

SIXTH DAY

Wednesday 14 February 2018

DRAFT HANSARD

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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.

A handwritten signature in black ink, appearing to read 'Lee Sirote', written over a horizontal line.

LEE SIROTE

Acting Principal Parliamentary Reporter

SIXTH DAY

Wednesday 14 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 then took the Chair at 10.50 a.m., and invited the Member for Ijivitari, **Honourable Richard Masere** to say Prayers:

Heavenly Father, we acknowledge your lordship over this nation and over this Parliament. Father, as the elected leaders of this nation come before your throne, we seek your guidance, we seek your wisdom and seek the purpose that people have elected us to lead this nation.

Father we pray for our Prime Minister, our Speaker, Deputy Prime Minister, the Leader of the Opposition, the Ministers and all the Members of Parliament. I pray God that you instil wisdom, and you instil the passion for our people so that we can serve our people well over this five years.

Father, we thank you for your Son, Jesus Christ, who died on the cross of Calvary, who shed his blood for us. Lord we thank you that by His blood we are able to come before your throne and ask for forgiveness. Lord we thank you for today, we ask that you bless this day. We ask you to give us direction for this day God as we participate meaningfully in this honourable House. Amen

QUESTIONS

Give Priority to Local Contractors

SASINDRAN MUTHUVEL – Thank you, Mr Speaker. I would like to direct my question to the honourable Finance Minister.

Mr Speaker, the Finance Minister is a senior minister who advocates the empowerment of local companies and he is also passionate about the involvement of local companies in the multimillion kina projects in this country.

Mr Speaker, the Finance Minister is a senior minister who advocates the empowerment of local companies and he is also passionate about the involvement of local companies in the multimillion kina projects in this country.

What are the Ministers plans to empower local companies as some policies don't allow local firms to participate in major projects such as the huge Highlands Highway project. When a company is awarded a contract, there is a minimum of 10 per cent performance guarantee and 10 per cent advance bank guarantee that the company must provide. If you calculate it, each project of such magnitude will need K80 million. In other countries, the bank has arrangements where you can obtain such guarantee if you have an account with them, but in PNG if you want a bank guarantee of K10 million. You must have K10 million cash in your account so that you can receive that guarantee.

What is the Finance Minister and CSTB going to do in terms of reforms to reduce this difficulty in obtaining the full amount of 10 per cent advance guarantee and 10 per cent performance guarantee? Thank you, Mr Speaker.

Mr JAMES MARAPE – Thank you, Mr Speaker. I thank the Governor of West New Britain province for his question.

Mr Speaker, we are embarking on a limitation to values of contracts and in the next one or two weeks I will be forwarding instruments to the Governor-General to certify a policy instrument that will put limitation to values of contracts. At this stage I and our department is proposing that contracts below K10 million, as alluded to yesterday, will be awarded to local Papua New Guinean contractors.

02/06

The Governor was not in the Chamber yesterday, but I indicated that we are taking stock of issuance of contracts and I have powers under the *Amended Public Finances Management Act* to pass those specific instructions.

At this point in time, the contracts under K10 million will be socially quarantined for national companies with few exception in the case of where we need to procure from overseas when national contractors are not able to supply.

Those specific instructions will be submitted under instructions and the Governor General will certify those requirements next week.

Contracts between K10 million to K30 million will have a local content element of which we will be proposing that 50 per cent of the contract value will be designated to have local contractors participation. If local contractors cannot submit tender on a stand-alone basis then any international company or foreign companies who want to submit for those contracts must have a local joint venture partnership.

I think it is about time we encourage local participation in our State issued contracts insofar as local content is concerned. So those are the steps that O'Neill-Abel Government is undertaking to ensure more of our local companies are participating in our State issued contracts.

Contracts for K30 million will be placed on bid with preference to local companies but open bid for any companies to submit their expression of interest to participate in that contract through a normal tendering process.

Mr Speaker, on his other question regarding submission of the 10 per cent requirement, as well as seeking loan programs to assist in our development endeavours, our government is looking at the possibility of locking in those contract requirements where local companies are participating in those projects that are secured as a result of loans secured off-shore.

This is work in progress and within the next two weeks I give assurance to this House and to the country that the local content aspect of contracts will be certified by the Governor-General, The Finance Department is working on it to finalise this endeavour that the O'Neill-Abel Government is taking to complete in our country.

Karkar & Manam Resettlement Plans

Mr CHRIS NANGOI - I thank the Speaker for giving me this opportunity again. Before I ask my questions, I would like to thank the Department of Works and the Minister for allocating the fund for the Banap Bridge.

I have read in the newspaper today that the construction of the bypass of the bridge will commence. It will take three months to complete.

I am urging my people of Sumkar and Bogia to bear with us and let the construction work be completed.

My question is directed to the Minister for Provincial Government and the Local Level Government. This is a pending issue of the Manam resettlement. Today, we are witnessing volcano eruptions in Kadovar in Wewak and Manam in Madang Province, I believe Karkar Island is also included in the ring of fire.

The government is now focusing on Wewak but the issue of Manam is a pending issue and I, therefore, urge the Government to review the Manam issue before concentrating on Wewak.

03/06

We must review the Manam resettlement program. I have a Manam resettlement area in my district, it's called Mangem/Manam settlement. The issue right now is that while we are waiting to review the resettlement program, there is an increase in the population and other social issues are arising between the islanders and the locals of that area. For example, the people of Bunabun who are resettled in my electorate have an ongoing issue with the people there. I know the Government has plans to relocate all of them to one area, towards the Tangu area but I am not sure when this exercise is going to take place.

The people of Manam that have been settling there are causing inconvenience through fights and arguments with landowners. I was there recently and the landowners gave me a petition, outlining all their grievances. I am sorry, I do not have the copy of the petition but I should bring it with me in the next Sitting. Another issue is that those residing in Mangem have not been voting under Sumkar Open. They exercise their electoral rights in Bogia but they receive services provided for Sumkar and by the Sumkar Open electorate. There is no fairness here, therefore, I want to know,

(1) Can the Minister tell the Parliament if there are any plans on the Manam resettlement program?

(2) Do you have any evacuation and resettlement plan for Karkar as well, if the volcano erupts?

Mr KEVIN ISIFU – Thank you Mr Speaker and the Member for Sumkar for your questions. Firstly in relation to the Manam Resettlement Program, I want to assure the Member and the Parliament that I am very much aware of the situation of the Manam people, especially the Manam Restoration Authority. This is the authority that is responsible for looking after the people of Manam. I would like to assure the Member for Sumkar that that as a concerned Member, the Manam deal has already been approved by the Government. We are now putting priority on Manam, this is to make sure that we put a proper board in place. And the submission is ready to be presented in the next NEC meeting for approval.

Once the board is in place, I believe they will appoint officers to serve and look into their affairs. In relation to Mangem settlement, I will take note of this. I understand that some

of the displaced people are in your district. I will take note and will discuss with the people concerned. But as soon as the board is in place I believe they will address these issues.

We are also mindful of other disasters around the country, we have a disaster plan that will be brought to NEC shortly for approval, so that we are prepared to deal with disasters in a pro-active manner.

04/06

Legality of Consultancy Contract Parliamentary Service

Dr ALLAN MARAT – Mr Speaker, I seek leave of the Chair to ask you in your capacity as the Chairman of the Salaries and Remuneration Secretariat three short questions.

Mr SPEAKER – Leave is granted, go ahead.

Dr ALLAN MARAT – Thank you Mr Speaker:

(1) Are you aware that an employee of the National Parliament, a lawyer, not a company, has been given a consulting contract to the value of K221 000 to consult back to the Secretariat?

(2) Is this consultancy contract legal?

(3) Is it not double-dipping and therefore, official corruption?

Mr SPEAKER – Yes, I am aware of this matter. Whether it is legal or not, I will look into it and when I understand the legality of it then I will take appropriate action.

Disappearance of PNG Observers on Fishing Vessel

Mr ALLAN BIRD – Before I ask my question, I would like to make a simple explanation on the questions raised by the Member for Sumkar. Those in Madang must not think that the National Government is putting focus on the problems my people have faced. Yes, National Gaming Board gave K150 000, I am grateful for the support from the Minister, the PNG Defence Force and other commitments from the National Government which have not reached the province as yet.

So I want to assure the Member that the Department must be very free to take care of the very serious issue on Manam because in East Sepik, we have taken full control of the situation at Kadovar. I just wanted to make this clarification for the benefit of Madang people

who may think the Government is taking one side to assist the people of East Sepik and not Madang.

Mr Speaker, my question is directed to the Prime Minister but in his absence, I would like to redirect it to the Deputy Prime Minister. This is in regard to the observers that the National Fisheries Authority uses on fishing vessels. Because it is a little bit complex, I'd like the Minister for Police and perhaps the Minister for Foreign Affairs and Defence to take note.

Mr Speaker, last year there was a report around July in *The National* newspaper over the disappearance of one of my people a young man, who apparently was lost at about 2.00 am in the morning. The role of observers on fishing vessels, their role is to document illegal fishing practices on the high seas. It is my understanding that up until July last year, four Papua New Guineans were lost at sea without a trace and usually around 2.00 am in the morning.

To my understanding up until that point, some 18 Papua New Guineans, and I stand to be corrected on this, have been lost at sea usually around 2.00 a.m. without a trace or witnesses. As far as I know, no one has been found guilty of any foul play.

Mr Speaker, I find this a little strange. The regularity of the disappearing young Papua New Guinean whose job is to document irregularities in a largely strange fishing industry that we tend to be getting very little benefit from concerns me. I want to know because from my information, four young Sepik men have been lost at sea as a part of the total loss as a Papua New Guinean.

05/06

I spoke with one young man at Wam? Village, who had managed to runaway. Through the kindness of his shipping captain so he was dropped off in Singapore and he flew back to Wewak and he doesn't want to go back to the sea. And he told me that he was almost killed by the foreign fish crew because of the job he was doing that is protecting Papua New Guineas interest on the high seas.

(1)What is the Papua New Guinean Government doing to protect our young men on the frontline who are doing this job?

(2)If we haven't done anything to date, given that this has been going on for some time, what do we plan to do about it?

(3)Can the Government assure my people and all those families who have lost loved ones, not only Sepiks but Papua New Guineans, that we can be assured of a full investigation

into all of these missing cases on the high seas and can we see prosecution of all the companies that have lost young Papua New Guineans at sea without a trace. Also can we suspended of fishing license of those companies until we get to the bottom the issue?

Thank you, Mr Speaker.

Mr CHARLES ABEL – Thank you, Mr Speaker, and I thank the Governor of East Sepik for his important questions.

Mr Speaker, firstly, I would like to remind everyone that the Prime Minister is attending the MSG Summit today, so he will be occupied in this important task with the other leaders from the MSG countries.

Mr Speaker, it is true that the NFA does have observers located on each and every fishing vessel for the important purpose primarily of monitoring the catch of those foreign licenced fishing vessels from Papua New Guinea waters for the purpose of reporting back so that we can have control and have knowledge over what catch is being taken and off course extract the benefits that are due to the State of PNG.

Mr Speaker, in relation to what the Governor of East Sepik is talking about, they are allegations at this stage and we are yet to ascertain those facts and that is news to me but if it is true it is very concerning, particularly the 18 lives of these young Papua New Guineans. Obviously, Mr Speaker, they are very serious allegations and we will take them on board and I will give my undertaking that we will look into those allegations and if necessary we will then lead to the appropriate steps to conduct a full investigation and then naturally that should lead to the consequences which will involve a potential whole range of methods including maybe suspension of licences.

