

**FIFTH DAY**

---

**Tuesday 13 February 2018**

**DRAFT HANSARD**

---

**Subject:**

**Page No.:**

<b>QUESTIONS.....</b>	<b>1</b>
Higher Education Tuition Fees.....	1
Gulf-Southern Highlands Highway.....	3
Epo – Kerema Road Sealing .....	3
Bereina-Malalaua Road Maintenance .....	4
Laloki-Kerema Road Contract .....	4
Investigate Acquisition of Motu-Koita Land .....	6
Re-open Kundiawa Airport .....	8
Extend Registration Period – UPNG.....	11
Supplementary Question .....	13
Protect Motu-Koita Land.....	13
APEC House – Land Issue .....	14
<b>REQUIREMENTS OF THE STANDING ORDERS – STATEMENT BY THE SPEAKER.....</b>	<b>16</b>
<b>PERSONAL EXPLANATION.....</b>	<b>16</b>
<b>MOTION BY LEAVE .....</b>	<b>21</b>
<b>SUSPENSION OF STANDING ORDERS – REARRANGEMENT OF BUSINESS.....</b>	<b>21</b>
<b>FINAL BUDGET OUTCOME REPORT, 2017 – PAPER AND STATEMENT – PAPER NOTED .....</b>	<b>22</b>
<b>ADJOURNMENT .....</b>	<b>61</b>

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

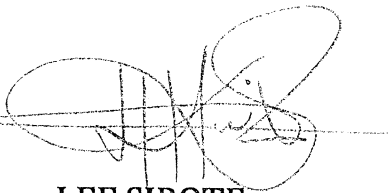
The Draft Hansard is uncorrected. It is also privileged. Members have one week from the date of this issue of Draft Hansard in which to make corrections to their speeches. Until the expiration of this one week period, Draft Hansard must not be quoted as final and accurate report of the debates of the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

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

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

Amendments cannot be accepted over the phone.

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



**LEE SIROTE**

Acting Principal Parliamentary Reporter

## FIFTH DAY

**Tuesday 13 February 2018**

The Speaker (**Mr Job Pomat**) took the Chair at 10.00 a.m.

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

Sitting suspended.

The Speaker again, took the Chair at 10.50 a.m., and invited the Member for Rigo, **Honourable Lekwa Gure** to say Prayers:

‘God our Heavenly Father, we bow before your holy throne and we thank you for being our Father. We ask you to bless our Prime Minister, Deputy Prime Minister and the Government Ministers and also the Opposition Leader, his Deputy and all the Shadow Ministries. We also ask you to bless all our provincial governors and all the Members. Father, we ask you to bless this great nation Papua New Guinea. We ask that you will grant us your knowledge and wisdom in the provision of leadership in our respective electorates. This is our request and petition in the name of our Lord Jesus Christ. Amen’.

## QUESTIONS

### **Higher Education Tuition Fees**

**Dr LINO TOM** – Mr Speaker, I direct my questions to the Prime Minister. Last week the Prime Minister mentioned in Parliament that schools throughout the country should not remove students for failing to pay tuition fees.

However, at the University of Papua New Guinea, new students were told that they will not come back as of the 9<sup>th</sup> of February 2018 which was on Friday and that they should come back to the university next year for failing to pay their tuition fees. Continuing students will also be deemed withdrawn from studies should they not pay up by 16 February 2018 which is this Friday.

Mr Speaker, we have an education system that seems to discriminate against the poor. More than 80 percent of our society are villagers and it is a huge strain on them when they come to the cities and, the fees structure as we all know has tripled and gone sky high.

(1) Can the Prime Minister direct the Minister for Higher Education to extend the due dates for paying school fees?

(2) Can we also relook at the tuition fee structure for the higher education institutions in the country?

I say this because a lot of students will be paying up to K14 000 and a security guard who has a child in the University will not afford that amount. His salary is basically K250.00.

The tuition fee is so high that this is not affordable for the average worker down the line. It is evident that our education system is very discriminatory.

So my question is to seek the Prime Minister's intervention to make sure that these children from the villages are given equal and fair opportunity.

**Mr PETER O'NEILL** – Mr Speaker, I thank the Member for Wabag, for this very important questions.

Mr Speaker, we are aware of the decisions by the administrations of the university in respect to the fees that the students are to pay to attend the universities for this academic year.

Mr Speaker, after meeting with vice chancellors of the universities a few weeks back, it was agreed that they will review their fee structures and the University of Papua New Guinea was one of the first ones to come up and say that the fees will remain the same as last year for this year.

**02/05**

So, that decision has been taken but to hear that students are being turned away because they are not paying their fees up front is news. We have already given instructions to the Minister for Higher Education, Science and Technology and his Secretary to immediately order the university to enrol all students and give them time to pay their fees for this year.

Mr Speaker, I agree with the good Member that this cannot continue forever. We have to try and find an innovative way to resolve this outstanding issue about school fees every year.

There are very successful schemes all over the world and in particular, a successful scheme in Australia where they have a student loan scheme where students are given loans

and when they graduate and find employment they will be given time to repay those loans over an extended period of time. These loans are amortised with very negligible or no interests at all. Our departments have been tasked to look at those possibilities so that the government can establish a student loan scheme to give students access to borrow when they the need to pay their fees in the long term.

In the meantime the Ministry and Department of Higher Education will take out full page advertisements this week to give specific instructions to all government institutions to enrol all the students and allow them time to pay their fees over time.

**Mr CHRIS HAIVETA** – My questions are directed to the Minister for Works. This is concerning all the road works in Gulf and Central provinces. As we know this is the rainy season and many roads are marred.

### **Gulf-Southern Highlands Highway**

The Prime Minister, you and I are in support of the road link from the Highlands down to Kikori to provide an alternative to Lae in the event of disaster in Lae where you can be relieved of your need to transport goods to the highlands.

(1) What is the status of that road? I know it is only 12 kilometres and I also know that Oil Search Tax Credit Scheme for the next five years has been depleted.

(2) Where will you find the means to complete this 12 kilometres of road to make it possible for that alternative route to exist?

### **Epo – Kerema Road Sealing**

This also relates to the roads which the government made commitments to in the last term of Parliament. The World Bank made available funds to complete the 15 kilometre stretch of the highway from Hiritano Highway at Epo to Kerema Town. The road has been sealed from Malalaua to Epo and I know that only this little section is outstanding.

(3) Can you tell the people of Gulf when this project will be completed?

(4) Have you awarded the contract yet?

(5) Is money available for that road or not?

### **Bereina-Malalaua Road Maintenance**

The other question concerns the Bereina-Malalaua Highway. It was our road when we were in government under Sir Julius when we laid it on. That was over 30 years ago.

Mr Speaker, that road has not undergone any maintenance and has deteriorated and to do maintenance it is necessary to do the whole road all over again.

I know that you have World Bank funding and you have made commitments regarding this.

(6) Can you tell the people of Central and Gulf whether this is true or not and if there money available, when will you tender the contract to maintain that road?

03/05

### **Laloki-Kerema Road Contract**

Honourable Minister driving from the city out, when you reach Laloki, that's where the pothole starts. The road has badly deteriorated all the way to Hisiu. I am aware that the Government has made a commitment in fixing that section of the road so when will that road maintenance start.

(7) What stage of the project are we at and if there is money available, which contractor has been awarded that project and how soon will work start on that portion of the road?

**Mr MICHAEL NALI** – Thank you, Mr Speaker, I want to thank the honourable Governor of Gulf for his questions.

Mr Speaker, his first question was on Gulf-Southern Highlands-Hela highway, which is a very important alternative route. It will also provide service to the Highlands region and will share the load currently handled by the Highlands Highway, especially from Lae to Mt Hagen, Southern Highlands and Hela. Mr Speaker, as a pilot project, we have 12 kilometres yet to complete.

Mr Speaker, contract has already been awarded by the previous Government last year. The contract was awarded to CIVPAC Ltd, but Gobe Field Engineering have taken CIVPAC Ltd to Court halting the work on the road. Until the court case is cleared, work will not start and the Gulf-Southern Highlands-Hela Highway will not be ready to be opened. So the issue of that road project is before the Court.

Mr Speaker, for the second question regarding the road from Port Moresby to Bereina and Malalaua towards Kerema.

Mr Speaker, there are three sections that the Department is looking at. So far the contract has been awarded. The road from Vanapa to Bereina has been awarded to Dekenai Construction. It is a four-year performance based contract meaning that Dekenai Construction will maintain and upgrade that road ensuring there are no potholes for the next four years. So the contract has been awarded and work will begin soon from Vanapa to Bereina. From Vanapa to Laloki or 9 Mile, the Department of Works is scoping that portion and there is a possibility that it might also fall under that same category of funding from World Bank.

As for the road from Epo to Kerema, that section of the road is not sealed and the tender for sealing that part of the road will come out soon.

I think I have answered all the questions raised by the Governor of Gulf.

Thank you, Mr Speaker.

**04/05**

**Sir MEKERE MORAUTA** – Mr Speaker, I direct my question to the Prime Minister and I would like the Minister for Lands and Physical Planning to take note. It is also of interest to the Governor of Central Province. My question is in relation to Motu-Koitabu traditional land in Port Moresby.

Prime Minister, your government will be remembered by the present and future generations of Motu-Koitabuans. The traditional landowners whose land is bounded by boundaries of the National Capital District will remember a government that either through inaction or active participation, allowed them to lose their traditional land.

What is happening in Port Moresby with scars everywhere is staggering. It seems that anyone can move in, occupy land, and settle anytime, anywhere. This must bring tears of frustration, helplessness and pains of deprivation to the people of Motu-Koitabu.

Foreigners, and I define foreigners as not only the citizens but people from other provinces are doing the stealing and illegal occupying. In some cases, the government is an active facilitator. This cannot go on.

Is it the duty of any government to protect, sometimes jealously, the privileges, the freedom, the rights and the inheritance of the citizens, it seems none of that is happening here in Port Moresby and the National Capital District.

For instance, the Kanudi to Gerehu road. That was built without any consultation, any compensation or any talks with the landowners, but that's just one. The Badihagwa and

Koura road is the most expensive road to build because you cut through most of the hills. Again, no consultation on that. Why?

**Mr Powes Parkop** – Point of Order! With due respect to the honourable Member for Moresby North-West, he should have consulted us. He is part of the Commission. We have paid compensation to the landowners in Baruni and we have outstanding compensation with the landowners at Badihagwa and Hanuabada. They have disputes over who owns the land. Otherwise, we are ready to pay them. There were prior consultations so I just want to make that correction.

**Sir MEKERE MORAUTA** – Mr Speaker, my information is from the landowners. So someone is wrong from somewhere.

Let me get back to Badihagwa to Koura Road. No-one is using it. It has become headquarters for the rascal activities. Why did we build it and who built it? Of course China Harbour Engineering built it because it can have free access to the rocks that is owned by the people of Hanuabada. Why? Because they can go and destroy Ela beach for free.

#### **Investigate Acquisition of Motu-Koita Land**

My question is:

Can the Prime Minister consider establishing a commission of inquiry to determine who owns land belonging to the people of Motu-Koita, and whether it was illegally occupied?

**05/05**

Because this is the hope that people have in us. We should set up a process in future to help them to sell the land or give them the land back if we have to. The people are just frustrated and there needs to be a commission of inquiry.

**Mr PETER O'NEILL** – Thank you Mr Speaker and I thank the Member for Moresby North-West for his question. Thankfully all of a sudden, he is interested in doing his electoral work and he is not concerned about Ok Tedi anymore.

*(Laughter-in-the-Chamber)*



**Sir Mekere Morauta** –Just answer the question.

**Mr PETER O'NEILL** –These are issues that the good Member is familiar with, almost 20 years spent here in Parliament. Let me answer by saying this. The customary land that he is referring to is outside NCDC boundary. The landowners are selling their own land, they are selling to Papua New Guineans and I do not like the manner in which the Member is calling our own citizens foreigners.

They are citizens of this country and they can acquire land in this country. I do agree with him that the customary landowners are losing their rights to their land because of the actions of a few individual members of the clans or tribes. They are the ones selling the land. The landowners and the tribes need to hold their own people to account as to why one person is able to sell the land on their behalf.

**Mr Bryan Kramer** – Point of Order! I think the Prime Minister forgets that his government or whoever is in charge of the land is registering this customary land. So if he is acknowledging that individual members of the clans are illegally selling the land without the consent of the clan, then he has the responsibility, or the government at least, to go and screen why and how these pieces of land are being registered.

**Mr PETER O'NEILL** – Mr Speaker, if the Member for Madang cares to sit back and listen sometimes, we will give the answers in the order that he wants.

Mr Speaker, the voluntarily land registration was passed in this Parliament during the time when Sir Puka Temu was the Minister for Lands. That allows for customary land to be registered properly and if it needs to be sold, it has to be done in an orderly manner. I do not believe that many of the customary land that are being transacted around Motu-Koita areas have titles. In fact, they are just demarcating the land, setting boundaries and selling the land without proper titles.

There is a voluntary land registration process which allows for customary land registration, because we want to capture the interests of the community members and their clans that rightfully own the land, through the ILG process that is already in place. There are land registration processes that and encourage the customary landowners around the city to use them so that they can protect their interests.

