

FOURTH DAY

Thursday 05 April 2018

DRAFT HANSARD

Subject

Page No:

QUESTIONS	Error! Bookmark not defined.
Five Toea Coin Phased Out	Error! Bookmark not defined.
Present Bougainville Report	1
Supplementary Question –Table Report on Bougainville Funding	4
Progress of Logging in Collingwood Bay	6
Supplementary Question	Error! Bookmark not defined.
Collingwood Bay Logging Illegal.....	Error! Bookmark not defined.
Audit Report On Tax Benefit	11
COMMUNITY DEVELOPMENT AND RELIGION – ANNUAL MANAGEMENT	
REPORTS, 2015, 2016 AND 2017 – PAPER AND STATEMENT –	
MOTION TO TAKE NOTE OF PAPER	13
PAPUA NEW GUINEA CIVIL AVIATION SAFETY AUTHORITY –	
ANNUAL REPORTS, 2015 – PAPER AND STATEMENT –	
MOTION TO TAKE NOTE OF PAPER	25
INDEPENDENT CONSUMER AND COMPETITION COMMISSION –	
2016 ANNUAL REPORT – MINISTERIAL STATEMENT –	
MOTION TO TAKE NOTE OF PAPER	30
ADJOURNMENT	Error! Bookmark not defined.

02/04

No one in this Parliament has informed our people of the monetary value of these coins and why they are withdrawn from circulation. Very soon we will start at 10 toea and upwards because one to ten is useless money.

I want to know whether these toea coins including 5 toea have been withdrawn completely.

Mr PETER O'NEILL – Thank you, Mr Acting Speaker, and I want to say thank you to the Member for Nawae, for the question in regard to the value of money particularly our coins in our country.

It is true that our currency is decreasing compared to the United States Dollar and Australian Dollar and it is true, you cannot buy anything with a 3, 4 or 5 toea coin but because of the change that they will give when they price goods these kind of coins are needed because of the valued goods and services that service providers provide.

I know that many coffee buyers are charging the cherry for 23 toea as the Member has mentioned so I ask that the coffee buyers must think reasonably and set up their prices where it is hard to get change in rural communities so they must round-off to the nearest toea which they will have enough coins to make this transaction in the remote areas in the country.

But, to totally remove this money from circulation is the Central Banks decision because they are the organisation that manages the monetary policy and money system in the country.

So, for the purpose of transaction to purchase goods we still need those coins. I am fully aware of its decreasing value but I will leave that decision to the Central Bank Governor and I will ask the Treasurer to talk with him.

Thank you, Mr Acting Speaker.

Present Bougainville Report

Mr JOE SUNGI – Thank you, Mr Acting Speaker. My question is directed to the Prime Minister and it is in relation to the Bougainville Report.

Mr Acting Speaker, in the last five years, I was the Deputy Chairman of the Bi-partisan Committee of Bougainville and I was the only Member on the Committee who travelled to all parts of Bougainville to gauge views from the people of Bougainville.

Mr Acting Speaker, in the next 15 months Bougainville is going into Referendum to decide whether they will be independent or they will be part of Papua New Guinea. This is a very important issue for the country and this Parliament.

Is the Government seeing this issue as important or is it worried more about APEC?

Mr Acting Speaker, can the Prime Minister assure us because I know very well from our consultations that many Bougainvilleans themselves and the whole of Papua New Guineans are not familiar about the referendum and what is going to be happening after 15 June, 2019.

Can the Prime Minister, inform the Parliament, the people of Bougainville and Papua New Guinea when the report will be tabled in this Parliament?

03/04

The Members of Parliament must know the situation on Bougainville, especially views of the people of Bougainville, we can expect the people to know because it is not just anything else. For example if they decide to go for independence are we prepared for it?

Mr Acting Speaker, can the Prime Minister tell us when the bi-partisan committee report will be presented in Parliament because in the last five years we have not made it on time.

Can he inform us because I think the Minister for Bougainville is still going through his Court of Disputed Returns and so we need to get it from the Prime Minister himself, and I think he is very familiar with the situation? The Prime Minister knows it very well himself so he can tell the Parliament, the people of Bougainville and Papua New Guinea if the report is ready for tabling in Parliament.

Mr PETER O'NEILL – Thank you, Mr Acting Speaker and I thank the Member for Nuku for this question.

Mr Acting Speaker, yes, the Bougainville report, I am told by the Parliamentary Committee that it is ready for tabling. I am glad to see that you and the Chairman of the Committee, the honourable Governor of Southern Highlands are back in Parliament. You are familiar with the issues in that report and the chairman of that Committee will present it in this Meeting of Parliament, most likely on Thursday next week as Parliamentary staff have been told to make it ready to be tabled.

I have also instructed the Minister for Bougainville Affairs to present a ministerial statement so that Papua New Guinea is aware of what the situation on the ground in Bougainville is. We all know that the referendum will take place in 2019 and that is a serious question for the future stability of the country in itself.

I have stated all along publicly and I will say it again here in this Parliament that we will all have to respect the Peace Agreement that we signed some 20 plus years ago. That is the basis on which the referendum is going to be conducted.

There is no doubt that our government, in the last term and this term, has done more for Bougainville than any other governments in the past. There is no doubt whatsoever.

Yes, there are difference of opinion because people wish a different outcome from the referendum on Bougainville, some have got very vested interests about issues on Bougainville. But the question remains, is that what the Peace Agreement provided for? It must also be stressed here that any question that is put to the people of Bougainville has to be agreed to by both the National Government and ABG. The question of whether Bougainville will vote for independence, greater autonomy or anything else has not been agreed to yet and it is not for ABG alone to set that question. The question has got to be set jointly so that we can be able to put it to the people of Bougainville.

The second issue is that whatever the outcome, whether they vote for or vote against, whatever the outcome of that referendum, that outcome has to be endorsed by this Parliament.

It is the wisdom of our forefathers when they signed the Peace Agreement that this Parliament has to either endorse it or reject it. And that is the question that will be presented to you after the referendum has been completed.

I have already stated that the referendum questions are very, very clear that certain preconditions must be satisfied before the referendum is taken. There are some leaders who are wishing that the referendum can proceed without that.

Firstly, all the weapons must be disposed of. The weapons disposal programme must be completed and I can tell you today that today in Bougainville weapons still remain.

Secondly, there must be rule of law on Bougainville. Rule of law where the citizens and communities don't feel threatened.

Mr Acting Speaker, there is in fact a lack of rule of law on Bougainville in many areas. So, those are the issues that we need to address before even talking about referendum in 2019.

04/04

Mr Acting Speaker, we will work closely with AGB. We are having a JSB meeting for the first time in Arawa and will be travelling there and making sure we put these issues to the people.

The conditions of referendum is not for the entire Papua New Guinea but the question of making sure the conditions are met by the people of Bougainville and it is clearly stipulated

in the Peace Agreement. It is not something that I am setting it up so Mr Acting Speaker, we need to address those issues and we are quite happy to work with Bougainville AGB Government and a Report will be tabled and a Ministerial Statement be given, thank you Mr Acting Speaker.

Supplementary Question

Table Report on Bougainville Funding

Mr ALLAN BIRD- Mr Acting Speaker, if we look at history, the previous Member, Grand Chief Sir Michael Somare, was responsible for the alliance that formed Papua New Guinea to a large extent and I bear that responsibility now and I want to speak on behalf of the Bougainvillean people in the interest of our country.

Let me give some background. When the NA Government was in power, there was an agreement between Papua New Guinea and the Bougainvillean Government to provide K100 million a year in support, in order to fulfil all of the requirements of the agreement leading up to the referendum.

Mr Acting Speaker, the Prime Minister has just said that they have done much more for the Bougainvillean Government and its people in the last five years than any Government prior.

Mr Acting Speaker, I would like to ask if the Prime Minister can table that. Because if you read the response from the Government of Bougainville, they are saying that this Government, this House has not fulfilled its obligation under that Agreement.

Mr Acting Speaker, my question to the Prime Minister is that, are you able to provide that here so that we can be assured that everything possible has been done to ensure that the people of Bougainville remain interested in staying a part of this country. Thank you Mr Acting Speaker.

Mr PETER O'NEILL- Mr Acting Speaker, you know, sometimes little information can be a bit dangerous when you don't know the full details of it. That K100 million a year was never a part of the Peace Agreement.

When Somare was in hospital in Singapore, I was Treasurer of his government. Sam Abel was Acting Prime Minister and I put that Agreement together to give K100 million a year on support for infrastructure and development on Bougainville. Nothing else.

Mr Acting Speaker, since 2012 we have been fulfilling that unlike many other Governments in the past.