But, I think before we get to that point we must be careful that these allegations are ascertained first and that there is some basis to them –

Mr Allan Bird – Point Of Order! Those are not allegations, probably the incidences surrounding their disappearance can be allegations.

Thank you.

Mr CHARLES ABEL – Thank you, Mr Speaker. We will take those comments on board and we will look into them. We will take the base of those facts and if so there will be an investigation and the appropriate action will be taken.

Thank you.

Subsidise Rural Electricity Cost

Mr RICHARD MASERE – Thank you, Mr Speaker. My question is directed to the Minister for Public Enterprises and State Investment and I will also like the ministers for Information Technology and Communication and Environmental Conservation to take note.

Mr Speaker, my question to the Minister is an extension to previous questions raised on the Floor of Parliament in respect to rural electrification and the affordability of electricity.

Mr Speaker, I can recall when I first had an Esi Pay Meter installed in my house and when I purchased a K100 worth it was 150 units. That same value over time has dropped significantly down to 80 units. It is common knowledge that procuring electricity now for an average Papua New Guinea is considered an expensive purchase.

Mr Speaker, let me quote from the PNG Vision 2050 Document, *‘Increase availability of rural electrification from 15 per cent and 100 per cent of our rural population.’* In the same document it also highlights the importance of reducing the greenhouse emission by 90 per cent to the 1990 level.

Mr Speaker, I believe that all of the power plants around the country run on diesel generators.

06/06

And the significant expense to maintain the operations of these generators are detrimental both to the environment and the affordability of electricity by simple village communities.

Mr Speaker, I understand that most provinces will differ on the cost. But let me give you a picture of my province. Our current power plants provide 0.9 megawatts of power to a town that demands 1.5 megawatts of power. The daily cost of diesel for this generator is approximately K13 500 per week or over K400 000 per month and over K4.9 million per annum just for diesel along.

Mr Speaker, as we increase the capacity of the generators to meet the growing demand and the expansion of power to our rural communities. The cost of electricity will significantly increase making it unaffordable for most Papua New Guineans and making it uneconomical.

Mr Speaker, I also understand that some countries provide cheaper tariff rates for night uses. And this encourages commercial and manufacturing industries to produce and

manufacture products during the night by reducing the cost of goods. But also reducing the high usages during the day by just minimising unnecessary blackouts during the day.

Most of this countries also provides cheaper tariff rates for their agricultural sector to encourage local produce and dairy produce to be competitive and even cheaper than imported produce and dairy products.

Mr Speaker, this brings me to my series of questions to the Minister.

(1) Does the Minister have any plans to subsidise the cost of electricity for our rural communities and our agricultural industries?

(2) Can the Minister introduce cheaper electricity rates for night uses to encourage commercial and manufacturing industries to work during the night? This will reduce the cost of goods but more importantly minimise the impacts of blackouts during the day.

(3) Can the Minister also consider renewable energy also known as green energy, or clean energy, to power plants as an alternative to the diesel generator?

Mr WILLIAM DUMA – Mr Speaker, I thank the Member for Ijivitari for his questions.

Mr Speaker, in this country we have two sources of power produced by our hydro plants as well as from the diesel generating power.

But the very nature of the operation is not cheap to operate. Most of our hydro generating plants were established in the early 1960s. When we were still under the colony of the Australian Government.

Mr Speaker, as I alluded to earlier, due to various change of government and the inability of PNG Power to actually rehabilitate the hydro plant that we have right throughout the country, we must resort to power generated by diesel generator sets.

They are not cheap and I have been alarmed to find out that PNG Power has engaged companies who were able to provide diesel generator sets for use by PNG Power. But at the same time PNG Power is required to actually pay for the fuel used by those generator sets. It is really an unusual situation.

So to get back to the Member's question on reducing the cost of providing power to our people the cost of the out- of – date plants and diesel generators make it very expensive to start with.

At the same time PNG Power is expected by its shareholders which is the Government of PNG to provide a decent dividend to help pay for some of the services that we require.

07/06

PNG Power is in a situation where it has out of date inefficient hydro plants as well as very expensive generating diesel sets. So it is not in a position to help our people by subsidising the cost of electricity particularly to our rural communities and the agriculture industries for instance.

Mr Speaker, there is much talk about providing power via solar but literally this is a very expensive exercise, however, technically people are improving this method everywhere throughout the country.

To answer the Member's question, at this stage PNG Power does not have any plans to subsidise the cost of providing electricity to the bulk of our rural people but hopefully if we will be able to turn PNG Power around and ensure it is making money coupled with the support from our Government, of course it will be possible for PNG Power to subsidise it but at this stage it is uneconomical for PNG Power to do so but, yes, I will not rule the idea out.

Mr Speaker, in regards to business arms using power during the night, in particular the manufacturing sector, it is all tied up to the first question.

It is too uneconomical to do that and at the same time considering the run down facilities it is impossible for one to give a good response. But first things first, we have to work together to rehabilitate PNG Power and engage professionals and allocate more funds to rehabilitate the Pahunda hydro plant in Southern Highlands, the Rouna system and upgrade the Yonki plant. As I alluded to earlier the Government led by the Prime Minister has approved the upgrading of Ramu two power project. Hopefully when we have the best people running this company and boost it financially we can look at subsidising the costs as part of our community service obligation.

Mr Speaker, in regards to the renewable energy or clean energy, PNG Power does not have the resources financially and human wise but we have made it clear to the private sectors that if there are investors out there who want to invest their own money to come up with clean energy producing power plants, PNG power is prepared to enter into agreements as long as the prevailing power supply contracts are agreed to then it is possible.

Mr Speaker, one good example is the recently launched Port Moresby Power Plant that has been put together by a consortium comprising of Oil Search and our very own Kumul Petroleum Limited where we have already launched a 54 megawatt plant that will use clean energy which is gas.

That is an example of the private sector going into partnership with PNG Power and PNG Power has entered into in principle the power putters agreement to purchase power produced from that power plant.

There are other opportunities like the Bio Mass power project which has been talked about by Oil Search coupled with proposals from various companies to set up a solar power plant in Port Moresby and other places.

08/06

So, provided the prices are good and it can be affordable by PNG Power then we encourage investors to go down that path. And that is something that we will look at.

Yes, of course PNG Power is very interested in going down that path or in production of power through clean energy means.

Supplementary Question

Alternate Power Sources

Mr ALLAN BIRD – Mr Speaker, the Minister mentioned that depending on the profitability of the organisation they will look at the subsidisation.

It is my understanding that PNG Power has never been profitable and I'd like to ask the honourable Minister the following questions.

On what evidence is he basing his assumption that PNG Power is going to be profitable anytime soon?

In relation to private individuals providing their own power. In East Sepik when private operators provide their own power, whether it be to solar or generators, PNG Power comes around and tells them, even when they don't have the capacity that they have the legal right to stop individuals from producing their own power, even in spite of the incapacity of PNG Power to provide that service.

As you know honourable Minister PNG Power charges K1.10 per kilowatt of power that Papua New Guineans use. World standards for countries that are doing well is around 33 toea per kilowatt.

Now, Mr Speaker, if PNG Power does not have any capacity, could the good Minister inform us if there are any plans by the government to de-regulate PNG Power so that individuals can help themselves and not be left powerless when PNG Power is inefficient?

Mr WILLIAM DUMA – Mr Speaker, I thank the Governor of East Sepik for those questions.

Yes, Mr Speaker, I have publicly said that PNG Power as our own company has not been performing well. There are various factors and most of us are aware of these.

Mostly it is due to the inefficiency of the management that was put in-charge by our people to look after our own companies and together with the very old and under-performing power generating assets that we have in the country.

Mr Speaker, let us not forget that despite all of these they are still capable of producing a return for us if we do the right thing to re-structure them. PNG Power had a very bad history of nepotism including recruiting the right players, its inability to train and retain good people, nepotism and continuous interference by various governments over the year. We are trying to change all these.

It depends on me, first of all as Minister responsible to get the Prime Minister's approval as well as Members of this Parliament to work together to help me re-structure this very, very important company that we have.

We still have income generation capacity. We have income generation assets and all they need is time to rehabilitate and re-structure, put in the right people to turn it around and it can turn around if given at least two years.

I'd be misleading this Parliament if I were to assure my good Governor that we can expect a turnaround in a year. That is simply impossible. It has taken more than 29 years to get to the sorry state that it is in. So, it will take some time for us to get this important asset around.

Mr Speaker, I can assure the good Governor of East Sepik that if given time and if we get our priorities right we can turn this very important company around. And it will then deliver the results that we expect.

Mr Speaker, in answer to the good Governor's question on the availability of companies or investors who are prepared to produce power. We have to remind ourselves that as a government and as a country we have only one power utility company and that is PNG Power. As long as investors are prepared to put in their own capital and put up power

producing units and they are able to sell their power to PNG Power, we can then on-sell it to the consumers.

I don't know why PNG Power in East Sepik Province would be reluctant to enter into such an arrangement and I'd like to encourage the good Governor to talk to those investors in East Sepik who want to go down that path.

09/06

I am very sure it can be done with an understanding that is commercially beneficial for investors as well as our own company PNG Power. Thank you, Mr Speaker.

Supplementary Question

Separate Core Functions- PNG Power

Sir MEKERE MORAUTA – Thank you, Mr Speaker. The generation of power comprises of three stages, generation, transmission and retail. In many countries those are separate organisations. I think when the Minister talks about restructure, I am very encouraged. I want to encourage the Minister to engage in separating the generation of power, transmission of power and the retail of power because the investments required for us to get out of where we are now is extremely bulky and very heavy. I don't think we are going to go very far. The answer is separating the organisation so there are three important components generating it.

Mr WILLIAM DUMA – Thank you, Mr Speaker. I thank the former Prime Minister and Member for Moresby North-West for raising this question. I agree with the Member for raising that point. We have actually followed that path in our own way. We have already encouraged private investors to set up their own power production units and sell it to us. The prime example is the 54 megawatt Port Moresby power plant that was initiated by Oil Search and Kumul Petroleum Holdings Ltd. In the region, Fiji which is a smaller country, has taken that path where it has partially privatised Fiji Electricity Authority. We were looking at that as an example and we will get to that stage.

Mr Speaker, our priority now is to at least fix the internal problems that we have within PNG Power and once we are sure that the time is right we will take that path. Other countries are doing it and it is working well and everyone has benefitted, both the shareholders and the

consumers. We can try it. I am not ruling it out. We are going down that path somewhere in the near future.

Technical Professionals-Mineral Resource Authority

Mr TOMAIT KAPILI – Thank you, Mr Speaker. My questions are directed to the Minister for Mining.

The Mineral Resources Authority is mandated by the *Mineral Resources Act* of 2005 to promote and regulate the mineral explorations and investments in mining in the country. It is important that the Mineral Resource Authority must have well trained, highly skilled and experienced professionals who have the capacity and ability to undertake world class research, accurate evaluation of mineral prospect activity and independent assessment of mineral resources and reserves. The Authority is also obliged to disseminate up-to-date and relevant geoscience information to all stakeholders including the landowners. The Mineral Policy and Legislation Division of the Department of Mineral Policy and Geo-Hazard Management formulated policies, legislation and guidelines which must be conducive to both the government of PNG, the investors and the landowners. We have the amendment to the *Mining Act* coming up and the Mineral Authorities Bill which was shelved, we might be getting that through.

