

SEVENTH DAY

Wednesday 11 April 2018

DRAFT HANSARD

Subject:

Page No:

QUESTIONS	2
Tailings from Wafi-Golpu Mine.....	2
Supplementary Question – Tolukuma Mine Environmental Report.....	5
Suspension of Works Engineer.....	6
Landowners Tax Credit Scheme.....	9
Re-entry of a Foreigner.....	11
Allow Re-entry for Missionaries.....	13
SUSPENSION OF STANDING ORDERS –	
EXTENDED TIME FOR QUESTIONS	14
Extradition Treaty	14
NATIONAL ECONOMIC AND FISCAL COMMISSION –	
ANNUAL REPORTS, 2015 AND 2016 – PAPER AND STATEMENT–	
MOTION TO TAKE OF PAPER	15
DEPARTMENT OF CIVIL AVIATION – AGREEMENT BETWEEN PAPUA NEW GUINEA AND	
AUSTRALIA RELATING TO AIR SERVICES – PAPER AND STATEMENT –	
MOTION TO TAKE NOTE OF PAPER	19
MOTION BY LEAVE	21
TREATY DOCUMENT –	
MOTION TO WAIVE SECTION 117(5)(a) OF THE CONSTITUTION	22
PNG ACCIDENT INVESTIGATION COMMISSION –	
ANNUAL REPORT, 2015 – PAPER AND STATEMENT –	
MOTION TO TAKE NOTE OF PAPER	22
DEPARTMENT OF TRANSPORT AND INFRASTRUCTURE –	
MINISTERIAL STATEMENT – MOTION TO TAKE NOTE OF PAPER	28
ADJOURNMENT	60

SEVENTH DAY

Wednesday 11 April 2018

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

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

Sitting suspended.

The Speaker again took the Chair at 10.50 a.m., and invited the Member for Jimi, **Honourable Wake Goi** to say Prayers:

‘Thank you Father God, we thank you this morning another day you had given with wisdom and knowledge that we can get together to deliberate Jesus concerning these country. We pray that you have been a leader yourself and your son Jesus too, are very practical, and a very good example of being a leader, and we can follow your footsteps to be good leaders of this nation.

Forgive our wrongs, but continue to bless us with things and materials that we need, thou we have felled in so many problems, God you know in times like this, if we can turn back to you and we can humbly bring ourselves down and you can be our true God at this very time, and if still give us time, we will move forward with you. You taking the lead and we will follow you.

We pray for our people that you will also give them wisdom, knowledge and understanding that they can understands the issues surrounding this country and world, so that they can respect us as leaders. If they say they are followers of you, they will also take our commands and be under us as people of you and people of this nation. Thank you.

We pray and commit this day and the days to come that you will continue to bless us. We also want to pray the pray that you have taught us, and we can understand better as we bring Jesus to you. Amen.’

QUESTIONS

Tailings from Wafi-Golpu Mine

Mr KONI IGUAN – Thank you, Mr Speaker, my questions are directed to the Minister for Environment and Conservation, relating to the questions raised by the Member for South Fly yesterday on the environment pollution that affected our people there due to activities by the Ok Tedi Mining.

Mr Speaker, as you know, Wafi Gold Mine is one of the biggest mines to be in Morobe Province and will cover the mountains of Huon Gulf, Markham, Menyamya and Bulolo. All tailing from the mining activities will go down to the Markham River. Markham River has become a River Nile to the people of Markham. We get our drinking water, fish and food from Markham River. I know the same situation will apply to Sepik River due to the Freda Mine there.

(1) Can the Minister assure my people that there has been a good environmental study done for the tailing of the mining activities of the Wafi Gold Mine?

(2) Can he also assure my people that their river will be safe and the environment issues caused by that will guarantee the livelihood of the people in relation to the legacy that is left behind by Ok Tedi Mine on what has happened to the people of South Fly and also maybe in the interest of the Members in East Sepik Province because of the importance of Sepik River by Frieda Mine?

02/07

(3) Will the Minister assure this House that our people will be safe and that the study has been done well for their livelihood?

Mr Speaker, I don't know if you will be the right person to answer this but I am referring to the current situation where a lot of lives and properties have been damaged due to the earthquake.

(4) Can you assure us whether the current activities of this mine will pose risks for us in the future or not?

If you can guarantee and assure my people that any diggings cannot cause such problems to my people.

Mr JOHN PUNDARI – I thank the Honourable Member for Markham for his important questions with regards to the Wafi-Golpu mine. And whether I would be the best person to answer questions relating to what causes earthquake that affects our people. I understand that the honourable member is concerned as a result of the legacies of Ok Tedi Mine as we all know pertaining to the environmental impact as a result of the environmental damages.

Mr Speaker, as a country, we must always endeavour to achieve the best environmental practices when it comes to extractive industries. The environmentally friendly developments is the only way for the future as we try to protect our livelihoods and to ensuring that we protect our people who are more dependent on the environment for their livelihood. We must always ensure that we put in place best standards so as to ensuring that we mitigate and minimise environmental risks. It's an important question and I am answering the question. If you are concerned about environmental issues with regards to significant developments.

John Simon – Point of Order! We all know that there is only 45 minutes to answer the questions. Can the Ministers answer the questions so we move on and give some time to others to ask their questions as well?

Mr JOHN PUNDARI – Mr Speaker, thank you. As I said we have got to ensure that there are responsible environmental practices when we come to development and such extractive industries that invest in the mining sector.

03/07

And whilst we consider them to be significant to the growth of the economy and the creation of employment opportunities, the support for SMEs, we have to equally, ensure the emphasis of environmentally friendly development, as that is the only way we will sustain our future. For those extractive industries who have been responsible in their activities ensuring that they minimize environmental impacts, I must salute and congratulate them. For Wafi-Golpu, I am aware that an environment inception report has been provided to the organisation that I lead and, Mr Speaker, I know that they are into preparing a final environment impact statement or an environment plan that will be assessed by my organisation.

Mr Speaker, a peer review will be done on that and will come through the Environment council before I give my final approval and there are costs involved in doing all these and it is not an easy exercise for that matter.

For Wafi-Golpu, I know that they are considering a terrestrial tailing placement facility to collect the tailings and they are also considering a study for a deep sea tailing placement.

Mr Speaker, around the world today, I must inform Parliament that there has been about 120 terrestrial tailing dam failures and there are reasons associated with those failures. With evolving technology, there are improvements being made and I know that if Wafi-Golpu is considering a terrestrial tailing storage facility, then I know that they will take inconsideration the fact that Papua New Guinea is located along the Pacific Ring of Fire. The fact that when you have tectonic plates that rub against each other earthquakes as such that was experienced in the Southern Highlands occur which was very devastating.

These seismic activities can also cause the damages to tailings dam. You just have to go out to the internet and google and find some of these tailings dams that have failed and have caused catastrophic damages. And as early as 2018 we have had some tailing dam failures in the global community that we live in. So if we have to consider a tailings dam, it has to be strong to withstand seismic activities and we must also know that when the tailings dam is filled up, we have to build another one. This involves cost as well. But, this does not mean that deep sea tailing placement does not come with any risk at all. There are also risks involved in so many of the things that we try to look at as standards to try and mitigate the risk of environmental impact. Even with a deep sea tailing placement, if they are considering that, then we would also know and accept the fact that infernal baltic creatures may also be affected, so there has to be studies done. Even the pipelines will be affected as a result of seismic activities. There are risks there, but we have to accept those risks, if we need significant development as such; our needs of growth in the country

Mr Speaker, proper studies will be done, peer reviews will be done and I hope we will have the ability and the means of financial resourcing to be able to complete those studies so as to ensuring that we give an approval that best minimises the impact on the environment. Going forward, CEPA, my organisation will be able to be monitoring compliance of any environmental permit that we provide.

04/07

Even if the developer has done public awareness my organisation will take further responsibility that whatever that we are going to approve is acknowledged and is understood by the communities that will be affected.

Thank you, Mr Speaker.

Supplementary Question

Tolukuma Mine Environmental Report

Mr WILLIAM SAMB – Thank you, Mr Speaker. My questions are also directed to the Minister for Environment and Conservation and it is regarding Tolukuma.

The Member for Kairuku-Hiri and the Governor of Central have been raising this point regarding the Environmental Reports and Audits that individuals have been investigating for Tolukuma.

Now that Tolukuma is in liquidation, can the Minister ensure that the report on Angabanga River is ready?

I have been to three meetings and no one from CEPA MRA or Central Provincial Government seem to have this report ready and I support my fellow Member for Kairuku-Hiri, because he has been raising this point which is not his problem alone, it is everyone's problem,

(2) Can the Minister ensure that those reports are ready?

Because the liquidation will be based on the environmental report, we would like to see that the environmental component. If it means it must stop the mine then let it be so. There is a bad precedence in Western Province and we cannot continue with mines just because we want the cash. We want a day where we have to stop a progress of a mine because of what may happen to our people. The development money comes to the people not for their stone or mountain.

Thank you, Mr Acting Speaker.

Mr JOHN PUNDARI – Thank you, Mr Acting Speaker. I thank the Member for Goilala for his concern. I will look into the matter and I will take it up with the Member for Goilala and together with his support we will find a way forward for the concern he is raising for Tolukuma Mine.

Thank you, Mr Speaker.

Suspension of Works Engineer

Mr JOHN SIMON – My question is directed to the Minister for Works and Implementation but before I raise my question I also would like to join the country with my people of Maprik to convey our deepest condolences to the five province of the Highlands Region and Western Province for the destruction.

Mr Speaker, before I raise my question, I would like to make a comment on the standing Orders for question Time. I think under the *Standing Orders*, Ministers are allowed to at least make a reply less than five minutes not carry on because question time is allowed but if they need to answer questions like that then they should make statements.

Mr Speaker, recently, I attended a Planning Summit hosted by National Planning in Lae, I thank the Minister for Planning.

I learnt few things when I was attending this Summit and one of the things that I learnt from the President of the Society of Engineers, Mr Brian Alois, was the cost of roads throughout the country.

I came to realise and learn that the cost of the Lae-Nadzab Road and the turn off between Lae to Bulolo per kilometre was about K22 million, according to Mr Brian Alois.

I was just thinking of the road from West Sepik to East Sepik which would cost the same amount for maintenance and would serve two provinces. But for one kilometre of road in Lae, it costs K22 million which is some K7 million to K8 million per kilometre.

So, the road from Lea to Bulolo turnoff is K22 million per kilometre, and I sat there and I said that guy will be suspended very soon.