Mr Speaker, on the issue about the land rights for the future generation, this is something that concerns the government as well. I have had discussions with the Minister for Lands, so that his department can start to communicate with those who have bought customary land. Registration should take place where the customary landowner does not lose the rights to his land. That interest must be protected under the registration process. We will get the Minister for lands and his department to work through the process.

**06/05**

Mr Speaker, after years of neglect in that Department and losing of titles and all the saga we all know about what is going on in that Department, I want to say that the new Minister is taking good leadership and is starting to correct all the abuse and misuse of the Lands Department and processes in our country.

Mr Speaker in terms of the new roads going through Badihagwa, Kanudi and towards Gerehu, these are NCDC projects and I believe the member for Moresby North West who is a member of the NCDC Board and the Commission should bring this matter up to them. This is their project that we as Government have been supporting as he knows very well that these projects have been designed and on line for many years even during and when he was Chairman of NCDC. These projects have been designed to open up the city so that the residents can have access to the services and other facilities linking each other.

Mr Speaker, we support NCDC and the compensation the member for Moresby North-West is talking about is taken care of by NCDC, they have identified the landowners. About Badihagwa, the Member maybe talking to a few different landowners but the compensation is with NCDC and they can pursue that matter with NCDC.

### **Re-open Kundiawa Airport**

**Mr GEOFFREY KAMA** – Thank you Mr Speaker, I would like to direct my questions to the Minister for Civil Aviation but first of all I would like to thank the Prime Minister and Asian Development Bank for spending plenty of money to upgrade Kundiawa town airport. On behalf of Simbu, I thank the Prime Minister for that because the job has been done.

For two years after the completion, the airport has not been opened for aircraft to land. Air Niugini who should be carrying out community services has not gone to Kundiawa. We travelled to Goroka and Mt Hagen to board the plane to Port Moresby.

(1) Can the Minister tell this House and the people of Chimbu Province why this airport is still closed?

It is very uneconomical for us to travel out to board a plane from Mt Hagen and Goroka so I would like the Minister to tell the people of Chimbu when they will open this Airport and stop the people from incurring unnecessary expenses.

(2) If the Minister intends to open this airport, can he also consider providing some funds to maintain our airstrips at Karimui Salt-Nomane because we depend entirely on air transport to transport our goods to Kundiawa and elsewhere.

**Mr ALFRED MANASE-** Thank you, the questions are very important for our people in Chimbu Province. Regarding Kundiawa airport, much of the work has been done but only a few to be completed such as drainage and others, but the important part is that it's hard to build the terminal because the land to build the terminal has been occupied by some people. This has contributed to the difficulty for Air Niugini and other airlines to operate.

**07/05**

At the area where the terminal was supposed to be there are certain people, whether from Chimbu or businessmen we don't know but they are occupying the place and making it difficult for the building of a terminal.

I wish to inform this House that the aviation industry is a highly regulated industry and the flying of planes involves high levels of safety, many of us don't understand the real crux of flying planes. Many of the little things that we do must comply with standards set by the international civil aviation organisation.

Many times we think that when a plane takes off and flies off we ask why there are seats and yet passengers get offloaded but there are reason for these and they are to do with safety.

When we park planes also, they must be parked within the designated parking lots. So we are the cause of some of these issues, including the problems currently being experienced in Kundiawa. In this case where we should build aprons to park planes has been encroached upon by businessmen building tucker boxes.

That is why it is difficult to park aeroplanes. There is a bit of a problem and as soon as we have them ironed out we can fix the terminal and open the airport.

On the second question, the Government, Simbu Provincial government as well as the government of Karimui-Nomane has to put some money aside to carry out the projects. All it needs is for you and I to coordinate this and help our people with their airstrip.

It is not a lot of money but it is enough to help small airstrips and the priority ones will be assisted.

**Mr KERENGA KUA** – Thank you, Mr Speaker. My question is supposed to go to the Minister for Higher Education, Science and Technology but he is late so the first part of the question went to the Prime Minister.

The Prime Minister has left again but in any case I will direct it straight to the Minister responsible for Higher Education, Science and Technology since he is here.

Before asking the question, I wish to thank the Prime Minister for going to my electorate in January to open the 31<sup>st</sup> Lutheran Synod. He represented the Parliament and came. On behalf of the Lutheran Church and my people, I thank him for the leadership he showed in coming.

Many of our people watch television and read newspapers and assume that those in Government and Opposition are enemies. But in the way the system works we have maximum freedom of speech in the Parliament and speak according to the way you should speak but on the outside we all work together to improve the lives of our people. His coming to my village goes a long way to demonstrate the message. I also wish to thank him for the contribution he made to advance this gathering.

My question was going to be asked to the Prime Minister but, since the first question on the subject has already been directed to him I will ask the Minister for Higher Education as he has arrived.

The Department of Higher Education needs to take better control of the management of higher education institutions throughout Papua New Guinea. It is true the Minister is relatively new but the work has already been done. There are many, many issues in our higher education institutions right throughout Papua New Guinea.

There is a lot of work that he has to be done to reform it and manage it better so that the culture of going from crisis to crisis at the beginning of the year is ceased. There must be proper order in registration and admission of students to allow them to settle in properly and study. This sort of disturbances disorientates the students and distract them from their

purpose thus affecting their mindsets making them not concentrate on their studies and lowering the quality of education.

As of last Friday, some universities have begun excluding students. School fees charged are so exorbitant and real village subsistence farmers cannot afford it.

**08/05**

Most of the parents depend entirely on subsistence farming and cannot afford to pay for their fees. This issue of school fee increase is faced in every districts in the country.

If it is necessary, those school fees must be paid but maximum opportunity must be given to parents to find these sort of money to register their kids.

But the deadline set by the tertiary institution for the tuition fees to be paid is too soon and it's not good enough. For instance, UPNG has excluded the new students as of Friday last week because they cannot afford the K15 000 full tuitions fees or K7 000 upfront, which is 50 per cent of the full amount.

And by the 16 February 2018, they will exclude the continuing students who haven't paid the 50 percent of the full amount. And it is a huge burden now.

The question to the Minister for Higher Education, Research, Science and Technology now is that he has to revisit those institutions right away and advise them to exercise leniency. The deadline for students must be uplifted to allow more time. This matter reached this Parliament probably last week but the message has not reached all the institutions.

So there was a breakdown of communication and the students have been excluded already. Some of this affected students came and saw me so that's why I am bringing it to this Parliament for the Minister for Higher Education, Research, Science and Technology to go and talk with those institutions to extend time.

**Mr SPEAKER** – Honourable Member, what is your question?

#### **Extend Registration Period – UPNG**

**Mr KERENGA KUA** – Can the Minister extend the registration date from 9 to 16 of February 2018 or to the end of February perhaps.

**Mr PILA NININGI** – Mr Speaker I thank the honourable Member for his question. Let me give a bit of background information of the University of PNG.

The University of PNG has not been given much attention over many years. And the status of the main campus is in dire need for complete maintenance to be done to all the facilities of the school. And that adds to the performance of the students and they don't meet the standards required of each schools.

As some of you here will all agree, during our time the academic performances were of very high standard and the degree that we attained during those years is equivalent to Australian academic standards.

But now the academic performance of the students has dropped drastically and they are not even at par with the requirements.

Therefore, my Department is taking it very seriously in trying to solve this issue. Even the Prime Minister is trying to check on the real cause of the performances of the students by working on the curriculums.

*(Laughter- in- the- Chamber)*

**Mr PILA NININGI** – So we are revisiting the curriculums of UPNG to improve it.

On the issue of deadline set for the registration of the new students plus the continuing students yes, the Prime Minister has instructed us not to send students home.

Therefore, the issue of deadline of registration will be seriously looked at and we will extend the date. That information will be published in the daily newspapers for student's conveniences to register.

The other issue on increase in the tuition fees; there are different categories of tuition fees being paid.

Some students are on HECAS which their fees are being paid by the Government meaning that they have done very well academically therefore government will pay their fees.

As in the case of UPNG increasing tuition fees by 150 per cent is unreasonable so the Prime Minister summoned the Vice Chancellor and his management team to explain why they increased the tuition fees but there is no reply as yet. So I instructed the Vice Chancellor to maintain the tuition fees from last year.

And so the issue of increase in tuition fees have been attended to and the fees remain the same as last year.

**09/05**

It is a problem but we are attending to these matters.

**Mr Kerenga Kua** – Point of Order! The question has not been answered. Can the Minister undertake to obtain or secure extension of time for registration?

**Mr PILA NININGI** – Honourable Member for Sinasina-Yonggamugl, I thought you heard what I said earlier but for your sake, yes, I will go back and obtain an extension.

**Mr SPEAKER** – Honourable Members before the Chair entertains supplementary questions. The questions that are going to be asked must relate to the previous question. It is become a norm for Members to use the Supplementary Question provision to ask new questions and that I must rule them out of order.

### **Supplementary Question**

**Mr JOHN SIMON** – Mr Speaker, my question to Minister for Higher Education is in relation to selection of students to attend universities. There were two selection lists that were made, one by the university and the other by the Office of Higher Education.

**Mr SPEAKER** – Honourable Member, your supplementary question doesn't relate to the previous question raised by the Member for Sinasina-Yonggamugl, so I rule that out of order.

### **Protect Motu-Koitabu Land**

**Mr POWES PARKOP** – Mr Speaker, I thank you for recognising me and giving me a chance to ask my questions. I direct my questions to the Minister for Lands but as I was planning my question the Member for Moresby-North West asked a similar question in his version.

Maybe some of you might be wondering that we should settle this matter outside of the Floor but it is important for me and the public so I must ask this on the Floor of Parliament.

My question is also the subject of all kinds of commentators who go on social media and blurt out nonsense and it doesn't bother me that much. But these people were born to just criticize only and they have become so good at it.

But the problem is some people are starting to repeat this same nonsense that goes on in the social media. That is why I take this opportunity to ask my questions to the Lands Minister relating to customary land.

Mr Speaker, before I ask my question, let me put on record that the questions that the Member for Moresby North-West asked should be raised with our management at NCDC. We can give him all the satisfactory answers there.

My questions are as follows:

(1) Can the Minister inform the people of Port Moresby, especially Motu-Koitabuans whether the Ministry of Lands or the Governor's Office or the Prime Minister has a plan to syphon off their land or steal or manipulate or sell it off to foreigners? This is because there are countless rumours spreading that the Minister and Governor are planning to steal and manipulate the land that belongs to the Motu-Koitabuans.

(2) If there are no such plans, what is the Minister and his Department's plan to protect customary land that belongs to Motu-Koitabuans and also all around the country?

#### **APEC House – Land Issue**

In relations to the land where the APEC House is now being erected, again there is nonsense in the social media that the Minister, Governor and the Prime Minister have manipulated to syphon off that land that is probably a private land and we have stolen the land and erected the APEC House.

(3) Can the Minister shed some light on the background of that land and state whether it is true that we stole it from some individual? The land has been developed now for the purpose of the public.

**10/05**

**Mr JUSTIN TKATCHENKO** – Thank you, Mr Speaker. I thank the good Governor for his series of questions.

Firstly, the land throughout the country goes through a process of being purchased and when it comes to customary land, sometimes, it is beyond the Lands Department's control how the land gets sold.

The private deals are done between landowners and buyers and they sell their land wheeling and dealing all over the place and Taurama Valley is one classic example. It is just



a mess and we're seeing the same in many different areas of Papua New Guinea. So, the landowners also have to be responsible for their actions.

This is causing us great grief in the capital city, especially in urban areas where landowners are just selling their land without considering physical planning boards, building boards and other regulations that need to be abided by.

One of the issues here is that we have to ensure that through what the Prime Minister just mentioned, voluntary land registration law is enacted and followed for the benefit of our customary landowners.

Another issue that is being put out there in the media and the social media which is totally false is that the government is going to acquire, mortgage and take back all customary land throughout the country, especially in the cities.

That is a blatant lie. What the Lands Department is going to be doing is by working with the customary landowners, ensuring we get the right ILGs registered with the correct owners because the banks throughout PNG will not accept at all any customary lease or title because of the ownership issue.

So, we want customary landowners to be able to use their land as security for future beneficial development, whether it be a housing project, commercial or industrial development by working with the banks to ensure we get the processes right.

It's an option for the customary landowners. If they don't want to develop their land, that's their prerogative. They can garden on their land and look after their land as they like. But a lot of landowners want to develop their land. They want to ensure that their land has a benefit for their future.

The banks approached us to ensure that we get the processes right so that there is an option there for the customary landowners, once they get the ownership details of their ILGs constructed they can go to the banks and use their land as security for future development.

And that's it, the government is not trying to mortgage any of their land or steal any of their land. We, at the department are setting out, for the first time to secure the lands for the customary landowners own personal benefit for long term gains.

So, I want to make that crystal clear and my doors are open to ensure that through the *Voluntary Customary Land Registration Act*, landowners can come and register their land so that they can use their land for their own benefit now and into the future.