(1) Can the Minister for Mining confirm or deny that the Mineral Resource Authority does not have the technical professionals and support facilities to independently verify minerals, especially the ore reserves and resources submitted by companies?

(2) Can he also confirm or deny that Mineral Resources Authority does not have the technical capacity to support facilities to independently verify the amount and value of the gold and silver that are exported.

10/06

(3) Can the Minister for Mining confirm or deny that the small scale mining branch of the Mineral Resource Authority at Wau is not sufficiently resourced to effectively help small scale gold miners and operators nationwide, for example the branch has no manager, geologist or mine engineer for over two years.

Mr Speaker, if the Mineral Resources Authority does not have appropriately trained professionals such as high calibre geo-science, resource geologist, mine engineers, we have a very serious situation.

For instance, any resource or reserve submitted by the company will be accepted at face value without independent verification. Without independent verification the exact quantities of silver, gold and copper exported by the companies may be approximates. The figure and value received from the Bank of PNG or Internal Revenue Commission will be regarded as final without any verification at all.

It might be wise for the PNG Government to have an independent team that effectively deals with these loopholes.

Mr JOHNSON TUKE – I thank the Member for Lagaip-Porgera for his series of questions. We have two divisions; MRA which is the regularly component of the mining industry and we have Mineral Policy and Geo-Hazard Department.

At MRA, we have the geologist, we have mining engineers, and all the technical expertise. So for someone to say we do not have any technical staff at MRA is totally wrong. If you could visit our website you can see all the tenement areas where we register all available tenements, SML, AML and of course alluvial.

Question number two and three are more or less the same. In fact, we do not subsidise all alluvial miners in PNG. But we do have an office in Bulolo. I am not aware whether it is funded but I believe we have funded it over the years.

As you know I mentioned in the newspapers that I am trying to re-habilitate alluvial mining industry in Papua New Guinea. I will be officiating a program next week in Milne Bay Province. Alluvial mining in Papua New Guinea should be taken more seriously.

PERSONAL EXPLANATION

Mr NICK KUMAN (Gumine – Minister for Education) – I ask leave of the Chair to make a personal explanation.

Mr SPEAKER – Honourable Minister, have you been misquoted in the Media or in any other form?

Mr NICK KUMAN – Yes, I have been.

Mr SPEAKER – If you have been misquoted, honourable Minister you may explain the misreporting to the Parliament.

Mr NICK KUMAN – Thank you Mr Speaker, on Monday 12 February 2018 the National Court dismissed an election petition against my win in 2017 National Election for the Gumine Open Seat.

The Court made the decision – in August when we all gathered together on this Floor of Parliament to be sworn in, we had two candidates who entered this Parliament under the same electorate that almost caused a constitutional crisis.

The house was thrown into disarray and confusion.

11/06

And it was telecast live right throughout the country and closely followed by everyone when the event happened. I want to put on record that the Electoral Commissioner, when making the decision on July 29, 2017, declaring me as the Member duly elected in 2017 was based on the outcome after the scrutiny of all ballot papers, at the final count and during exclusion No.47.

Mr Speaker, at this count, I polled a total of 14 261 votes. The runner up and the petitioner polled 13 870 votes. The 50 per cent plus one set at that time before the final exclusion was 14 066 plus one which means that I could have been declared on 26 July, 2017 when the final scrutiny of the ballot papers were complete, under the preferential system of election that was conducted. And I want to inform the Parliament that when the Electoral Commissioner made that decision, in fact a lot of criticisms were raised from people from all walks of life; especially those with vested interests in the outcome of the elections for the Gumine Open seat. It also shows that our election laws in this country is strong and vibrant to protect the election process of this country.

Mr Speaker, at this juncture, I want to sincerely apologise to the people of this country, this honourable House, and the Chief Justice of Papua New Guinea who was on this Floor at that time to preside over the declarations of all the Members who were elected. And at that time I was duly elected by the people of Gumine. The confusion and the subsequent events leading to my swearing-in as the Member for Gumine could have been avoided if political interest did not play a role at that time. We were shouting and yelling in this Parliament on that very day. That was uncalled for and I offer my sincere apologies.

I call on the Chair to take whatever actions appropriate consistent with the privilege law of this Parliament to prosecute what I call an intruder or a stranger on this Floor of Parliament. I am going into my third term here in Parliament, I have broken the record for all Members of Parliament that come before this Parliament, representing the people of Gumine and Chimbu because I am into my third term as a Member of Parliament.

**PAPUA NEW GUINEA CIVIL AVIATION SAFETY AUTHORITY –
ANNUAL REPORT, 2014- PAPER AND STATEMENT-
MOTION TO TAKE NOTE OF PAPER**

Mr ALFRED MANASE (Kandep-Minister for Civil Aviation) – I present the following paper pursuant to Statute:

Civil Aviation Safety Authority Annual Report 2014.

I ask leave of Parliament to make a statement in connection to the Report.

Leave granted.

12/06

Mr Speaker, I thank the Parliament for allowing me to deliver my statement on the performance of Civil Aviation Safety Authority of Papua New Guinea in the year 2014.

In 2014, the Civil Aviation Safety Authority was under the responsibility of the former Minister and the current Attorney-General and this statement I make is in relation to the matters under his watch.

Mr Speaker, the Civil Aviation Safety Authority of Papua New Guinea is established under the *Civil Aviation Act 2000* (as amended) and is an independent statutory authority responsible for regulatory oversight, enhancing and promoting the safety and security of civil aviation, with particular emphasis on preventing accidents and serious incidents within the civil aviation system in PNG.

Mr Speaker, as a signatory to the Chicago Convention on International Civil Aviation, PNG as a Contracting State to the International Civil Aviation

Organization (ICAO), is required to ensure that the performance in the civil aviation system in PNG complies with. The Standards and Recommended Practices (SARPs) of that and is consistent with the Convention.

The Authority is governed by a five-member Board. The role of the Board is to oversee the operation of CASA and to provide overall strategic direction and governance. Since its establishment, the Authority has consistently complied with the statutory reporting requirements of the Government,

Mr Speaker, we have now overcome many challenges and CASA has a new look Board that now reflects what the Government wants, that which is strong and sensitive to the needs of PNG. CASA has submitted its 2014 Annual Performance Report to the Office of the Chief Secretary and the CACC regarding the preceding 12 months. It has also submitted its 2014 Annual Report to the office of the Minister for Civil Aviation in accordance with *Section 32* of the *Act*.

Mr Speaker, the significant achievement have been achieved by the Civil Aviation Safety Authority and this has been demonstrated by the completion of the audit of the financial statement of the CASA for the years ending December 2012, 2013 and 2014 and the results of the audits have been forwarded to the Ministry of Civil Aviation to be tabled in Parliament, and this is for year 2014.

Mr Speaker, the 2014 annual report includes a statement of activities of the authority during the year and the annual financial statement of the authority referred to under this *Act*. The financial statements of 2014 have been audited and the report presented by the Auditor General has been forwarded as I have stated.

Mr Speaker, 2014 presented new challenges for CASA and the industry to maintain and enhance safety and security in an increasingly complex aviation environment. Against this backdrop, 2014 is a reasonably good performance year for CASA in Papua New Guinea, considering the growth in the aviation industry but with it came more challenges in the safety and compliance to international standards.

Mr Speaker, the current Corporate Plan for Civil Aviation Safety Authority for 2012 and 2015 has been a strategic document designed to encourage long term resource and workforce planning by CASA which has been reviewed at the end of 2013. To achieve on the current form and furthermore serves specific safety strategies to meet the challenges and to enable the performance of the organization to be monitored and measured.

Mr Speaker, the ICAO significant safety concerns serves on PNG following the ICAO coordinated validation meeting in August 2013 was removed in 2014 following the Board and the management working very hard to have this removed.

Mr Speaker, in most other countries, to remove an ICAO significant safety concerns takes more than a year. But for Papua New Guinea, our officers have worked so hard to remove this within a short space of time.

Mr Speaker, we are very proud that we have addressed the ICAO significant safety concerns in the shortest time possible and it reflects the commitment of the Board and the management to responding to this very important matter in a very timely manner. I must commend the Director and his leadership in ensuring that PNG continues to meet its state responsibilities in International Civil Aviation.

Mr Speaker, at a strategic level since this significant safety concerns was removed, the Authority focused in engaging with its neighboring regulatory authority especially Australia. An urgent capacity diagnosis was conducted on CASA to assess the gaps and set strategies.

13/06

Mr Speaker, the agency support arrangement is in place and has been developed and signed between the governments of Australia and Papua New Guinea to assist CASA to meet our international obligation in respect of Civil Aviation safety and security regulation.

Mr, Speaker, the purpose of the arrangement is to establish a platform for the management and support provided by the Government of Australia for CASA, PNG activities. The activities are demand driven by PNG and in implementing this arrangement, the Australian High Commission and CASA will work together to reflect aid effectiveness principles and lessons learnt and achieve best benefit from activities jointly implemented.

Mr, Speaker, as part of our ongoing engagement with the aviation industry and stakeholders, CASA has proactively conducted safety education and promotion which is essential to a balance regulatory position and a proactive approach to safety management, balanced compliance checking with the equally important roles education and prevention.

CASA conducted various forums and meetings with aviation industry leaders to constantly remind themselves of the enormity of a task of running a complex and constantly evolving industry and facilitated discussions on how working in collaboration they can bond

together and foster cooperation against a myriad of challenges to enable growth for a more robust and sustainable Civil Aviation Industry in PNG.

Mr, Speaker, CASA regulates aviation participants within PNG with a very modern set of legislative framework that meets international best practices in aviation safety. The International Civil Aviation Organization (ICAO) has rated Papua New Guinea as having one of the best piece of Primary Aviation Safety Legislation in place.

Mr, Speaker, because aviation is an evolving industry, we must keep up with the pace of change and in 2014, CASA commenced a Review of the *Civil Aviation Act 2000*. The second amendment to the *Civil Aviation (Amendment) Bill 2015* was carried out following a diagnostic review of the Act by ADB to review the Pacific Islands Civil Aviation Legislation, which found some notable omissions whereby PNG had not incorporated into its existing legislation to give force of law to most of the Treaties and Conventions it is a signatory to and has ratified.

Mr, Speaker, the review has caused us to appreciate the detailed and professional analysis of the principal legislation that regulates the civil aviation system, namely, the *Civil Aviation Act*.

The public expects the Government to be responsible in ensuring that aeroplanes are safe to travel in Papua New Guinea.

Therefore, our primary legislation needs to be very clear about the roles of the institutions and various individuals comprising our total aviation system. The review has addressed these to ensure that our obligations in the Convention on International Civil Aviation are met.

Mr. Speaker, under the review of the *Civil Aviation Act*, as Minister responsible for administering our participation in the Convention and ensuring that our obligations under the International Civil Aviation Agreements are met, my predecessor also established the National Civil Aviation Security Program for Papua New Guinea. This program contains Aviation Security Policies that form the basis for safeguarding PNG's Civil Aviation Corporations against acts of unlawful interference. It is intended to support and assist the Aviation Industry participants to achieve aviation security outcomes through the correct application of the *Civil Aviation Act* and Government Policy.

Mr Speaker, the Office of the Legislative Counsel has issued certificate of compliance for the final draft of the *Civil Aviation Amendment Bill 2015* and it has been approved by Cabinet.

Mr Speaker, in addition to the review of the *Civil Aviation Act*, a number of Civil Aviation Rules were also reviewed and consultation was undertaken by the Aviation industry.