05/07

Mr Acting Speaker, this is a very serious matter and I would like the Minister for Works and Implementation to answer my questions. This is honestly stated this without fear or favour. He also said, I know I am putting my job on the line? And I said that's correct when I attended the seminar and today that engineer was suspended.

(1) Can the Minister confirm or deny that he was suspended for revealing the truth about the roads per kilometre?

(2) Can the Minister also advise this Parliament that Mr Alois who is the President of the Institute of Engineers, has been suspended from his duty and why was he suspended?

(3) Can the Minister advise this Parliament what actions his ministry, the Department of Works and Implementation, the Central Supplies and Tenders Board and indeed the Government have taken to address these issues about over pricing of roads per kilometre in the country?

Mr MICHAEL NALI – Mr Acting Speaker, I thank the Member for Maprik for his questions. I will answer his questions in two sets.

Mr Speaker, Brian Alois is the President of the Institute of Engineers of PNG. During that seminar in Lae, which the Minister for National Planning and Monitoring organised to discuss issues of development in the country, he attended representing the Institute of Engineers of PNG and he presented his statement.

Mr Speaker, he attended as the president of the institute and also as the Regional Manager for the Department of Works for MOMASE region.

Mr Speaker, some of the speeches he made were controversial and he bluntly said that most of these contracts were over pricing. He is an engineer by profession and he represented a very important organisation which houses most of the highly trained engineers in our country.

Mr Speaker, according to the Department and most of the people who attended the seminar, most of his statements were not true. For example, he mentioned that you can use K140 000 to maintain one kilometre of a major road.

If I give K140 000 to him definitely he knows that he won't do any work, not even sealing with this amount.

06/07

But there are so many kinds of roads in our country. There are major highways that take big trucks and these are roads that have to meet certain engineering standards when constructed. For example, the 1971 and 1973 requirements mention that when you want to construct a major highway, the base must be 150 millimetres material thick. After that, Another 150 millimetres of material with the sub-base and a final 20 millimetres materials. However, today we are operating with a new engineering standard.

The new standard requires that with the base you can go as far as half a metre of materials. After that the sub-base is another 300 millimetres of material. And then you need

stabilisation materials. For example, with that road from Lae to 9 Mile and Wau-Bulolo turn off, the cost is very high. But that road is a four-lane highway.

Mr Speaker, the Government has invested a lot of money in all our roads in Lae. We all must congratulate and commend our Prime Minister because it is his idea to do-up all the roads in Lae. Every time we all refer to Lae as the 'City of Pot Holes,' therefore, it was our Prime Minister who decided to fix up all these roads. They are all concreted and very strong. Most of it has been completed with small bits at Bumayong yet to be completed.

However, with regard to the issue at hand, this road is almost 22 kilometres in length and four-lane in size. This particular area like most other parts of Lae has a lot of issues with water affecting the roads. Therefore, the application of constructing that road is not just like any other roads. It demands special attention because of its natural habitat and that it is a four-lane road. It requires a double stabilisation for the construction phase, footpaths and traffic lights.

Mr Speaker, an engineer may say that it costed a lot of money to build that road but we must understand that the price for building a road like that in Lae or Port Moresby is completely different from building a sealed road in Mendi.

For example, if you were to build something like that in the fringes of Papua New Guinea where we want to upgrade and seal, the minimum you can go for is K1.5 million to K2.5 million per kilometre. You cannot use K140 thousand to build that road.

Mr Speaker, to cut the long story short, this young engineer of ours, works for the Department of Works. He is the Momase Regional Manager, he knows the truth and he is part of the project but yet he saw fit to get out there and say that someone is doing something wrong.

07/07

He knows the truth, he is part of the project, yet he is trying to get out there and try to think that someone was doing something wrong. It not about the truth, there is no such thing as truth. He knows the truth and yet he went and lied, Mr Acting Speaker.

So, what the Department has done to this young man is that as usual, the Department gave him notice, suspended him to allow him to justify his action. After he justifies himself the Department will make a decision.

Now that does not mean that the Department has the final say about his employment, if he is not satisfied, he can go to court. But the most important point here is that, us,

knowledgeable people who lead this kind of road constructions, and you, being a part of that must learn to tell the truth and do not mislead.

Mr Speaker, on over pricing of work, as the second part of the questions is that roads in Tari, Port Moresby, Maprik or Buluminski or up at Enga Highway are priced differently. It depends on the location of the roads and depends on the impact, meaning what volume of traffic, cargo or materials will determine the costs.

But, Mr Speaker, the over pricing issues were raised by many people, myself included but because I know how much it will cost to do a road per kilometre and its costing, I am making sure that pricing is controlled.

Mr Speaker, a lot of times, when a particular road is put on tender, most of the time you will find that we have engineers' estimates also. The engineers estimate is usually the government's estimate.

When the bidders bid for these road construction, the Tenders Boards as well as the Department who evaluated these projects will study those projects and recommend that they be priced either 10 per cent up or 10 per cent down from the engineers' estimate.

I will say that with many of the roads that are being built, of course many of us will not agree and have our views and opinions about it but these pricings are quite transparent because it goes through a lot of processes. It is not something where the Department of Works does the pricing and then they award the contract. Procuring and making sure that tenders get out is done by the Department of Works and then it goes to the tenders' board and any contract that is above K10 million goes to NEC. So the National Executive Council makes decisions on these major projects that are being undertaken.

Landowners Tax Credit Scheme

Mr MANASEH MAKIBA – I wish to direct my questions to the Minister for National Planning. I have raised this matter on a couple of occasions already and I again do so today by way of a question. The question relates to the tax credit scheme.

In the wake of the 7.5 magnitude earthquake my electorate has been affected the most and most of the work requires reconstructions of the infrastructure projects in my electorate.

It is understood that the district only relies of the DSIP funds and the DSG funds. We do not receive most of the royalties, equities and development levies that is much talked about.

Only the Provincial Government and the Local Level Government release the two per cent royalties, equities and development levies and those monies are spent according to the provincial and LLG plans. They do not necessarily spend it on it on the affected districts.

I thank the Prime Minister and NEC for approving the K450 million to be used over the four-year period for the reconstruction of the affected LLGs. It is understood that this money allocated would be divided among the five affected provinces and it will also trickle down to the affected districts. Some of those monies have already been disbursed to the service providers during the relief effort and we do not know how much the district will receive.

08/07

Some of those money have been disbursed to service providers during the relief efforts and we do not know how much the district will receive so we depend on the tax credit scheme money very much at this point in time.

We understand that most of the tax credit scheme moneys are not 100 per cent in the affected districts and the provinces.

My questions are:

(1) Can 100 per cent of the tax credit scheme moneys be used for projects only in the affected districts and provinces? We understand that some of the tax credit scheme monies have been used for projects elsewhere in the country. These are moneys generated from the revenues from the projects within the electorate or the provinces.

We understand that the developers of oil and gas such as ExxonMobil and Oil Search sort of dictates how the moneys should be used in projects and local Members like myself and the Governors are basically not aware of how the moneys are spent and how the projects are identified and nominated.

(2) Can the local Members like myself be allowed to identify the projects that supposed to be carried out by tax credit money?

(3) We understand that 0.75 per cent is the threshold of the tax credit which is not enough in my belief, so can that be increased to 3 or 5 per cent?

Thank you Mr Acting Speaker.

Mr RICHARD MARU – Thank you, Mr Speaker. I want to inform Parliament that the Tax Credit Scheme has been suspended over a number of issues that have been raised

including the lack of input from the local Members and the Governors of Parliament. Funds have been used outside of the areas of the impact areas and no transparency in a lot of the contracts that have been awarded and the way contracts have been managed. Therefore, we are now doing a review.

Next Friday I'm inviting the Members and the companies that are involved and the stakeholders to a national consultation on tax credit and the way we should reform tax credit. I'll be looking forward to inputs like the ones provided by the Member and other Members of Parliament and Governors.

I'll be advertising that in the papers this week and next week, inviting all of you to attend the national review so that we can look at the way we have done it in the past and the way we should reform tax credit and also bring to Cabinet a set of new recommendation on the way we should manage tax credit and make sure we have maximum impact using the funds from the tax credit.

After all, these funds belong to the National Government. Many times when we go and launch projects involving tax credit scheme, National Government is not mentioned, and I think that is totally wrong. This needs to be fixed and we are going to do the review and I'll be inviting the Governor, Members of Parliament especially from the impact areas and those who are going to be in the impact areas of tax credit in future to come along and provide input so that we can get a new set of recommendation to Cabinet on the way we will reform tax credit and its use in the future before Government re-looks at bringing back the tax credit scheme in the future. Thank you Mr Speaker.

Re-entry of a Foreigner

Mr GARY JUFFA – Thank you Mr Speaker. My series of questions are to the Minister for Immigration and to be noted by the Prime Minister, Minister for Police and the Minister for Labour.

09/07

My questions are in relation to the re-entry into the country by a foreigner who was deported after having being found guilty and convicted and who was serving time in Bomana. I am aware of this because in 2002, I was the Case Officer whereby we conducted a joint operation investigating transfers of crimes in particular the theft of containers from our wharf. During this operation we uncovered a number of foreign elements who were involved in this

criminal activities. They were caught, prosecuted and convicted. After serving time and even though we made recommendations for their deportation they continued to remain in the country.

It very strange because in every other country when you are convicted and served time, you are deported soon after, except in Papua New Guinea, you can stay in the country and do whatever it is that you were doing before you got convicted. A man by the name of Kevin Ikai continues to be engaged in trans-national criminal activities, he was eventually deported in 2012. He was escorted out of the country by the late sergeant John Kuno and Mr Brian Lillywhite of PNG Customs.

My concerns are these;

(1) Is the Minister aware that this criminal has re-entered the country in July 2017?

Before I move on to my next question, I want to commend the Minister because he has actually undertaken a number of deportations in a short term.

(2) Can the Minister give us an undertaking or some form of commitment that his ministry will look into how it is that a trans-national criminal has re-entered the country?

(3) What is this criminal actually doing here? I am informed that he has multiple business visas.

(4) Does the Minister have a border management system and does he have any plans to review that border management now?

(5) Do we have a black list of persons who are undesirable?

(6) Do we enforce such a blacklist vigorously to protect the nation and the interests of our citizens?

Mr PETRUS THOMAS – I want to thank the Governor of Northern for his questions. This human being by the name of Kevin Ikai. His issue dates back to 2012. The Minister then who dealt with his case. I agree with the allegations that were levelled against him and he was convicted. The Governor has already put us in par with what happened. The Minister responsible at that time ordered the removal and later rescinded his decision as he did not have enough information to have him deported. He wrote to the other Minister to have him back into the country.