On the second question, Ela Beach is State land. Let me make that very, very clear. Ela Beach has always been State land and it is State land and previously, about four years ago, as

the Member for Moresby South I had to fight to get Ela Beach back because it was being stolen by selfish greedy individuals for their own personal gain.

So, the situation is, we got the land back. The title was terminated and the land is now back to the State under NCDC. And that's the way it should be. This is public space. So Ela Beach is State land and it belongs to the people of Papua New Guinea.

**REQUIREMENTS OF THE STANDING ORDERS –  
STATEMENT BY THE SPEAKER**

**Mr SPEAKER** – Honourable Members, the Chair wishes to announce that the *Standing Orders* stipulate very clearly that when a Member is standing and is addressing the Chair, no other honourable Member should stand up and walk in front of that Member. You must stand up and wait for him to finish speaking and sit down and then you can walk out or to your seat.

This is a notice from the Chair because if it happens again, the Chair will be obliged to take action on the honourable Member concerned.

11/05

**PERSONAL EXPLANATION**

**Mr SAM BASIL** (Bulolo – Minister for Communication) – I seek leave of the Chair to make a personal explanation.

**Mr SPEAKER** – Do you claim to have been misrepresented?

**Mr SAM BASIL** – Yes, Sir!

**Mr SPEAKER** – Go ahead, leave is granted.

**Mr SAM BASIL** – Thank you, Mr Speaker. I would like to clarify the information released by the Member for Madang regarding the move by Honourable Yopyyopy to the Government.

Mr Speaker, I would like to remind this Parliament and all honourable Members that I as Member for Bulolo –

**Mr Kerenga Kua** – Point of Order! My point of order is that that provision talks about personal explanation. What he is trying to talk about is in reference to a third party, that being Mr Yopyyopy, it is not personal to him. Therefore, He should not be allowed to take advantage of that particular section to make an explanation that is not personal to him.

Secondly, the matters which he is going to refer to contains information which debate will not be allowed by this room therefore, it should be reserved for another occasion when debate can be allowed so that everybody can be allowed to have a fair go. Thank you, Mr Speaker.

**Mr SPEAKER** – Honourable Member, the Chair will reserve its decision by allowing the Minister to proceed with his personal explanation. However should, his explanation be other than a personal one then the Chair will rule him out.

**Mr SAM BASIL** – Thank you, Mr Speaker, for your ruling.

Mr Speaker, in the statement there was reference made to me as the dumbest Member of Parliament and there was reference made to me as a stupid Member of Parliament. This is why I feel obliged to be standing here to explain myself. I would like to remind all Members of Parliament sitting here in Parliament today, that I am a second term Member now going third term. During my past ten years, out of the 120 months, I have spent 108 of those months in the Opposition. Mr Speaker, I would like to ask any Member of Parliament to question me on whatever moves I make in terms of moving from the Opposition to the Government. I would only say this, you are qualified to speak against me, if you have clocked more than 108 months in the Opposition.

Mr Speaker, there are some reference made here in his speech or statement in reference to Honourable Yopyyopy moving to Government. He stated that Honourable Yopyyopy confessed to a meeting with the Prime Minister and myself and after those discussions, he made the decision to join the Government.

Mr Speaker, I never had any meeting with Honourable Yopyyopy and he can speak for himself. I did not have any meeting with him or influence him to move to Government. This

is a lie. To the honourable Member for Madang, you have been calling people liars and yet, you are a liar.

Mr Speaker, he also stated that Basil's view of being there is, there is nothing we can do after 18 months of Grace Period therefore, and it was in the Party's best interest to join O'Neill so we can vote O'Neill out when it expires. Mr Speaker, before Pangu Party moved to the Government, we consulted the all members of Pangu and we made a decision collectively and the majority decided that we move. During that transition period, there was another article where Honourable Bryan Kramer stated that I met with him during the election and informed him that I wanted to be the Prime Minister. Mr Speaker, I have never made any statement of becoming the Prime Minister to Bryan Kramer and I never mentioned that during the campaign period. I always campaigned about the Party I represent and once again, Mr Speaker, the Honourable Member for Madang has lied.

**12/05**

*(Members Interjecting)*

**Mr Bryan Kramer** – Point of Order! I welcome the opportunity for the Member for Bulolo to raise this concern. I think this issue he is raising can be raised in Grievance Debate so that I can have the opportunity to respond.

*(Members interjecting)*

**Mr SPEAKER** – Order! Order! Honourable Minister, when the Chair is calling for order, you must stop immediately. Honourable Minister, resume your seat.

Honourable Member, your point of order is out of order. I, therefore, allow the honourable Minister to continue.

**Mr SAM BASIL** – Mr Speaker, I would also like to acknowledge Honourable Kerenga Kua that when I moved from the Opposition to the Government, he scolded me badly as if I was one of his party members. However, we met in Kundiawa and apologised to each other.

Mr Speaker, Honourable Kramer said he explained to me during the movement or transition only an idiot will believe O'Neil and honour his word. Later on in the same line, he said it seems in PNG politics, we do not have shortage of stupid people.

Mr Speaker, that reference is made directly against me as being stupid. I would like the honourable Member for Madang to honourably withdraw that statement.

Mr Speaker, the statement went on to say that, Basil may go down PNG political history as one of the dumbest political party leaders for taking 16 Members across the Floor.

Mr Speaker, those 16 Members were mandated by their people to come here and make the decision. I spent nine years in the Opposition. I represented my people of Bulolo and we suffered for nine years and when I moved they said people were disappointed but I would like to remind Members of Parliament here today that the very people on Facebook are telling lies to you and also told lies to me too.

They said to assist me to change the Government. But during the election, they never voted for my party. Only Morobeans voted for my Party and few electorates in Central and Madang.

He further stated Albert Einstein's famous quote: Insanity is doing the same thing over and over again. Yes, Mr Speaker, I was insane by sitting in the Opposition and doing the same thing over and over again. That is why I moved before I go and check myself in at Laloki.

So I ask the Member for Madang to spend nine months in the Opposition. Do what I did. Spend more time then you will be qualified to tell my people from Bulolo to sit down there. I made the decision so as the 14 Members of the Pangu Party. They made up the decision for and on behalf of their electorate and they do not owe it to anybody sitting here telling us what to do.

Mr Speaker, he added that he was reliably informed that all the Members received K10 000 when we joined the government outside of our normal salaries.

**13/05**

I challenge the Member for Madang that if he is reliably informed, please put forward the names and give the evidence that everybody is being given K10 000 just to be in Government. This is wrong, let us be honourable men here. I want to make a correction here, he mentioned that every Member gets K20-K30 000 a fortnight and extra party allowances of K10 000. The K10 000 allowances is what is paid to the Registrar of Political Parties annually. Not every Member receives this kind of fortnightly salary.

Mr Speaker, I am saddened to hear about the Member for Madang disclosing that Honourable Yopyyopy disclosed his personal contacts. I do have my personal contact

numbers and I only give it to the people that we do business with; I only give it to people who relate to me in the electorate. The Member for Madang, obtained his details and put it out in social media and told everyone to call him and ask him to go back to Opposition side. We know that everybody in social media do not own the identity that they claim to come under, on *Facebook*.

I am afraid for the security of his family and himself, people will be talking about them and I want to say here that should the honourable Member face any hardships through the display of his personal details on social media, I think we all know who to blame for instigating this problem.

Mr Speaker, to conclude, I want to say that we must respect each other. I urge the Member for Madang that each time an Opposition Member crosses the Floor of Parliament, the first person he thinks of is me. I know you are missing me but I can't sit there with you. Let us be responsible and reasonable to our fellow Members of Parliament. My Bulolo people do not own Madang people and I can also produce some pamphlets here. These are the other projects that I made in Bulolo District, which the honourable Member used in his campaign poster to campaign during the Elections in 2012. He called me dumb and stupid and yet, he used some of my projects to be on your posters to campaign with. I hope common sense prevails. I ask the honourable Member to be reasonable, you cannot hammer your fellow Members of Parliament in public. We are responsible for our people, they voted us in and we are responsible for them, we only have five years to perform. We do not have these five years to be intimidated by another Member of Parliament because he misses us sitting next to him.

**Mr WERA MORI** (Chuave – Minister for Commerce & Trade) – I seek leave of the Chair to respond to previous questions raised by the Honourable Member for Kairuku-Hiri on Friday 9 February, regarding a payment of K10 million to landowners of Rouna and lower Koiari area of central province. Unfortunately, I was not in the Chamber as I was in the department preparing for the MSG meeting.

Leave granted.

**Mr WERA MORI** – Mr Speaker, for the benefit of the people of this country.

That so much of the *Standing Orders* be suspended as would prevent the Treasurer from presenting a Ministerial Statement.

**FINAL BUDGET OUTCOME REPORT, 2017 –  
PAPER AND STATEMENT – PAPER NOTED**

**Mr CHARLES ABEL** (Alotau – Minister for Treasury) – Mr Speaker, I rise to give some thanks to the hard-working staff of the Department of Treasury for producing a record time report in order to fulfil our obligations under the *Fiscal Responsibility Act* and take advantage of that requirement to present this report on the floor of Parliament and I know that the staff spent quite a few late nights to fulfil those responsibilities.

Mr Speaker, it is my intention to make a statement at each meetings of Parliament to coincide with the requirements of the *Fiscal Responsibility Act* to report on the Final Budget Outcome within three months of the end of that fiscal year, the Mid Year Fiscal Outlook Report and the Budget Strategy Paper preceding the incoming budget.

Mr Speaker I had a meeting with the incoming United Nations Head of Mission to PNG, Ambassador Luca Rampola last week. He had come from his last posting in Gabon, Central Africa.

He described how he had not been to PNG for 10 years and said, the visible change he observed was remarkable. Ambassador Rampola said that we are lucky to still have much of our resources and environment intact and a relatively small population. He explained how so many of the countries of Central Africa who achieved independence in the 60's, had been blessed with many resources like PNG and today find themselves with large populations, resources depleted and needing to be bailed out by the International Monetary Fund.

**15/05**

Mr Speaker, I explained that the exception in Central Africa was Rwanda, a country of only 26 000 square kilometres where Papua New Guinea has 463 000 square kilometres. Rwanda has 12 million people making it one of the most densely populated countries in Africa. A country with no resources that has also suffered the devastating civil war during the Rwandan Genocide in 1994. This country had average growth over the last few years of

around seven per cent based on the service economy providing education and other services to the region.

Mr Speaker, I make the point that having an abundance of natural resources can be a blessing or a curse. A child that is given everything from birth can sometimes never quite grow up but a child that grows up through difficulty learns to become strong and independent.

Mr Speaker, Papua New Guinea must learn to be independent

Mr Speaker, following the 2017 National Election, the O'Neill-Abel coalition government introduced the 100 Day 25 Point Plan in response to the Mid-Year Economic Outlook Report for 2017. This report highlighted an alarming decline in government revenue against projection and a corresponding increase in wages and interest cost, government financing was coming under pressure and there was a sustained foreign exchanged shortage.

The LNG boom had not materialized primarily because of the collapse of the oil price and we are suffering a very severe drought and also subdued commodity prices were also being felt in the economy.

Mr Speaker, these factors underlined our country's continued heavy reliance on our extractive industry sector which makes up 87 per cent of our export and we rely heavily on it for revenue, and foreign exchange in particular.

Mr Speaker, the principles of the 100 Day Plan were to maintain fiscal discipline and boost foreign exchange, grow our revenue, strengthen our economic base, improve governance and act strategically. The 100 Day Plan was to be effected primarily through a 2017 Supplementary Budget and the 2018 Budget. The first step was to restore and maintain fiscal discipline without which we run the risks of blowing out the fiscal deficit and debt position of the country.

Mr Speaker, I must say that this Government acted with considerable political responsibility to cut the SIP our important service improvement program expenditure in particular and make other adjustments to the 2017 Budget to maintain its fiscal anchors.

Mr Speaker, the preliminary RFMS Reports for the 2017 outturn is showing total revenue and grants at K11.2 billion and total expenditure and lending at K12.9 billion which translates to a Budget deficit of K1.7 billion or 2.3 per cent of gross domestic product. This deficit is 0.2 per cent lower than the 2017 projected deficit of 2.5 per cent.

Mr Speaker, total revenue and grants are higher than the 2016 Budget by K750 million or 7.2 per cent. The lower fiscal deficit resulted in a reduction in debt to GDP ratio to 31.9



per cent and places the debt ratio on a downward projection of 32.6 per cent in 2016. It should be noted that the 31.9 per cent ratio of GDP debt ratio is well below the pessimistic projection of World Bank and IMF mission in Papua New Guinea in the second half of 2017.

Mr Speaker, domestic revenue has met the expectation with a strong contribution from GST Receipts compensating from the fall in corporate income tax. Increased GST collection is reflective of the anticipated recovery of domestic economy on the easing of the impacts of the drought, slight improvement of the forest imbalance and improvements to commodity prices. The revenue figure also illustrate that the compliance efforts from the medium term strategy and the 100 Day Plan are yielding with results.