Mr Acting Speaker, the only point of contention that we have with ABG about that fund is that all the funds, there is no evidence of development on Bougainville that is why we intervened. It is my responsibility, I am accountable to the people of Papua New Guinea on how that money has been spent on Bougainville. That's why we intervened, we have set projects together and managed those projects so that they deliver to the people of Bougainville.

I am not just going to hand out cheques that are going to be misused, Mr Acting Speaker, absolutely not. So get your facts right before you talk.

We have done more on Bougainville, we have opened up Arawa, and I was the first Prime Minister to go to Panguna. PNC-led Government was the first to initiate peace talks on Bougainville.

Mr Acting Speaker, we are doing major road projects. We have opened up airports, hospitals, funding DSIP even to the out spoken Members of Parliament. Try and give credits where it's due.

Mr Acting Speaker, Bougainville is not about politics. It's above politics. It's about people.

Mr ALLAN BIRD – Point of Order! It's quite simple really as I was asking for the actual report on this particular issue that the Prime Minister is talking about to be tabled in the House. It was a very simple request, thank you.

05/04

Mr ACTING SPEAKER – Governor, your point of order is out of order. I believe the Prime Minister is trying to answer and you are interrupting.

Mr PETER O'NEILL – Thank you, Mr Acting Speaker, a point of order without any merit unnecessarily delays other questions that need to be asked. But, Mr Acting Speaker, I know annual reports on accounts are presented to Parliament. They are stated in Parliament where the money goes. I have stated that since 2012, we have given that money to ABG. When I did not see the evidence of infrastructure development on Bougainville, I changed it in 2015 making sure the National Government intervenes in delivery of infrastructure and services on Bougainville. As a result we have been able to open up Arawa airport, we have been able to open up the ports, we have been able to open up the power stations, and we have been able to seal roads. There is lot more going on in Bougainville than what you think is happening. Mr

Acting Speaker, Arawa hospital is functioning. These are services that Government is supporting.

Mr Acting Speaker, let us work together and address issues that are sensitive on Bougainville. We will work with Bougainville and try and pursue this.

Progress of Logging in Collingwood Bay

Mr RICHARD MASERE – Thank you, Mr Acting Speaker. Firstly, on behalf of the people of Ijivitari, let me convey our sympathy to the five provinces that were affected recently by the earthquake. Our prayers are with you all. We are praying for your recovery and may God's strength be upon you.

Mr Acting Speaker, my question is in relation to a question I raised in Parliament on November 28, 2017, regarding the Collingwood logging activity taking place.

Can the Minister, for the benefit of the people of Tufi Wanigela, provide an update on the progress and status of that matter?

Mr DOUGLAS TOMURIESA – Thank you, Mr Acting Speaker, I would also like to thank the Member for Ijivitari. I also take this opportunity to pass our condolences to the people of the affected areas, especially the Highlands provinces and more so, the people of Tari who are connected to the Trobriand Islands. For those of you who don't know, there's a place called Oyabia in Tari. It was named after a village in the Trobriand Islands, when a United Church pastor from Trobriand Islands first entered Tari to establish the Church. So we pass our condolences to the people of Oyabia as well.

Mr Acting Speaker, I will answer the question in detail, but first of all let me take this opportunity to address the media in this country, especially the main stream media. Many times, we call media conferences to give reports on projects. We provide the details of the projects and the relevant facts about projects, yet the media fails to report issues correctly. However, when *Facebook* propagandists call media conferences, the stories are splattered across the front page the next day. Therefore, can the media report their facts correctly, you cannot be reporting lies after lies.

06/04

We have given the go-ahead for the project .when the good Member raised the question, we went through the details with regard to what the Governor of Oro is asking. We done our due diligence, we have gone back and made –

Mr Garry Juffa – Point of Order! The Minister is misleading Parliament. They did not do their due diligence so you cannot say so. Social mapping was not done, the FCA was granted before the PMFC met. You don't know who the genuine landowners are so don't mislead Parliament.

You are not going to steal from my land, you hear! You and your Chinese friends with your illegal landowners are not going to steal my land, you hear!

Mr ACTING SPEAKER – Governor, this is the Parliament, so please control yourself.

Mr Garry Juffa – I withdraw my other comments but my comments in regards to the Minister for illegal logging claims about due diligence stands. You did not do your due diligence for illegal logging so don't lie.

Mr DOUGLAS TOMURIESA – When I went to check that project, there was a parable that the Oro people used “thunder and clouds but no rain”.

Here before me is a full report. When you talk about land that is illegal, you have to be careful. The landowners have been working with government departments –

Mr Garry Juffa – Point of Order! He is claiming that he is communicating with landowners but this persons are not landowners. They migrated from another part of the province.

I have a document here from the councillor of chiefs signed by Chief Magistrate of the Wanigela Village Court that completely refutes his claims and statements. We have done our own diligence and we have found that these are not landowners that he is purporting to support. He cannot mislead Parliament by claiming that he is dealing with landowners.

Mr ACTING SPEAKER – Governor, you are going into a debate. The Minister is trying to respond to your questions so let him finish.

Mr DOUGLAS TOMURIESA – Mr Acting Speaker, since 1998 the landowners have worked very closely with the Lands Department. In 2005, the then Lands Minister, Honourable Fabian Pok, and the Chairman gave the titles of the state lease and customary land to the landowners.

Here I have a legitimate land title of landowners dating back to more than a hundred years. The very landowners that I am talking about have names of their grandparents in this title. How can they be conmen when they have been there for more than a hundred years? Can you explain that to me?

07/04

(Laughter in the Chamber)

Mr DOUGLAS TOMURIESA – The Minister for Lands has confirmed even this morning that the land titles are legitimate titles.

Let me ask you a question, when leaders go and become a Policeman on the ground with mobile police and chase legitimate landowners into the bush and they sleep under the trees-

Mr Garry Juffa – Point of Order!

Mr DOUGLAS TOMURIESA – Do not disturb me, you had your opportunity already on *Facebook*. Let me have the Floor to answer the question.

Mr ACTING SPEAKER – Honourable Governor, I cannot entertain your third point of order. You can debate it during the Grievance Debate. The Minister is answering the question.

(Mr Garry Juffa interjecting)

Mr DOUGLAS TOMURIESA – Mr Acting Speaker, let me correct the Governor. He went there in a helicopter and the armed police were with him so I do not understand where he is coming from.

But anyway, the landowners got a legitimate lands permit and got into a agriculture project to plant more than 10 000 cocoa trees.

Mr Garry Juffa – I was there and no cocoa trees are planted there.

Mr DOUGLAS TOMURIESA – You have not being there. For your information, we were down there last Sunday. You sent me a text message not to go but I went. Your message is here.

(Laughter in the Chamber)

Mr ACTING SPEAKER – Honourable Minister, address the Chair.

Mr DOUGLAS TOMURIESA – Mr Acting Speaker, the licence for agriculture was granted by the Department of Agriculture to the legitimate landowners. The landowners with their investor applied to CEPA for an environment permit which they received. After all the process was done with Departments of Lands, Agriculture and CEPA, I am the last one.

When the developer and landowners sent me a development plan, we then sent it to Oro Provincial Forest Board. They sat on it for more than three months. It is a delegated responsibility so the National Forest Board delegated that responsibility down. If you as a Governor block the Provincial Forest Board from meeting then that delegated responsibility is taken back and exercised by the National Forest Board. So the project was granted.

When the Governor asked me a question in Parliament, he wanted me to stop this project and I adhered to that instruction and stopped it. However, trees were already chopped down so do I leave those logs there to rot and we lose value for them? The landowners will lose their resources and the provincial and National Government will lose revenue.

Before the eyes of God, I was not given even one toea. Governor is full of allegations but he does not have facts. Next time, he should go to all the relevant departments and get his facts correct before coming to Forestry Department and say it is illegal.

I would like to assure the Member for Ijivitari that we need to work together to make certain that that project is delivered as per the development plan.

Shut up, we are asking the question and that you should develop the talent of listening. So am becoming like the Minister for Works. Firstly I would like to ask the good Minister for illegality.

(Laughter in the Chamber)

09/04

It states here, and the recommendation was that the FCA was to be cancelled and the applicant was to re-lodge and due processes were to be followed.

According to our records due processes have not been followed and the application has not been re-lodged.

(1) Did he take note of it and act upon it?

(2) Is the Minister aware that the log pond that was referred to in the contract described as Komabun is wrong? The actual log pond that they are using is Rawaggi, where the illegal jetty was built. The genuine landowners have now taken a lawsuit against that company.

(3) Whilst the application was for tree farming now they are stating that they are planting cocoa, so what is the project, is it tree farming or is it cocoa?

(4) Are you aware that this company has no experience in the agriculture sector?

They have existed for more than two years but they have never planted any cash crop in this country.