10/07

I want the Governor to take note that after a Minister has given a removal order and if that person exits from the country, that means the order is exhausted. If the same person wants to come back into the country, he has to re-apply through the normal process. Again, his application has to be assessed to meet the visa application requirements to come back into the country. Of course, I heard that he was granted a multiple short term visa and he entered the country. The last time he entered was two weeks ago and I have instructed the CMO to advice police detectives to work on it and they are currently working on it. He is in the country. Once we have our findings, we will make an announcement.

In terms of blacklist, yes, we have the system to blacklist all persons that have been deported from this country. But, I think they came through the administrative process, which means, I have to tighten my administration so such practice does not happen again. And I also instructed my CMO to ban any entry or any granting of tourist or business visas to any persons that has been deported out of the country for some time, should they reapply. So we have to seriously look into that Governor.

Allow Re-entry for Missionaries

Sir PETER IPATAS – Thank you, Mr Speaker. I direct my question to the Minister for Immigration. I have been vocal for the last five years on the issue of Lutheran missionaries in my province. These are missionaries, who have been serving our country for a while.

For my province, the Lutheran missionaries brought in development to my province. Some of these missionaries are still alive today, and would like to come back. For six years, we have been trying to resolve this matter, Mr Minister. Yesterday, I was told that some of these missionaries are being blocked again at our Washington office. Are these applicants' criminals that they should be banned? These are missionaries!

I want to inform Parliament that, whoever has a personal interest against these missionaries must be exposed. We have to show some gratitude to the missionaries who came and did a lot of work and continue to do a lot of work in this country.

My questions are simple,

- (1) Why are the missionaries from my area being targeted all the time?
- (2) Can the Minister investigate who is behind the ban of missionaries from entering this country?

Mr PETRUS THOMAS – Thank you, Mr Speaker. Thank the, honourable Governor of Enga for his question. Our country needs missionaries because they work in partnership with the Government to bring in many developments. Missionaries have reached areas that are isolated from government services, therefore, I have no reason not to bring back missionaries who were deported.

However, last term, some missionaries were deported and banned from re-entering the country, I will investigate with the Department as to the reasons behind the ban and try to ensure that their visas are processed at a speedy pace to allow them re-entry into the country so they can continue performing their roles which they are selflessly dedicated to.

At the same time, some of these missionaries have issues of noncompliance. For instance, when they received their deportation orders, we advised them to leave the country, after which we will still grant them visas, administratively, so they can re-enter the country but these missionaries refused to adhere to our orders. Regardless of that, if the missionaries you speak of are overseas and have been banned from re-entering the country, I assure the Governor that I will advise my department to give the clearance for these missionaries to be allowed entry into the country. Thank you, Mr Speaker.

11/07

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

Motion (by **Mr Kerenga Kua**) put –

That so much of the *Standing Orders* be suspended as would prevent this day being extended by 15 minutes.

There being no absolute majority, motion not carried.

Extradition Treaty

Mr KERENGA KUA – My question is directed to the Attorney-General. We do a lot of business with Malaysia and with these increase there is a potential for crime and in fact a lot of crime has been committed, trans-national crime between the two countries.

So, could you look at putting in place an extradition treaty so that people who have broken laws in this country and have gone to Malaysia and have taken refuge there, can be

expedited back into Papua New Guinea to answer for alleged crimes in Papua New Guinea and vice-versa?

Thank you, Mr Speaker.

Mr STEVEN DAVIS – Thank you, Mr Speaker, and I also thank the Honourable Member for Sinasina-Yonggamugl, the Shadow Attorney-General, for the important question on our international question on our international commitments and obligations where trans-national crimes are concerned.

Mr Speaker, to answer, the first point is that we are bound by regional commitments in respect to trans-national crime, Papua New Guinea is a signatory of many of these regional treaties and I am glad to advise the honourable Parliament and the people that this Government has consistently worked through under those arrangements. For example, we have similar treaties and our own municipal arrangements in terms of laws and legislations that enable this corporation between one or two of our regional partners already including Indonesia, Australia and few other countries.

I will look into the question in respect to Malaysia and I stand corrected on this but depending on advice, I will inform the Honourable Member on the specific arrangements. If there is none in place, we will make a commitment to look it and work towards it. This is part of our National Governments commitment to continue to improve our relationships and our stand in terms of enforcement against crime and ensuring that our international standing and obligations are maintained.

Thank you, Mr Speaker.

**NATIONAL ECONOMIC AND FISCAL COMMISSION –
ANNUAL REPORTS, 2015 AND 2016 – PAPER AND STATEMENT–
MOTION TO TAKE OF PAPER**

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

National Economic and Fiscal Commission – Annual Report, 2015 and 2016.

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

Leave granted.

Mr Speaker, it gives me great pleasure to rise in this Parliament and continue the process of obligations of Government in ensuring that our respective agencies are accountable and performing their functions according to statute. I am also pleased that I am able to make sure that the agency that I am responsible for as Minister for Treasury is being compliant in that regard.

Mr Speaker, the National Economic and Fiscal Commission (NEFC) is one such agency which is very important in the sense of the important work it does in determining the sort of support and funding arrangements that occur between the National Government and the Sub-National Government.

12/07

Mr Speaker, in the context of ongoing discussions and desires of our government to continue to support provincial governments and local-level governments and of course district development authorities and the discussion around decentralisation and equity and so on in the distribution of the national purse particularly towards the alternate objective to ensuring that goods and services are delivered to our people in the most effective and efficient manner and it's not about growing government necessarily but growing the ability of government to better deliver our services.

And so, Mr Speaker, in that vein I bring this report and I just highlight the fact that it's a very short statement but I want to iterate how important this agency is in this conversation between national and lower levels of governments in terms of what level of funding should go down in supporting and reinforcing the discussions around delicate functions and decentralisation, Our government has been very strong in that regard in continuing to support and empower sub-national governments through financing and other mechanisms to enable services to be better delivered closer to our people and when we create mechanisms such as local-level government and provincial government, they appropriately support to perform their roles in the best interest of our people.

So Mr Speaker, the independent constitutional office established by the *Constitution* and the role of the National Economic and Fiscal Commission is to provide advice to the government on inter-governmental financing.

Mr Speaker, according to the annual report the vision of the National Economic and Fiscal Commission is for healthy and wealthy, wise and prosperity society for all Papua New Guineans through the fair distribution of development opportunities and economic growth.

Mr Speaker, the National Economic and Fiscal Commission has always advocated strongly for those districts and provinces that face the most disadvantage. We all know that the cost of delivering services very enormously throughout the country. And no two districts or provinces are alike but each districts or provinces faces its own challenges and limitations.

Mr Speaker, the NEFC provides a high quality and evidence-based advice to the governments on the funding for provinces and districts. In 2009, this led to the adoption of a new inter-governmental financing system.

Mr Speaker, the inter-governmental financing system is no longer based on a simplistic kina per head formula. It now takes into account the actual cost of services in each province as well as all the revenues available. Those provinces that need more get more and those that need less gets less. And some provinces that lack basic services not only using functional grants but also their own internal revenues.

Mr Speaker, for the first time provinces received funding based on how much they needed. We know of course that we still remain the financing gap but this formula is better helping to allocate the existing funding. Over the last seven years, provinces such as Simbu, Sundaun, Central and Milne Bay have received a significant increase in the functional grants.

Mr Speaker, in 2009, some provinces received only one-third of the funding NEFC estimated they needed to deliver basic services. The National Economic and Fiscal Commission established that in 2014, 13 provinces had the fiscal capacity now to do the NEFC estimated needed to deliver basic services.

Mr Speaker, the annual report reports a slight decrease of functional grants to provinces and districts from K578 million approved in 2015, and for the 2016 Budget to K565 million approved in 2016 for the 2017 Budget due to downturn in the PNG economy.

Mr Speaker, an equitable distribution of income and equalisation of services are embodied in the national goals and directives in our *Constitutions* and these are values and ideas of bidding us together according to the NEFC report. The commission is planning to

provide more advice to the government on how the distribution of all revenues can be improved to provide more equal access to basic services.

Mr Speaker, the NEFC has been working very hard with other government agencies to implement some of the high priority initiatives of this government. NEFC has also been working with the Department of Provincial and Local-level Government Affairs to help implement and improve the work of the district development authority.

Mr Speaker, in 2016 the NEFC provided advice on the estimated cost for providing municipal services in Mount Hagen. This is valuable information to the government that contributed to the success of the new Mount Hagen City Authority and it's also working similarly on other city authorities.

13/07

Mr Speaker, the NEFC focused on providing Government and all people with hard quality evidence based data. Each year the NEFC has done a comprehensive review of provincial government expenditure. I am pleased to note that there has been a steady improvement here. Provincial governments are spending more funds on basic services like health patrols, immunisation and school inspections than ever before.

Mr Speaker, in 2016, the NEFC completed a full review of the cost of services. It revisited all 89 districts and collected data on the locations of schools, aid posts and extension points. It gathered data on the cost of diesel or zoom in its district and is now able to estimate the actual costs of delivering services in each district.

Mr Speaker, the NEFC has not been able to able to achieve all of this on its own. The NEFC has worked hard to develop strong relationships with provincial and district administration and also secure additional funding from the Australian Government to enable its operations. Each year, the NEFC facilitates regional workshops bringing together provincial and district administration, the Department of Treasury, Department of Finance, and other line agencies. For many other officers in the provinces this is the only opportunity they get to speak directly to the officers from Waigani.

Mr Speaker, with this short statement, I emphasise the importance of this agency and the engagements with the provincial governments and our continued efforts despite some economic difficulties at times.

The commitment through our functional grants and other supports to the provincial government. It is not only a financing exercise but also a capacity exercise, review of the

legislation that is going on, and the intention of Government to continue to empower provincial, local-level, district governments with improved financing, and where that financing goes in terms minimum priority areas through the inter-governmental financing arrangements.

Mr Speaker, our Government continues to give priority to these areas. This institution is important and it will continue to do this good work and also have input as we go forward through the activities shortly, for example, through the Boundaries Commission. Again, that continued discussion about funding that is going down to important agencies like the District Development Authorities which currently operates on a flat basis. As we emphasised, each district is different and all these exercises should contribute towards equity and fairness particularly where there is a greater need or where there is a greater burden on certain institutions like the different districts and administrations. Each district can be quite different from the other therefore funding is sometimes not proportionate to the need. This is what institutions like the NEFC are addressing.

In closing, these are fully audited financial reports and I note that there is small qualification for both reports in terms of some payroll records at the NEFC. We will make sure that these issues are cleaned up.

I commend the report to Parliament.