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As a result, *Civil Aviation Rule Part 139* relating to Aerodrome Operation and Certification has been issued by this office to include minimum standards for rural airstrips acceptable to the Director. The rural airstrips are now being rehabilitated in accordance with this minimum safety standard to ensure safe aircraft operations for aeroplanes delivering goods and services to the rural areas of PNG.

Mr Speaker, whilst CASA has performed remarkably well, there have been challenges faced by the board and management. Despite these challenges, the organisation has continued to address them within the resources given and at the same time meeting its statutory obligations required under the *Act*. Manpower remains a constant issue for CASA. Recruitment and retention of qualified and experience technical expertise is an ongoing challenge and CASA is meeting this challenge by vigorously recruiting younger officers under the Graduate Scheme Program and conduct an internal training program.

Mr Speaker, CASA's challenge is to maintain a skilled staffing base that will provide coverage of the critical key competencies (and specialities) required to meet the safety obligations of a contracting state. Increase in staffing is therefore critical in light of a significant increase in the volume and scope of aviation activities including improvements in technology in PNG and the support of the central agencies is needed in this area.

Mr Speaker, we as Government must recognise the specific technical expertise that is needed and compensate them accordingly, particularly our Papua New Guinean national pilots and engineers who take up job offers with the authority possessing the same qualifications as their expatriate counterpart.

Mr Speaker, a well-developed organisation with better human capital development will ensure a safe operating environment that will contribute to economic growth resulting in wealth creation.

Mr Speaker, CASA has implemented a graduate/cadet program. This is a strategy which has been implemented to address the staff ageing issues, within the organisation. Under this programme three young cadet flying operations inspectors have completed their pilot training successfully and are now seconded to airlines under a memorandum of understanding to complete their operational line training to gain the required hours.

Mr Speaker, this is a success story and this mutual working arrangement through a public/private partnership with the industry recognises the need for internal capacity building

for our national inspectors and furthermore sets the basis for our future cadet program in engineering and air traffic services.

Mr Speaker, it is important that the Government supports CASA's initiative to build operational capability and that adequate investment is directed in the technical competencies and a recognition of the importance of the regulator in ensuring a safe and efficient air transport for the wellbeing and economic development of PNG.

Mr Speaker, at the political level, political support is important to ensure that CASA is provided the tool to conduct its functions effectively as required by the *Civil Aviation Act 2000*.

Mr Speaker, deficiencies within CASA are likely to impact the profile and credibility of the Government and CASA which have a collective responsibility for the regulators effectiveness in the event of a major accident. When the Government fails to recognise the important role that CASA undertakes as a safety oversight monitoring agency for the State of PNG, and CASA fails, the aviation sector could collapse and PNG's international reputation will be tarnished.

Mr Speaker, organisational credibility and respect must be earned and this one entity that has fostered that relationship and in doing so is able to work together in partnership with the private sector to ensure a common objective of safety is achieved by all.

Mr Speaker, in the regional aviation scene, PNG continues to show leadership in the area of aviation safety and security. PNG has held the chairmanship role within the Pacific Aviation Safety Office (PASO) a regional aviation safety oversight body consisting of 13 members from the smaller Island States in the region.

Mr Speaker, we are an important member of PASO and our leadership in the region demonstrate our credibility in this very highly technical and specialised field commensurate with us having an extensive aviation infrastructure including the number of aircraft that we currently have on our aircraft register operating in PNG and abroad.

15/06

Mr. Speaker, the Government will continue to support the work of PASO in the Region and that if an opportunity arises, for us to offer to be the host of the organisation in the future we will do so.

Mr Speaker, PASO is akin to our CASA for the small Island Pacific States and we provide the Chairmanship and we provide the leadership in that organisation.

Mr Speaker, Aviation is a key enabler that cannot be ignored anymore and we must set the foundation and benchmark for the future safety of this nation and region.

Mr Speaker, in concluding, the biggest challenges for CASA is that it is not been properly resourced financially. This constant financial constraint is a finding in the ICAO Audit Report. CASA is a necessary cost to the Government and the Government must continue to ensure that this very important aviation safety and security agency is appropriately funded to ensure safety and security of the aviation industry is achieved at the highest level.

Mr Speaker, it is important to understand the financial implications that exist when we commit ourselves to addressing and improving aviation safety and security. Without the commitment from the Government to fund CASA PNG to properly address the more critical safety area, our level of implementation will continue to remain below the global average

Mr Speaker, despite the resource and funding issue, CASA has worked within the constraints and performed significantly well to achieve what I have provided on this Floor of Parliament. CASA represents the Government of Papua New Guinea at both domestic, regional and the international arena and will always ensure that the agenda of the Government stated in the *Act* is not compromised provided it is given the appropriate political support.

Mr Speaker, the functions of CASA is consistent with the national goals and policy that PNG must be a safe place to fly. In order to protect the Government and the Authority against potentially high levels of risk exposure in its ongoing aviation safety management role, the Government must take action to appropriately resource CASA in all area of its operations that are fundamental to the effective function and sustainability of the organisation.

Mr Speaker, for this Government, the safety and security of the travelling public is the most important priority. The public expects the Government to be responsible in ensuring that aeroplanes are safe to fly, the airports are safe to operate into and the associated aeronautical infrastructure are modernised and meets international standards.

Mr Speaker, finally, the people of Papua New Guinea are informed that Papua New Guinea is a safe and secure place to fly, and that we do not compromise in the area of aviation safety and security and to aspire to be the best aviation regulatory provider like any other in the world.

Mr Speaker, I commend the 2014 Annual Report provided by the *Civil Aviation Safety Authority* of Papua New Guinea and ask the Government to lend its support to this very important safety agency.

Thank you, Mr Speaker.

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

That the Parliament take note of the Paper.

Debate Deferred.

MOTION BY LEAVE

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

Leave granted.

SUSPENSION OF STANDING ORDERS – REARRANGEMENT OF BUSINESS

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

That so much of the *Standing Orders* be suspended as would prevent Notice No.4 of Government Business being called on forthwith.

MINERAL RESOURCE AUTHORITY BILL 2017

Third Reading

Debate resumed from 5 December 2017 (see page

16/06

Mr Kerenga Kua – Point of Order! Some clarification is needed before the Minister goes into the introduction of his Bill.

I was under the impression, Mr Speaker, that this Bill was presented and defeated in December. It just needs clarification from the Clerk. Whilst I appreciate the comments from the Members of Parliament, the Clerk needs to clarify this because a vote was taken, counted and defeated. And then the motion was withdrawn after the vote.

Mr SPEAKER – Honourable Member, that vote was rescinded so we are now back to the third reading.

Mr ROBERT ATIYABA (Henganofi) – Mr Speaker, I rise to make a statement on the Constitutional Laws, Acts and Sub-ordinate Legislation’s Committee’s examination of the MRA Bill 2017.

This Bill, once passed by Parliament, will enable MRA to effectively carry out its mandated functions and ensure compliance through deterrence under implementation of government policy objectives.

Mr Speaker, on 22 November 2017 the MRA Bill was introduced in Parliament by the Minister for Mining. During its second reading on 5 December, 2017, the Bill was referred to the Committee for further examination and reporting to Parliament.

The Committee noted that from the time the Bill was referred to the first Meeting of Parliament for 2018 there was not enough time for the Committee to establish a thorough examination of the Bill. Having a thorough examination would mean inviting the public to make written and oral submissions to the Committee and inviting relevant stakeholders to brief the Committee on the proposed amendments. Sadly for the Committee all these did not eventuate.

Mr Speaker, the Committee was only left with the option of requesting the Mineral Resources Authority and Department of Mineral Policy and Geo-Hazards Management, the key organisations directly dealing with the Bill.

The Committee believes that taking views from only government bodies, one a department and the other an agency may not mean much scrutiny of the legislation. The Committee only considered these organisations as part of its examination on the MRA Bill.

Both the Mineral Resources Authority and the Department of Mineral Policy and Geo-Hazards Management met with the Committee on Monday 12 February 2018 in Parliament House. MRA in the morning and the Department of Mineral Policy and Geo-Hazards Management in the afternoon.

The Committee also had a meeting with the Minister for Mining of Tuesday 13 February, 2018, in Parliament House.

Mr Speaker, from the deliberations the Committee had with both the Department of Mineral Policy and the Minerals Resources Authority the Committee resolved to support and endorse the MRA Bill.

17/06

(Members interjecting)

Mr SPEAKER – Honourable Members, this Bill is important, therefore the Chair will allow for debate on this Bill.

Mr FABIAN POK (North-Waghi-Minister for Petroleum & Energy) – Thank you, Mr Speaker. I want to congratulate the Minister for Mining for bringing this amendment forward. I think one of the biggest problems and the biggest loss is, when the *MRA Act* was formulated the regulator and the industry were put into one organisation to make decisions for this country. That is the biggest mistake any organisation can make.

As a regulator MRA must not be influenced by the industry. That is what the Mining Minister is bringing forward. In the board, you have both the regulator representatives and the industry representatives. The industry is supposed to be out there making money for itself and for the country. It should be not in there making decisions on issuing of licences, issuing of permits or setting the standard fees on all these. That is why this amendment is very important for this country and all of us must support it.

I am also talking from the petroleum perspective. We are going to bring the petroleum authority bill. We have to keep the industry away from being on the board. They can be on the advisory board but not on the board, to make decisions on behalf of the country. A

regulator must be independent to make regulations that it sees fit on how to regulate the issue of license and many other activities.

That is why the Minister is in a very difficult situation. The amendment is brought forward so that the industry is kept out there to make money for itself and to abide by the regulation set by the regulators which is MRA. It was a mistake from the past so we have to correct it. Those were made by men and men in this Parliament must correct it for the good of this country. That is why the amendment is there. The Minister must have total control. The Government must have total control. Under the petroleum authority bill, we are not going to put industry on the board, they cannot determine the licence or determine the fees. They cannot determine anything. They are here to make money. They have to abide by the regulations of this country and the regulator must make independent impartial decisions which are good for this country. That is why the Minister is facing a difficult situation because the industry is on the board. The industry is making a lot of decisions for MRA which we can't allow to happen. And all of us including the Member for Sinasina-Yonggamugl, I am pretty sure will vote for the Bill because of the fact that it is for the good of this country. I see it in Petroleum and I realised that when we bring the petroleum authority bill we learnt from the mistakes of MRA Bill., We are not going to allow industries to have representatives on the board. They can assist on the advisory level but not on the board to sit and make decisions about who gives the licence, the fees we charge and what we do with the industry, and its activities or functions. There is a big conflict of interest and that is why I wholeheartedly support the Minister. He is doing the right thing. Let us support him. Let us pass this Bill for the good of this country. Thank you, Mr Speaker.

18/06

Mr KERENGA KUA (Sinasina-Yonggamugl) - Mr Speaker, I want to assure the Parliament that I will do what is always right for the country and that can be taken as a fact. There is no problem with bringing in legislation and trying to reform that important role in the context of this country.

I had only one issue and that was in relation to a particular section in the draft bill that fully delegated the collection and expenditure of revenue to that authority including the government, this parliament, and the bureaucracy. The three arms of the government is regulated by law. The law sets up certain fundamental principles that we must follow. There

is very clear prescription in the *Constitution* itself which says that the raising of revenue and expenditure must always be subject to the approval of this Parliament.

There is nothing in the *Constitution* which states that we can delegate that function to an agency of the State. Every year they submit their budget through their department and to their Minister through this Parliament. Only this Parliament will approve it.