(5) Can the Minister admit or deny if he has a conflict of interest with the board chairman? Because the board chairman is his own lawyer and now he is the acting chairman of PNG Forest Board and in instances, where there is a vacancy the acting chairperson should be the secretary for planning or SIPA.

(6) During that period of time the acting chairman was a candidate in the 2017 Election, so how did he appoint his FCA's when he was campaigning and running for elections?

(7) Can the Minister confirm or deny, whether there was no social mapping conducted in that area to determine who the landowners are from that particular areas that we are concerned about and discussing about?

As for all the explanations, I am putting together a brief with documents and facts which I will bring and table in Parliament. I was about to when the Member for Ijivitairi, raised a question so I had to correct the minister from his misleading remarks and lies and so forth.

Thank you.

Mr DOUGLAS TOMURIESA – I think the Governor really needs to sit back and forget about the politics in his area and go back and do his due diligence himself because I am here and I will seek the leave of chair to present these documents. Everything that is in this report speaks about the legitimacy of this project and here he goes down to talk about an internal memo that I personally made certain that after he asked me the question I sat down with my

Managing Director and I instructed him to do the memo to me. How the memo ended up with him is a process that I had to go through internally to get your questions internally and then you get a memo which you are not supposed to have before you.

He talks about my lawyer, my lawyer is Allan Baniamai from Milne bay Province, and he just won my case so I do not understand where you are coming from.

In terms of social mapping, everything is here and there is nothing that I can hide.

So I would like to seek leave of the chair to table this report to the Parliament.

10/04

Audit Report On Tax Benefit

Mr CHRIS HAIVETA – Thank you, Mr Acting Speaker, I am very happy to hear that ministers are following the processes. My question is in relation to these processes. I am not sure whether the Prime Minister or the Deputy Prime Minister, if they can sort it out and one of them can answer the question.

Mr ACTING SPEAKER – Governor, you can only ask one of them.

Mr CHRIS HAIVETA – Mr Acting Speaker, my question is that in 2003 amendments were made to the *National Capital District Commission Act* to ensure that 10 per cent of the VAT or GST from NCD be allocated in this manner, five per cent to Central Provincial Government, three per cent to Gulf Provincial Government and two per cent to the Motu-Koitabu Assembly or Motu Koitabu people of NCD.

Mr Acting Speaker, since that time, Gulf Provincial Government has not received one toea of that GST. Our requests for the same over at least three terms have fallen on deaf ears of various governors and administrators of the NCDC up until today.

So, my question to the two leaders which they can toss amongst themselves and respond in order to comply with the process of the law which was enacted by Parliament itself which we have not adhered to.

Mr ACTING SPEAKER – Good Governor, we cannot allow both to stand at once, you have to direct your question to one of them.

Mr CHRIS HAIVETA – Thank you, Mr Acting Speaker, my question is, can the Prime Minister conduct an audit of all GST in NCD and in that audit you must table a report to this Parliament clarifying how this GST was distributed to Motu-Koitabu, Central and Gulf within the ambit of the existing law.

Can the Prime Minister look for a way, since this is an inter-government issue and as head of the government, find another option where he can convene a meeting between the Governor of NCD, Chairman of Motu-Koitabu and I to sort this issue out because many of NCD's priorities are under scrutiny right now?

These are my questions. How can we fix the problems existing between Gulf, people of Motu-Koitabu, people of Central Province and NCDC?

Mr Powes Parkop – Point of Order! My point of order is that some of these matters dealing with the obligation by NCDC to Gulf, Central and Motu-Kitable are in court. They are matters that are currently under the judiciary so I would suggest that it is better for you to get legal advice before allowing this question to go ahead because it might be sub-judicae.

I am happy to honour the requirements of the law if the court resolves these issues but until then we are tied in by the court. The Governor should be aware of this. He should get a briefing from his administrator.

Mr Kerenga Kua – Point of Order! My point of order is that the question asked by the Governor of Gulf is in relation to tabling of reports. He hasn't asked to make a decision or declaration in terms of expenditure of NCDC or its GST. He has asked for a report.

Mr PETER O'NEILL – Mr Speaker, I think, with due respect to the Chair, we have to advice Members of Parliament that it is not a practice in this Chamber that when you have a point of order you may raise another point of order. You can carry on forever. There is only one point of order and if that has been answered then you can raise another one. We should not be wasting time since Question Time is only 45 minutes and a lot of questions need to be asked. We should have a review of the *Standing Orders* to try and correct this.

In terms of the question from the Governor of Gulf, Mr Speaker, I am aware of that legislation that was passed by Parliament to distribute the GST between NCDC and the other two provinces and Motu Koitabu.

11/04

Mr Acting Speaker, I'll direct the Treasurer, we don't necessarily have to do the audits. The records are there at IRC; IRC collects the GST and distributes that. We are able to access the figures quite easily so I'll direct the Treasurer and his team to facilitate that. But, in terms of the matter raised by the Governor of NCDC being before the Courts, that does not stop us from having a meeting to find a way forward, so I will coordinate the meeting between the Governors and the Chairman for Motu Koitabu to try and resolve this matter without waiting for the legal outcomes. Thank you.

**COMMUNITY DEVELOPMENT AND RELIGION – ANNUAL MANAGEMENT
REPORTS, 2015, 2016 AND 2017 – PAPER AND STATEMENT –
MOTION TO TAKE NOTE OF PAPER**

Mr SOROI EOE (Kikori – Minister for Religion, Youth and Community Development) – Mr Acting Speaker, let me begin by thanking you in giving me this opportunity to present to this honourable House the 2015, 2016 and 2017 Annual Management Report for the Department of Community Development and Religion.

My Predecessor, Madam Delilah Gore presented the 2015 and 2016 Reports to the National Executive Council last year. However, matters of national importance superseded the tabling of that report, hence I am now presenting the 2015, 2016 and together with the 2017 Annual Reports to this honourable House.

Mr Acting Speaker, by a way of background, my Ministry is one of the most important government agency that places emphasis on protection and empowerment of human capital of this great nation. I'm referring to the human capital that includes our children, our youth, and our people living with disabilities, our women, our men and our elderly population.

This human capital make up many vulnerable and marginalised individuals and groups that make up family units that make up communities in our beautiful country of Papua New Guinea.

Mr Acting Speaker, the greatest assets in any country are its people. All our people have come from families and family is the fundamental building block of the communities, societies and nation. Family is the point of intervention where real change and moulding occurs to the process of parenthood. Family must be supported as institution that needs be to have specific

services provided to guarantee the safety and welfare of children. Our children are the most important future asset of this country and we must protect them now to protect the future of Papua New Guinea.

12/04

Mr Acting Speaker, based on decades of valuable experiences globally as well as in Papua New Guinea, I can confidently state in this honourable House that in any development agenda, if people are not at the centre or focus of the gains we make, then we risk losing the real meaning of development. In our Melanesian culture we must embrace our strengths which lies in our families, communities and relationships. Our social safety nets embedded in our clans and tribal affiliation have been tested from time to time, but change is inevitable and we must accept it to move forward as a nation, ensuring that we do not abandon the traditional for the modern but rather find a balance in between to move forward.

Mr Acting Speaker, although some values and beliefs in our society conflicts with the goals of integral human development and human rights, we must draw from the strengths of the positive values and beliefs for sustainability of development programs.

Mr Acting Speaker, my ministry's relevance is amplified at the national level through aligning to pillars 1, 2 and 6 of the vision 2050 which is to have a healthy, wealthy and wise population. Pillar one places emphasis on institutional development and service delivery whilst the second pillar focuses on human capital development, gender youth and people empowerment and pillar six informs of the importance of churches, cultures and community development.

Mr Acting Speaker, social development and welfare services to Papua New Guinea are core functions of the various agencies under my ministry. The Ministry of Religion, Youth and Community Development plays a significant role in developing policies and legislations that are translated into programs to promote and protect the rights of marginalised and vulnerable groupings in the spectrums of social development. At the outset let me inform this honourable House of the important community development portfolios that are housed under my ministry. I am responsible for the Department for Community Development and Religion, including four other statutory bodies;

- the National Youth Development Authority
- the National Censorship Office,
- the National Volunteer Service and

- the National Office for Child and Family Services

The four statutory organisations are established by an Act of Parliament. The heads of each of these organisations are appointed by NEC and report directly to me as the Minister responsible for Religion, Youth and Community Development.

Mr Acting Speaker, I wish to notify this honourable House that the reports I am presenting today is reflective of the achievements of the last three years from the Department for Community Development and Religion which includes the report of the Office of the Child and Family Services, which is still in its infant stage of a fully stand-alone functioning office.