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

**DEPARTMENT OF CIVIL AVIATION – AGREEMENT BETWEEN PAPUA NEW
GUINEA AND AUSTRALIA RELATING TO AIR SERVICES – PAPER AND
STATEMENT – MOTION TO TAKE NOTE OF PAPER**

Mr ALFRED MANASE (Kandep – Minister for Civil Aviation) – I ask leave of Parliament to make a statement in connection to the Treaty Agreement between Papua New Guinea and Australia relating to Air Services.

Leave granted.

14/06

Mr Speaker, I rise again to make this speech in relation to the Revised Bi-Lateral Agreement between Australia and Papua New Guinea.

Mr Speaker, the existing Australia and Papua New Guinea Air Services Agreement has been revised recently and it has been signed by the Minister for Transport from both countries during the recent Tenth APEC Ministerial Meeting on the 6th of October 2017.

Mr Speaker, on the 18th and the 19th of May 2010 delegations representing the Aeronautical Authorities of the Government of Australia and the Government of Papua New Guinea met in Canberra to discuss air services arrangements pursuant to an agreement between Australia and Papua New Guinea relating to air services to allow aeroplanes from both countries into each other's air space and countries. This was negotiated in Canberra on the 8th of December 1980.

Mr Speaker, after the discussion a Memorandum of Understanding was signed replacing the 1998 Memorandum of Understanding and all previous understandings relating to international air services between those two countries.

Mr Speaker, the delegation settled the text of the revised agreement for recommendation to the respective governments and mutually determined the provisions of the revised agreement with immediate interim effect pending completion of the domestic procedures to bring the agreement into for which included the requirements for this ministerial statement.

The following capacity entitlements were agreed to by both delegations and are being utilised now for the operation of passengers and dedicated freight services on the specified routes under the agreement for designated airlines of each country who are parties to this agreement.

In relation to passenger services a total of 3520 seats were allowed in each direction for both countries. In relation to freighter services a total of 130 tons per week in each direction in relation to both countries.

Mr Speaker, Papua New Guinea has adopted this space approach towards full liberalisation of international air services by still maintaining limitations in having to specific points in the route schedule as opposed to having an open ended route schedule.

Capacity entitlements are negotiated from time to time based on demand as opposed to having an open capacity were airlines are at liberty to operate any frequency of flights. Exchange of traffic rights are being limited to third and fourth freedoms wherein the fifth

freedom is granted without traffic rights which means that airlines are not permitted to pick up or drop off traffic in the intermediate and beyond points.

And as a way forward towards liberalisation Papua New Guinea does not allow multi designation of airlines to operate the agreed services and multi designation in all of its air service agreements.

Mr Speaker, I would like to also announce, as I stated earlier that the Minister for Transport and Infrastructure signed the Revised Agreement on the site of the Tenth APEC Transportation Ministerial Meeting at Airways Hotel in Port Moresby on the 6th of October last year consistent with the advice of the State Solicitor dated 19th of September 2017.

Mr Speaker, the successful hosting of the Tenth APEC Transportation Ministerial Meeting from the 6th to the 8th of October 2017 by the transport sector, in particular the Transport Department as a lead sector agency provided an avenue for the sector to review and embark on corporations with our bi-lateral and regional economic partners.

15/07

Mr Speaker, in conclusion, it gives me great pleasure to inform the honorable House that the successful signing of the PNG Australia Bilateral Air Service Agreement to allow for airlines from both countries to fly into each other country for purposes of moving passengers and freight has allowed us to move between those countries as we do now. Therefore, I commend the Transport sector, particularly the Minister for Transport and Infrastructure and those within my Ministry on achieving these Agreement.

Mr Speaker, I thank you for giving me this opportunity and commend this Statement and the Agreement between the Government of Australia and Papua New Guinea relating to air services to this honorable Parliament.

MOTION BY LEAVE

Mr ALFRED MANASE (Kandep – Minister for Civil Aviation) – I ask leave of the Parliament to move a Motion without Notice.

Leave granted.

**TREATY DOCUMENT –
MOTION TO WAIVE SECTION 117(5)(a) OF THE CONSTITUTION**

Motion (by **Mr Alfred Manase**) proposed –

That in accordance with *Section 117(5)(a)* of the *Constitution*, this Parliament waives *Section 117(3)* of the *Constitution* which requires a treaty document to be presented to the Parliament for at least 10 Sitting Days before PNG can be bound as a party insofar as that provision applies to ratification of the Agreement between the Government of Australia and the Government of Papua New Guinea relating to air services.

16/07

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

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

AYES – 71

NOES – 0

Motion so agreed to.

Sitting suspended from 12:10 p.m. to 2 p.m..

17/07

**PNG ACCIDENT INVESTIGATION COMMISSION –
ANNUAL REPORT, 2015 – PAPER AND STATEMENT –
MOTION TO TAKE NOTE OF PAPER**

Mr ALFRED MANASE (Kandep – Minister for Civil Aviation) – Mr Speaker, pursuant to statue, I present the following Paper:

PNG Accident Investigation Commission Annual Report, 2015

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

Leave granted.

Mr Speaker, I thank you for allowing me to deliver my statement on the performance of the PNG Accident Investigation Commission and its 2015 Annual Report.

Mr Speaker, in opening my statement, I draw attention to the fact that the PNG Accident Investigation Commission was established in 2000 when the National Parliament amended the *Civil Aviation Act* separating and establishing the current four separate State Aviation Enterprises, the Civil Aviation Safety Authority of PNG, PNG Air Services Limited which deals with aeronautical matters, the PNG Accident Investigation Commission (AIC) which deals with aviation accidents, and the National Airports Corporation Ltd (NAC) which manages and runs the national airports in PNG.

Mr Speaker, the separation of the former Civil Aviation Authority created these independent agencies for investigating and reporting aviation accidents and incidents, and making safety recommendations in accordance with Annex 13 to the Convention on International Civil Aviation (ICAO Annex 13).

Mr Speaker, the first three Commissioners were appointed in 2008, and a Chief Executive Officer was appointed in 2010. Following the appointment of a CEO, an organisational structure was established and staff recruited, and investigation policies and procedures were drafted to meet ICAO requirements, enabling the AIC to become operational on April 4, 2011.

Mr Speaker, the role of the AIC is to improve aviation safety by conducting no-blame safety investigations to establish the causes and contributing factors of accidents and serious incidents, and to communicate those findings and recommendations through public reports that comply with the requirements of the International Civil Aviation Organization (ICAO).

Mr Speaker, the AIC operates in an environment where transport activity is increasing and the Government, Parliament, media and the public expect increasing standards of transport safety, particularly for the fare-paying passengers. As an independent investigation agency of the PNG Government, the AIC has a clear organisational separation from other transport regulators, service providers, and other bodies that may themselves be subject to an AIC investigation.

Mr Speaker, the AIC undertakes no-blame investigations and analysis of safety data. In making its reports and safety recommendations publicly available, the Commission helps to improve safety and maintain public confidence in the safety of air transport in PNG.

18/07

Mr Speaker, the AIC undertakes no-blame investigations and analysis of safety data. In making its reports and safety recommendations publicly available, the Commission helps to improve safety and maintain public confidence in the safety of air transport in PNG.

In some circumstances the outcomes of the AIC investigations can also contribute to global aviation safety.

Mr Speaker, as an example, on 13 October 2011, a major aircraft accident occurred near Madang, with 28 fatalities. The aircraft, a de Havilland Dash 8-102 was operating a scheduled passenger flight from Port Moresby to Madang via Nadzab. During the descent towards Madang, the propeller systems on both engines malfunctioned resulting in the crew declaring a double engine failure and emergency landing adjacent to the banks of the Buang River, 33 km south east of Madang. A post-accident fire erupted, miraculously three crew members and one passenger survived the tragic accident.

Mr Speaker, the AIC commenced an investigation and retrieved the Flight Data and Cockpit Voice Recorders. As the AIC did not have a flight recorder Laboratory at that time, the Australian Transport Safety Bureau assisted the investigation and provided the analysis of the recorded data.

Mr Speaker, the AIC's investigation found that propellers went into a condition termed over speed when the pilot pulled the cockpit propeller control lever past the flight idle gate to the ground beta range.

Mr Speaker, the investigation found that an aircraft mechanical system to prevent this from occurring was only mandated for fitment to aircraft operated in the USA, therefore, it was not fitted to this aircraft or any other Dash 8 aircraft operating in Papua New Guinea.

Mr Speaker, the work of the AIC resulted in the aircraft manufacturer taking safety action on 19 June 2012, which was followed over the following months by the mandatory fitment of new electrical circuits designed to prevent the propellers being moved into the ground Beta range of operation in flight.

Mr Speaker, the work of the AIC resulted in changes to the world fleet of Dash 8 Aircraft, and therefore enormous safety benefit to global aviation safety. This is an

illustration of the result that can be achieved in the world through the work of Accident Investigation Commission in the Global Aviation Community.

Mr Speaker, the AIC established a Flight Recorder laboratory in mid-2015, and I thank the former Minister for Civil Aviation, Honourable Steven Davis, for leading the organisation during that period. And, two investigators have received training in replay and analysis of the recorded data.

While the AIC laboratory is equipped with basic equipment by counterpart agency and ICAO standards, the two AIC investigators who are from Papua New Guinea have been able to do data download and analysis of a high standard.

Mr. Speaker, much more is needed to ensure the AIC has world standard capability, particularly in the area of advance software and damaged recorder capability.

19/07

Mr Speaker, at the beginning of 2015, the AIC had a backlog of unfinished investigations, and its systems did not meet ICAO requirements. A retired Director of the Australian Transport Safety Bureau was contracted for short term assignments, with the financial assistance of the Australian Government, to establish systems and clear the investigation backlog while training and mentoring AIC investigators.

Mr Speaker, I am pleased to report that by October 2015, the backlog of investigations was cleared, with the reports into the investigations published on the AIC website. The AIC also issued a number of safety recommendations and as a result of its investigations during that period, PNG aviation organisations took safety action to address safety concerns raised by the AIC.

Mr Speaker, since 2010, there have been 35 aircraft accidents, and 6 serious incidents requiring investigation by the AIC. I am pleased to report that there are only two investigations currently under investigation. Two other investigations have been completed and the Draft Final Reports are awaiting comment by the persons or organisations directly involved in the operation of the aircraft.

Mr Speaker, ICAO expects investigations to be completed within 12 months of the accident or serious incident. Over the last 18 months, the AIC has been able to complete its investigations and publish its reports meeting or exceeding the ICAO standard of investigation within an average 6.5 months.