What we are doing with that particular section in the bill, it delegates fully the function of raising the revenue and of spending it to that authority. We cannot do that. That is clearly unconstitutional.

What I am saying is, take that provision out and everything else is acceptable because it is going to advance the course of that organisation but when it comes to the raising and spending of money, you must bring it to the Floor of this Parliament.

When you look at that organisation on its own, it might not have a significant financial impact but I ask the Members of Parliament to remember the Auditor General's Report which was tabled on the Floor of this Parliament in November last year.

If you look through that report, there is more than 20 commissions and agencies of the Independent State of Papua New Guinea. If they all ask for similar power, there will be no revenue following into the consolidated revenue for us to budget and approve based on the priority of the government of the day because they will collect all their revenue and they will spend it at the departmental level.

Nothing will come here so what is going to happen to a government when all of a sudden you prioritise and say I am going to put all the focus on roads and bridges, education, law and order this year.

The money would have been already by the force of a legislation delegated to an agency, and the revenue will not be following through so you will not have the power to prioritise it based on the policy of the government of the day.

There's more than one institutions who are going to collect revenue and expand it in the same manner, so what is going to be left for Parliament to decide?

There is no problem in creating those agencies and instrumentalities of government but unless they are a company that is subject to the provisions of the *Companies Act*, with an independent board, they must not be given the power to retain the revenue they collect. It must always come back here so it is subjected to redistribution by the government based on the policy of the government of the day. That is the significant impact that you must not forget.

There are so many government agencies out there and if the Minister for Petroleum wants to bring in another Bill, they have to chip away the total revenue coming into this country for redistribution.

Education is now struggling for fees. We do not have the money to re-introduce the tuition fee free policy so these are the sort of things that are contributing to it.

I am saying there is a greater evil, so as a government we must remember not to forget the fundamental principles when introducing a Bill and that you do not undermine yourself and your own future, and the direction you want this country to sail.

Finance and Cash, you need to hold that cash and do not give it away. Thank you.

Mr CHRIS HAIVETA (Gulf) – Thank you Mr Speaker. I stand to support the Bill and the provisions of the Bill.

19/06

The bill is important and I take note of the points raised by the honourable Member for Sinasina-Yonggamugl but his comments ought to be taken in light of a total picture of raising revenue. Organisations such as the Departments of Petroleum and the Mineral Resources Authority need to be given those full powers because they need to raise those fees necessary to run the organisation, so they need that independence because in the past they have not been managed and financed well. And this has led to the problems that we always talk about. Inspections of current operations and licensing to do with environment are some of the complaints that we continue to raise here. The landowners bring their complaints and we do not look after them and the departments cannot go out because they do not have the money.

Mr Speaker, the powers to levy fees for mining, petroleum and environment; these are important powers for organisations to function. The government gets its money from the new investments that they make from taxes such as income tax and other sources. We should allow this organisation MRA, with the amendments that the Minister has made so that we can make it function for which the act has been put in place for. On that note I totally support the amendment.

My second issue is the same as one raised by the Minister for Petroleum. Many of the boards that we have seem to be clubs of interest groups that don't necessarily look after the interest of the Government in regulating various industries; for example, fishing and banking. We need to now review all of them to make sure that the Government has a major say and not

just the industries and their interest groups in which the organisations are set up to regulate and monitor.

On this note, I totally support the Minister and I commend the Bill and the Minister's comments to Parliament.

Mr WILLIAM DUMA (Hagen-Minister for Public Enterprises & State Investments)

– Thank you, Mr Speaker. I also rise to support the good Minister for Mining on bringing forward this long overdue amendment to the *Mineral Resources Authority Act*. In fact it is one of the very unusual legislative schemes that was actually introduced to the industry and we have over the years really turned a blind eye to what has been happening in that very important industry. The good minister has done the right thing by our people to make these amendments.

When I was Minister for Petroleum for more than six years, there was an arrangement and I wish to echo on the sentiments shared by the current Minister that there was a system where there was a petroleum advisory board comprising of representatives from treasury, commerce, finance and other departments. There was no representation from the industry. The industry at that time was well served by the Chamber of Mines & Petroleum; and whatever views the industry had were channelled through that chamber. For the mining industry, we have situation where the mining industry can echo their views through the Chamber of mines and petroleum and have representation on the board. This is something that was worth changing and I am glad the ministry has done so. The industry will not be treated unfairly, they still have that very organisation, which can always relate its views but globally you do not find the industry and the regulator sitting in one organisation and making rules. This was correctly pointed out by the early speakers.

We have a situation where you have the board which then allows for a member of the industry to have a say and get the issues mixed up, particularly the views of the country and ensure that environment issues, mining regulations and fees, etc cetera, are protected.

20/06

But when you have a rep from the industry who is there, you get the issues mix so it's about time we change so this is something we all have to support.

We must also remember that in terms of the revenue that is generated by the various mines that operates in the country that revenue goes directly to our tax collection agencies. It

is the fees that are chargeable by the authority which we are looking at, but looking at the figures, they are not that significant compared to the direct revenue that comes through the tax system from the taxes paid by the mining companies as well as the royalties so I am sure there will an arrangement where royalties collected by this authority can always be kept and turn back through treasury so I don't think we as a Government will turn a blind eye to that and I'm sure there will be an arrangement that can be worked out.

Mr Kerenga Kua- Point of Order! That is not a correct statement to say because there is no provision for that sort of collection revenue to be turned back. The *Bill* says that they keep it. It's not correct that they will collect and send back to the consolidated revenue.

Mr JAMES MARAPE- Mr Speaker, I am correct in saying that MRA is still an institution of this Government. We have a Board and an MD who will be expected to make the right decision. They will not spend all the money they collect in one go, there are checks and balances.

The Member for Sinasina-Yonggamugl is correct but that does not mean that all the fees that are collected by the authority will be washed away somewhere, they are still subjected to the over-riding control by the Treasurer.

Sir JULIUS CHAN (New Ireland) - Mr Speaker, I support the Bill but I really don't understand why the Member for Sinasina-Yonggamugl is opposing the *Bill*. I think the *Bill* itself contains in some clauses the need for the Authority to report to the Treasurer on the receipt of this revenue.

It's very clear to me that when you look at the production levy on *Clause 28* that the authority made by noticing the gazette imposed and then requires the authority to report to the Treasury on the money and the distribution of the revenue it also expects the Treasury to allocate funds for its expenditure. This is very clear in *Clause 28* and *Clause 29* of the *Bill*. So I congratulate the Government for bringing this *Bill* and I suggest to the Government not to fear if you are interfering a little bit because the system of Government we have in this country is Ministerial type of government which means the power of running this country is in the hands of the Minister after they have received the Prime Minister's endorsement by the Governor- General. It gives exclusive powers to the Ministers to act.

And the reason why this system works in countries like Singapore is because the Minister is actually the Chairman of the Board.

21/06

And therefore the Minister will translate and tell the board, whether it is statutory or any other boards, the exact policy of the government so the board can implement to achieve the ultimate results of the government.

Mr Speaker, I am suggesting that we should not be afraid of giving our ministers the power because they are subject to being questioned on the Floor of this Parliament. This is where the arbitration is on the Floor of this Parliament. The ministers must be able to control all the boards. If you do not have confidence in a minister then do not appoint him. In the Westminster system, it is clearly stated in the determination of your responsibilities and no one else can exert your responsibilities except by corporation, except the Prime Minister in consultation with you, otherwise you are gazetted of your responsibilities and this Bill enables the Minister to have an overriding control over MRA, which is a runaway thing all together.

The MRA never operates as an institution under the control of the minister. MRA is a wild bull it never consults my government on anything it does in New Ireland. It just comes in and do whatever it wants to do without even getting any approval from the New Ireland Government. So, I welcome this Bill and I ask all you ministers not to be afraid to run the country with the powers given to you by the *Constitution*. And, we should all honour this and the ministers are subjected to the question of this Parliament on the decisions they make.

So, in my reading, the provision here is already contained in this Bill but it requires MRA to be more responsible under the ministerial power given to him by the *Constitution*. I suggest the ministers take more control of running this nation under the powers vested in them by the *Constitution*.

Do not be afraid if you are going to step on anyone's toes because if you do you will be subjected to be questioned by this Parliament, this is the only body and the Prime Minister is the ultimate person that can remove you from office.

Let us have confidence in ourselves, I think the time has come and we should not be afraid to do things but leave it to the people who have been elected and appointed to perform their duties and they should be able to do things through the Cabinet. NEC has enough people with the qualification for the job.

So, I am very supportive of this Bill and I think it is pulling MRA into line because *Section 115 of the Organic Law on Provincial and Local-Level Governments*, requires everyone to go through a consultation process. MRA never consults with us, it only operates like a wild bull, and they just go behind the door, negotiate with the people, give the license and do everything. I think we need to control these people because the mining industry is so big and the Treasurer depends entirely on the mining industry with over 50 per cent of the revenue coming from the extractive industry.

You should take control of that and ultimately under this Bill, the Treasurer has the final power unless I am reading it in the wrong section or holding the wrong Bill. The Treasurer is the ultimate power to let the revenue come in and also to allocate expenditure for MRA.

But when you say we have to come to the Parliament to give the power that is what we are doing now. We are now by law giving the power for the MRA to collect these levies so I do not know what we are arguing about. We the Parliament are now giving through this Bill the power to do so but it will go a little bit beyond that because it requires them to report to the Treasury to allocate funds and so I think it is a step in the right direction.

22/06

We should look into other areas such as statutory authorities. Minister for Public Enterprise and State Investments has a lot of them. What you need is a lot more power because when you are here you cannot translate the policy of the Government because you have no control over those boards.

I agree with the Governor of Gulf, we have been in this game before and I suggest to you that you have the right people so don't be afraid and be influenced by pressure groups but do something for our country, thank you.

Mr JOHN PUNDARI (Kompiam-Ambum Minister for Environment) – Thankyou Mr Speaker, I will be brief. Seven years ago, the very same amendments proposed by the Minister for Mining, I brought to Cabinet for consideration but it was never brought forward again.

But I want to thank the Minister for his wisdom and approach as the new Minister for Mining in providing good leadership by recognising the importance of the Mineral Resources

Authority Board. That's why he brought forward this amendment for us to deliberate on it and I commend him for that.

Mr Speaker, this bill is not going to make a lot of changes in the functions and responsibilities of the MRA Board but only remove the influence of the industry in membership that represents the industry.

But I commend the Minister for bringing a long overdue amendment for us to deliberate on it.

Mr Speaker, just a follow up on this topic, I want to raise a question for us all to contribute ideas in answering it. But I won't elaborate much on it as we move forward in recognising the amendment to the *Mining Act* going into the future.

Now we are discussing about the independent regulators of the industry as well as others. For us to be truly independent as regulators, we must participate as national and provincial government in equity participation. I believe that we may have compromised ourselves already, given the fact that we have equity participation in some of these developments in the country. Basically we are regulating against ourselves so it's something for us to think about if we sincerely want independent regulators.

Mr Speaker, the Environment, Conservation and Protection Authority Bill that I introduced on this Floor of Parliament is now an Act, I ensured the independence of the board by making sure that there was no industry representation on the board.

The second thing I did which makes the authority different before I introduced it was to ensure that the revenue and our expenditures through the Treasury was sanctioned by Parliament and the budget was deliberated on.

And that's the only authority that has revenue and expenditure measures approved was the Conservation, Environment and Protection Authority.

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Mr Speaker, there might be a need for us to review all our authorities and see how best we can do the right thing going forward because sometimes there are surpluses that sit there and it's taken into the new year and the Government is unable to take control over that.