Mr Acting Speaker, I will be presenting the reports from the National Youth Development Authority, the National Censorship Office and the National Volunteer Service in the next session of Parliament. In brief, the Youth Development Authority deals with the affairs of the youths whilst the Office of Censorship protects citizens and children alike from illicit and harmful materials that may negatively affect minds of our people. The National Volunteer Services harnesses pool of human resources for humanitarian and community development efforts in rural Papua New Guinea, especially volunteerism in the areas of literacy and community health.

Mr Acting Speaker, let me now focus on the achievements of the Department For Community Development and Religion, its challenges and its plans and vision going 2018 and beyond. The department administers a number of important international conventions that our government is a signatory to, namely;

1. The Convention on the Rights of Persons with Disability (CRPD)
2. The Convention on the Elimination of all forms of Discrimination Against Women (CEDAW) and
3. The Convention of the Rights of a Child (CRC).

13/04

These conventions oblige us as a country to uphold our international commitment towards human rights, and to adhere to these established standards, we must strive to implement these obligations and promote our good reputation at the international level whilst at the same time ensuring we are making these rights a reality in our country.

Mr Acting Speaker, I am happy to inform Parliament that, my department has domesticated these international conventions into national policies and legislative frameworks that guides how well we are addressing human rights in Papua New Guinea. I wish to inform

this Parliament that the last three years has seen many colonial family laws amended to suit a truly Papua New Guinea context and address issues affecting our families today.

Mr Acting Speaker, let me now highlight some of the notable achievements by the Department for Community Development and Religion in the last 3 years.

(1) Amendment of the *Lukautim Pikinini Act 2015*,

(2) Developed the 1st National Child Protection Policy with vision “Protect Children, Secure Our Future”

(3) Developed national policy on disability with the vision “Remove Barriers, Make Rights Real”.

(4) One of the highlights of removing a major barrier for our deaf population is the sign language interpretation that we currently see alongside *NBC TV* news anchor at 6 pm daily. There are many more barriers to remove to make rights a reality for our citizens living with some form of disability

I also wish to advise this Parliament that for the first time Papua New Guinea now has a draft disability legislation that will strengthen the rights of our citizens living with disabilities. Our people with disabilities do not want to be seen as charity objects. They do not want to be referred to as a health concern. Our citizens living with disabilities are not the problem. Those of us shaping the environment we live in today are the problem. We are shaping our country for able bodied citizens only. My dear honourable members, as we move forward, we must include our citizens living with disabilities in all our plans, it is their right to enjoy all the services we able bodied people enjoy. We must not leave them behind

(5) Developed the national prevention and response to addressing gender base violence in Papua New Guinea.

(6) For the first time the Government has taken ownership of this issue through the national strategy that clearly outlines our role as government alongside many of our development partners. We acknowledge the fact that more is yet to be done to address this chronic issue that's hindering our progress as a country but we are happy that as government we now have a guideline and monitoring tool to not only coordinate our efforts but to measure our collective efforts at addressing gender base violence in Papua New Guinea. This of course includes sorcery related accusation violence and many other gender base violence issues affecting our country.

(7) Conducted first of four regional women's expo in preparation for APEC PPWE 2018. The aim is to get women to appreciate the APEC Women's Meeting and how this meeting can help address challenges faced by our women in business in Papua New Guinea.

NGI Women's Entrepreneur Expo was held in Kokopo. It showcased their products and services. Five from the region would be selected to exhibit during the APEC Women's Forum. The regional expo will also assist the department to profile all our business women in Papua New Guinea

(6) Completed the Social Protection Policy but yet to be tabled at NEC.

(7) Have submitted amendments to the Marriage Amendment Bill and Matrimonial Clauses Bill to NEC to table in parliament

(8) Re-organised and re-structured the department to reflect important government policies and legislations administered by the department. This enabled the creation of the religion, informal economy, and health and media section within the department. The restructuring also brought in expertise from the private sector partnering with existing expertise in the public sector which is now accelerating our coordinated effort at trying to improve the lives of our families and communities.

14/04

As per Alotau Accord 1, the department has established the Office of Religion to coordinate Church-State Partnership Program. The Office is compiling a database of all churches in Papua New Guinea and the types of services they can support the Government in delivering whether it be in health or education or early childhood development or social issues affecting families such as gender base violence.

The department hosted the 1st Public Servants Dedication Service which will now become an annual event. Another important outcome from this initiative is the inclusion of religious education as an assessable curriculum in mainstream schools.

The department also hosted for the first time a National Men's Forum with the theme "Men's Role in addressing Gender Base Violence". A total of 320 male participants from around Papua New Guinea attended this Forum as perpetrators, bystanders, role models and as victims too.

Initial reaction and perception when witnessing other women or men experiencing violence. Out of the 320 participants, these were the results obtained:

- (1) 22% Stopped to assist;
- (2) 14% called for intervention;
- (3) 29% said "samting blo ol or their own problem";
- (4) 14% are just curious;

(5) 14% said they fear the perpetrators; and

(6) 7% Attached the perpetrators

The forum also identified five main causes of violence as:

- (1) imbalance of power;
- (2) lack of communication;
- (3) cultural misunderstanding/differences;
- (4) poverty; and
- (5) male ego.

The department also hosted the 1st National Children's Forum which called for by law. The *Lukautim Pikinini Act 2015* calls for a biannual forum for children to have a voice to discuss issues affecting them.

Head boys and head girls of best performing schools throughout Papua New Guinea represented their provinces to discuss issues affecting children. The students discussed the causes of school fights, the effects of drugs and alcohol, the positives and negatives of social media.

The students not only discussed but also highlighted a number of solutions which is captured in the 2017 Report. The students called for a compulsory and assessable Christian religion education. The students also called for strong school administration and management and to have school based counsellors.

I invite this honourable Parliament to take time to read the discussions and proposed solutions by our children. This will help each of us take necessary actions in our electorates.

The department also developed a 5-year Strategic Plan 2017-2021 with a vision to build knowledgeable and productive families and communities for a sustainable future and captures all the policy and legislative initiatives housed under the Department.

Mr Acting Speaker, the achievements I just highlighted were achieved with very limited funding to the department but through meaningful development partnership support and in the true spirit of cooperation, the Department was able to achieve these outcomes.

At this juncture, I would like to acknowledge the tremendous effort from the previous Minister for Religion, Youth and Community Development, Madam Delilah Gore. I would also like to use this time to thank donor partners, private sectors, NGOs and churches for your meaningful partnerships in helping us achieve our goals and objectives.

Mr Acting Speaker, we can now appreciate that the Ministry for Youth, Religion and Community Development is a large ministerial portfolio with varied responsibilities from

16/04

I think for very long time things that happen in the Government do not reach the communities particularly when it concerns mothers, youth, children and drug out to our districts so this is one thing that we are trailing.

Mr Acting Speaker, I convey my sincere gratitude to our honourable Prime Minister, Peter O'Neill, for setting the pace to have this centre established in his district, Pangia. Let me also thank the Minister for National Planning and Monitoring, Honourable Richard Maru, for the ministerial support to this program at the national level and further committing the establishment of the same in Yangoru-Saussia District. This is a clear example of political will and increase in community development profile at district and community levels.

Mr Acting Speaker, for the first time the department will see engagement with district services improvement program and family protection empowerment centres will become catalyst to established and create community development services. The centres should provide service delivery mechanism to enable families needing legal social protection and livelihood empowerment services.

Mr Acting Speaker, in the recently concluded Development Partner's alignment forum where the department presented its annual operational plan for 2018, I made a call to development partners to join hands with me to roll out community protection and empowerment services. I called on development partners to spread across the country regardless of the isolation, geographical location and development status

Mr Acting Speaker, please allow me to state that partnership alignment and support becomes real where the government focus and will is concentrated. Development partners have being challenge to support initiatives that will contribute to improving and modernizing our community development services at the district and communities to bring about effective protection and empowerment services to our people,

Mr Acting Speaker, I have made a stand that my ministry is legally mandate on matters of national importance to reach children, youth, women, elderly, disability, churches and communities. Development Partner Programs targeting these groups of people must be vetted and sanctioned through my ministry to ensure effective connection, coordination, alignment and sustainability with the government policies, strategies and delivery mechanisms this is necessary to improve compliance, coordination and reporting,

I re-echo the strong call made by our good minister for national planning and monitoring Honourable. Richard Maru, for development partners not to run parallel programs but rather work with government to improve services to our people

Mr Acting Speaker, finally, on behalf of my people of Kikori District, I would like to take this opportunity to thank our Prime Minister, honourable Peter O'Neill, for entrusting me with a very important government portfolio, the Ministry of Religion, Youth and Community Development.

I would also like to use this time acknowledge and extend my appreciation to my secretary, her management team and staff for their invaluable contributions throughout the years. Thank you for providing the necessary support in seeing that I fit in well in my role as your minister for religion, youth and community development.