Mr Speaker, the AIC has a small but highly dedicated team of investigators, supported by corporate support staff. However, the AIC continues to face challenges arising from the lack of needed high technology equipment and software, a wreckage examination laboratory/workshop, and sufficient appropriately qualified and trained investigators.

Mr Speaker, to address this expertise need, the AIC has commenced a recruitment campaign advertising for expected vacancies for investigators, which it is hoped will yield suitably qualified aviation personnel to join the AIC to be trained as investigators.

Mr Speaker, the AIC is also seeking to recruit highly motivated aviation professionals to join a "Pool" of Expert Assessors who may be called upon to work with AIC investigators on short-term specialist assignments, providing expertise not available within AIC to support accident investigation activities. This is in accordance with Section 242 of the *Civil Aviation Act 2000* (as amended), which states that the Commission may appoint suitably qualified persons as Expert Assessors for the purpose of investigation under the *Civil Aviation Act*.

Mr Speaker, the AIC has been successfully training investigators in-house covering the Basic Investigation modules required by ICAO, as well as report writing and on-job training including at accident sites. More specialised and advanced training is obtained off shore.

Mr Speaker, the AIC has established Memorandums of Understanding with CASA and PNGASL that provide for cooperation and interaction, while maintaining the required independence of the AIC to ensure the AIC investigations are no-blame.

Mr Speaker, the AIC has resourcing and funding issues that cannot be ignored. The AIC has diligently worked within its appropriated budget, but is now faced with the need to replace capital equipment, namely vehicles, establish a wreckage examination and analysis workshop/laboratory, and procure enhanced hardware and software to meet the global and ICAO standards for the Flight Recorder capability.

Mr Speaker, the AIC also requires funding to meet the recruitment of investigators and allied staff, as well as their post-recruitment training for the long-term future of the Accident Investigation Commission. (AIC).

Mr Speaker, in order to protect the Government and the AIC against risk exposure from not being able to meet the internationally required standards, the Government must take urgent action to appropriately resource the AIC.

Mr Speaker, the AIC Commissioners and staff are committed to the safety of the citizens of PNG and the travelling public using our Nations aviation system. This Government must ensure

20/07

This Government must ensure that the dedicated men and women of the AIC are given the resources to meet the expectations of the nation and internationally travelling public.

Mr. Speaker, I now refer to the AIC 2015 Annual Report. It is with this concern that the PNG Accident Investigation Commission's (AIC) Chief Commissioner has drawn my attention to the fact that a number of corporate, management and administrative functions within the AIC had for the most part not been addressed by the former chief commissioners and chief executive officer.

Mr Speaker, since its inception, the PNG AIC has published one annual report, being for the calendar year 2015 which is being presented. Those chief commissioners presided over the AIC as its chief commissioners between 2010 and 2016 inclusive, and one chief executive officer between 2010 and 24 June 2017, until he voluntarily retired.

Mr Speaker, during the period 2010 to 2018 only one audit as I have indicated earlier was undertaken by the PNG Auditor-General's Office (AOG). That audit was completed on 11 April 2017, covering the calendar years 2011 and 2012. The AOG auditors are currently auditing the AIC for the years 2013 to 2017.

Mr Speaker, the resignation of the former Chief Commissioner and the absence of a Chief Executive Officer (CEO), presented added challenges for the AIC. A number of corporates and management functions, not covered by the previous AIC chief commissioners and CEO, are now being progressively addressed by the AIC's current Chief Commissioner, the Board and the Executive Managers and hopefully those issues will be dealt with and an updated report for 2016 and 2017 will be presented to Parliament.

Mr Speaker, the recruitment program for a new CEO has commenced, and the Chief Commissioner has assured me that these corporate management functions will be a priority for the incoming CEO, in particular compliance with Section 234 of the *Civil Aviation Act 2000*. Therefore, this report which is presented is in accordance and in compliance with the requirements of the law. It provides for visibility by this Parliament of the functions of some of the important organisations in the Civil Aviation system that ensure safety and security for

our people when they travel and give the comfort to the many travelling public including Members of Parliament.

Mr Speaker, AIC performs one function to ensure that if there is an accident, investigations are properly done and corrective measures are taken to ensure that the aviation system in this country is safe.

Mr. Speaker, I commend this statement on the performance of the Accident Investigation Commission and the PNG AIC 2015 Annual Report to this Parliament, and ask the Government to provide the necessary support to this very important operationally independent safety agency.

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

**DEPARTMENT OF TRANSPORT AND INFRASTRUCTURE –
MINISTERIAL STATEMENT –
MOTION TO TAKE NOTE OF PAPER**

Mr WESTLEY NUKUNDJ (Dei – Minister for Transport and Infrastructure) – Mr Speaker, thank you for giving me the opportunity to present to the Parliament a brief statement on the achievements of the Department and the Transport Sector and our direction into the future.

21/07

Mr. Speaker, this is also my first Statement on the Floor of this Honourable House as a Minister of State and I wish to thank the Prime Minister for entrusting me with this very important Ministry. My comments will also reflect a more sector focus because of the Sectoral Role of the Ministry and the Department and the National Transport Strategy (NTS) comprising the transport sector policy up to 2030 and the first five-year Medium Term Transport Plan (MTTP 2014-2018) approved by the then O'Neill-Dion Government in July 2013.

Mr. Speaker, the Department of Transport is responsible for setting transport policy, strategy, planning, budgeting and coordination for the transport sector agencies. It coordinates with and assists provincial administrations, Local-Level Governments, and

communities to prepare and implement provincial transport plans and integrate with national level planning. The Department of Transport also provides ministerial advice and reporting to Parliament on issues regarding the sector. Also, important to the nation is the Department's service delivery function in relation to its regulatory obligations.

Mr. Speaker, the Transport Sector Agencies' programs and projects are coordinated and monitored under the umbrella of the Transport Sector Coordination Monitoring and Implementation Committee (TSCMIC) also approved by NEC in July 2013 and this committee is made up of the Heads of the 11 Sector Agencies with the Secretary of the Department of Transport as its Chairperson and Secretary for Works as Deputy Chairperson and included (Aviation: National Airports Corporation, Civil Aviation Safety Authority, PNG Air Services Limited, Air Investigation Commission & Rural Airstrips Agency), Maritime: PNG Ports Corporation Ltd & National Maritime Safety Authority, Roads; National Roads Authority & Road Traffic Authority). The other Central Agency members of TSCMIC as the central coordinating body for the sector also includes a representative of the department of the Prime Minister and the NEC, Secretary for Treasury & Secretary for National Planning. The main Development Partners including ADB, Australian DFAT, World Bank, JICA and European Union.

Mr. Speaker, At the Ministerial level, the Minister for Transport & Infrastructure is also the chair of the Ministerial Infrastructure Sector Committee which comprises of Minister for Works and Implementation, Minister for Civil Aviation, Minister for Information and Communications, Minister for Public Enterprises & State Investments, Minister for Lands & Physical Planning, Minister for Housing and Urban Development, Minister for National Planning and District Development and Minister for Treasury and Deputy Prime Minister.

22/07

Mr. Speaker, Transport is a conduit for service delivery, social and economic development and growth in any country. Good transport accessibility makes it easier for pupils to attend schools and for patients to access health services, and increases the effective reach of these services. The transport system comprises infrastructures such as roads, jetties, wharves, airstrips etcetera and services with the objective of moving people and cargoes. Without transport our nation stops and we lose cohesion and as a responsible Government we have that choice whether to have a good transport system or not.

Mr. Speaker, the transport system also includes the regulatory framework and standards that ensure the safe and correct use of the system. It also includes the government organisations that oversee and set the strategic direction for the system as well as the state-owned enterprises and commercial transport providers who operate the system.

Roles of Different Levels of Government & Private Sector

Mr. Speaker, it is important to recognise the role of different levels of government in the transport system. The National Government is charged with connecting the regions, provinces and districts, and providing a consistent national regulatory framework so that as a nation we all adhere to the same rules, The National Government's role is therefore to facilitate economic and social development through: (1) establishing and enforcing the regulatory environment for fair competition; (2) safe operation and basic quality standards for the provision of transport services; and (3) providing some infrastructure and services.

The Provincial Administrations have a vital role in connecting people and businesses to their district and provincial centres. This division of responsibility is reflected in the division of funding and is also consistent with the *Alotau Accord II* undertaking for increased autonomy for the Provinces and Districts.

The private sector provides services and infrastructure where there is a commercial opportunity and in this way the private sector may support the delivery of national objectives by bringing additional financial resources and expertise to the sector and allowing government scope to target non-commercial priorities.

Strategic Planning

Mr Speaker, success depends on good strategy and planning. The Department of Transport coordinated and successfully delivered the National Transport Strategy (NTS 2014-2030) and a supporting sector investment plan (2014-2018) that was approved by NEC in July 2013. The NTS delivered a strategic framework within which the transport sector can develop taking a cue from the cascading National Strategies such as *the PNG Vision 2050*, *Development Strategic Plan*, the *Medium Term Development Plan* and the then *Alotau Accord I* as well as the *Millennium Development Goals*. It provides the policy umbrella for safety and security to keep our people safe.

23/07

It also provides the standards to govern transport infrastructure development that will ensure investments in this area are appropriate to use and thereby freeing up funds for use in other areas.

Mr Speaker, the 2014-2018 investment plan is intended to reinstate our degraded transport infrastructure with a structured approach to the development of new infrastructure to provide improved connectivity, as such the national government influences the transport Sector through its 11 agencies across three modes: aviation (5) land (3); and maritime (2) with the Department of Transport providing policy oversight across the sector. Mr. Speaker, the National Government supports 11 Transport sector agencies which include Departments that are under the direct guidance of Ministers such as the Department of Transport and the Department of Works and Implementation.

These Departments are complemented by a number of Statutory bodies or organisations under the Minister for Civil Aviation that have varying levels of autonomy such as the Accident Investigation Commission and Civil Aviation Safety Authority which is highly independent and Government Owned Corporations that are responsible for operating in a highly commercial manner and where the Government is merely a shareholder. It is also worth noting that the Government supports the Rural Airstrips Agency which is, in fact, a Public Private Partnership (PPP) arrangement between the Government and Mission Aviation Fellowship (MAF) with the express purpose of supporting government service delivery for rehabilitation and maintenance of rural airstrips.