Mr Speaker, the Tax Revenue Outcome of K9 110 million or K9.1 billion was higher than the Supplementary Budget projections by K172 million. The Internal Revenue Commission collected K7.4 billion higher by K61 million than projection and K441 million higher than the 2016 Budget Outcome.

Papua New Guinea Customs collected K1.6 billion higher by K111 million in projection of 2017 and higher by K255 million in 2016, grant receipts were also higher than anticipated by K194 million.

## **16/05**

Mr Speaker, non-tax revenue was lower by K109 million than projected and dividends totalled K842 million, lower by K28 million, fees and charges totalled K122 million, lower by K81 million. Of particular note again is the mining and petroleum income tax collections of K114 million, K41 million below budget and representing only 13 per cent of the total tax take.

Mr Speaker, total expenditure and net lending in 2017 was K12, 925 million or K70 million higher than the Supplementary Budget projection but lower than the 2016 Budget by K647 million.

Mr Speaker, within the expenditure envelope a number of categories continue to expand significantly, such as personnel emoluments, rentals, utilities and interest.

Given the difficulty in slowing the growth in these rigid categories most of the burden of adjustment fell on capital expenditure and goods and services grants, particularly compared to the original 2017 Budget.

Mr Speaker, the biggest issue on the expenditure side has been the unbudgeted increases in the Government Wages Bill. The Supplementary Budget provided for an increase over and above the original 2017 budget of K430 million.

This has been exceeded again by K98 million in the final outcome. The rate of growth in personnel emoluments is a major structural issue affecting fiscal consolidation. It is simply not sustainable and the directions from Cabinet and Parliament through the 2018 Budget under the OSPEAC must be given the highest priority.

Mr Speaker, part of the issue is under-budgeting and the other issues related to abuse of the payroll system. Our Government is committed to more teachers, doctors and policemen. It is the growth in PE relative to total budget envelope and GDP that has to be managed and understanding that it eats into capital spend and operational spending that are also needed to make sure a growing public workforce is functional.

Mr Speaker, in addition, interest costs also increased by K9.3 million from the K1 515.6 million projected in the Supplementary Budget to K1 524.9 million at the end of 2017. This increase was mainly driven by refinancing costs associated with short-term domestic debt.

Mr Speaker, fees and charges (K109.4 million) captured under goods and services have been increasing, reflecting the K6.7 billion stock of undisbursed loans.

Mr Speaker, the good news from the outcome report is that fiscal discipline has been restored in an overall sense and revenue is on track and improving.

The obvious concern from the expenditure side is the unsustainable growth in public servants wages and the growing cost of debt.

The interesting aspect of the debt picture is the availability of the large stock of undrawn concessional loans.

Mr Speaker, moving forward our efforts must now be doubly focused on delivering the 2018 Budget towards the themes established in the 100 Day Plan and begun in the 2017 Supplementary Budget.

(1) We need to have a dedicated team driving the Cabinet directed payroll cleansing exercise and reforms. The Chief Secretary through CACC and OSPEAC have been directed to do this.

(2) We need to execute our financing plan including our inaugural bond issue. I will travel in the first half of this year to the WB Spring meetings, ADB Annual meetings and on the road-show to test the bond market. Some of this debt will be used to restructure our loan

portfolio by retiring short term domestic debt to lower interest cost and all will contribute to foreign currency reserves.

(3) We need to activate or cancel some of the undrawn stock of concessional loans.

(4) We need to push the transition to gas utilisation and hydro for domestic power and the increased utilisation of Kutubu crude refined onshore, and both local gas and crude purchased in kina.

(5) We need to commence at least one major commercial rice project with a PPP but not under monopoly conditions.

(6) We need to put more effort into bringing Wafi-Golpu, P'nyang Gas, Papua LNG, Paska Gas and Frieda River projects forward.

(7) We need to get the Highlands Highway rehabilitation project with ADB started.

(8) We need to get the international submarine cable built.

**17/05**

Mr Speaker, in a slightly longer term sense:

(1) We need to partially privatise and reform our SOEs using the experience of the superannuation industry reforms and BSP. And as the Prime Minister has mentioned these negotiations are under way.

(2) We need to develop a mineral and petroleum regime where we take a smaller equity for free and a higher royalty rate, introduce domestic market obligation and local content.

(3) We need to understand why a large current account surplus (from mineral and petroleum exports) essentially meaning that we are exporting at a higher value than our imports and yet still leaves us with a foreign exchange shortage or deficit. That is a financial flow investment flow deficit. Again, this is something that the Central Bank is investigating.

(4) We need to bring the fishing and forestry industries onshore to add value and create jobs.

(5) We must drive land reform and invest in agriculture and support SMEs and private sector investment in general.

These of course are all aspects of the 2018 Budget that has been approved by this Parliament.

Mr Speaker, in conclusion, we continue to be a wonderfully blessed nation with our destiny in our own hands. We are able to look and learn from the experiences of other countries to guide us.

The challenges we face from time to time remind us that we live in a global community and are subject to economic and environmental shocks that are often out of our own control. It is the job of successive governments to foster a more self-reliant, resilient and inclusive economy and society. Our Government is determined to do that.

The 2017 Final Budget Outcome Report tells us some good news and some not so good news.

I want to report that 2018 has begun on a good note with revenue on track but we cannot afford to rest for a moment. Even if the oil price continues to recover we cannot lean back and relax.

We will always be at risk economically if we extract and export raw materials and import most of our needs as soon as commodity prices drop we suffer revenue and forex issues. We must be more revenue focused and cost conscious as I told the public servants at the dedication service, right down to turning the lights off in the office after work.

Mr Speaker, I appeal to every one of us as leaders and citizens and make a contribution to the future of your country and on the note of population I often talk about includes not having too many babies.

Sitting suspended from 12.11 p.m. to 2 p.m..

**18/05**

**Mr JAMES MARAPE** (Tari-Pori – Minister for Finance) – I move –

That the Parliament take note of the Paper.

I will reserve my right to speak.

**Mr KERENGA KUA** (Sinasiona-Yonggamugl) – Thank you, Mr Speaker.

When a Minister presents this sort of report to the Parliament we would normally require at least a day or two to digest the detailed information and make some meaningful statements in reply to assist the Parliament in its consideration and governance of this country.

But with the lack of time that is made available to the Opposition, I doubt if we will be able to make a meaningful contribution to value-add to such important statements like this.

As its title suggests, it is intended to be a report on the final outcome of the budget implementation of the preceding financial year, 2017.

In a nutshell there is a lot of numbers in here, and sometimes, I don't doubt the integrity of my brother the Treasurer on the figures that he's got here but because numbers are difficult to digest, sometimes people can use numbers in a compressed time period like this to obfuscate the message, confuse the message, hide the truth and prevent a meaningful story emerging to the understanding of the people on the Floor of this Parliament and the people of this country.

Sometimes that can happen because the potential does exist. I am not saying it is happening here but if these were the stories that he is telling us then, Mr Speaker, what a depressing story.

Because if this is what we have achieved in 2017, it is a depressing story. We haven't achieved much at all, we have regressed in actual fact.

To be able to understand why I came to such a view you don't have to listen to detailed figures like these because how many of us in here are able to give an answer to a simple arithmetic problem like 107 minus 97 plus 27 divided by five in five seconds. We can't and you cannot really understand these sort of statements and say that yes, we have actually moved somewhere forward, in the right direction.

The indicators that we want to see cannot be contained in a statement like this. You have to look at other indicators outside of numbers to tell the real story. Figures and indicators that are tangible, visible and those which we can relate to seeing, touching and feeling. We're not seeing those indicators on the positive side outside of the Floor of this Parliament.

Inflation is very high in this country. The cost of living is very high. The revenue has declined in real terms, expenditure has sky-rocketed, foreign exchange is at a record low, businesses cannot transact in the normal way.

There is endless law and order issues. There is declining economic growth. There is a spiralling debt burden imposed on this country. There is a continuous exploitation of our resources exported to overseas markets for the improvement of the quality of life of foreigners in foreign countries without adequate provisioning for people here domestically in Papua New Guinea.

When it comes to giving licences and entering into agreements for exports of natural resources, not a single thought is given to how much the people of this country need to

improve their quality of life first and then export the balance. No such thought is given so our people continue to be losers.

There is no thought given too when it comes to such exploitation of resources about how much you can value-add to the process.

I go to a place like Vanimo, I stand on the shores and I look at the wharf at the harbour. There is up to 10 or 11 ships there at any given day loading raw timber; timber that still has its bark attached.

**19/05**

They don't even think about removing the bark here maybe because to avoid increasing the value. Timber is exported with its skin attached to overseas markets but what complex technology or skill is needed to add value? Why don't we do downstream processing here locally? The same applies to the fish, copper, gold and gas.

We need to start refocusing the direction of our thinking and maybe one day when those indicators that are tangible, visible, observable to us the ordinary people without recourse to the use of complicated sets of numbers and arithmetic then we will be able to say, yes, when they give a statement in simplistic terms like this, we are making actual progress because we can relate to it. But, when we receive such a statement like this, I cannot question the integrity of my brother as I have already said, but it leaves a lot of doubt ahead, as to whether the 2017 Budget has been delivered meaningfully to the people of this country and even on that note whether the 2016, 2015, 2011 and 2010 has been delivered meaningfully delivered.

Same story extends backward so I hope that when we are talking on the Floor of this Parliament, I cannot tell him how to do his job but perhaps we should place less reliance on numbers and report to the Parliament exactly how the people of this country have benefitted from their financial wealth by looking at the standard and condition of the roads and infrastructure, the delivery of medicine throughout Papua New Guinea and the registration and admission and processing of students at universities. The normal things that impact the quality of life of people every day would be the true measure of whether the financial resources are being deployed in a meaningful way.

Finally, I said this when I was in Government and after I was ejected to this side, I keep saying the same thing. We must not forget that when it comes to distributing the financial resources of this country, we must never forget to treat every district in this country fairly and

equally. History is replete with examples of regimes that have risen and fallen simply because of their failure to distribute the financial resources of their country fairly and equally throughout the length and breadth of that country. We see no sign of that. We hear of projects in the K50 million to K100 million range going into one district. How can we call that fair and equal distribution of opportunities for development and progress for this country? Why should it be that one district that is producing a single litre of gas or petrol or a nugget of gold be getting hundreds of millions of kina in development money at the expense of other equally talented or less talented provinces? Why should that be so? Or are we simply sowing the seeds of destruction of this country? We are a Parliament, there is no forum higher than this forum. This is the ultimate forum where the people will agitate their issues, their grievances and their concerns when it comes to distribution of their wealth and their financial resources and that must be done with equality and fairness to all.

I have been a Member for Sinasina-Yonggamugl and this is my sixth year. Apart from the DSIP which I sometimes receive in bits and pieces and not in its totality as per the budget plan, I have not seen an extra Government toea. Do you think my people are happy when they see grand announcements in the media of millions of kina going to another district without an identifiable and justifiable cause? I have 70 000 people and when they are unhappy, there has to be reason or cause if you are a Member in Parliament. Otherwise, you are feeding the seeds of deception and rebellion in this country.

**20/05**

Let us not be blinded about our duty to serve our narrow band of people. The people of Papua New Guinea belong to your people. They are your people as well.

Mr Speaker, as you speak as a leader of this country, you must distribute their wealth in the same way. That is where you have the right to go up there and say, I am a leader of this country. Otherwise you are a leader of your own district.

The Minister has to struggle because he is only one man. He has done his bit. He has presented his report I am saying, the government could do better than this.

You need to factor into this consideration and do not try to pull resources and projects into one direction on the basis of your own survival as a politician, hedging your own electability but what about the rest of the country to which you also have a duty to care.

These are figures relating to the country but you need to look at it on a district basis. To my assessment the fairest way to see if a country is progressing in the right direction is to look at each district one at a time.

Is Menyamya making progress? How does it have in DSIP, PSIP or its stagnating while Port Moresby has multiple roads, bridges and harbours? No wonder, foreigners come here, and look at Port Moresby and say man, look at the progress. Is Papua New Guinea Port Moresby or Is Port Moresby Sinasina-Yonggamugl or Menyamya? It is not a fair basis for a judgement to be made on a country.

All those districts in Teleformin and to Samarai-Murua up to Bougainville and Kandrian-Gloucester, and everywhere else has to be striving with similar levels of development before we are able to say that is Papua New Guinea, and not Port Moresby is different.

Otherwise, if we are concentrating all the efforts in Port Moresby then of course Papua New Guinea will have a lot to showcase it. But is that the right indicator for development for the rest of the country?

All of you can relate to this because you all come from rural districts. You are entitled to see this country develop shoulder to shoulder on an equal platform and all of us must progress as partners. Not only those in the Government, or some of you, or just a few in the Government. All of us have to progress together, then we will have a beautiful country which will survive for future generations to come.

Thank you, Mr Speaker.

**Mr RENBO PAITA** (Finchhafen) – Mr Acting Speaker. I like to thank the effort of the Treasury, Section to pass budgets as well as this Budget. I realised that for a healthy government it is always safe to appreciate issues and at the same time acknowledge that we have issues.

We have some issues as a Government such as revenue collection issues and financial system issues. We are acknowledging that we have some issues which we need to rectify and correct it in order for us to progress as a country.