Mr Acting Speaker, it is my pleasure to commend the 2015, 2016 and 2017 annual Management Report for the Department for Community Development and Religion to the House

Thank you, Mr Acting Speaker, and honourable Members of this House.

17/04

Mr NICK KUMAN (Gumine–Minister for Education) –

I move that Parliament take note of the Paper.

Firstly, I want to say thank you to the Minister. I think it's a very good statement encompassing the good work of the Department of Youth, Religion and Community Development in the country in the last three years.

Many of the functions of your department are concerned with the wellbeing of people in this country. It is very important. Many of the issues that you raised today are centred on your area of responsibility and where the government is doing the right thing or not we must remedy it and ensure that the Government is going the way it should to ensure good living of the people of this country.

I want to centre my discussion around the education policy that I am running in this country and being in charge of the Ministry for the last four years heading into the fifth year. And when the Government acknowledged that education is a priority, its aim is to make sure that they put the children into classrooms. The responsibility of parents and guardians were removed from them and the children were sent to school.

The question is, children are not born on their own volition, parents worked hard to bring them up. Our responsibility begins at home and all the way up until the child completes university and graduates to look for jobs and make money in order to fend for themselves. That's the responsibility of the Government.

The function of the Department of Community Development is to ensure that parents are doing the right thing; they bringing up their children properly. Education is responsible for teaching, they must be literate and can speak English as well as have knowledge in mathematics, sciences and other core subjects.

But for the good of the country, parents must take responsibility at the child's birth because you must know that education begins at infant stage. By the time the child reaches the age of three years old their minds begin to develop. This is the best time of the child's development where they pick up a lot of things from the house and outside. The ages of three, four and five are critical times where the children start to learn and that's where parental guidance comes into play.

When you don't look after your children, you know that children are prone to do the things they see their parent do, so if you drink and come home, expect your child to do the same. If the parents do not remain at home, know for a fact that your child will not be able to stay at home and look after themselves. These are some of the responsibilities where the Department of Community Development and Social Welfare is finding really, really hard.

For instance, the Government started paying school fees in 2012, but many of our children are still standing at the streetlights just opposite City Hall. You've seen a lot of kids run around begging for money, a miserly one toea, two toea, and one kina. When you drive around in your car you will see them begging for money.

These are the children who come out from a house, from a home. We are not managing our children from an early age and now we are seeing problems on the streets. Children who are supposed to be in the classrooms are not in the classrooms because the parents are not disciplining their children to be in the classrooms. You are not paying the school fees, the Government has taken up the responsibility. Why don't you allow your children to come and attend school?

Nobody is sending children away from the school system. If they send children away from the school, I am always firm on this, teachers have no right to refuse children from entering the school system in the country.

Our parents are not doing their jobs. When you look at children living in the rural parts of Papua New Guinea, you will see that a lot of them are not going to school. Maybe because

it is difficult to attend a school that is too far from them, or maybe because of their background, or probably the female child is not allowed to attend school because they know that bride price and other family obligations may dictate their lives. And so the parents are holding back those young girls from going to school.

We have already developed to a stage where we all accept the fact that the girl child is a part of the society and we must educate them to become a part of the development of every country including Papua New Guinea.

So the Community Development and Social Welfare Department must now continue to support education in the sector where you know that we do not have an Early Childhood Policy of the government in previous years. We are now encouraging that Early Childhood must permeate down to the village level.

We want to see that the young children at the ages of four and five be given the opportunity to attend an Early Childhood Centre.

Under the programme where the Minister for Treasury announced through the budget process, money was allocated in the Budget last year. The project's structure didn't come out and we didn't start this programme properly and now we are trying to set it up. This programme must go to the villages so that we can set up early childhood centres and bring preschools back to the villages as well as aid posts, village courts and other government services. The village courts must be at our ward areas.

18/04

Government has taken responsibilities and has funded those programs now. We want to see that your department must go and work with the Ward areas in the country and make sure to set all those things so that children can grow up in this environment where they are trained to be good citizens of this country.

Mr Acting Speaker, my second point is that, there is an end to the school system where our children are going through. After they complete Grade 12, there is a huge problem then. Only 35 per cent of the students who sat for the national examination went through to the tertiary institutions. The Government is fully aware of this and the balance of have gone to the streets of this country, unless we as leaders take a bipartism approach to ensure we address our youths in this country.

We all know and appreciate the fact that more than 60 per cent of our population are young in this country.

The founder of *Facebook* has designed a website that younger people are able to communicate amongst themselves. But, today the young people have become addicted to *Facebook* and completely forget about every other things that they have. Little children in the house dedicate 80 per cent of their time on *Facebook*. Is that true?

Mr Acting Speaker, when seeing them quietly at one corner, makes you wonder if they are doing school work or something good, especially with the use of smart phone for *Facebook*. I think it's bad, it does a lot of damage to the kids.

The essence of my discussion is this, we've got big problem after Grade 12. That's the Government is pushing that we must have a lot more vocational schools in our districts. Every district must have a vocational school in your LLGs. Every province must have a technical college.

These are alternative pathways that will allow our young people who come out from the school system and are not able to get into the tertiary institutions to find a pathway that can be able to upskill them. This is where we all have to participate as leaders of this nation. It's our collective effort and not just the work of the respective Ministers by addressing the issues that one day will become a time bomb for our young people in this country.

I'm really passionate about the young people on the streets today and we as leaders must collectively address this, not only the Government but we as Members of Parliament, and as leaders today.

Those are the issues that I continue to advocate today, not just for me to be responsible for Elementary to Grade 12 and thinking my responsibilities ends there. We've got to look at other ways to develop our young people in this country and they become partners in developing this country. By improving policies on SME, implementations of SME policies, all the host of things we can do to get our young people to get engage meaningfully in developing this nation.

Mr Acting Speaker, the point on sorcery and demons, we must know. My own village has a lot of issues on sorcery. I don't believe in evil spirit or demons. If you believe in God, the opposite is Satan. If you believe in Satan, then you do not believe in God. There's two sides of this and I know I believe in God and I know there is no Satan.

Mr Acting Speaker, demons are spiritual things. It's all about leadership in the community and when you as a leader say there are no demons and become protective, the people will look at you and blame you for being the sorcerer. Look, it's only God that determines whether we should die. It's not about sorcery.

I would rather see that our laws on sorcery must be tough; tough enough to prosecute those killing people over sorcery related allegations. If a person murders an alleged sorcerer, the victim's family must not resort to compensation payment to resolve the conflict, the murderer must instead be apprehended and dealt with by the police. That is the way to deal with them. That is the way to manage sorcery in this country. The law must instil fear and the Court must demonstrate that in the court room to make sure that the person involved in sorcery related killings must receive capital punishment. We continue talking, yet those who murder alleged sorcerers get away with these crimes -not one, a lot of people are involved in these killings. These crimes are forgotten. I think we need to get tough. Those people responsible for killing alleged sorcerers must be punished in this country in a very strong way so we demonstrate to the country that we are sick and tired of this unsubstantiated accusations and killings.

I thank the Minister for the report he has presented. I know the Minister is a learned men from our country who is now elected as the leader of Kikori and you are in a ministry where you can bring your public service experience and develop policies that will help us rid gender issues in this country. If there are no women in this country, then men sitting here would surely breach normalcy. Is that true? I'm sure many of you have more than one wife. I am married to my wife for 31 years. She is from Buka. I have never laid a hand on her for the last 31 years. Gender violence is not the way to go. We are sick and tired of this issue. If you have daughters in your house, you have to think twice before laying a hand on your wife. This is because you set the examples. We have to respect our daughters and wives. They are our partners in this country and in our lives. Without women, our lives will be miserable. I thank the Minister, I know this is your first term as a Member of Parliament but the challenge is with you and I'm sure you will do a good job in the Ministry.

Mr JAMES MARAPE (Tari-Pori – Finance and Rural Development) – Mr Speaker, before I move to adjourn the debate on the statement by the hardworking, learned Minister, I would like to commend him and his department.

Mr Acting Speaker, you would note that our Government is trying its very best to have all our reports updated. The Minister has come on board and I note that the Department Secretary, Ms Anna Solomon, and her staff are seated in the Public Gallery. This Department is now updating its report and the report entails 2014 to 2017. Most of the government departments are now updating their annual reports. As far as whole of Government's public accounts, we have updated ours up to 2014, 2015 and 2016 will be coming on. This is good

accountability. We are making ourselves accountable to our people on what we do in our department. Minister, I commend you and your department for this wonderful work.