Mr. Speaker, The Transport Sector agencies under the 2014-2018 Transport Plan were engaged in delivering many projects of significance consistent with the aspirations of the *Alotau Accord I* and the MTTP (2014-2018) and some of these modal infrastructure projects are roads (maintenance of the 16 priority national roads of 4,200km continued with 30% brought into good condition which are: Baiyer River road, Boluminski Highway, Momase Coastal Highway, Highlands Highway, Hiritano Highway, Kokoda Roads, Koroba Road, Magi Highway, New Britain Highway, Northern Road, Togoba to Porgera Road, Ramu Highway, Sepik Highway, Wau-Bulolo Highway & West Coast Road (NIP). Out of the 4 planned missing links, only the New Britain Highway link was achieved, although work continued on the Baiyer-Madang, STFP-Gulf Province link and the Gulf (Kaintiba)-Morobe (Aseki) links. New road links for Port Moresby that have been implemented are Koura Way

extension to Hanuabada, Dogura road link to Taurama road, Baruni Bypass, Flyover from Erima Roundabout to Sir John Guise Drive & Paga point ring road.

Airports (15 national airports improved under the Civil Aviation Development Investment Program (CADIP) to ensure our compliance to ICAO safety & security. Projects such as Jackson's airport apron, Kagamuga airport runway & terminal building, Hoskins airport runway extension & terminal building, Girua Airport runway extension & terminal building and Goroko airport runway redevelopment & terminal building were completed. Rehabilitation of 88 airstrips was also undertaken by the Rural Airstrips Agency during the Period.

24/07

Fifteen national airports were improved under the Civil Aviation Development Investment Program (CADIP), to ensure our compliance to ICAO safety and security. Projects such as Jackson's airport apron, Kagamuga airport runway and terminal building, Hoskins airport runway extension and terminal building, Girua Airport runway extension and terminal building and Goroko airport runway redevelopment and terminal building almost completed and soon to be open, as well as the rehabilitation of 88 airstrips was also undertaken by the Rural Airstrips Agency during the Period.

For maritime projects, projects that were planned include the Lae tidal basin project, that is completed and redevelopment of the Kimbe port and relocation of Port Moresby port to Motukea is well progressed).

Mr Speaker, Institutional reforms associated with improvements mainly to the aviation and maritime sub-sectors are in progress. The transport sector needs to be responsive to a constantly evolving environment. While many of the resulting issues can be addressed by investment, education and legislation, there are some structural issues of significance that influence what Government agencies can do and how they do it.

Mr Speaker, five of the most significant issues which are consistent with the *Alotau Accord II* commitment on rehabilitating and maintaining transport infrastructures are:

(1) Planning based on the available/affordable funding envelope. This is critical to ensuring that effort is put into delivery of projects that can be achieved and not build false expectations about our ability to deliver projects of unrealistic scale and timeframes.

(2) A focus on the socio-economic benefits is essential if we are to maximise the benefits associated with funding appropriated to the transport sector. The transport sector has

a significant investment in existing infrastructure and that preserving these are essential if the country is to avoid its failure and subsequently spending more on replacement or reinstatement.

(3) Prioritising based on evidence refers to the need to be smart about how we make our decisions. As much as possible, we must base our projects on clear evidence that those projects have been neutrally assessed.

Projects that are submitted through sectoral agencies generally contain more accurate cost estimates and realistic timelines that together will ensure delivery if they are funded. By comparison, projects that are not scoped and developed are unable to be delivered on time because scoping and design, including preparation of realistic funding estimates, is yet to be undertaken.

(4) Reliable access to funding is particularly pertinent for maintenance related activities where expenditure needs to be managed on a forward works program over many years. While having adequate resources available is important, it is the certainty surrounding availability that enables effective planning of maintenance regimes to enable industry to plan and develop its capacity through investments in additional plant; training or development of its people and capacity of our transport sector agencies to deliver the projects

(5) Understanding the roles and responsibilities of the various transport sector agencies that are involved in the transportation in Papua New Guinea's underpins our expectations of the works that they should undertake. Papua New Guinea is characterized by a system of Government that vests a range of responsibilities in national agencies in the transport sector. These are primarily concerned with ensuring consistency of regulation and safety, and with respect to infrastructure ensuring international and interprovincial connectivity.

25/07

The Transport Sector agencies are actively pursuing performance improvements and also striving to deliver the infrastructure that will provide improved connectivity, although facing challenges in getting the right infrastructure in the right place within a limited budget.

Mr Speaker, the objective of the Government in framing the *Alotau Accord II* was to continue to develop and maintain key productive transport infrastructure assets. Specifically, the focus is to:

1. Rehabilitate the entire Highlands Highway,
2. Maintenance of all public infrastructure including roads, sea and airports,

3. Expedite the ongoing road projects including the reconstruction of the Lae-Nadzab Section of the Highlands Highway,

4. Continue maintaining the long term performance maintenance contracts,

5. Complete the relocation of the Port Moresby wharf to Motukea,

6. Develop Wewak international Wharf

7. Complete all the ongoing projects such as the reconstruction of the Nadzab International Airport,

8. Review the Draft of the Policy and Bill on the Infrastructure Development Authority (IDA),

9. Complete all missing road links including Gulf / Southern Highlands Highway, East/West New Britain Highway, Madang/Baiyer Road, Middle Ramu Road, Kiunga/Telefomin Road, Ungai/Chuave Road, Ramu/Bena Road, Mendi/Tambul Road, East/West Sepik Highway, Madang/East Sepik Highway and Dona/Kerowagi Road.

10. develop the Paia/Wowobo Industrial and LNG Port in the Gulf Province and accord a Tax Free Zone Status, and

11. Re-development of the Vanimo, Wewak, Manus & Kikori Ports have been funded in the 2018 budget to support maritime infrastructure to facilitate international & domestic shipping services. The respective Governors and local Members, I ask your patience because we are just at the planning stages, the feasibility studies have not been done yet and we have just put up tenders.

So, the decision on where to construct the wharves will be decided by the feasibility study.

Mr Speaker, going forward the Transport Sector will need to develop priorities in line with *the Alotau Accord II* and the NTS and set these in the Medium Term Transport Plan 2 (2019-2022) that will be developed after the MTDP III Priorities and Targets have been finalised.

We are very much aware of the competing priorities the Government is faced with and the resource envelope available to the Government. It is, therefore, important to prioritise the things we want to do as a Sector which is the essence of our Sectoral approach in the annual budget process.

26/07

Mr Speaker, the proposed transport sector targets being developed for the MTDP III (2018-2022) with specific programs and projects to be outlined in the MTTP II (2019-2022) will develop the missing links to increase the national road network but with economic potentials such as agriculture & tourism to grow the economy, identify the number of rural airstrips to improve on our rural air connectivity under CADIP phase two and provide a more reliable maritime services through districts and regional vessels for our 15 maritime provinces.

To prepare for these aspirations of the O'Neill-Abel Government, further reforms are necessary and being progressed which I intend to go through briefly.

Mr Speaker, roads are major assets in terms of land accessibility across Papua New Guinea with a total of some 30,000 kilometres of roads of which 9,000 kilometres are the responsibility of the National Government. The balance of roads is the responsibility of various sub-national governments.

The implementation and maintenance of national roads infrastructure falls under the jurisdiction of two transport sub-sector agencies which are the National Roads Authority (NRA); and the Department of Works and Implementation (DoWI). Whilst DoWI is responsible for major development and rehabilitation & upgrading of new and existing national road network, road maintenance continues to be delivered in an uncoordinated, ineffective and inefficient manner.

The DOWI is responsible for setting the engineering standards, engineering technical services and also delivers the direct engineering works for emergency reinstatements but delivering better roads and setting road standards in remote areas requires a relook at the current arrangements.

Mr Speaker, I will therefore be discussing with my colleague Minister for Works and Implementation on a new 'roads policy for PNG' that must clearly address road maintenance management issues such as how funding is allocated for road maintenance, oversight of road maintenance funding, delivery of road maintenance activities with appropriate procurement and project management.

The total road network of some 9,000 kilometres only increased by 200 kilometres in the last 30 years and focus should now be on the roles of Department of Works to develop the 11 missing links identified under *Alotau Accord II* and the management and maintenance of the existing road network under a rearrangement with NRA. The proposed

new roads policy will look at the Department of Works' support to the provinces and districts to regulate their road standards and maintenance with their delivery undertaken by district works units.

Mr Speaker, PNG's diverse terrain and topography will require some initiative to standardise the roads unit rates that is rates per kilometre for new constructions, reconstruction, upgrading, rehabilitation and maintenance projects maybe by regions as best guide when comparing bid prices from contractors for flexible, semi rigid and rigid pavement designs now being delivered by Department of Works and Implementation.

27/07

So in here we are saying we need to standardise the road unit rates. There have been complaints you heard about in questions raised on the Floor of Parliament and answered by the Department or by the Minister for Works. We need to have standardised road rates.

Mr Speaker, maritime reforms undertaken in the last 15-20 years separated the regulatory responsibilities from the delivery of infrastructure in our endeavour to meet our international obligations. A review of key maritime legislation resulted in development of the *Small Craft Act*, which Parliament enacted in 2015 to address safety and lives of our maritime communities.

This legislation provides for the safety of people using small crafts in PNG, and provides standards for their construction, registration and operation which are being oversighted by our National Maritime Safety Authority (NMSA) to the 15 Maritime Provinces. Further review of the *Merchant Shipping Act* and other related maritime legislations are continuing and roles and responsibilities of current agencies will be better aligned with the respective provincial governments and other agencies.

Mr Speaker, PNG's 15 maritime provinces were once serviced by a 35 Government trawler fleet and managed by the Department of Transport in the 60s up to the mid-1980s and discontinued due to operational and management concerns.

My ministry and Department of Transport & Infrastructure intends now to introduce a new National Shipping Services Program (NSSP) for these maritime provinces through the provisions of regional and district vessels and regulate use of banana boats for short distance travels only. We have plans to discuss this NSSP pilot program with some key Governors and members of parliament shortly before a final submission can be presented to NEC for further deliberations and endorsement.

Mr Speaker, I am now pleased to draw your attention to a key reform within the land transport sub-sector with respect to the public transport system. As our economic growth continues and the wealth of our people expands under the guidance of this Government, we can expect that more people will be able to afford vehicles in towns and cities. Unfortunately, a by-product of this wealth is also more traffic congestion.

Mr Speaker, the establishment of the Road Traffic Authority (RTA) in the Government has merged a number of road agencies like the National Road Safety Council, the Land Transport Board and the Land Transport Division within the Department of Transport. Through such reforms, there will be improved certainty of funding for road safety initiatives, thereby delivering improved safety outcomes.

The RTA's outcome, to modernise public transport in PNG depends on a better IT system to improve the database of all vehicle imports, ownership and condition of vehicles and driver licensing. The current MVIL IT system only has a database of vehicles that are brought in for registration but many vehicles are using our roads without registration and insurance covers. RTA will continue to deliver its mandated services with all provincial governments.