I appreciate the 100 day, 25 Point Plan of the Treasurer. It was a bit ambitious in my view. We have been facing a lot of issues and I went through the plan I realised that a lot of energy is required. Which means he also needs our support, correct me if I may be wrong, but successive Treasurers have not tabled their progressive reports.



I commend the Treasurer for his effort and the hardworking team for putting together the ministerial statement. We can now acknowledge that we have some issues and at the same time draw on the lessons so that we can do things better in the progressive years to come.

**21/05**

Adding to a sentiment shared by the Honourable Member for Sinasina-Yonggamugl, at some stage there must be equal distribution of wealth in our country. And these are issues that we are learning as a Government. I appreciate a statement made in the speech by the Treasurer. He said having an abundance of natural resources can be a blessing or a curse. A child that is given everything from birth never grows up. A child that struggles to learn becomes strong and independent and Papua New Guinea must learn from this experience. We come under these two statements. We are given everything, yet we are struggling. In the next course of action it is our struggle and we can learn from these. Thank you to the Treasurer for outlining the fact that we have issues that we need to look into and correct.

I would like to commend the Treasurer for preparing the Budget as well as his ambition to drive the department which is not an easy task to do. It is similar to a family, the father as head of the family, come fortnight, must give equal share to his children and wife. When things don't work out we argue than we compromise so we have to try and do the same here. These are lessons that we can learn to apply in the future. We must make those changes now so that our country turns out better for us and our children.

**Mr JOE SUNGI** (Nuku) – Thank you Mr Assistant Speaker, for giving me the opportunity to share in this debate. I would like to acknowledge and commend the Treasurer for his efforts, a very hardworking Minister indeed. My debate on his statement will be based on discipline and implementation of our annual budgets. Over the years, the report for us to correct the Budget comes in very late. We need to have a quarterly Budget review to correct mistakes so that we also look at areas that we need to release the cash at a timely manner. It is not about the Budget but about the cash, so my point is the timely release of cash so that we provide support for our essential services.

For example, you have to know that the recurrent budget tax priority takes precedence over the development Budget so that the services can flow, but over the years we have seen that development budget is taking precedence over the recurrent budget. We can learn from this report and improve. For instance, you see now that most of our teachers have not taken

up their postings, because they can't be appointed or they are not at the site of their appointment, due to operational costs hindering their arrival at the appointed schools to teach.

So the way we are releasing the cash, there must be an indicator and avenue. And I think the only avenue available for the process of making sure that you release timely cash for the recurrent services is through a quarterly budget review.

**22/05**

I think the only avenue available for ensuring the release of timely cash for the recurrent services or activities is through the quarterly budget reviews where the provinces come and present their last quarter report to give the indication to the Treasury and Finance to release the funding for the services which are there. I think that's the part that we have to improve on.

Mr Assistant Speaker, the issue that came as a blow to all of us in 2017 is when we were all happy and went to our DDA and approved K10 million each to the DSIP. After we approved all the projects from our DDA, we promised service providers including awarding contracts at the district level through the DDA. At the end of 2017, we had the Supplementary Budget which removed K8 million leaving us with only K2 million. How do you explain that? This is the result of the untimely decisions that you come to get parliament to pass a Supplementary Budget to correct the mistakes, then we go back to the commitments already made at the DDA where they are now left behind. These are the issues that need to be corrected.

Let us not make commitments that we are not 100 per cent sure that the cash will be there. Don't make commitments when our districts and provinces will approve budgets that we later realise that the cash do not meet up with our cash ceilings.

Mr Assistant Speaker, the point is that, we must get our public service to be more disciplined at the provincial level to make sure that essential services, funding and cash are available for them on a timely manner. Inspectors must inspect the schools to identify the teachers with the subject areas to teach in the correct secondary or high schools. If no inspections are done, how can they make appointments based on hear-say? In my districts, some of the appointments are made without proper inspections all year.

This again comes back to the point on clear demarcation of roles and responsibilities. I think the Member for Rigo raised that on clear demarcation on roles and responsibilities so

that we know who is responsible for inspections. If it is a provincial or a national function, where is the money for it for the inspectors to perform their duties to inspect the teachers?

Mr Assistant Speaker, I am talking about more discipline on the management of the budget itself so that we can know the correct information to release the cash based on the requirement of the districts. We already know that development budget usually take precedence because of the pressure we had from our voters and our people. But when we do that, we tend to lose the important area such as major services that are usually catered for in the recurrent budget.

Mr Assistant Speaker, one of the point we also need to look at is the public service where there are ghost names on the payroll while public servants are getting paid for not doing anything so we must now come up with a timely manpower audit. To audit and inspect our public servants right to the LLG level so that we know exactly the information coming through the Department of Personnel Management.

Another point is that, we also have other areas to improve on such as giving money to churches to pay for the church health workers. It's about time that we bring the church health workers in line with the normal public service in the provinces. Even though, provincial health authorities are already in place, the churches are still looking after their health workers. We need to look at that so that only one line of budget can cater for everyone down.

Mr Assistant Speaker, my point is that we need to put in more discipline into how we get the reports and feed-backs from the provinces. For example, some provinces are already making money through their revenue while others are not, so how do we match that?

**23/05**

Are you able to tell them that that if they have the money they can use it because the National Government cash is coming a bit later and that cash can assist those who don't have cash at the moment?

So, I think that this type of coordination and discipline in our public service will help us and it can guide us properly so that we can have a Budget to see the results.

I am not actually talking about not enough money coming down but I am talking about how we can have a timely release of the cash and able to support the Budget that we pass every year.

That is my debate and thank you.

**Mr MICHAEL NALI** (Mendi – Minister for Works and Implementation) – Mr Speaker, I would also like to contribute to this debate on this important Report that the Treasurer has presented.

Mr Speaker, I think that it is very important that the Treasurer has presented this Statement because it is good for all of us to know how we performed in 2016, 2017 and how we are performing as we go into 2018.

Mr Speaker, I think it was good, during my time to look at how our country performed. When I am talking about this, it is important to encourage the younger people to start to think big even if they are still small.

I first came into Parliament in 1992, I was a former Unionist. I am a Boiler-Maker by trade, I got an Upper Pass in English and Passes in other subjects but I got a fail in Commerce. Those are all my literacy reports and that is nothing to be ashamed of but I became a politician. But, before I came into Parliament in 1992, I can recall that our economy was performing really well and many of you remember that our PNG Kina was performing a little bit better than the US Dollar.

Mr Speaker, we didn't have minds like you young people today, we didn't have many oil fields, no gas fields and there was plenty trees in the bush and there was a lot of tuna swimming around in the seas so, we had so much at that time and we didn't expect all of these things but our economy was performing so well that our PNG kina was far above the US dollar.

Mr Speaker, in 1993, I heard that the PNG kina got devalued, I was semi-educated so I did not understand.

**24/05**

When they explained it to me, I realised that our kina depreciated. That was in 1994 when our kina value was at 0.6 against the Australian dollar. And then after the 1997 General Election up until 1998, our kina dropped dramatically as low as 0.29 against Australian dollar and US dollars was even worse.

Mr Speaker, in 2002 the kina was slowly catching up and it was at 0.5 against the Australian dollar. And from 2002 to 2007, although the kina was not picking up and still below 0.5 against Australian dollar there was high cash flow in this country.

During that time, I contested the regional seat for Southern Highlands Province but I lost the election. And how and why I lost is only known to me.

Mr Speaker, at that time there was high cash flow and many people were loaded with cash. Some went to Singapore to bank their money and some went to Australia to purchase properties. There were so many financial activities happening at that time.

But in the midst of all these exciting activities happening, I had not seen any major infrastructure development or projects in this country. No major highway constructed, airport and wharves developed and even our rural airstrip runways were covered with tall grass.

Mr Speaker, my mentor whom I regard as my father, Sir Julius, used to say this: 'if you happen to take a wrong path then don't give up but reverse back and go the right path rather than just sitting down there'.

For instances, don't just blindly throw your fishing hook and it gets stuck in the reef and you don't know what to do.

In that same manner if a government of the day is not constructing any major infrastructures or introducing any productive policy which will change the living status of the people, it is totally rubbish and useless. There is no point you being recognised as a government if you are not able to do anything for the people.

I am just generalising it but those of us who were in government at that time would know what I am talking about.

Mr Speaker, I am not here to defend any government of the day. I stand here today on this Floor of Parliament and want to share my own honest opinion on what I have seen over the years.

Mr Speaker, many negative comments are made when we sit on this side of the house. During our term as elected members we were never given this K10 million DSIP and K10 million PSIP, it was only introduced by this Government and I realised that many positive changes are happening.

**25/05**

I have been visiting places throughout the country and I have observed that many good developments have taken place all over the country.

When you put the DSIP and PSIP funding together in five years, we are talking about very close to K6 billion.

As the current Minister for Works I have been in discussions on the issue of rehabilitating the Highlands Highway, we are looking at funding in the vicinity below K6 billion.

Let me say, leaders who have been with the Prime Minister, Mr Peter O'Neill, since the formation of this Government in 2012 up to date must say thank you because Peter O'Neill's Government has made you look like powerful leaders.

Because with the changing economy and the guidance of many educated Papua New Guineans today you are enjoying the luxury of these developments. But in my time I tell you they would have spat on us as leaders.

Today, you are made to look good and to walk head high and be respected as a leaders because this government, despite negative criticisms, is still providing to your hands development packages unimaginable.

I am yet to receive my K10 million for my district and I assure you I am going to do a lot of things with K10 million because I have never touched this kind of amount ever during my term as a Parliamentarian.

Mr Speaker, Government has eased the burden of our ordinary citizens by providing school fees for children across the country.

Mr Speaker, let us speak the truth and tell the people that never has a government come on board and paid school fees for children from Elementary up to year 12.

We are not talking about these small funding but huge funds where this Government dug up its guts and decided that yes, we can do it and stand by it for this nation.

We got education paid for by the tax payers, paid for by our resources to the tune of K600 million, even going up to K700 million a year.

Mr Speaker, on top of that, basic health services from the general hospitals to the district community aid posts are receiving much needed medicines and it is a fact that they may not arrive on time but that is where the Government is spending the moneys.

Mr Speaker, in 2012 during the formation of the Peter 'O'Neill Government in Alotau I drove the Governor of NCD in my car and because we were running late to catch the flight to Alotau we went to my house and got some clothes in my wardrobe and got on the plane to Alotau and I told the Governor, If ever I have an opportunity to talk to someone I will remind him that Port Moresby city belongs to the people of Papua New Guinea and that person for that matter will go back and tell his people that he has been to Papua new Guinea.

Mr Speaker, let us not talk negatively about the developments that are currently taking place in Port Moresby or Lae city. These are very good decisions that the Government is making and we all should appreciate that.

Mr Speaker, Lae city is renowned as the city of potholes. But today I am pleased to inform you that Lae city roads including all the wharf roads have now been done and maybe I will be officiating at the opening of these roads on Friday. There is only one road left in Lae that is from the University down to Bumayong.

**26/05**

Mr Speaker, who built that road and over how many years? Who built it? It is the Peter O'Neill Government.

I was not around in 2012, 2013, 2014, 2015, 2016 and 2017 and now I have come in but if you go to Lae, all these roads are beautifully paved in concrete, 25, 30, and 40 may be 50 NTA concrete. I tell you they put in so many reinforcement bars, how many F72 and F82 and the Lae roads will be fixed. There is only one road left to be fixed.

Mr Speaker, just recently we hosted the Pacific Games and we are ready to host APEC Leaders' Summit. Don't allow anyone to tell you that this is wrong. We are a nation. We are a member of so many international bodies and communities. We qualify and we have the right to host and are expected to host these.

We have hosted the Pacific Games and we are now moving on to host APEC. Who is saying that APEC is a waste of time and money? Mate, you must be on the wrong planet.

APEC is a very, very important major international organisation and we Papua New Guineans are going to host it.

Mr Speaker, you have a nice face. You and I came into this Parliament with a lot of hair. You were a young policeman and I had a lot too. See it is all gone now.

Can anyone of you tell me? Who will host APEC during your time and my time and may be even in the time of our children? It may take us a long, long time to host another international event like APEC. Do not denigrate the efforts. You must learn to embrace it and say that we are doing the right thing.

Mr Speaker, I was a young man in Ok Tedi when I became the best apprentice of the country in 1986. I came for the apprentice awards and I came to the Pineapple Building where I saw one man, a minister of State and later I realised that it was Mr Paul Torato. He was the Lands Minister all dressed in white like a lawyer and the guy really looked nice. I gaped at him in awe and thought, oh that is the person they call Paul Torato.

Mr Speaker, I think that was the only time Pineapple Building was able to stand up. We now call it Manasupe Haus.

Successive governments have allowed that building to rot, yet someone sitting over there may have come from another office because he had the guts to refurbish Pineapple Building.

The Central Government Building was also allowed to rot. Governments after government turned a blind eye to it. Is your ghost or the ghosts of your long dead ancestors going to come back and do this? Who is going to rebuild all these infrastructure in this country?