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

**PAPUA NEW GUINEA CIVIL AVIATION SAFETY AUTHORITY –
ANNUAL REPORTS, 2015 – 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 2015

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

Leave granted

20/04

Mr Acting Speaker, I thank you for allowing me to deliver my statement on the performance of the Civil Aviation Safety Authority of Papua New Guinea for 2015 and I also would like to thank the former minister for ensuring that the annual report was prepared for tabling in Parliament.

Mr Acting Speaker, the Civil Aviation Safety Authority of Papua New Guinea was established under the *Civil Aviation Act 2000* and under this mandate CASA PNG addresses two distinct and intricately related aviation obligations and roles.

Mr Acting Speaker, the first role is in relation to our domestic PNG aviation at the national level where CASA PNG is the National Government's independent statutory Civil Aviation Authority responsible for aviation regulatory oversight, maintenance, enhancement and promotion of safety and security, with particular emphases on the effective mitigation of aviation accidents and serious incidences within the PNG civil aviation system.

Mr Acting Speaker, secondly, on the global stage and in terms of world aviation, CASA PNG is the Independent State of Papua New Guinea International Aviation Authority and representative to foreign governments' national aviation entities, to the International Civil Aviation Organisation (ICAO) and to the global aviation community in general.

Mr Acting Speaker, 2015 also presented other challenges for CASA in both its domestic and international aviation roles and responsibilities. CASA continued to address the International Civil Aviation Organisation (ICAO) Coordinated Validation Mission audit findings and deficiencies in PNG's civil aviation system. Comprehensive strategies have been implemented to improve Papua New Guinea's compliance in identified deficient areas and to continue to work towards achieving an international aviation global rating standard under ICAO known as an Effective Implementation (EI) rating that is above the global average which is currently at 65 per cent but PNG has been below that.

Mr Acting Speaker, CASA PNG came into operation in July 2010 and is governed by a five-member board of directors. The role of the Board is to oversee the operations of CASA PNG and to provide overall strategic direction and governance. Since its establishment, the Authority has consistently complied with the Statutory reporting requirements of the Government. However, during 2015, due to expiry of the term of the previous CASA Board earlier in the year, and the extended process of appointment of a new board, CASA management operated without a board and was reporting directly to the Minister for Civil Aviation then, Honourable Davis Steven.

Mr Acting Speaker, 2015 was a year of increased aviation complexity and growth, and the absence of the board of governance in 2015 presented new challenges for CASA management in continuing to deliver Government's and the aviation industry expectations that aviation safety and security continued to be maintained and enhanced.

21/04

Mr Acting Speaker, against this backdrop, CASA PNG performed very well in 2015 and despite lengthy delays in the appointment of the new Board, CASA continued to operate effectively and efficiently, fully meeting Government's statutory reporting requirements thereby ensuring PNG's aviation safety and security standards and outcomes were delivered.

Mr Acting Speaker, CASA PNG has submitted its 2015 Annual Performance Report to the Office of the Chief Secretary and the CACC for the preceding 12 months. It has also submitted its 2015 Annual Report to my Office in accordance with section 32 of the Act.

Mr Acting Speaker, significant achievements have been achieved by the Authority and this is demonstrated by the completion of the audit of the Financial Statements of CASA for the year ending 31st December for 2015 the results of the audit from the Auditor General have been forwarded to my Office advising me and the Authority of the result of his inspection.

Mr Acting Speaker, the 2015 Annual report for CASA has been submitted to my Office in accordance with Section 32(1) of the Act which include the statement of the activities of the Authority during the year and the result of the audited annual financial statements of the Authority which I will lay a copy of the report to Parliament.

Mr Acting Speaker, the Corporate Plan for 2012 - 2015, which has been a strategic document designed to encourage long term resource and workforce planning by CASA has been reviewed at the end of last year to improve on its current form and furthermore sets specific safety strategies to meet the challenges and to enable performance of the organization to be monitored and measured.

Mr Acting Speaker, the revised 5-year Plan Review began in late 2014 and was completed at the end of 2015. With the close involvement and input of staff members and peer reviews, finalized contributions were reviewed to ensure clear articulation of the CASA strategic objectives, planned activities, organizational costs and performance Assessments with continued focus CASA's core functions of safety and security regulation and oversight.

Mr Acting 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 has having one of the best piece of Primary Aviation Safety legislation (the "Act") in place.

Mr Acting Speaker, the review of the Civil Aviation (Amendment) Bill 2015 was commenced and completed, and is now in the final processes of assessment before it is presented to Parliament. A review of subordinate regulations that are linked to and support primary legislation was also conducted.

Mr Acting Speaker, in the review of the Civil Aviation Act, as Minister responsible for administering our participation in the Convention and ensuring that our obligations under international civil aviation agreements, I have also established the National Civil Aviation Security Program for Papua New Guinea.

Mr Acting Speaker, CASA in addition to being the PNG aviation safety regulator, is also the PNG aviation security regulator. In terms of aviation security, 2015 has seen CASA register good progress in addressing the findings of the International Civil Aviation Organization (ICAO) Universal Security Audit Program, and the completion of the review of the National Civil Aviation Security Program (NCASP).

Mr Acting Speaker, the establishment of the NCASP is made a legislative requirement in the Civil Aviation (Amendments) Bill 2015. CASA also conducted and completed reviews and updating of the National Aviation Security Quality Control Program (NAQCP) and the National Aviation Security Training Program (NCASP). The documents are currently being edited and final formatting before this Office approves them. These documents will then be forwarded to ICAO for their review and passed back to CASA.

Mr Acting Speaker, Australian Government support is provided for in an Agency Support Arrangement (ASA) between CASA PNG and the Australian High Commission (AHC). The Agency Support Arrangement has been formally signed and ratified, allowing access to over 8 million Kina of Australia Government funded development assistance over the next 4-5 years for CASA.

23/04

Mr Acting Speaker, under the Civil Aviation Rules certification requirements, 17 National Airports are certified and currently being managed and operated by the airport operator, with five airports yet to be certificated and work is underway to have this airports meet the minimum certification standards in terms of safety, security and compliance.

Mr Acting Speaker, in helping to address various issues raised by Government regarding existing airstrips throughout Papua New Guinea, CASA conducted inspections and produced reports containing clear recommendations for further action. Subsequently CASA issued an Advisory Circular for Rural Airstrips detailing the acceptable means of compliance with the applicable rule requirements, and guidance material for non-certificated aerodrome operators. This Advisory Circular is being used by the Rural Airstrip Agency as the acceptable standard to rehabilitate a number of airstrips in Papua New Guinea and work is continuing as I speak.

Mr Acting Speaker, CASA PNG continues to face the fundamental problem arising from its need for appropriately qualified and experienced technical and specialist personnel in the various branches of its technical safety and security division. These specialist technical personnel are in short supply world-wide and this is a continuing challenge to attract, recruit and retain the required number of technical personnel.

Mr Acting Speaker, during 2015, CASA staff members attended various training courses as part of their professional development programs associated with their particular qualifications and occupation, and to help the CASA workforce effectively and efficiently in discharging its regulatory services. The Graduate Trainee Programme continues to source young new graduates for CASA, while a five-year training plan will help address succession planning for aged employees.

Mr. Speaker, CASA Management recognised the need for improved and stricter financial controls as a top priority due to uncertainty in the timely receipt of Government funding warrants. In this regard CASA implemented in 2015 selected cost management and efficiency improvement strategies, without compromise to the required standards for continuing safety and security oversight functions.

Mr Acting Speaker, as part of improved cost controls, CASA actively engaged the Civil Aviation Development Investment Programme (CADIP) for timely reimbursement of CASA's training costs actively pursued its outstanding debts and payment for safety levies.

Mr Acting 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 takes up job offers with the authority possessing the same qualifications as their expatriate counterpart.

Mr Acting Speaker, any deficiencies within CASA are likely to impact the profile and credibility of the Government and CASA which have a collective responsibility for the regulator's 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 because we operate in an international environment..

Mr Acting Speaker, in the regional aviation scene, Papua New Guinea 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 where they do not have similar organisations like CASA.

Mr Acting Speaker, we are an important member of PASO and our leadership in the region demonstrates 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 and operating in PNG and abroad.

24/04

Mr Acting 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 infrastructures including the number of aircraft that we currently have on our aircraft register and operating in PNG and abroad.

Mr Acting 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 in the region.

Mr Acting 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 represent 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 Acting Speaker, The functions of CASA is consistent with the Government Development Agenda 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 Acting Speaker, finally, for this Government, the safety and security of the travelling public is the most important priority. The public expects us, 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 Acting Speaker, I commend the 2015 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 Acting Speaker.