Mr. Speaker, an aviation working group comprising the five main agencies responsible for aviation, including Department of Transport are identifying gaps and overlapping responsibilities to better deliver our obligations for a safe and secure aviation services in PNG and will be discussed with the Minister for Civil Aviation.

28/07

Mr. Speaker, An Aviation working group comprising the five main agencies responsible for aviation, including Department of Transport are identifying gaps and overlapping responsibilities to better deliver our obligations for a safe and secure aviation services in PNG and will be discussed with the Minister for Civil Aviation.

Mr Speaker, Therefore, in Transport, our successes are built on a platform of improving sectoral coordination. With eleven agencies in the sector we need to have a focus on good strategy, this needs to be complemented with an eye on sustainability, we need to have the organisational and legislative structures that will support service delivery and all-the-while being inclusive in supporting our rural communities. My Department by doing this, is placing this government at the forefront of delivering better social and economic outcomes.

Mr Speaker, our job is complex and we will face many challenges in the future as we move towards realizing the potential of our nation. I welcome these challenges as they will highlight areas in which we can continue to make improvements and position us for the successful delivery of PNG's hosting of APEC 2018.

Mr Speaker, The Ministry and transport sector agencies have been very involved in the delivery of the APEC meetings since 2013 culminating in our host of the 42nd APEC Transportation Working Group (TPTWG 42) in April 2016 and the 10th APEC Transportation Ministerial Meeting (TMM 10) in October 2017. The sector is also very engaged in supporting the Joint Security Task Force in Land, Maritime and Aviation sub groups.

Mr. Speaker, the need to have a well-integrated transport system is important for a country's growth. The desire of the Government of Papua New Guinea is to develop the transport sector and its assets to achieve the ultimate goals of connectivity and accessibility for all its users.

I now commend this Ministerial Statement to this Honourable House.

29/07

Mr SAM BASIL (Bulolo – Minister for Communication and Information Technology)
– Mr Speaker, as the Member for Bulolo, I have to say something about my roads in my districts so that it goes on the *Hansard* so that I have to be seen to be doing my job for the people.

Mr Speaker, I'll start off with the Wau Bulolo Highway. As we all know we have National highways running through our districts and provinces and Wau Bulolo Highway is a very economical highway that also contributes to the purse of this nation.

Mr Speaker, we have companies like Bulolo Forest Product that builds kwik kit homes and timber that supplies to the hardwares of Papua New Guinea. We have the National Forest Authority that runs the plantations that feeds the PNG Forest and we have Zenag Chicken that produces children alongside with Niugini Table Birds that feeds Papua New Guinea and of course the up-coming Wafi-Golpu project that will be in my area and the existing Hidden Valley project that has been established since 2009 and is paying taxes and employing people and contributing to the purse of this nation. The same highway also serves part of Huon Gulf and Menyamya electorates in Morobe province.

Mr Speaker, I would like to bring to the attention of the honourable Members that since the operation of Hidden Valley Mine, Zenag Chicken and PNG Forest Product, we have ten big trucks that carries containers, sometimes twin containers hammering this road since the mining has started and has brought the road condition to disrepair. The road is very very bad.

Now, if we put the Budget together, let's think of this road because it's economical and justifiable if we spend big money on it in this Budget or the following Budget. I ask for your attention in considering Wau Bulolo road for the future implementation.

Mr Speaker, also the link between Menyamya and Kaintiba. I believe the Minister has mentioned many good links that will open up corridors for agriculture and tourism and off-course linking our people back at home and creating industries and all those.

Mr Speaker, I believe the Lae-Menyamya and Gulf Province link has more economical benefits to those provinces. Why I am saying this is because once that road is established, we will transfer the shipping of containers that is currently being shipped by the shipping companies and are charging K6000 twice more than the shipping containers from Singapore to Lae or Port Moresby.

Mr Speaker, if that road is established, those containers will now be shifted to truck operators who will be using the trucks between Lae, Mt Hagen and the Highlands provinces to transport fresh produce and other products between Lae and Port Moresby. The PMV operators will also be operating in transport passengers between Lae and Port Moresby and at the same time open up the corridors for agriculture utilising some of the land areas and off-course tourism.

Mr Speaker, that highway alone will contribute to the SMEs and the truck operators, so I say thank you to the Minister to make mention of it. But if we do open up that access, it's good for Papua New Guinea.

While I'm on the roads, we have to take ownership of the highways that we are building in Papua New Guinea. Markham Highway is a National Highway and I believe all the Members here today have used that road to drive up to the Highlands provinces when you don't make it through the air. There's one thing that bothers all of us on that road is that prominent people have lost their lives on that highway. Once we have such highways like this, we have to put on emergency hospital on the Markham highway to attend to those fatal accidents. We do have a lot of accidents and a lot of people died on the Markham highway than any other highways of Papua New Guinea. I know, sometime the Member for Markham

asked questions on the Floor asking the Health Minister to consider putting up a hospital there so that they can save lives.

30/07

I bring to the attention of the House that so I hope that we take note on that and whenever the Health Ministry does some roll out, let us concentrate on Markham so we can save lives.

Mr Speaker, I want to also ask that, can we make it mandatory that whenever we put funding for new highway roads, either to build new ones or rehabilitate old ones, let us make footpaths that run across the villages. Any village but it has to be 100 meters past and 100 meters before, while making sure they run on the side. This is because when you drive along highways, there are people standing on the roadsides even if it is early in the morning. When they want to walk to their gardens they are walking on the roads. So let us make it become part of our policy when we build or maintain existing roads.

We also have to make it mandatory that the power grids along the roads are maintained and for those roads that do not have power grids, let us incorporate their costs as well. It is cheaper and we will shoot three birds with one stone instead of building a highway and later look for money to build powerlines. So that having manpower there and equipment there to build roads, the power grids can be built at a cheaper rate than giving it to a sole contractor to build one of each. That includes the lawlessness on the highway as well.

And this calls for the presence of highway patrols on all major highways. For example, if we complete the four lanes on the Lae to Nadzab, we need a highway patrol to be based there permanently. They do not go anywhere but just travel up and down this road to monitor activities along this road. We have had incidences where when there are accidents along the highway or roads for that matter, people burn the cars. We have seen skeletal remains of vehicles on roadsides. And also drivers bumping down road signs, cement blocks and power poles. We need police presence on the highways.

Mr Speaker, I also want to talk about the existing Works camp throughout the country. Since independence, up till about 1980. We have abandoned the Works camps. And we have taken the responsibilities out of the Works Department and we are giving them to private contractors. I do not know why this has been the case for so long. We cannot blame the previous governments but this arrangement was very good. And we must think about going back to re-establishing the Works camps along our major highways. For example, in

my district, I have Bundun, Umsis and Pinetop. My DDA is happy to partner with Works Department to make sure that we put machines in there and work together with the works department, instead of spending a lot of money on contractors as they charge a lot.

The same goes for the Markham Highway, we have Works camps at Wateraise and Clean Water and we need to reactivate those so people take responsibility, such as the works manager gets up in the morning as early as 5 a.m. and does inspection along the highway. And by the time he gets back around 7 a.m. or 8 a.m. the labourers and other workers are there waiting for him to brief them on what tasks need to be done for the day at which section of the roads.

There are rainfalls, landslides, and overgrown bushes, therefore our roads need clearing every day. At the moment there is no responsible person looking after our highways. Many times we experience disturbances and a lot of our people are being affected. Also, the operation of the Motor Vehicle Insurance Trust and I would like all governors to listen to what I am about to say here. Since the Motor Vehicle Insurance Trust has taken charge together with few provincial governments to take ownership of registering motor vehicles. Those provinces have seen an increase in their revenue.

31/07

I therefore, ask that if any Provincial Government who are still doing it on their own, it is better to give it to Motor Vehicle Insurance, they will account for and they will ensure that your money is returned to your coffers with full audited statements and reports. I believe that my province Morobe, still have to do that, so I have to convince my governor and the provincial administration to employ MVIL to take charge. Not only that, when MVIL does all the registration of all vehicles throughout Papua New Guinea, and licences, we will have a centralised data system where we will have control of the data of licences. Right now, if there's a car accident in Madang and the driver responsible has been banned by the Court from driving, this person can come to Port Moresby and change his name and get another licence under a different name and can drive again. That is the reason why we have a lot of careless drivers throughout Papua New Guinea and the process training these drivers is not there. Sometimes the bus crews relieve the drivers. I have seen a lot of them in Lae. They don't know how to read road signs. The MVIL officers do not train people before issuing them licences.

Mr Speaker, we have a lot to do in that area. I thank the Minister for bringing his report to Parliament and he has stated very important links and he has acknowledged some important highways in our districts and provinces that the Government will fund in the future.

Mr GARRY JUFFA (Northern) – Thank you, Mr Speaker. I would like to make a few comments in response to the statement made by the Minister for Transport and infrastructure. I will keep my comments brief and I want to touch on the issue of quality. This is an issue of great concern for Papua New Guineans and it is a matter that is being debated at all levels of society where ever there are discussions on infrastructure and road transport. In my province, we have one of the best roads in the country. When you drive from Girua to Oro Bay, you will barely find a pothole on that road. That is the road that was built in the mid 80's by a Korean and it was built according to the highest possible standards of road. It requires very little or no maintenance at all since it was built. That is the standard that we should apply across the board throughout the country. There is hardly a pothole on that road to date. Why was that? Because at that time, in the 80's we have very stringent road inspection mechanisms in place. Relevant government departments ensured that the materials used and the work conducted and performed was to a high standard. Today, there are places where you will find roads crumbling as it is being built. They start building a road here and by the time they end the construction of the road and you find that the beginning of that road has deteriorated. Not only do we have to spend money on the road construction, but we have to also spend money on the maintenance of that road. This is a big problem in the country. Almost everywhere you go, the road quality is very poor. Who is doing the inspections? Who is ensuring that the right quality is being used?

32/07

There have been significant advances in technology to ensure that the quality of roads are of a standard whereby they will require very minimal or very little maintenance over the years and our roads are the most expensive to build and maintain but in terms of quality it is not there.

All of us are expressing frustration from time to time about this situation and this is money that we could save for other development activities but we are constantly spending on maintenance because the quality of roads are not there.

So, whose fault is it? Is it the contractors fault or is it the donor agency fault? It is our fault because this is our home and we are the keepers of the gate, we are holding on the doors and when we see poor quality we should not accept it. We have a lot of our own Engineers that have been trained well and are well paid, they are supposed to go on the road side.

In Australia, New Zealand and other countries you will find that road inspectors are everywhere, where there is road construction taking place.

