to plan the way forward for our economy. A re-branded Department of Foreign Affairs and Trade will serve as a co-opted member of the Central Agencies Coordinating Committee (CACC) as well as a key member of the Economic Sector Agencies Committee.

During the life of this Parliament, the business sector will have a special responsibility for developing a sustainable manufacturing base, downstream processing and value-adding of our raw materials, promoting self-reliance in food products, and creating greater opportunities in the agriculture, tourism, forestry and

fisheries sectors. We also look to business joining with our efforts in trades training, and general education so as to boost the participation of our people in the workforce.

Other targets listed in the *Alotau II Accord* and in the Prime Minister's opening address to Parliament will also be given the priority attention they need. They all form part of the government's commitment to diversify the economy with special focus on the non-mineral sectors.

However it may be structured in the future, the Department of Foreign Affairs and Trade will continue to have other important bilateral and multilateral responsibilities. We will seek to strengthen neighbourly cooperation with our closest neighbours including Australia, Indonesia and the Melanesian Spearhead Group.

We will also strengthen relations with our key global partners. They include the United Nations, the Commonwealth, ASEAN, APEC, the Africa, Caribbean and Pacific Group of States, the European Union, the Pacific Islands Forum and other island based organisations. Other global partners include the US, Japan, China, India and Korea.

We intend to diversify and build new partnerships for mutual benefit for trade, investment, development cooperation, education and employment, and people-to-people exchanges.

As a populous and strategically located Pacific nation, we will also seek to promote a higher leadership profile for our nation as we attend to core commitments at the United Nations and other multilateral forums on important global issues including peace and security, human rights, gender equity, climate action and Sustainable Development Goals (SDGs).

23/07

In early September, I had the privilege of accompanying the Prime Minister to the 48th Pacific Island Forum in Samoa. The Prime Minister reaffirmed our commitment to the Pacific Islands Forum as the premier organisation that promotes peace, social economic security and cultural engagements in our region. And he also expressed PNG's support for theme of the forum; 'Leaders Meeting'. It is an inspiring theme and one we should all be enthusiastic and committed to. It is blue pacific, our seas are violent, our security through sustainable development, management and conservation. Only a united approach in our vast and beautiful region will protect it from exploitation by suspicious and illegal

fishing from polluters who negligently and criminally dispose of their waste in our region. And from those who threaten to test radio-active weapons that will poison our pristine seas.

We are peoples of the Pacific who are from the blue continent, we are guardians of some of the great oceans in the world, representing 40 per cent of the seas, and stewards of many resources. We pledge to act not only as for our own people but also for our brothers and sisters in our ocean home land but also for humanity as a whole. We are pleased that the Pacific Islands Forum has re-appointed our very own Dame Meg Taylor to hold this post for the second term as the Secretary General.

It is due recognition of her diligence and expertise among the members and her professionalism towards her work, which we should all be proud of. In September, I travelled to Manila to represent PNG at the ASEAN regional forum. This is an important political security forum that promotes peace and security, as well as stability and prosperity in our region, through dialogue and practical co-operation, and not stopping to counter-productive threats and insults.

Mr Speaker, that is why I made that statement of condemnation against the Democratic Republic of North Korea which was the subject of questions to which I answered today.

My attendance at the ASEAN regional forum for the last five years have been helpful and it has enabled us to build a strong rapport with our counterparts in the ASEAN countries as well as engage in important dialogue with the partners such as the USA, Russian Federation, Japan, China, India and Korea to name a few.

Lastly, I accompanied the Prime Minister to New York where he addressed the 72<sup>nd</sup> Session of UN General Assembly. In that statement to the UN, the Prime Minister called for larger countries to be pro-active in dealing global issues that impact on growth and development prospects in many developing countries. And this was well received at the UN General Assembly. The event was an opportunity for me to represent the Government in working meetings with close friends such as Japan, Israel, Indonesia, Australia and others to discuss how best we can assist each other in our efforts to harness technology, trade and produce measurable economic progress in our globalised world.

Mr Speaker, on the issue of modernising and building capacity in the Department of Foreign Affairs and Trade and in order to give stronger trade, investment and business facilitation and to focus our foreign relations, we will intensify our efforts to modernise and build capacity in the department, with a generous help from our good friend, the Government

of New Zealand. In the last four years they have provided diplomatic training for close to 100 new graduates and mid-career officials in the department, plus 40 other officers from other departments across. Also 200 officers from several government agencies are to be trained for protocol and liaising duties during APEC next year.

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These are essential skills that will allow us to show traditional warm PNG hospitality and to deepen friendly relations with our guests at next year's summit and in the meetings leading up to that major event.

Mr Speaker, we also intend to address a most critical need of the department to provide advanced training in the fields of leadership for men and women, management, negotiations, information technology and foreign languages, and for mid-career officers. The secondment of officers of the department to other economic sector agencies and the private sector will also greatly help to boost their skills as well as knowledge of private sector operations.

Mr Speaker, strengthening institutional capacity will also mean taking measures to achieve cost savings and better efficiencies in the department and overseas diplomatic missions abroad to make the organisation more effective as it becomes leaner and smarter.

The 2018 Budget now makes cost saving abroad even more urgent and I congratulate the Treasurer and the Prime Minister for that approach. We have begun the process of staff rotations at the head of the mission level, replacing with new appointees a number of heads who have served out their terms and we intend to appoint the best person for the job that they will do for our country in this context.

Mr Speaker, the work of updating protocol and operational manuals continue. When completed, they will better guide operations of the department and overseas missions. I also want to introduce a whole-of-government approach in setting the agendas of our overseas missions, working with the support of the Central Agencies Coordinating Committee. This together with improved reporting from missions will ensure that our missions contribute to the core business of government.

I also recognise that there is need for a general improvement in the conditions of service, including housing for Foreign Service officers. We have some financial constraints which currently challenge our operations. However, we are dealing with all these challenges prudently and systematically.

Mr Speaker, contrary to some media reports, the Government is not closing any of our existing missions and consulates. I am convinced that a disciplined, well-resourced and better trained diplomatic service is vital for promoting and protecting PNG's national interest. It can also contribute towards nation building and increased pride in our identity through progressing important, trade, investment and development cooperation arrangements, as well as through consistent representation at international and regional meetings.

Mr Speaker, as APEC approaches, we will endeavour to deepen this interest and to encourage positive relations that will bring benefits to our people in the decades ahead.

Mr Speaker, I will keep this Parliament, the people of Papua New Guinea and the media informed of all our major events, visits or initiative that impact PNG's foreign relations and trade. We will bring on a regular basis, sharing news of our achievements and our challenges.

Honourable Members, I seek your support for my efforts to work with and through the Department of Foreign Affairs and Trade to modernise and to strengthen our institutional capacity so that we can better serve the needs of our people, whose well-being, peace and security is our highest concern.

Debate (on motion by **Mr Nick Kuman**) adjourned.

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#### **MOTION BY LEAVE**

**Mr NICK KUMAN** (Gumine – Minister for Education) – I ask leave of the Parliament to move a motion without notice.

Leave granted.

#### **ALTERATION OF DAY AND HOUR OF NEXT SITTING**

Motion (by **Mr Nick Kuman**) agreed to –

That the Parliament adjourn to Tuesday 5 December 2017 at 10 a.m..

## ADJOURNMENT

Motion (by **Mr Nick Kuman**) agreed to –

That the Parliament do now adjourn.

The Parliament adjourned at 12.35 p.m..