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

**INDEPENDENT CONSUMER AND COMPETITION COMMISSION –
2016 ANNUAL REPORT – MINISTERIAL STATEMENT –
MOTION TO TAKE NOTE OF PAPER**

Mr CHARLES ABEL (Alotau – Minister for Treasury) – I present the following paper pursuant to statute:

Independent Consumer and Competition Commission 2016 Annual Report.

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

Leave granted.

At the outset I want to commend Parliament for continuing to conduct its business which is very, very important and the ministers that have presented statements, including yesterday's by the State Enterprises Minister on the National Development Bank and our two good Ministers today who have presented very, very important statements. And within those statements they were able to have the audited financial reports there. Each and every one of those agencies perform a very important function and a classic example is the function of CASA that was presented by ably by the Minister today.

These agencies and institutions provide a critical role and it is absolutely critical as well. Air safety in Papua New Guinea, a country so reliant on air services that we have functioning agencies that continue to have the resources and ability to perform those functions so that things like safe air travel is delivered.

I also take the opportunity, just quickly, Mr Acting Speaker to encourage everybody sitting here on the Floor of Parliament –

25/04

Having the resource and ability to perform those functions so that things like safe air travel are delivered.

Mr Acting Speaker, I would like to take this opportunity to thank everybody here on the floor of Parliament and all your respective responsibilities and also heads of agencies, members of staff, the public servants and the state own companies etcetera to do your very best to make sure your reporting is up to date. And one of the points in the 25 point 100 days plan was, by June to as substantive as possible to bring all our agencies reporting up to date as required by law.

I would like to encourage my brother Finance Minister to bring a report to Parliament on the status of the reporting on all the agencies.

One of the way to hold ourselves and leaders of the agencies to account is to make sure they are tabling those reports in a timely manner, and I go back again to the critical importance of having the financial reports up to date and fully audited.

I also acknowledged the difficulties the Auditor-General faces in the huge task he has to run through the audits of all the respective report and we support him and his staff and agency in the role in that regard.

Mr Acting Speaker, I will also do everything possible in my power to ensure all the agencies under Treasury do likewise and as such, it gives pleasure to table the 2016 Annual Report for the ICCC. I will run through the statement as quickly as I can.

Mr Acting Speaker, the ICCC is responsible for the administration of the Independent Consumer and Competition Commission Act 2002 or the ICCC Act and a range of related consumer protection legislation enacted by this honourable House.

Mr Acting Speaker, it is my pleasure to table this Annual Report as the Minister responsible for the ICCC. I am pleased to inform this house that the ICCC has fully complied with the requirements of the Public Finances (Management) Act in having its Annual Report accompanied by its 2016 audited financial report from the Auditor General, presented to this Parliament. Since its establishment in 2003, the ICCC has operated to high standards of corporate governance, transparency and accountability, as demonstrated by this Annual Report.

Mr Acting Speaker, the ICCC fulfils a critical role in business regulation, utilities monitoring and consumer protection in Papua New Guinea. Its role is crucial to the successful operation of any modern economy, where it commands and receives the confidence and respect of business and industry which it regulates, and the broader community, as a professional, unbiased, statutory agency, acting independently of any external pressures. The ICCC has, over its brief 14 years of operation, earned the confidence and respect for the way it operates.

Mr Acting Speaker, this report is the ICCC's third Annual Report under its previous, 2014-2016 Corporate Plan. Its 2014 - 2016 Corporate Plan is aligned to the Government's Vision 2050, the Development Strategic Plan 2010-2030 and the Medium Term Development Plan 2011-2015.

Mr Acting Speaker I wish to inform the honourable Members that while there are many activities, the ICCC as part of its 2016 program, given these are detailed in the Annual Report only on selected key activities and outcomes.

Regulated Industries Issues Highlights

Mr Speaker, one of the ICCC's main regulatory functions is the licensing and regulation of state owned entities, namely, PNG Power Ltd, Post PNG Ltd, Motor Vehicle Insurance Limited and PNG Ports Corporation Ltd. These state owned entities are regulated through binding contracts, known as regulatory contracts. The regulatory contracts, amongst other things, outline the minimum service standards performances requirements, the price path for service fees that can be charged by the state owned entities to enable them to recoup their investments cost and other contractual arrangements.

Mr Acting Speaker, the ICCC has successfully completed its planned industry reviews into the Postal Services Regulatory Contract and PNG Ports Corporation Ltd's Regulatory Contract. As I speak, the ICCC is progressing the review of the Compulsory Third Party Motor Vehicle Insurance Regulatory Contract and the Electricity Regulatory Contract. Unlike previous regulatory contracts, the new regulatory contracts requires state owned entities to provide efficient services and improved service standard levels under strict reporting requirements and penalty provisions.

Mr Acting Speaker, apart from the regulatory functions, the ICCC is also mandated under the ICCC Act to set industry Codes and Guidelines for efficient operations of regulated industries. Members of this honourable house will recall that one of the directives of the NEC Decision (Decision No: NG 141/2011)

26/04

Mr Acting Speaker, apart from the regulatory functions, the ICCC is also mandated under the *ICCC Act* to set industry codes and guidelines for efficient operations of regulated industries.

Members of this honourable House will recall that one of the directives of the NEC Decision (Decision No: NG 141/2011) under the Electricity Industry Policy was for ICCC to develop and implement a Third Party Access Code (TPA Code) for the electricity industry of PNG. The TPA Code facilitates third parties access to transmission facilities of PNG Power Limited and the network of other independent licenced electricity undertakers. Under the TPA Code, the ICCC is required to set power purchase reference prices for power generation and connection. This arrangement allows third parties to connect and transport power through existing networks to their customers rather than duplicating existing infrastructure. The TPA

Code complements the ICCC's licencing functions for the industry and it will over time open up the market for electricity supply services.

Mr. Acting Speaker, in order for the TPA Code to be effectively implemented, technical rules are required and therefore a Grid Code was also developed to put in place the technical rules and guidelines for the implementation of the TPA Code. Consequently, the TPA Code and the Grid Code were developed with technical assistance from the World Bank and have been implemented by the ICCC since 2014. This is an excellent outcome by ICCC.

Mr Acting Speaker, as part of its licensing function under the *Electricity Industry Act*, the ICCC is responsible for licensing electricity undertakers. The ICCC has since successfully issued seven electricity undertakers licences to various operators in the country. Five of these electricity undertakers are independent power producers (IPPs), who sell the power they generate to PNG Power under power purchase agreements. These electricity undertakers include; Posco Daewoo (formerly Hanjung) and ExxonMobil supplying power to the Port Moresby Grid; while PNG Forest Products and Daewoo Power PNG Ltd supply power to the Ramu grid. In addition, New Britain Palm Oil Ltd supplies power to PNG Power in Kimbe only. The other two electricity undertakers are Ok Tedi Mining Limited (OTML) and Lihir Gold Ltd. Both OTML and Lihir, also generate power for their own mining operations and sell access power to nearby customers within their communities.

Mr Acting Speaker and honourable Members, there is growing interest from investors to enter the generation sector of the electricity industry. ICCC is currently assessing two new Electricity generation licence applications. These are for the Markharm Valley Biomass project and the PNG Hydro Development project which is the Edevu project at Brown River. Once approved, power produced from these project will be sold to PNG Power and fed into the Ramu and Port Moresby grids, respectively.

Mr Acting Speaker, the regulation performance of the ICCC and the resultant outcomes concerning state-owned entities is consistent with the Government's efforts to instil efficiency in our businesses and industries to achieve real and inclusive economic development and growth.

Prices and Productivity Issues Highlights

Mr Acting Speaker, the other important role of the ICCC concerns regulation of goods and services declared for price control and monitoring purpose. It is also required to undertake special industry inquiries from time to time. .

Mr. Acting Speaker, in regards to regulation of goods, the ICCC continues to monitor the factory gate prices of selected declared monitored goods such as rice, flour and sugar products to ensure domestic price changes are consistent with international benchmark prices. In regards to declared services, the ICCC continues to monitor the monthly Import Parity Prices (IPP) of refined petroleum products, namely, petrol, diesel and kerosene and set their monthly retail prices. The regulation of fuel prices is carried out consistent with the Government's obligations under the Napanapa Project Agreement. For water and sewerage services, the ICCC continues to regulate tariffs charged by Eda Ranu and Water PNG Limited, to ensure only efficient cost is passed on to consumers.

Mr Acting Speaker, the ICCC is also responsible for the regulation of PMV and taxi fares, particularly fares charged by PMVs and taxis. It is important to note that, the ICCC is only responsible for setting PMV and taxi fares whilst the licensing and regulatory oversight of PMVs and taxi operators currently lies with the Department of Transport. This will soon be transferred to the Road Transport Authority or the RTA.

Mr Acting Speaker, under the direction of the National Executive Council relayed through the Department of Treasury, the ICCC developed Codes of Conduct for the Real Estate and Residential Building sectors.