At times like these when we have cash flow constraints and we are looking for funds, it is all about accountability and transparency. So there really might be a need for the Government to review all these.

All of our authorities, including the two that are under my ministry, need to be relooked at in so far as the revenues and collections are concerned. If it has to come to Parliament let it be so and at the same time let's look at how we manage surpluses going forward into the future.

Mr CHARLES ABEL (Alotau – Minister for Treasury) – Mr Speaker, I rise to commend the Minister for Mining for the task he has undertaken for the right reasons and right purposes. The challenges he has gone through in bringing this legislation to the Floor of Parliament hasn't been easy.

Mr Speaker, the principle has been debated well on this Floor and previously in terms of the requirement and independence of our Regulatory Boards, particularly our industries of importance in Petroleum and Mining and other industries as well where the Government must retain that independence and this Act well and truly does that.

Whilst still enabling the voice of the industry on the board through representation except that the industry does not dominate that Board. That is the whole point. The Government retains control and is able to exercise its authority because it dominates the composition of these Boards and the Act does that and I think the principle is established.

Mr Speaker, it is just in relation to the revenue raising issue that the Member for Sinasina-Yonggamuggl has raised. Let me remind the Parliament that we have brought a very important Bill in the concept with the 2018 Budget that is called the *Public Monies Regularization Act* that establishes and maintains that principle that is the integrity of the budget process, that all expenditure of public monies must be endorsed by Parliament.

In understanding the Minister's Bill before us today, this Bill was prepared before that regulation or law that has come in place.

But remember there is a whole series of other legislation in place that also contradicts that constitutional principle. That is why this new Bill that was brought in is worded in such a way that it supersedes all those Regulations and Acts.

So in the interest of practicality and with that understanding in mind even these provisions will come under the oversight of that particular Act that has been passed in Parliament that we precede and vote on this Bill and allow it to be enacted because that issue has been taken care of.

Mr Speaker, I recommend that we support the Minister today and get this very important legislation through and enact it.

Motion – That the question be now put – agreed to

Motion – That the Bill be now read a third time – put.

The Bill requiring an absolute majority of 56 Members as required by the *Constitution*, Mr Speaker ordered that the Bells be now rung.

24/06

(Voting in progress)

25/06

The Parliament voted (the Speaker, **Mr Job Pomat** in the Chair) –

AYES – 65

NOES – 8

Bill passed with the concurrence of an absolute majority as required by the *Constitution*.

Bill read a third time.

NID REGISTRATION –

STATEMENT BY THE SPEAKER

Mr SPEAKER – Honourable Members, the chair wishes to inform Parliament that there is a registration team from the NID Office who are now at the State Function Room to register all Members of Parliament. They will be there until Friday, between 10.30 a.m. and 4.00 p.m. so if you are yet to register, I ask you to have yourself registered.

Sitting suspended from 12.55p.m.to 2p.m.

26/06

MOTION BY LEAVE

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

Leave granted.

SUSPENSION OF STANDING ORDERS – REARRANGEMENT OF BUSINESS

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

That so much of the Standing Orders be suspended as would allow me to start debate again on Government Business Item No: 8.

MINISTRY OF PUBLIC SERVICE – ALOTAU ACCORD II RESOLUTIONS BETTER SERVICE DELIVERY THROUGH POLITICAL AND BUREACRATIC PARTNERSHIP – MINISTERIAL STATEMENT – MOTION TO TAKE NOTE OF PAPER

Debate resumed from 23 November 2017 (See page...)

Mr JAMES MARAPE (Tari-Pori – Minister for Finance & Rural Development) –

Mr Deputy Speaker, I would like to take this time to make an observation in relation to what we are doing as a Government insofar as the *Alotau Accord II* is concerned.

Alotau Accord II is the second accord the O’Neill-Abel Government has come up with following the Alotau Accord I.

The Alotau Accord I set the pace in which our government envisaged to take the country from where we were in 2012. As we embark to form government after the 2017 term of elections we assembled to put together our thoughts and we looked back on the last five years, so we put our thoughts together to formulate what is now, the *Alotau Accord II*.

Mr Deputy Speaker, our five pillars of governance insofar as the leadership of Prime Minister during O'Neill-Dion Government and now O'Neill-Abel Government still remains consistent.

The focus in the first five years has remained in the education sector, health sector infrastructure sector, economic sector as well as the law and justice sector. The positivity of continuation of government, Mr Deputy Speaker, is that we have continuing programs that we have started in the first term, being in the office.

As we assemble again for this term, Mr Deputy Speaker, we continue on and we are not re-inventing the wheel, but we are basically moving from what we have done in the first five years and now moving on into the second five years as captured in the *Alotau Accord II*. Just for the records, off from my head, Mr Deputy Speaker, as result of the *Alotau Accord I*, we have enrolled more than one million new children into our school system in the last five years insofar as our tuition fee is concerned, as well as our education in the investment sector.

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I wish to hone in on some important points on expenditure over the last five years. It will be the same sort of trend for this new term of government. As far as the *Alotau Accord I* is concerned, the TTF Education policy of the then and current government allowed for parents to retain in their pockets K600 million that would have been otherwise taken from the parents and given to the school system. When you multiply this by five years that we have been in office, a total of about K3 billion parents and citizens of this country have saved as a result of the government paying school fees.

On this sector alone, whilst we have allowed parents to keep money in their pockets, I am encouraging parents out there that the National Government is paying for school fees right from elementary through to grade 12. If a parent has young children entering elementary school this year the parent and the family has almost 12 years to save a little bit of extra money so that when these children are entering university, the parents are able to have some money saved over the 12-year period to ensure that the university fees are catered for. Our policy in as far as *Alotau Accord II* is concerned, still remains anchored in our focus that we established in *Alotau Accord I*. And I have here the main designer of the first accord, the Honourable Sir Puka Temu. He was the main anchor person in putting together various thoughts that came into our Government camp there. And lucky for us he is still around and again was the main leader who sat behind every one of us as we sat around our thoughts as

far as *Alotau Accord II* was concerned. And Education again receives great support similarly to health, economy, infrastructure and law & order. Our country has an opportunity now to ensure that we build on from the gains of the last five years. We need to look at what we have gained and what are some of our shortcomings and correct ourselves together in this new Parliament to move our country forward.

Mr Speaker, it rang loudly in my mind when Sir Puka made mention that we are facing 50 years anniversary of our nation's independence in 2025. What do we present to get to that 50-year period? We have to live through this life of this parliament. And I am encouraging all Members of Parliament that they be punctual in all sittings and are on top of their jobs trying to assist their respective districts and provinces. And let me put on record that this Government's focus today will not be something new. Our focus remains and is deeply entrenched in the *Alotau Accord II*. As we start 2018, we are encouraged and as Finance Minister, I encourage all districts and provinces to ensure that all plans are consistent and congruent to the visions that we all put together in the *Alotau Accord II*.

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The Government's Medium Term Plan, the *Alotau Accord I* and *II* and our district and provincial visions must all synchronise with the main government vision and our country as far as *Vision 2050* is concern.

Mr Deputy Speaker, I want to establish a view here for the record and Members of the Parliament to appreciate. Many times we talked on what we have achieved and what we have not achieved so I want to establish a view that in the last five years we have been able to allow small businesses to grow as far as our Government visions are concern.

DSIP program has allowed small SMEs in our districts to participate in businesses. In my district those who participated in small business contracts are not big Chinese businesses or foreign contractors, they are basically small SMEs in my small district. They participated in building small classrooms, small feeder road constructions or stationary supplies. They are small SMEs who participated in our program. In total, small SMEs have participated as a result of *Alotau I Accord* interventions.

K890 million from the total release of all DSIP, K220 million minimum for the last two years as well as K450 million each for 2013 and 2014 for the PSIPs, a little over K4 billion to K5 million in the last five years have been channelled into micro economics right across the country which our small SMEs have participated in.

Mr Deputy Speaker, speaking today at this juncture in our parliament's life and looking into the next three to five years, the same line of allocation as far as resources are concern, we will still be allocating money for the districts and the provinces. So our small SMEs have that opportunity to participate as far as our economy is concern.

In the *Alotau 2 Accord*, we emphasised strongly on growing the economy as our first priority and we placed emphasis on growing the economy.

Mr Deputy Speaker, there are programs like shifting focus to agriculture which we are now embarking on strongly and allocating funds through the Budget in ensuring there are reforms in bigger sector like fisheries and the forestry sector. For instance, we are on target to ensure that by 2020, there is no round log export so the Government target on big sector reforms are taking place.

Mr Deputy Speaker, our Government has started the journey of empowering the SMEs through the DSIP and PSIP programs. I would like to encourage all Members to continue to remain focus in your districts while DISP and PSIP may be seen in the context of development through our districts and provinces, I also saw that as the opportunity for our Government and government's funds are funnelled through the districts and provinces where small SMEs are based to participate right across our country.

Mr Deputy Speaker, in the last five years we have faced constrain in our economy, there was belt tightening as far as our revenue performance are concern. Our Government on record has been able to stand up to the task in ensuring our five pillar programs in the *Alotau 1 Accord* where fully ticked off as far as our remittance of funds to one of those commitments are concern.

Recollecting from yesterday, the Governor of East New Britain's commented that there's also a reduction in last year's PSIP or DISP.

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He may have misread the fact that in the Supplementary Budget we removed K8 million and the Press and everyone else didn't report this sacrifice made by the districts and provinces, in that regard. Many times the Press and everyone else try to criticise us for trying to be too greedy in as far as districts and provinces are concerned in the DSIP and PSIP Programs. They forget that districts and provinces sacrificed 80 per cent of what was supposed to be money for the districts and provinces in last year as we adjusted the Supplementary Budget so we forgot 80 per cent.

So, the Governor of East Sepik, if you are listening, the allocation for the districts and provinces was only K2 million and K8 million was reduced as a result of the Supplementary Re-Allocation Budget.

This year we are allocating K10 million, next year will be K10 million and so forth as we spoke in Government Caucus this morning so, I encourage each district and province as we participate in the course in developing our country going forward into the future and I encourage everyone to plan their districts and provinces hence in consistence with the plan of the National Government in as far as Alotau Accord 2 is concerned.

Mr Speaker, an isolated figure of K10 million a year may seem little but when you aggregate the K10 million that each district will receive it is K890 million put together for a year and when you combine that into a five-year plan it runs into billions of kina. Now, when the agreements are that we are only allocating money for Port Moresby, Lae and the other major centres that was the same money that was available through the Planning, Finance and Treasury Ministers of the past who ran government PIP Programs but we have forfeited National Government focus to one or two key projects whilst allowing districts and provinces to be custodians of resources themselves and to try to tailor the development programs consistent to the needs on the ground that local members and governors feel.

So, K10 million in a year may seem small in as far as planning a district may be concerned but when you times 10 by K5 million each envelope you will end up with K50 million. Now, since we have started this program of DSIP and PSIP in the last five years so that is K50 million gone or to be exact because of the Supplementary Budget last year that is K42 million gone to each district.

Mr Deputy Speaker, if we combine the next five years allocation with another K10 million per district you will realise that suddenly a district in a space of 10-years would have received a little under K100 million.

Now, Member for Kompiam-Ambum, you are a member for so long and no districts have received K10 million in a space of 10 years before in your time until 2011, is that correct?