We are concerned about the amount of money that has been syphoned off from the country by all sorts of people. We continue to call all their names and we are good at complaining but we allowed all those buildings to rot and then someone came and fixed them up.

Mr Speaker, we continue to talk about our money and denigrate each other all the time saying this person has not done any good work, but we must give credit where it is due. If you are a real man go and pat the guy that you gossip about and say, mate, I think I have some negative views about you. But, on this occasion you've done well. We must say thank you to these sort of people and give him or her a pat on the shoulder.

Mr Speaker, the other matter is the public service. Over the years nobody stood up to say that the public service has no control over it. It seems to be continuously growing. From a public service that was expected to be of 2000 or 3000, it has now escalated a big, big mushroom and no one knows exactly how many public servants we have.

**27/05**

This Government is now starting to look at restricting recruitment. To finish off, I want to commend the Treasurer for bringing this report just in case we don't know where all our money went.

**Mr ASSISTANT SPEAKER** – Honourable Minister, your time is up.

**Mr TOMAIT KAPILI** (Lagaip-Porgera) – Thank You, Mr Assistant Speaker, I take this opportunity to commend the Treasurer who is the Deputy Prime Minister for updating Parliament on the performance of the 2017 Budget. I believe that the hard working Treasurer will do the same throughout the five year term. It would have been proper had all previous



Ministers presented the Budget and interpreted the information to us. In this occasion, it is a job well done. Including your hard working officers.

There are few comments I want to make on some projects you have mentioned especially the oil and gas projects like Wafi-Golpu and Papua LNG. These are new projects in the country apart from the existing PNG LNG and mine projects that already have the agreement signed and are operating. I do agree with Sir Julius Chan a Founding Father of this nation, in his response to his speech, he made a remarkable point. He mentioned, specifically on our gas and mineral projects and how we extract them and export them. He made a specific mention that the landowners should own them because they owned them for the last 400, 000 years. The developers and the Government should give them the recognition to participate and have free-carry ownership and equity. In that way we will have a lot of money in this country. The PNG LNG Project, we have sold everything away, including the pipeline, which should be owned by the government. This is not the current Government's doing. It was the previous government's doing.

Mr Assistant Speaker, can this Government, given these new projects that are underway have a different line of development agreement? Give prominence to the landowners.

**Mr Kerenga Kua** – Thank you, thank you!

**Mr TOMAIT KAPILI** – Give prominence to the landowners, give them 30 per cent equity. The government takes 20 per cent and the investor or developer takes 50 per cent. So that we can have more money in this country especially for the non-renewable resources. Once it is extracted and gone, it is gone. Some mining leases are reaching their expiry dates.

Can we redo them in a way that more recognition and ownership is given to the landowners because they are the owners of the resources? When the developers wanted to extract these resources, they had to pay the landowners and the Government too. Look at the Arab World, there are lot of kings there who are millionaires and billionaires and they run their own private jets. I think most of the Members here may have been to those places. We are looking to them to for assistance. How did they manage to make millions and billions? It is because they own the resources and they go into agreements with investors. It is a give and take thing.

28/05

Why are we giving everything away to the investors? We are only collecting two per cent royalty. The two per cent royalty should be increased to 10 per cent or 20 per cent as mentioned by Sir Julius.

This is a hard working government and I am part of it. I believe to create enough resources in terms of cash and to sort out the so-called exchange rate situation in the country, we must get this things done in a way that we have equal participation in terms of equity as mentioned by the Treasurer. These projects are upcoming and we want some good agreements in terms of equity participation.

We need to increase the current two per cent landowner equity to 10 or 20 per cent. The investors must pay for it. If our conditions in those agreements deter them, let them go.

We can have the resources exploited later on by our children especially those non-renewable resources. These are the resources that are taken out for good. So once we enter into these agreements we must make sure to take better stake, especially the landowners and the government.

These are some of the things the Government can do now because the projects are coming up. Some of these projects are in existence in the country, however, the leases are expiring so I know I am part of the government that will deliver that.

We have done better than the previous governments. I agree with the Minister for Works. We should set a benchmark for the upcoming projects and that is how we can exploit those resources while giving prominence to the landowners, the government and the people of Papua New Guinea. Thank you.

**Mr ALLAN BIRD** (East Sepik) – Thank you, Mr Acting Speaker. Firstly, let me just support everyone in thanking the Treasurer.

I would like to say that it is an honest report. I am grateful for the honest outcomes of the information received. I said this because the matters I raised in Parliament were in relation to the functional grants of the province.

According to this report my province received K17 million. That is a total of 29 per cent of what was budgeted for. I encourage all Members to understand this concept.

When we are formulating budget, we must formulate an honest budget. DSIP and PSIP is the priority. However, DSIP and PSIP cannot fund the clinics, classroom or purchase medical drugs to cater for our people's needs.

When a bridge is broken within your feeder road, this bridge can be funded by the functional grant.

Before I came in as a politician I noted that all Members were focused on DSIP and PSIP. I appreciate the DSIP and PSIP because it is like an intervention program. But when you use the DSIP and PSIP to build new infrastructure, you forget that in order to keep that infrastructure functioning, you will need funding under the functional grants.

I personally would like to rename the functional grant to service delivery grant. That is the proper name for this grant. Functional grant is a fancy title and everyone forget what that allocation is for.

**29/05**

It is the functional grant or the service delivery grant that ensures that we have people working, and there are medicines available in the aid posts and clinics. And this is the imbalance in the budgeting process that we have. The Budget turns to give priority, unfortunately to building new things. I know as Members when we go and cut ribbons to open new buildings, we are raising our status and we get approval from our people and we reclaim our seats for the new elections.

But what happens when you build this fancy new thing and we are not able to keep it operational? It is not the building that makes a difference, it is the service that comes out of the building. Another pressing issue that I would like to make mention and for almost six months that I have been in office, I am sick and tired of listening to the blame game. We continue to blame this government, the last government until we reach the government from 20 years ago.

I think the important thing is to become mature and take ownership of the problem. Enough of pointing fingers, what has happened, happened, it is gone and there is nothing you can do about it. Now that you are in the driver's seat, you definitely have the opportunity to change the future. And I would like to see a little bit more focus on changing the future, then blaming everybody else that was here in the past. The previous Member held this seat for 49 years, the day I replaced him, I never complained once, nor have I blamed him for anything in my province.

And I would like to challenge all those who are in powerful positions right now to stop doing that. Learn from some of us, we are not blaming those who were here before us. I want to see maturity and we should do away with the blame game. You need to own the problem

and stop trying to decorate it and forget what the real problems are. There are problems here and I commend the Treasurer for showing those problems in his report. And we have to talk about that and deal with the real thing, instead of philosophising, beating our chest and congratulating ourselves when there are still serious problems out there.

I want to commend the Treasurer for that and also I want to say that I have seen that most of the provinces have the same stories to tell in relation to service delivery. So I want to encourage the Government to focus on raising our standards in service delivery. Whether it be in education, health care, maintenance of infrastructure in the districts or provinces. I'd like to see more of our focus there. And I want to say that under the leadership of the Former Minister for Planning who is now the Treasurer; he launched a very good policy called Strategy for Responsible Sustainable Development.

Under this policy, the Minister, when presenting this policy in Parliament said, the Budget needs to be made resilient so that it can withstand external shocks. I would love to see the Government start doing that. We need to start taking steps to strengthen that Budget. But how do we do that? We need to diversify the economy. Even now if you look into the current Budget; the bulk of the funding that is coming to support the Budget is from the extractive industry. This is why if you look at the speech to Parliament by the Treasurer, he has already stated that we need to pursue more extractive resource development.

The danger is this, when the budget was presented and when we had the Supplementary Budget last year, the Treasurer rightly said, we need to cut the Budget because the prices for the extractive resources had dropped. That means that we are highly susceptible to price fluctuations at the international commodity markets. And as far as I am concerned this budget is still weak. It does not do enough to protect our income as a country so that when we start to allocate the Budget in November we are given assurance that such funding will come from this sector and so forth. This is to avoid unrealistic predictions, for instance, they promise to give K1, but instead they give you just 30 toea.

**30/05**

The admission by the Treasurer himself was that, it is because of low commodity prices particularly on oil, gas, gold and copper. When their price rise a bit, then we can see a good cash flow into the consolidated revenue then we consider distributing to everyone.

Mr Speaker, if this Government is really going to be genuine, it really needs to start diversifying the economy. The starting point is really in the document that the Treasurer

himself launched while he was still the Planning Minister. The Strategy for Responsible Sustainable Development.

Mr Speaker, I want to challenge the Treasurer to actually come out and start financing some of the strategic assets. Finance them so that we can diversify the economy. We need to create more jobs. Right now, about 40 000 children are coming out of schools every year but they have no jobs, that's a sad fact. But if you are going to stand here and boast about nice roads we built, I will ask you, how many young Papua New Guineans are still standing there working on that road? We already know that the person who brought the money here to build the road brought his own men here to work on that road. So while we have a nice fancy infrastructure, our poor people have not laid a hand in that work to earn a kina from it.

I'd like to see some changes in the way we construct these arrangements. If we are going to get a K10 billion road, I want to see young Papua New Guineans working on it then we can boast about it here. But when I see our people standing and spectating on the side of the road, there is a problem with the budget, honourable gentlemen. That's my observation as the Governor of East Sepik.

I want to see the real result of the Budget, the financial report on how we spend money. After we spend the money, how many permanent jobs have we created? How many young Papua New Guineans are we able to employ because of this budget? That's what I would like to see.

The resilience of the economy will depend on creating permanent, sustainable, long term jobs and Papua New Guineans are in those jobs working and paying taxes. Then, we can come here and boast and decide on any other fancy infrastructure we can build.

My only concern about APEC in difference to some of our learned honourable Members of the house, yes it's a great thing. It's something to boast about. Papua New Guineans need to boast in order to be strong but after all the excitement has ended, how many young Papua New Guineans will stand and have jobs after that?

The kids that we are slamming through the school system, their grades are not good enough to get them through universities, not even good enough to do anything, yet they can't get a job because we don't have enough jobs at the end of the pipeline.

Our Budget is not structured in such a way that we can create those jobs for our young people. Their parents have spent so much money to put their children to schools. And when they fail they put them through again and again till they get a piece of paper but no job.

I want to see these things built into the Budget. It is not a criticism because I have not seen it in many Budgets. Now that I'm part of this parliament, I'd like to see it in the next Budget. That's my request, Mr Speaker.

My belief is this, as a private businessman for a long time, the best Budget is not by how much kina you put on it or how many records you break one that you can implement, that's the best Budget.

If we cannot implement it, because we are unable to protect it, we are unable to quarantine it from external shock. Mr Speaker, then it's not a good Budget, because we are not able to do the things that we promised to do when we passed the budget.

Lastly, I know that Government is sincere in doing these things but I want to pose this, Mr Speaker. You can be sincere, but what if you are sincerely wrong?

**31/05**

This is why I want to think that some of us should put a stop and take caution as everyone gets excited and starts rushing to do all this fancy projects. If you build a road like the one from Baruni to 9 Mile, I would love to see that kind of road somewhere in Morobe or I would love to see it in East Sepik or maybe from Madang to Morobe I actually think that the road is wasted in NCD so we need to prioritise better.

Yes, it is a really nice road, I see it every time I fly in from Wewak but I only see one or two cars on the road but if it was to be built in the middle of Kundiawa to Goroka you will probably see all the four lanes full of cars travelling back and forth. These are the kind of things that I think we can do better with. Let us not build an infrastructure just because we have a lot of money and we can build it here in Port Moresby for K5 million a kilometre, and then the place that really needs it doesn't get a road.

Prioritising what you do out of this Budget is just as important as building a fancy infrastructure. So, some of us will be here to continue to point that out because while you may be sincere in what you are trying to do, you could be sincerely wrong.

Thank you, Mr Speaker.

**Mr KONI IGUAN** (Markham) – Thank you, Mr Acting Speaker. I have 20 minutes but I will not say too much.

Mr Acting Speaker, we all know that in our country, Papua New Guinea, we all have our own tribes that we belong to. My people are from the valley, some are from the

mountains and some are from the coast. Papua New Guinea is diversified with many different cultures and traditions.

In the past when the Australian colonised us they did not need to build roads linking our villages or build bridges to our villages or connect electricity to our villages like today. They used our forefathers to use their hands to build the roads and they were punished for all the small things that they did until Papua New Guinea gained independence.

Papua New Guinea is 40 years old and we are trying to copy what we see in other countries and trying to build many roads but yet many of our rural areas are not receiving the basic services.

Before I came into Parliament we did not know what we were facing and during my campaign I made promises that I would build roads and bridges to our area if I was voted into Parliament. We all made speeches such as, because I was a secretary of a Government Department or because I am a long service worker of the Government and I know the system so when I get voted in I will get the money and then we can build the roads. So, all the people believed in that and voted us in.

Some of you seated here are former secretaries of government departments and advisors. But I am from the rural background.

**32/05**

But when we come here the system confuses us so we end up not delivering the very promises that we made to our people during our election campaigns. The people then brand us as con people and remove us in the next general election. However, when the new leader comes he finds the same problem with the system and so he too does not deliver.