Mr Acting Speaker, you will note that this is one of sixteen recommendations highlighted in the 2010 Final Report for PNG Housing and Real Estate review undertaken by the ICCC at the request of the Government. The Codes are aimed at protecting consumers who are renting and new or existing home owners engaging contractor to build or renovate their properties.

Mr Acting Speaker, under the current legislative environment, these codes are voluntary if introduced. It is the hope of the ICCC and the Department of Treasury that the Codes are mandatory. With this desire in mind, the ICCC is liaising with the Department of Treasury on the implementation arrangement of the Codes.

27/04

Mr Acting Speaker, under the current legislative environment, these codes are voluntary if introduced. It is the hope of the ICCC and the Department of Treasury that the Codes are mandatory. With this desire in mind, the ICCC is liaising with the Department of Treasury on the implementation arrangement of the Codes. I just want to remind Parliament that instructions have been given to the ICCC to activate that report again and work quickly to implement some of those recommendations in there. I also to mention the fact that we have a Vice Minister,

Honourable Win Daki, who has been delegated the responsibility on some of the specific duties with regard to ICCC.

Mr Acting Speaker, consistent with Government policy, the ICCC will continue to liaise with central and line agencies, regulate important goods and services and undertake special industry inquiries to provide the Government with evidence based policy options.

Mr Acting Speaker, enforcement and protection of market competition between businesses and industries is another important function of the ICCC. A competitive market results in a level playing field for our businesses. It ensures businesses price their goods and service and make business decision independent of each other. It also ensures that consumers have access to a variety of goods and services, better quality and price.

Mr Acting Speaker, the ICCC continues to monitor business conducts and arrangements to ensure these fosters competition in the market; and by doing so, protect the interest and welfare of all Papua New Guineans. The ICCC monitors and assesses business mergers and acquisitions. It also investigates and takes appropriate remedial actions to correct anti-competitive business behaviours in the market place. Mr Acting Speaker, without the knowledge and intervention of the ICCC, anti-competitive outcomes can be detrimental to our businesses, industries and consumers.

Mr Acting Speaker, yet another key area of the ICCC's work involves consumer protection. The ICCC is one of many regulators that strive to ensure some level of consumer protection is enforced in the PNG economy.

Mr Acting Speaker, this is a mammoth task given the ICCC's limited personnel and resources compared to the country's geography, its population size, the issues faced by consumers throughout the country and the concerted effort that is required from relevant stakeholders that operate in a fragmented service delivery environment, such as ours.

Mr Acting Speaker, some of the highlights of the consumer protection work carried out by the ICCC in 2016 includes the following:

- 1) The ICCC initiated 18 major education and awareness activities and appearances to inform and educate consumers and business houses about key elements of the country's consumer protection laws, their benefits and applicable penalties. These efforts were geared towards promoting consumer rights and interests in accordance with the *ICCC Act*.

- 2) With regards to product safety, the ICCC's efforts to ensure consumers are protected from potentially unsafe products include: interim bans imposed on certain unsafe models of bunk beds, prams/strollers, baby walker and aquatic toys. This also includes an interim ban placed on non-English labelled food products consistent with the requirement of the *Food*

Sanitation Act 1991 and the Food Sanitation Regulation 1997, which lie with the National Department of Health. The interim bans are still being enforced and there are plans to continue with the ban for an extended period.

Mr Acting Speaker, as part of its consumer protection work, the ICCC conducts periodic monitoring and enforcement in the provinces. This is done in close collaboration with the Commerce Division in the respective provincial administrations, the Provincial Health Authorities (PHA) and the town authorities within provincial centres. Mr Acting Speaker, since May 2015, the ICCC reviewed its monitoring and enforcement operations and invested resources in its inspection work. This has resulted in provincial based monitoring and enforcements increasing from four in 2015 to 11 provinces in 2016. This number will gradually be increased annually to ensure all 22 provinces in PNG are covered regularly.

3) Mr Acting Speaker in the area of consumer complaints, in 2016, the ICCC processed 123 consumer queries relating to price; product safety and quality of goods; food and sanitation; service standards of utility providers; packaging and labelling; telecommunication services and misleading advertising. It resolved 81 complaints and referred 42 complaints to relevant authorities.

Mr Acting Speaker, in the past the ICCC controlled prices of a number of selected basic household items declared as price control items under the *Prices Regulations Act* (Chapter 320). Over the years the ICCC moved away from price control to price monitoring due to increased import competition in the market leading to increased choice of products, substitutes, and prices from which consumer can choose.

28/04

Currently the ICCC undertakes price monitoring only for sugar (1 kg Ramu Sugar), rice (Trukai medium-grain 1kg Roots Rice) and flour products (1kg, 2 kg and 5kg Flame and 3 Rosses plain flour and 1 kg Flame and 3 Roses Wholemeal flour), to ensure the prices charged at the wholesale and retail segments of the market are in line with changes in cost variables (such as factory gate prices, international benchmark prices and freight cost) which it monitors. In 2016, 520 shops comprising of wholesale and retail outlets were inspected.

Mr Acting Speaker, as mentioned previously, the ICCC approves monthly retail price for kerosene, petrol and diesel fuel products under the *Prices Regulations Act* (Chapter 320). In 2016, more than 355 retail fuel service stations were visited and a total of 651 fuel pump

price inspections were conducted to ensure operators are not overcharging and ripping off the general consumers, including those in the public and private sector.

Mr Acting Speaker, I also wish to inform this Parliament that ICCC sets the fares for PMV and Taxi services and investigates complaints concerning this industry. The ICCC's monitoring and enforcement work in this industry is aimed at ensuring operators comply with set fares. Overcharging of fares, mainly by both urban and rural PMVs operators due to factors like poor road conditions and illegal fuel price hikes remain a challenge for the Commission. Taxi services in the country is concentrated mainly in Port Moresby and Kokopo, but is picking up in a few other provinces.

Mr Acting Speaker, in 2016, the ICCC conducted a total of 723 taxi meter inspections to ensure their meters are working to reflect the ICCC set fares.

Mr Acting Speaker, the ICCC is required under the *Trade Measurement Act 1973* (TM Act) to independently inspect and certify all weights, measures, weighing instruments and measuring instruments used by businesses in PNG for the purposes of trade. In 2016, the ICCC conducted 201 trade measurement inspections including fuel pump volume testing throughout the country. These inspections ensured that business houses complied with the law (TM Act) by ensuring their scales and weighing instruments function correctly, to avoid irregular and unfair charges on consumer goods.

Mr Acting Speaker, I have touched on seven areas under the consumer protection function to inform this House of the enormity of the consumer protection work required in our country and to demonstrate some of the progress made by the Commission in 2016.

Financial Accountability and Governance

Mr Acting Speaker, as I mention above, the Commission is justifiably proud of its effective and prudent administration and its strict compliance with all legislative requirements. Unlike in the past two years, the 2016 ICCC accounts which is contained in this Annual Report have been certified by the Auditor General's Office as an "unqualified" report. In accounting terms, this means that the ICCC followed all accounting rules appropriately and that the financial reports are an accurate representation of its financial condition.

Mr Acting Speaker, this is a milestone achievement for the Commission under Commissioner Paulus Ain who took office on 4th August 2015 after being appointed by the ICCC Appointments Committee.

Mr Acting Speaker, this achievement is a result of lot of hard work put in place by the Board,

Management and staff of the Commission within a short period of time. It further demonstrates the Government's confidence in Commissioner Ain when he was appointed.

Mr Speaker, the ICCC's 2016 Annual Report details how well the ICCC has carried out its important functions and managed its limited resources. The Annual Report will show that the ICCC is an organisation that is focused and has very high work ethics. The role of the ICCC as an effective, professional, independent and respectable regulatory agency is vital to the PNG economy and must be maintained at all times in the eyes of domestic and international stakeholders within and abroad. The Government recognises this importance and remains committed to properly supporting the ICCC financially and otherwise, to continue to carry out its mandated functions in a fully functioning and effective manner.

Mr Acting Speaker, Cabinet recently endorsed and approved a Competition and Consumer Framework Review which contains 192 recommendations in terms of clarifying the roles of ICCC and improving its function. I also want to mention quickly that ICCC is working hard at the moment in ensuring that the new operator of Lae and Motukea Ports comply with the directives established by Cabinet in terms of the operator agreement to ensure that two major ports in Lae and Port Moresby are operated in an effective and efficient manner as possible. This was envisioned when significant amount of money was spent to upgrade these two ports.

I have also mentioned to Parliament that an investigation is being directed by Cabinet into the rice pricing in terms of its supply chain whether it comes from Thailand or Australia to ascertain the pricing of rice in the country and that it is appropriately competitive