Mr Deputy Speaker, when you put a 10-year period to it and the allocation that we are giving to all districts together in respect to the fact that most of you sitting here are new members, your district in the next five years put together will see an envelope of K100 million dispersed to the district combined with the resource dispersed to the province.

Mr Deputy Speaker, K100 million to a district can do wonders for a district, if we do it correctly, systematically, persistently, diligently, effectively and efficiently K100 million can change some districts because it is not little money. I put on record again from 2012 to 2022, members of parliament, K100 million to this district.

30/06

I want to inform all honourable Members of Parliament that I will be bringing in some policies and legislative changes. One legislative change is to amalgamate the PSIP components. The discretionary and nondiscretionary funds will be put together in one basket for us to attend to our needs. As a Melanesian leader in the Melanesian customary obligations we have to be free to attend to our needs.

But the DSIP component of K10 million must be budgeted for properly. Every year K10 million will be given to each district up until 2022, which means a total of K100 million will be allocated to each district within the time frame of five years.

Mr Speaker, but I will be guilty if we don't leave behind K100 million worth of evidence on the ground in so far as development is concern.

The Alotau Accord 2 has a very simplified aim for our nation, which is to ensure all our children are properly educated. Even ensuring that specialised health care is located in main centres such as Mount Hagen, Kokopo, Port Moresby and Lae. And our district hospitals and health centres must have basic health care.

As for roads alone, K3 million is allocated to each district and you multiply it by 100 districts, it's K300 million for roads every year. In the past, the ministers for Works were allocated this sort of amount.

Mr Speaker, to conclude, I urge all members of this Parliament that there is serious responsibility on our shoulders. The O'Neill-Dion Government have started and now the O'Neill-Abel Government is continuing the reform of 1995. The provinces and districts are supposed to look after health, education services and law and order issues as far as village courts and other courts are concerned. The function was transferred to them by law but was never met by resources allocation.

Whilst faced with all the constraints we have tried our best to make serious efforts to empower districts and provinces to run their own cost for development by giving some sort of resources right across to everyone.

The intention is good and it is fair but I stand here feeling a little bit of restlessness that by the time we reach 2022, K100 million would have gone to our districts, but with minimum results on the ground to show for the money that was allocated.

And so I urged all the members of Parliament to tailor your district plans and don't come up with fancy plans but a simplified one.

We are always faced with high turnover of members after every elections where new members come in with new projects and old ones are wasted.

When old projects in the last term are dropped then we are throwing away K5 billion worth of effort as well.

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As we start out this term our Government stands firm and we are committed to the course in as far as the *Alotau Accord 2* is concerned. Just like we have given our best endeavours in the last five years to make sure that our district and provincial programs remain and receive our greatest attention, we will do that again in this next five years.

Mr Deputy Speaker, I appeal for our conscience that as we plan our district plans let us embrace what has been done in the past and include them as part of our planning and start. At least in the next 10 years we can look back and say that as a result of PSIP and DISP those are the results our country has reaped. By the time we come to 2025 in our 50th Anniversary at least we have made traction in as far as progress in our country's development is concerned.

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

STATUS OF KADOVAR ISLAND VOLCANO DISASTER –

MINISTERIAL STATEMENT – MOTION TO TAKE NOTE OF PAPER

Mr KEVIN ISIFU (Wewak – Minister for Inter-Government Relations) – Mr Deputy Speaker, I thank you for the opportunity to brief the Parliament on the status of the Kadovar Island Volcano Eruption in Wewak District in East Province and the plight of its local

inhabitants and of the development and progress of the evacuation and resettlement of these communities.

Mr Deputy Speaker, Kadovar Island is part of the certain group of Islands which have a population of around 691 people including children and it is located 104 km west of the Wewak Town and 21 Km from the proposed resettlement site on the mainland at Turubu under Wewaks Island Local Level Government.

The Kadovar Volcanic Island had remained dormant since it last erupted in the 1700's. There were reports of unrest recorded in 1976 and also in 1981.

Kadovar Island started spitting smoke and ash on Friday, 5 January, 2018, and it has forced all local inhabitants to evacuate onto the nearby Rurup Island which is about 13 Km north of Kadovar and began erupting on Saturday 6 January, 2018.

Mr Deputy Speaker, I must acknowledge and commend the two LLG Councillors of Kadovar and Rurup Islands for their heroic acts and quick action taken to ascertain and evacuate the people of Kadovar out which resulted in no casualties being reported.

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The volcanic activity is likely to increase as it had remained dormant for quite a long time and it would have sufficient magna energy building over time which can cause severe unrest and violent eruption.

Rabaul Volcanic Observatory has also informed that since there is no data recorded of this volcano it can be quite challenging for scientist to indicate its trend of actualities.

Movement to the island has been restricted for safety reasons and that makes it much more difficult for islanders to return and retrieve their belongings.

Mr Deputy Speaker, the National Government through the Defence Force has responded well by deploying a helicopter and a barge under the ADF and PNGDF partnership arrangement.

And I would like to thank the Minister for Defence and the Prime Minister for their assistance in making sure that those vessels, the barge and the helicopter were on time to respond to the situation and evacuated the affected people of Kadovar Island to safety.

A rapid assessment team was deployed by the National Disaster Centre into Wewak to assist the East Sepik Provincial Administration establish an emergency operations centre, EOC to take charge and control humanitarian relief efforts and coordination on the ground, and also to conduct a rapid assessment on the impact of the volcano eruption on the island.

Mr Deputy Speaker, the honourable Prime Minister has provided K150 000 funding assistance to assist the displaced. The NEC has recently approved K4 million to fund the relief operations and the resettlement program.

The Government of Australia assisted by providing tarpaulin tents, water containers and a helicopter and the landing craft which were used to evacuate the people on to the mainland. Trukai Industries, Ramu Sugar, Flame Flour, Lae Biscuit and Kumul Holding have also assisted while PNG Forests provided kit homes.

Mr Speaker, the Governor and I have responded well by providing immediate relief assistance with support from business houses and have taken the initiative and lead in mobilising resources and rally support from the Government as well as business houses, communities and the general public.

The Morobe Disaster Office and administration have also assisted. The public in the National Capital District have donated clothes and cooking utensils organised through their fundraising efforts.

Mr Deputy Speaker, the assessment team's reports showed that although there are no casualties reported the volcanic eruption had a huge impact on the livelihood and lives of the local inhabitants of Kadovar Island and its neighbouring islands. Food gardens and cash crops were destroyed and water sources contaminated from the eruption.

Mr Deputy Speaker, as mentioned earlier a budget of K4 million has been proposed for the general upkeep of the displaced Kadovar Islanders for the next six months at the care centre and to fund their transition on to resettlement programs.

Mr Deputy Speaker, a temporary care centre site has been identified along the coast at Dandan Beach in the Turubu LLG

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Of the 691 people of Kadovar Island who were evacuated voluntarily onto Ruprup Island, before the eruption, 529 were moved to Dandan care centre with the assistance of PNG Defence Force Barge but 162 still remain with relatives on the neighbouring Ruprup Island.

Mr Deputy Speaker, the National Disaster Committee had a special meeting held on 18 January 2018 and passed a resolution to redeploy a team comprising of representatives from the Department of Prime Minister and NEC, Police, PNGDF, National Disaster Centre and Port Moresby Geo-physical Observatory to assist the East Sepik Provincial Administration establish an emergency operating centre. This will basically manage relief

and response action and coordination on the ground, something the first team was unable to achieve due to lack of support from the province.

Mr Deputy Speaker, the Government has called on all public servants in the province to collectively work together in supporting the humanitarian effort and resettlement program for the displaced community.

Mr Deputy Speaker, students attending schools are not affected. They will continue to attend schools they have been selected to. Two options are looked at for the primary school children, the provincial education is looking at options of getting the children back to attend a nearby primary school and failing that they may resort to pitching a make shift ten classroom for the children at the care centre site.

Mr Deputy Speaker, officers from the provincial lands office have visited the resettlement site and about K110 000 has been committed by East Sepik provincial administration for purchasing the land, K50 000 has been committed for acquisition, K50 000 for use of economic trees and K10 000 for engagement of local landowners to assist the displaced people of Kadovar island settle in smoothly.

Mr Deputy Speaker, the officers from the National Works Department have also visited the site to see how best they can link-up the access road to the care centre resettlement site. Health personnel have also been deployed to the site to treat the settlers. Adventist Relief Agency (ADRA) provided mobile toilets, water tanks and Red Cross provided household items.

Mr Speaker Deputy, the Wewak provincial administration and Water PNG have continued to provide water to the care centre until such time when people at the care centre are able to start harvesting rain water for themselves with the assistance of ADRA. The police personnel have been posted to the care centre and the local communities are assisting supplying local garden food to supplement the food ration.

Mr Deputy Speaker, a caretaker management have been set up to provide oversight management of the care centre and resettlement program.

Communications is a bigger challenge for the people as Ruprup Island and Dandan are both far from Bemobile and Digicel network coverage. Talks are underway for Digicel to install a tower on Ruprup Island to provide network coverage to both islands.

Mr Deputy Speaker, the Rabaul Volcano Logical Observatory has informed that volcanic activity is slowly decreasing, however as Kadovar island is an active volcano with two vents, one on top of the mountain and the other one on the side near the beach, it can be

quite challenging for scientist to indicate its trend of actualities and it will not be safe for people to return to the island.

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Mr Speaker, I will be seeking Cabinet approval to set up an authority to properly resettle my people of Kadovar Island.

To conclude, I would like to thank everyone who has assisted with the plight of my people and most importantly the O'Neill-Abel Government for the overwhelming support.

God bless each and every one of you as we continue to walk together in supporting the recovery and settlement efforts for smooth resettlement of my people. Thank you.

Mr JOHN PUNDARI (Kompiam–Ambum–Minister for Environment, Conservation and Climate Change) I move –

That the Parliament take note of the paper.

Thank you Mr Speaker, I wish to commend the Honourable Minister for Provincial Affairs, Honourable Kevin Isifu, for his effort and his leadership in his organisation and especially for his own people of Kadovar Island in the light of the recent volcanic eruption which has affected the lives of the surrounding communities.

Mr Speaker, around our global community today, even as I speak, climate change and prone disasters are happening all over. It is not going to be easier for vulnerable countries like Papua New Guinea and other countries in the region.

Natural disasters happen all over as a result of may be global warming. It is going to affect the economy, livelihood of our people and it will not get any easier for Papua New Guinea.

As I was sitting here, I listened to a question that the Minister for Provincial Affairs himself answered this morning to look at how best we are able to review the current regime so as to prepare ourselves better when we are confronted with emergencies as such.

Mr Speaker, technologies that are available now can be able to help and let us by climatic events or possible disasters as a result of climate change for example; hurricane, cyclone, and tornedoes. Mr Speaker, there are other natural disasters and they just happen and technologies cannot foretell and be able to help us be better prepared. For example; volcanic eruptions and earthquakes.

Therefore, Mr Speaker, I do agree with the Minister as the way forward as to how best we place ourselves so that we are better prepared going into the future.

Mr Speaker, we need to look at ourselves as a country and look at the near past experiences that we have gone through in so far as emergency situations and natural disasters are concerned.

The frost up in the highlands, is a challenge on us to developing a better food security for our people. This was a direct result of climate change.

Mr Speaker, we declare ourselves to have the first refugees of climate change from the Carteret Islands. The rising sea levels are inundating arable land. We have to resettle our people.

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To resettle our people is never easy. There are economic considerations to this and the cost of addressing this is never going to be any easier for us going forward. I heard the honourable Governor of Central, having to relate about flooded communities in his electorate in Rigo inland and I hear in his remarks the want for support and the demand for our little envelope as a result of climate change and climatic events that is now challenging our people and their livelihood.