When I was here in the last five years I thought I could achieve a lot with the little amount from the DSIP that I had but I couldn't. The people then taught otherwise and voted me out but after that they realised that they were wrong and voted me in again. Now that I am back, I do not want to waste time running around but do this right for my people. I want to see changes happening in my district.

I commend the Minister for bringing to Parliament a very good report. I want to see that the next report that you bring here must assure us Members of Parliament of our DSIP moneys. If there are funds parked elsewhere or if some Members of Parliament have already got their share of money then it would only be fair that the rest of us be given our share. Give money to those of us who have not got our share. Let's look at the records and confirm who

has not received any of those moneys or services and be given priority to access those funds and services. We must all have a fair share of the country's purse so when I go home, I can boast of this Government as the finest one ever.

The issue here is that if I cannot deliver anything in the five years that I am here then it's most likely that I will lose my election because of this unfairness. It is your mistakes that will cost me my election.

*(Laughter- in- the-Chamber)*

**Mr KONI IGUAN** – If you will only give to the selected Members of Parliament then many of us will lose because of this unfairness. We are good leaders and that is why our people chose to vote us into Parliament. Let us all share this pork meat equally amongst all of us. If you can't provide for me in the Budget then you must compensate by giving me my full DSIP Funds so I can provide some basic services for my people.

I am happy to see this sort of report in Parliament and I commend the Minister for Treasury for it. I hear debates about oil, gas and other resources but imagine if there were no resources, we would then have no source of revenue. Why don't we talk about our companies like Air Niugini?

For example, the airfare from Port Moresby to Lae was K300 but now it has risen to about K600. The airfares have sky rocketed just like the planes climbing the sky. The other government agencies that are supposed to pay taxes are not doing so and this is revenue not coming into the government purse. The Government is allocating money for their operations but they are not returning the monetary favour.

I am the chairman of the Public Accounts Committee so can you give me money for my committee so that I can conduct inquiries into their operations and see where, how and why they are not delivering on their part in contributing to the government purse. Let us do this things so that we can deliver to our people back at home. Let's make sure that those people that have not seen vehicles do so and those that have not eaten rice do taste rice. They must see some form of change before they die.

Mr Assistant Speaker, I commend the Treasurer on a job well done and I want to see that after the 2018 National Budget, you can come back with a similar report for the Parliament and the people of Papua New Guinea. We must all see who got his DSIP Funds and by how much or when he got it, et cetera. We must know where and how much money



was allocated for which projects in the country and what the achievements are. I am confident that if you can do it this year, you will surely do it next year. Thank you, Mr Assistant Speaker.

**33/05**

Mr Assistant Speaker, I have been in Parliament for more than 11 years now and I am trying to recollect where a Treasurer has delivered a Report in compliance to the *Fiscal Responsibility Act* within three months of handing down the last Budget or closing down accounts.

Treasurers of the past have been quite silent in the way they report on how they actually spent previous year's allocation. This is something we must not take for granted.

It is not easy to present one's own scorecard especially in the face of many negativities and criticisms that might arise. For the Treasurer to present a scorecard of how we have performed in the last year and also without hiding facts where the Government has to improve on in some areas is a commendable effort on his part.

He continues from where he left of as Planning Minister and his reporting is up to date in as far as his work is concerned and I commend him from the outset.

Let me pick one or two glaring numbers that stares in the face of this report to make some case in point.

For instance, the Treasurer records that from the total revenue collected last year, 13 per cent emanates from our resource sector, especially in our mining and petroleum sector. I beg to ask this question; why are we underperforming in this sector which is the basis of our revenue? Maybe one or two obvious reasons in the last three or four years is the continuous decline and the lower performance of our commodity prices on the world market.

Mr Speaker, I want to impress on the minds of every one of us, that while the issue of money and the availability of actual resources within our ability to dispense is very limited, for instance in 2107, the actual cash we collected is K11.2 billion. This establishes a hypothesis that I am always arguing about in the last speech I made that the actual cash we receive is way lower than the needs of all the 89 districts, 22 provinces put together in our country.

For the benefit of this Parliament I made some observations in the past and I will always reemphasise these points again.

For instance, the money that has been available to us in the 2017 Fiscal Year since 1975 has not been totally sufficient to meet the entire needs of our country.

I agree with the honourable Governor of East Sepik that we cannot spend our time always blaming the past. We must always look forward into the future, but how do we look forward into the future? I will pose some recommendations consistent with what my experienced and learned colleague from Lagaip-Porgera in the petroleum outlined in the minerals sector.

Mr Speaker, on the availability of resources to finance our Budget every year for example the education sector alone, we have three million children who have a right to education and most of you have access to internet and if you do a search on what is the global medium expenditure requirement for a child to at least receive a modest form of education, the average in doing this is around US\$5 000 dollars.

So for arguments sake I am just raising a number and if it costs K2 000 to educate a child in this country and you multiply K2000 by three million children we will fully dispense basic education to them including tertiary education for K6 billion a year as recurrent expenditure.

Mr Speaker, not forgetting the infrastructure and developing aspects of education like building the classrooms, building the teachers houses and everything else that come together in providing education in our country.

**34/05**

It was reduced to K1.5 billion last year as per our supplementary re-adjustments.

And that is not because we have money and we allocated it to other sectors, it is simply because the envelope available to us has been reduced. So, as far as spending on development budget is concerned it was under K2 billion.

In the health sector, with eight million people, to put in a doctor in every hospital, or medical practitioner in every hospital and put drugs, the Member for Abau and Minister for Health will give the correct number in as far as average spending per citizen is concerned but I'm just working on a round figure for argument sake. If it costs us K1000 per citizen to give basic health care to a population of eight million, you do your maths and the number sits at K8 billion.

The basic call in as far as Members presentation for budget support comes in this form; educational requirements, health requirement and infrastructure requirements.

Our total national highway today stands at 30 000 plus kilometres and I did mention the other day, at K1.5 million per kilometre road, that's K45 billion you would need just to fix our current existing national highways.

I am not talking about our little roads. In my own district I have 50 kilometres of roads that I urgently need to fix and these are the priority roads in my district and my DSIP cannot do the rounds in one year alone. Let alone me securing any funds from the Works Ministry because he will throw it back to me how much have you allocated to my department or ministry?

So, in this environment, we have a huge need for actual money to meet our development needs. And yet the reality that faces us each year is stark. For example, last year only K11 billion was the actual cash collected. That's why in the last five years we have always had an element of deficit in our budgets so that we are able to meet the targets of our Alotau Accord and Medium Term plans that are anchored in our long term development plans for our country.

The Member for Lagaip-Pogera stated that only 13 per cent of our total revenue was collected from the mining and petroleum sector. Taking cue from that, I think it is about time we should look at some of our resource laws in this House on a bi-partisan approach. Resource laws that govern our country. Our government is starting correctly now.

In the forestry sector we are saying that by 2020 there must not be any round log exports. No new licences will be issued for round log exports. We need to entrench this. And the loggers, for goodness sake, we don't need Asians and others to come and cut a log when we can bring in a Walk-About-Sawmill and cut the logs ourselves. So, the reforms that we are making in the forestry sector needs to be entrenched.

I must commend the Fisheries Minister, the Prime Minister and our current government for asking all in the fisheries sector to bring in all catches. The high sea tranches must be stopped and we are to bring all catches in country and process them. This line of reforms must continue.

But, something close to my heart is the mining, gas and petroleum sector laws that we have in our country. I pause to recollect some statements that I made some years ago which the honourable Member for Sinasina-Yonggamugl made references to.

He spoke about the *Constitution* guaranteeing resource that belongs to us but the enabling legislation transferred those resources to the licence holders. There is no exchange of compensation.

I ask and beg the Members of this House, in this year and in the rest of this term, maybe we should look at the laws that are governing our resources to set a new recourse for our country because every time you and I will come back if we have the same fiscal terms and the same legislative environments we will be yelling at each other seeking funds. But, hang on, we all dig into the same Waigani public accounts. It is the same resource pool that we are sourcing from since 1975.

**35/05**

We have not changed the goal post. I think it is about time that we have Members of this new Parliament sit down and revisit these resource laws. We started that journey in the last term Mr Assistant Speaker. The discussions now by one of our founding fathers of this nation Sir Julius Chan, whom we are so privileged to have amongst us, is on one extreme end of the pendulum to give maximum resources to provincial government and landowners .

The National Government realises the need for balance so that the issues raised by the Honourable Kerenga Kua is acknowledged. We have to ensure that the rest of the country is lifted and moved along. So discussions need to take place amongst us on the kind of legislative environment we must operate in now and going into the future so that we unlock our moneys that are locked in the laws that we have been operating under since 1975.

These are discussions we need to have in this House instead of continually picking on the little numbers. The numbers are there for us to stabilise but the bigger picture is for us to look at the laws. The laws that we have can be unleashed and unlocked and maybe the resource envelope can be bigger so that the Treasurer can have a bigger pie to embrace all our development plans and agendas put together. I believe as we discuss the Treasurer's Budget report that in 2019, we will be faced with similar discussions as he comes back to present the 2018 scorecards. It will be remise of us and debt on our path if we don't discuss new policy discussions and new legislative discussions to unlock the resources that we have created in the past to attract investment.

Today, Mr Speaker, we are already an investment destination. Everyone knows that PNG is an investment destination, it is not dangerous for us to step up the game a little bit and think about our country. For instance, we pay 22 per cent as equity component we pay to participate in the gas industry and about 30 percent we pay to participate in the mining industry. How do we give greater recognition to our landowners so when they pick up their royalties they don't take the money offshore? Let me take this opportunity to say we have the

amendment to the *Public Finance Management Act* that gives the Finance Minister the power. I am now doing instruments where the Governor-General will sign to ensure that contracts below K10 million is for local contractors in the country. Contracts between K10 million to K30 million, I have proposed and I am proposing a joint venture clause in it where if national contractors do not have the capacity, the successful bidder must have a joint venture element to it so there's a local content element to our contracts. And contracts above K30 million is an open playing field to everyone. These are some of the things we must do now in this House. Look at the laws, use the laws and amend the laws to unlock the resources of our country so that the Treasurer can have a bigger Budget to look after every one of us. If we do not, we will be singing the same song into the next three years.

Mr Speaker, that is my contribution to this Report. Let me commend the Treasurer for coming out honestly, I think many Treasurers in the past have never come out like this and the Treasurer has started a point. We may never be right in many instances but the first thing first is we are admitting what we have done and we are trying to correct so that we move on into the future to make PNG a better country for everyone.

**Sir PUKA TEMU** (Abau– Minister for Health and HIV/AIDS) – Mr Speaker, I wish to join all the other speakers before me in commending the Treasurer and our Prime Minister for beating the odds in presenting this budget outcome report earlier than the law expects. I also want to say that the debate is really good and that is what Parliament is all about. With regards to the comments made by the honourable Member for Sinasina-Yonggomugl we are actually debating the budget outcome which is different from the debates that we have made on statistics, which is a different subject. I hope that during that time the Planning Minister can be able to bring those so we can really look at the figures that we have generated through the 2017 Budget.

**36/05**

This is just fiscal report on where we are with regards to our fiscal performance, the variations that we did in the 2016, 2017 Budget and Supplementary Budget and how much we have raised, the grants we have received and also agency by agency performance in terms of the Budget.

In that regards I think we have done very well. I support the honourable Governor of East Sepik, this is a balanced and very honest report. Congratulations and I commend the

Treasurer and his team of public servant who are always criticized on the Floor but sometimes we have to thank those who work very hard.

However, I disagree on one thing that the honourable Governor of East Sepik said that we may be sincerely wrong but my experience is the other way round. Most of the time you will be right when you are sincere. But most of the time you will be wrong when you are not sincere.

When the Government was formed under the leadership of Peter O'Neill as Prime Minister, in the first *Alotau Accord*, I have never experienced government strongly aligning their budget to the policies that they publicly announced to the nation.

When we drafted and announced the first *Alotau Accord*, there was a report on the Floor of Parliament, I think it was 75 per cent alignment through the government policies that were articulated in Alotau 1.

I have never, as a departmental head or as a politician, experienced such strong alignment of a Budget by any government to the policies. We have hit a global financial crisis but the policies that the Prime Minister announced through the *Alotau Accord*; education, health, infrastructure, law and order, economic development; we maintained them through Budget support which was never done before.

In the 2018 Budget which we debated and passed, with reversing a little bit with revenue generation on the top, health, education, law and order, infrastructure still remains but under the overall umbrella of the population issue in the country.

When you read the *Alotau Accord II*, you will realise that overarching development issue is our population growth, and so we tend to be chasing our tail all the time with any intervention in all the sectors that you and I are debating about today.

When I see the arguments, it reminds me of the time when the *Organic Law on Provincial Government and Local-Level Government* was passed in 1995. A concept was prescribed in that law. That was the National Monitoring Authority, (NMA)

The NMA was to make sure that minimum standards of service delivery were developed in this country because when the economy lost sight, we will go back to protect the minimum standards in the country. However, we have not done that as a country. Many sectors have not done that.