Mr Speaker, if we go into our part of the region, just remember Fiji, how many lives were lost as a result of the cyclone and as I am speaking now, I think the Tongans are trying to recover from the recent storms around there as well. Small island countries in our region and other parts of the global community are vulnerable. And the demand for resources to addressing these issues is not going to be easy. If we look at the international community in the recent studies undertaken, in 2017 alone there was a downgraded cyclone in Zimbabwe but about 117 people lost their lives. In China, severe floods between January and July killed at least about 144 people. China is a populated country and this flooding has displaced about one million people and destroyed about 31, 000 homes.

If you want to play games with climate change and what science is telling us now, then you could be joking with your own life. It is affecting the global community, our region and our country. We are very lucky that a catastrophic event of some kind has not hit us yet, and are we prepared? And do we have the capacity and the ability to deal with if it did? While listening to Members speak, I have heard the Minister for Defence speak about the force, but are we utilising them enough? And the Minister for Finance was speaking the other

day about making use of our Defence Force, for instance through the delivery of medicinal supplies to a rural community. This could be an exercise that prepares them well to help us in situations of emergencies. Are we prepared is a question that needs to be seriously addressed.

Mr Speaker, the floods in Peru in 2017 did not only take the lives of at least about 150 people but the impact it had on the infrastructure that they lost amounted to about US\$9 billion. It is a cost on the economy globally. How much is it going to cost us if we are not careful and prepared ourselves? In Afghanistan and Pakistan, heavy snowfall took the lives of about 156 people. In Congo a landslide killed about 174 people and left 280 children orphaned. Sri-Lanka flooding and landslides killed 213 people and 250 died due vector-borne diseases such as dengue. These are challenges that we as a country must not take lightly. Natural disasters in the case of earthquakes and flooding that we do not have any control over or warning beforehand.

A 7.1 magnitude earthquake in Mexico took the lives of about 225 people and causing damage to thousands of homes. In Colombia, in the southern city of Macao, at least 300 lives were lost as a result of a massive landslide. Monsoon rains affects the structure of the ground and earthquakes add to the landslides that we know of and many have experienced loss. These events take the lives of people.

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Mr Speaker, 41 million people were affected in India and Nepal resulting from flooding and landslide caused by monsoon rain. But a thousand two hundred plus lives were lost,

When the power of nature strikes, even the powerful nation like United States of America can't withstand it. They are bombarded again and again with extreme weather events Mr Speaker, and yet Trump went the opposite direction. They had to put billions and trillions of dollars to rebuild the infrastructure that is destroyed as a result of all these climatic events. Mr Speaker, powerful as you may be they also lost lives.

Warming and fire all over in California, Florida, Australia, you name it, it's here. As I am speaking, no one has shut down their coal energy sites, Mr Speaker, while the global community appreciate the fact that we got to do the right thing to reduce greenhouse emission as the main cause of global warming and the extreme climatic events, no one is yet close to applying the breaks and closing down coal power energy sites.

Mr Speaker, as I am speaking we are dumping billions of tonnes of greenhouse gas emissions and with what we have accumulated already in our atmosphere, it is causing the global warmth that we are experiencing now and catastrophic weather events that are destroying lives and the economy of many nations.

I don't know what is going to happen tomorrow because as I am speaking, we are only adding to what is already up there and is causing all these catastrophic experiences that we are going through.

Mr Speaker, I've read a few of the scientists reports, they tell us that about 350 to 400 parts per million would be an ideal level of greenhouse emissions stocked up there. But we are going past those numbers, therefore, catastrophic weather events are happening all over that is giving governments a challenge in so far as their economy and the well-being of their people are concerned.

Mr Speaker, research scientist are also telling us that every year, the global community is emitting about two parts per million, which is an addition to the greenhouse gas that is already up there and the experiences that we are going through. So if you multiply 25 by 2, that's an addition of 50 parts per million already.

Mr Speaker, so 10 to 20 years down the line if we are just adding on to what is already up there and not seriously applying the breaks so far as the greenhouse emissions are concerned, you can predict what the future may be like.

Mr Speaker, Papua New Guinea, as many other countries in our region and the global community, we are very much vulnerable to the impact of climate change. We just have to embrace ourselves, and as Christians we got to pray more, how lucky we are that the severity of natural disasters in Papua New Guinea are not as worse as some of the disasters we read about in the news.

Mr Speaker, just in the North of Queensland, devastating cyclones caused damaged over millions and millions of dollars. The arguments by the industrialised and developed nations today, they say they need energy for production and this and that. It is all about their lives. They are telling us that they are doing everything under the sun so far as research and technology and have invested on doing the right thing, Mr Speaker.

Mr Speaker, we might be behind the eight ball

Mr Speaker they talk about economic growth, they talk about the loss of employment opportunities for their people. This is not something the governments of industrialised and developed nations will do, to simply put off their energy site and say no to coal power

energy. That is not true, they are not going to do that. Catastrophe after catastrophe will meet the global community as we go into the future and it's real and is here and PNG is no exception.

Mr Speaker, what do we do as a country in the immediate sense? I know that the good Treasurer when he brought down the 2018 Budget, I think we plugged about K50 million for natural disasters, but look at our present challenges. When we have a disaster in hand and looking at our economic challenges and cash flow constrains, we just can't find the cash flow immediately to be able to intervene ourselves to aid our people by doing the right thing. So the question is do we pluck some money from the Budget when disaster strikes, but will cash be available?

37/06

What do you do? We cannot avoid natural disasters, emergencies and challenges, in the immediate future if we have to address an emergency, what do we do?

Mr Speaker, I wish to work closely with the Treasurer if that is okay with him, the Minister for Provincial Affairs and other brother ministers that have an interest in to emergency reliefs, to see how best we can be able to work out the mechanism to ensure that we have the cash all the time, so, when we have the emergency we are not caught off guard.

Mr Speaker, the *Climate Change Management Act for 2015* - this is just a suggestion for the Minister for Provincial Affairs, I am not trying to get into your territory or the domains of your responsibility but something I believe we can work together on.

Mr Speaker, *Section 38* allows for the *Climate Change and Development Authority* to generate income to sustain its mitigation and adaption activities to effectively address the impacts of climate change in Papua New Guinea.

Therefore, for example, if 0.02 out of 0.06 import levy on both dieseline and gasoline is allocated or diverted to a natural disaster or climate change trust fund, this can be a possible model to set up with a strong governance structure to guide the administration and disbursement of funds. The funds can be invested in not only the climate change mitigation and adaptation project throughout the country but also disaster relief assistance given the recent volcano eruption on Kadovar Island, in the East Sepik Province. *Section 38* of the Act specifically provides for the imposition of appropriate levies of fees in consultation of relevant entities of activities which may contribute to emission of greenhouse gases.

So, if the cause of many of our disasters and emergencies of our country is a result of climate change and climate change is a result of greenhouse emission that is the cause of global warming, why not we test greenhouse gases that are emitted in this country or imported to this country? I am just making a suggestion through the Speaker.

The details of the setup can be further refined and as I said the Departments of Treasury, and Finance to ensure transparency and accountability issues are addressed, and the Minister for Provincial Affairs accordingly can propose a cost benefit analysis on the feasibility and economic viability of such a proposal.

Mr Speaker, many of our citizens in our global community and nations have gone ahead and addressed or have put together models such as the one I am suggesting to address their immediate emergency needs and if the Government of Fiji can generate about FJ\$92 million annually from this sort of funding arrangement, I do not see the reason why Papua New Guinea cannot do the same.

So, Mr Speaker, no one touches that money because it is not flat in the Budget. When an emergency hits, you want to go to Treasury and Finance and say it is in the Budget but you are generating the money all the time because it is in a model and you are plucking it from a trust fund. The money is sitting there and when an emergency strikes and with this vibrant robust accountable process you can immediately be able to utilise that and be able to help our people. This is something I think we need to help support ourselves and, think things through thoroughly and have it in place.

Mr Speaker, as we are sitting here and hearing the rain pour we do not know what is happening in the Highlands Region or in some Island atolls et cetera, so we don't want to be caught off guard we want to be prepared so we have to start now by engaging our Defence Force and ensuring that they get the experience of being out there in the rural community.

38/06

Mr Speaker the Minister for Health and HIV/AIDS has done well in so far as his responsibilities are concerned.

Mr Speaker, if we had to deliver medicines around the country let us start utilising the Defence Force.

Let us start to invest in our own institutions because they have the experience and are prepared in any emergency. We got money sitting there and our Defence personnel are ready to go and help our people.

Mr Speaker, it is embarrassing for us as a powerful evolving economy in the region when and we are challenged with such catastrophic events. I don't want us to kneel down and ask our neighbouring country for help. I think we should come of age with these issues and challenges. As good leaders we need to do the right thing for our country in future natural disasters.

Mr Speaker, this is not only happening to our people but also the global community who are losing lives as a result of natural disasters. The cause of natural disasters and global warming is caused by human beings.

Mr Speaker, animals such as birds, fish and other creatures are dying in huge numbers as well and there is no explanation for it. Who is really responsible? Should we say these are just animals and we shouldn't have any concern for them at all? It's the selfishness of mankind to make his life better.

Mr Speaker, I am not a perfect Christian and that's true. I am a sinner just like many of you here but the fact of the matter as a Christian country as we all know, God created a balance of the environment that mankind disturbed. And as a result, this is what we have.

Mr Speaker, God took the task on mankind and gave us the challenge to say you look after your environment then you will be alright. But if you disturb and destroy it then you will destroy yourselves. We are destroying ourselves by disturbing our environment. What is dominion? We have a choice to make, Mr Speaker. PNG is a responsible country in a global community and we are not an alien in this community of a planet we call earth.

Mr Speaker, I am proud to say that under the leadership of our Prime Minister and the Deputy Prime Minister, whom have provided great leadership, we have made changes in the United Nations Framework on Climate Change. If you look at article 5 of the *Paris Agreement*, PNG is home to rain trees that houses the great abundance of 7 or 8 per cent of the global biodiversity. PNG is a great and a unique country. And we have to continue to behave as good global citizens today and in future as well.

But I must thank the great leadership of our Government and the support from the Members of Parliament in ensuring that we pass legislations. We are the only country in the world after United Kingdom and Mexico to have a legal framework in addressing issues of climate change.

39/06

Mr Deputy Speaker, that is a record we have and we are always acknowledged for that.

In the recent Climate Change conference I attended in Bonn we were acknowledged for the fact that we have a nationally protected area policy and the fact that now we will have an enabling legislation that will come before this Parliament. That is getting the recognition of institutions like the Green Climate Fund, et cetera.

Let us keep doing the right things when other global communities are going the opposite way, we have got to stick to the path that is right. We have to ensure that we are a responsible country in so far as the global community is concerned.

But given the immediate future and our challenges let us put our heads together and I appeal to the Minister for Treasury, Minister for Planning and Finance on behalf of the Minister for Inter-Government Relations, that we work together and set up a model that is transparent, accountable and collects the funds immediately and we don't touch it but we grow it. When there is an emergency and need for it we will not go around in circles looking for the money. It will be readily available.

My fullest support to the Minister for Inter-Governmental Relations in his statement on the Status of the Kadovar Island Volcano Disaster and the people of East Sepik.

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

ADJOURNMENT

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

That the Parliament do now adjourn.

Parliament adjourned at 4.35 p.m..