But recently, we established Trashma doing the same thing. So the challenge I want to debate with regard to the 2017 outcome is, we have to guard minimum standard. We should legislate for minimum standards.

So that National Economic Fiscal Commission when they did the recommendations on the functional grants, they actually calculated the unit cost of service delivery in different parts of the country.

Some provinces are maritime while others are mountainous and have no road links. That was when the functional grant concept came in. I could not agree more with the good Governor of East Sepik.

I we should not give it a name but in-built it in the provincial government budget as a service delivery component. So it will be part of our commitment in supporting the provincial governments. This support will deliver the much needed goods and services in the areas that they are responsible for and accountable to rather than a structure budget called the functional grants and wait for warrants while the Governor and his team are waiting.

**37/05**

Those are the structural changes that we may really have to do in order for the Budget to be effectively managed. That is my first important observation in this debate. So the minimum standard is very important. I was reading the Treasurer's report on the performance on the tax on goods and services. The Treasurer has reported in the actual report, that the performance of the tax on goods and services was extremely good. And I think that's an area we have not really been talking about. It reminds me when South Korea went into the civil war and the whole country was devastated. I read that every South Korean took their gold rings and brought them and gave them to the State, so the state could have a gold bank and be able to sell and generate revenue.

That was a commitment that every citizen made. My argument for re-looking at the GST is where the citizens contribute to the country. When we have that perspective and because of the issue of our revenue and the arguments on our extractive industry being hit by global prices; then why cannot the citizens give maybe one per cent increase of GST. We need to re-look at these things so that we do not wait for the gold prices to rise or wait for us to hit 2 million tonnes of cocoa out there. When we are out of job, we stop from steak straight to tin fish and rice, so I want to raise this issue on the debate on GST.

I think it is a wonderful instrument under which we can automatically tell our people, let us all contribute together, that every time you go shopping you must at least pay 11.1 per cent in GST and that comes to look after all of you. And I think with that argument we remove the politics of it. My third point that I would like to raise is the issue of the resilience

of a State or a nation. The current planning Minister has and was always advocating in his previous role on Small to Medium Enterprises or SMEs.

I really believe that when nations have a critical mass of SMEs, they weather the global crisis better. I am convinced that we have not yet given subsistence support to allow our entrepreneurs out there to have access to credit. We have made things too hard. The National Development Bank has not been structured well. Our own state-owned shareholding in BSP is looking towards SME to support. We need to develop policy instruments on the Floor of this Parliament where the executive government to really look into it, observations everywhere have demonstrated that when there is a critical mass in a nation of people in this category, they are able to weather the storms around them.

Mr Assistant Speaker, we really have to make a very big investment in ensuring that the SME is supported. My final point is land, roads and agriculture. You have to peg them together. We, rather the state only owns three per cent and the rest of it is customary land. When I was the Minister responsible, we brought in a policy on National Land Development Programme and introduced a legislation for voluntary registration of customary land. That was an effort to open up the opportunities that the Papua New Guinea land can provide, so that the landowners can benefit. We really have to mobilise land in our country. Because this is where agriculture comes in, at the same time

**38/05**

Because this is where agriculture comes in. At the same time, we must commit to build major public infrastructure, power and roads to continue to cover the country with power to link every district and province with roads. There should not be any arguments at all and the saying that we don't like other tribes coming here. That argument is non nationalistic.

We must link up the country. I want to go and live in New Ireland when I retire without New Irelanders telling me, you don't come here because you are a Papuan. Those arguments are out of date so we need to cover the country with power, roads, bridges, wharves and airports.

I have said it many times that it's the infrastructure development in every country that really moves and provides big advancement for developing the nation.

Our policies are right. *Alotau Accord II* accommodates and articulates very well all those policies that I have been debating on the Floor of Parliament.



I want to conclude and for the first time I have seen a Government aligning the Budget to the policies that they have publicly articulated that has never been done before.

Mr Assistant Speaker, the last point is that I have been watching CNN every day and every week, their committees are working and calling CEO's of business arms and civil servants to find out what has happened. After parliament, our committees go home.

Mr Assistant Speaker, the committees must pick up all these debates and be active. We are fully paid so there is no need to go home. I believe that service delivery should be public service responsibilities. Politicians are only here to make good policies and have good laws.

We shouldn't be ground breaking, we shouldn't be bringing the cheques, that's my personal opinion. So when we build a strong institution called the public service, I just want to come in and debate, do my research with the best advisor then I can then debate the policies and the laws and articulate them very well. I think we are missing this.

We are all about project management, we are all about funding out there but the parliamentary committees should really sit together after this debate and collect what the East Sepik Governor raised, what the Health Minister raised, what the Treasurer said and design a program and agenda and call your committees together. Call the Health Secretary and the Minister over and ask why many mothers are dying and ask where the K1.2 billion went to? Public scrutiny will ensure everyone in Parliament is working.

Mr Assistant Speaker, I hope you will pass this to the Speaker, thank you.

**Mr WALTER SCHNAUBELT** (Namatanai) – Thank you Mr Assistant Speaker, before I make my response, I would like to thank the Treasurer on his report. We agree that you continue advising the Parliament on your update and the progress and we will continue to view and respond accordingly. Some of your initial comments are comforting and reasonable.

I just want to make some remarks, constructive comments to try and guide us forward. I heard some blame games coming up as well on the past Government so I would like to correct some statements here. We heard that many infrastructures are only focused on Port Moresby which is true.

**39/05**

It is true that way too much focus and development is given to Port Moresby. So we thank the Prime Minister and the previous Government for the infrastructures that are arising now.

One thing we are finding hard to comprehend is the inflated prices or costs. Why are the contracts so high? Why is the cost of roads per kilometre so high? For example the Pineapple Building, when Sir Michael was Prime Minister they budgeted renovations to that building for K35 million and now with the current Prime Minister the renovations for that building rose to K70 million.

These are the things that when we sit in the Opposition we find it hard to comprehend all these.

We must not rush into such things. I know the Member for Mendi doesn't want to listen to my debate so he is leaving the Chamber.

We must not be quick to criticise and point fingers here and there. The DSIP and the PSIP was a brain child of the Somare Government. Both the Treasurer and the Prime Minister along with the some of the good Ministers seated in the Government side were part of the Somare Government at that time. We introduced the idea to foster developments right down to the districts.

When the Prime Minister Peter O'Neill and his Government came to power they took it under their wings and literally made it happen.

So I must remind the good leaders not to point fingers because when the National Alliance was in Government it introduced some good polices and developments also. We can all learn from each other's mistake and go forward.

When we are pointing fingers and blaming each other we must understand how it will improve the current situation in going forward.

Yes, I understand that here are some difficulties with Budget in the Treasurers report and yes there are challenges where commodity prices are not meeting our expectations.

Let me share my views to strengthen the Government. Maybe some of the policies we have undertaken are now giving the difficult position we are in right now.

So, instead of creating new policies why not we revive the current one's and try improve on them. One of it was when we came out of the impasse government we made the decision of free education. Right now the TFF is not delivered on time and in the last two years we are struggling to pay it but yet that is policy precision. It is good, we all give a clap for it and we all want free education but the problem is, realistically, can we deliver it?

Now, we are hearing the good Ministers are saying that they are struggling now to meet K600 million for free education. Another policy we have created is free health. We are constantly making policy that restricts us or makes it difficult for us to deliver.

And then, we say we have given the DSIP for last year but last year the DSIP and PSIP did not deliver to its standards, why? Because we have other components or policies that we need to try and address.

When we are making all these policies, are we making them because realistically the funds are there or is it because we just want to play politics to win votes. This is where sometimes we need to be careful because it will always come back to our decision. We shoot ourselves in our own foot by making policy decisions that the cash flow within the country does not enable us to carry them out respectively. So, we really need to look at whether we doing it for politics only or are we trying to deliver service to the people.

We say thank you to the Prime Minister for the many things that have transformed Port Moresby and other places but we ask why the contracts are very costly? We are asking this question because we do not have the privilege to review that contract and information to understand.

**40/05**

How can you pay K5 million per kilometre for this sort of roads? We are really confused with it. And that's probably where some of the funds are diverted to when we could spend it effectively somewhere else, such as on effective policies that we have already taken position on.

I fully support what the Governor of East Sepik has mentioned on us coming up with a realistic Budget. If it's only K11 billion we are able to achieve then the realistic Budget should be around that figure. We must not try to go beyond that because then it becomes a problem when we try to deliver it.

We have just heard a lot of debates from others members in saying that they too need money to develop some infrastructures that their people want. So if we don't give them the money then obviously they are going to die natural political deaths and who are we going to blame.

So these are some of the issues that we have to be mindful of. We can just tell our people the truth and say sorry as for DSIP we didn't get K10 million but only K2 million. And so we must budget within this figure then our people will appreciate the fact. But if they only know that you will get K10 million for your district but yet you don't receive it then how will you explain to them. They will call you a liar and when you try to explain the state of the economy in the country to simple village people most of them won't understand it.

Just be honest with the people and tell them that we can't give the full amount because of the economic situation at the moment and cannot give extra amount but let's work within what we can. And we members must work within that budget. The people at Finance and Treasury must deliver what has been written in the Budget and that's another issue. There are a lot of things mentioned in the Budget but real action has not been taken.

Last year in my district there was an outstanding of K9.5 million alone for DSIP, previous open member was given half a million kina only. And I was hoping that when I win the election in July, I will get the balance of it but it never happened that way. Only K1 million was given and another K400 00 and just before Christmas another K1 million. And there is still outstanding of K8 million and that's the kind of problem that I am talking about.

We have to put realistic budget and try to deliver it but if it won't work out well then tell us the truth and we can tell the people that this and that has happened and we can work within our means and capacity at this time so that we won't be embarrassed in front of our people. We must not say unnecessary things and blame each other's here.

The other issue on GST as mentioned by Sir Puka Temu, Minister for Health; it's good that we contribute to the nation building. We too must know that GST also hurts our average citizen of PNG pockets as well.

Here we are coming up with new legislation on tax increase but think of the people because it's going to hurt them more. But if our people have steady income and have money in the banks then that's ok because they can afford it.

**41/05**

It is okay if our people have a steady income and there is money and people can afford it. But we haven't developed that side yet and we are imposing taxes and levies in the Budget.

Because the business houses we charge GST to transfer that cost down to the normal citizens and they have to pay for that.

We are not just trying to contribute to trying to build the nation, this Government must try to be realistic about what our people can afford.

When we start imposing those tax law amendments and levies, one has to ask whether our people can afford that or not?

Our people are flat out now buying rice, tinned fish and the current economy now is not conducive for our people. They are struggling to meet their day to day needs.

Just this morning we are hearing about parents struggling for school fees and they need more time to meet the tuition fees and related costs for their children.

These are the realistic problems we have. And it highlights the fact of what the Governor of East Sepik stated and I fully support the idea that the Budget must create employment and it puts money back into the pockets of our people. This is the kind of Budget we need to focus on as a Government.

Our people can embrace the changes and come along with all the other legislative changes introduced and progress into the next five years and into the future.

Mr Deputy Speaker, it is sad that our people are left out and feeling the pinch of hardship because the Government is going the other way and the people are suffering. Yet, we in this Parliament continue to impose more tax, more laws, more levies and more changes and it is affecting our ordinary citizens. When will we get up and say stop, we need corrections and adjustments?

Mr Speaker, GST is good but can we try and create employment and improve and make sure our people are up to speed with everything that we leaders legislate and change.

I urge the Government please, our people are screaming for real support from their Government from their Members and we should consider that seriously when we start putting down figures and Budgets. We want realistic Budgets.

If we are not able to deliver don't bother putting the figures down. Why are we putting down unrealistic figures when we cannot achieve them? We need to be realistic about this and approach these issues with responsibility.

We have a crisis. Well we call it crisis because literally we are having difficulty trying to control the economy. So we must be in a crisis.

I support the SME and my view is when we give out loans to an ordinary rural villager to assist him to start up their own business, the repayment of that loan will heavily depend on the people that surround him in his community and if that community is not economically viable the poor man will suffer. Where is the SME going to go? It's a good idea but we need to give a bit more thought process into it.

The Rural Bank has allocated so much money in this program and yet we continue to do so, but where are we today?

We should learn from the past and try and correct as we go into the future. Let's not carry the same mistakes through and through.

We need to sit down and plan and analyse before we draft some more policies that will improve dispensing of money.

Mr Deputy Speaker, I thank and commend the Treasurer for this report and the Budget that he believes is the Budget from his perspective with the Finance Minister.

We are all here on both sides of the Parliament trying our best to support the economy of our country and, yes, as the Shadow Treasurer highlighted where we see that there is loopholes we have to propose positive and constructive solutions to those areas that need change and not just to come and criticize and play the blame game.

We must all come together and make some genuine effort to contribute and improve the state of the economy of this country.

Mr Deputy Speaker, we can give all the advice we can but if not applied will mean nothing at all.

I support the bi-partisan suggestion by the Minister for Finance and we all sit down and put this country first and its people.

Debate (on motion by **Mr James Marape**) adjourned.

42/05

#### ADJOURNMENT

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

That the Parliament do now adjourn.

Parliament adjourned at 4.25 p.m..