In Papua New Guinea, road inspectors are the most rarest creatures and I have not seen one in the last 20 years. I have been driving around in the last 20 years and I have not seen one inspector on the side of the road with a measuring tape trying to measure the quality of the road. And then we have got to put in place a system where zones that can determine the cost of building a particular type of infrastructure or roads.

In some areas where mobilisation cost are high, it is understandable that building infrastructure in that area would be high. But, in some places such as in the city where there is a small stretch of road it's hard to believe that small stretch of road could cost K70 million.

We should have standards in place and at the same time we should identify the perimeter of the cost for building roads in any particular area in this country and if it exceeds that current perimeter than we should question it. As per kilometre there should be a cost associated with building a particular type of road, a minimum standards of the particular standards of the materials used and the cost per kilometre, many countries do this. But when you come here there is a small street less than 100 meters and it costs millions of kina, come on! Our people are questioning what we doing as custodians of their money, it's their money.

We also have a very credible engineering battalion that is basically lying idol. The Defence Force Engineering Battalion have built roads and some classrooms and the quality of the road was very credible, the cost was very reasonable. They could be used to build roads in remote areas. This it shows the presence of Government when soldiers are put there working in their field gear with machines fixing roads, building classrooms aid posts and so forth.

You are going to minimise compensation claims and the people are going to be satisfied that they can see government moving and thirdly we are putting to use a section of our Government that is paid but is hardly used.

The other issue is procurement, we have to seriously review the Central Supply and Tenders Board. How do they award contracts?

Sometimes companies that never applied are granted contracts and this causes all manner of difficulties for everyone and the public starts to question what we are doing in here. There are many examples like bridges that never get built and so forth.

The other issue that I wish to raise is the issue of road accidents. Road accidents occur because almost 70 per cent of motorists do not know how to drive because you can get a license with a six-pack of beer or a big rooster pack or whatever.

33/07

In the past, they would apply a very stringent process of testing you before they issue a licence. They would test you in the classroom to test your knowledge of road rules. They would then take you out and see how you can drive to understand whether or not you know how to operate a vehicle.

But now, there are so many road accidents and if you were to review the licenses of the people who are involved in accidents, I guarantee you most of these people obtain their licenses through dubious means. What is happening with this situation? And they are repeat offenders and the victims are always the most vulnerable ones; women, children, our simple pedestrians who goes to market or school. We have to put in place a system to we monitor these type of people who are involved in accidents.

For instance, put in a ten-point system whereby in every offence you deduct their points until when they have no points left then they should be banned from driving ever again and that's what is happening in many countries around the world. If you commit several offences, you are not allowed to drive a vehicle.

Well, we have to put this system in place because road blocks are done almost everywhere and it's very predictable but most times on fortnight Fridays only in certain locations. At times, you will be driving behind a car with faulty indicators, smashed windscreen and side-windows but somehow these traffic officers will allow the driver to go through.

These sort of vehicles must be totally removed from the road. Even those traffic officers who are blocking the roads are difficult to be identified, you will wonder whether they are real traffic officers or not. They don't dress properly by wearing slippers and chew betel nut and will not approach you in a proper manner but with a rough tone of voice and will say give me your licences and you will be confused he is a real traffic officer or not.

Where are the standards?

Minister for Transport, you have a lot of work to be done. And our wantoks who normally run their bus and taxi services must be seriously investigated as well. They pretend to put the taxi cab and drive around without properly registering their taxis and buses. Some of these bus drivers drive the PMV buses without 'P' plate number.

These are some few remarks that I wanted to contribute to this report.

Yes, I agree with what the Member for Bulolo has mentioned in relation to engaging MVIL office. I appeal to all the Governors to do that. We already have MVIL office at our province and collecting money from it and they have their own accounting system.

Secondly, members from coastal areas must support to introduce this Sea-Craft Act and appoint some board's members because we have done it and saved many lives. Even the enforcement officers in my province generate revenue from this as well.

Thirdly, we must install a portable weighing machine and Land Transport Board must install weighing machine in each province. Because all these huge trucks owned by foreign businesses driven on most of our national highways are damaging the roads by creating potholes. We need to put in place this user-rate system, which is a legislated rate system that we can collect revenue from but we haven't been collecting it yet.

These are some of the minor incentives which the Minister can take into consideration and create a forum and maybe invite all the governors of each province to attend and introduce this law. Which can assist us in many ways by saving lives and also help us to collect revenues for our provinces.

These are few remarks that I wanted to contribute to this debate, thank you.

Mr RICHARD MASERE (Ijivitari) – Thank you, Mr Speaker, in support of what my other colleagues have said, I would like to take this opportunity to congratulate the Minister for Transport and Infrastructure on his ministerial statement.

I want to congratulate the Minister on his foresight and providence under the leadership of our Prime Minister to address our infrastructures development particularly with roads but more importantly the missing link roads.

Mr Speaker, I am happy to note that the Minister has flagged the missing road between Ijivitari and Abau, which links the two provinces to Port Moresby.

Since I got into office, I have been running around speaking to stakeholders to find a way to link the two provinces to Port Moresby.

34/07

The reason why I wanted to do that was to give my people and Oro Province an opportunity to have access to Port Moresby and the benefit to reduce cost of living back home.

For example, if you want to ship a container to Oro Bay, it will cost around K7 500. That cost is then passed on to the consumer in the province but by opening up roads, it will significantly reduce the cost of that container by K6 000 hence, it will cost just around K1 500. This would then significantly decrease the cost of living in my province enabling us to access food at a lower cost than what we are currently procuring there.

Mr Minister, I am very pleased that you have captured that in your plans to ensure that it happens. I would like to see that eventuate in this term of Parliament whilst I am the Member-Elect for Ijivitari. I do understand that given the country's current economic climate, it may seem that it is a difficult thing to do but I want to say that there are other ways that we can find money to build roads or even go to certain extent of partnering with investors to make it possible.

Mr Speaker, one of the areas that always come under debates on the Floor of Parliament is forestry. I had the opportunity to sit down with our Minister for Forest to assist me find an investor that will help me build a road from Northern Province to Abau District and then to Port Moresby.

I want to also thank my Governor because during our PEC Meeting, I also discussed with him the same intentions and he is supporting me with this idea to make sure that it happens. It is important that not all logging is bad, some are good for the province. These projects are good because they create opportunities for employment, the Government to earn revenue and other spin-off activities that come with it. However, for us, it is a must and it is critical that we have these roads.

For example, a village mother at home is selling a bunch of bananas for K1.50 but that same bunch here is sold for about K20 to K30. Therefore, if we open that road, it will create and stimulate the local economy. The community will directly or indirectly benefit from this road because the spin-off activities increases with the road. The mother will end up earning K20 to K30. This then will also help us as Members of Parliament. We do not have to run to 'Haus Krai' to contribute. The people are making money to sustain themselves. They will have money to pay for their own school fees and that is through generating an income for themselves. Therefore, this road is an important infrastructure and you mentioned in your

statement that road connectivity is the key to development and prosperity. That is a very true statement. Roads cannot be better defined than what you have stated. You build a road, you build an economy. I have always said this from day one that if you want your economy to grow to be a strong and productive one, you build roads. The more roads you build the bigger the economy.

Mr Speaker, I support this road because the Highlands Region is connected and so I want the Southern Region to be connected as well. I need to drive from Popondetta to Alotau or to Port Moresby, Kerema and the Western Province. Why can't we do it? And connect all the way to the Highlands. These roads are important to us so we must invest money into building those roads because that is the only way that your economy will grow.

Mr Speaker, we complaining here on the Floor of Parliament that we are building roads in Port Moresby and spending money but in 10 or 15 years' time, we will appreciate the roads we are constructing now, as well as the Kumul Flyover.

35/07

So there is no bad thing about roads, let's invest in roads that will grow our national as a whole.

So, Minister, while you remain as Minister, under your leadership you must become a catalyst for this. Do not sit and talk about it and later close the book and go to sleep, you must become passionate about this. You must drive this. You have to make sure that you connect the Minister for Works and talk. Find solutions. Find the best way to build the roads. It can be cheaper.

Now I was talking to our friends from Israel and they said that in Israel they have travelled roads that a plane can land on. In Israel, if you build a road with gravel only a plane can land on it. The simple thing that they do is that they used a chemical additive. So when you mix water with this chemical and you put in into a water cart and spray it on the road, when the water sinks into the gravel it captures and holds it. And they reckon it is stronger than cement.

So in our rural roads we can use that adhesive to hold the roads so that they can become long lasting.

So, I asked that Israelite, this is a very important point that you are making but what I don't understand is that if it is simple, why isn't Papua New Guinea using this? Why isn't

Works Department using this? Why aren't contractors using this thing to build our roads with?

And he made a point that questioned everything. He said, the only reason why they are not using it is because the contractor who is building the road sees the road as his form of income.

As long as he doesn't apply that chemical in the construction of the road, he will go back and keep maintaining that road so he can earn a living out of it. But if we use this chemical and we seal this road, it will last maybe 10 to 15 years. And in the long run we save more money on roads.

So, I want to encourage the Minister, you must become the catalyst of this change you must drive it so that it becomes a reality.

I am passionate about two things. I am passionate about agriculture and tourism. Now this road connectivity that will happen linking Ijivitari to Port Moresby has a potential to increase tourism.

For example, when a group of tourists from Australia wishes to travel or to walk the Kokoda Track, they can travel from Australia to Port Moresby and instead of catching a plane to Popondetta's Girua Airport and travel down to Kokoda to walk the track, it becomes very, very expensive, particularly when they have to hire trackers or carriers to help them carry their cargo either from Popondetta to Sogeri or Sogeri to Kokoda Station.

But when you build the road, I see that you may have to hire 1 hundred carriers to help the Australian, for one person to be flown from Popondetta to Port Moresby the cost is about K400.00 in airfares just to get that one carrier from Popondetta to Port Moresby. And then they have to accommodate him in a hotel which is another K400.00.

So, for one person to be hired by one tourist that comes here, the cost will be around K800 but that's not the limit of it. There's other costs and components that increases that. So, by the time the Australian buys the ticket and pays for everything, it seems like the cost of the tracking is a lot expensive because of all these additional costs that is associated with that walk.

So, if you are bringing in a thousand tourists and each tourists requires two carriers, it means that one tourist has to pay K1600.00 just for accommodation and airfares. So he has to fork that money out of his pocket to be able walk the Kokoda Track.

36/07

Just to walk the Kokoda Track is very expensive. But if we build the road from Popondetta to Port Moresby, on the eve of the walk, you can put that two trekkers or carriers on a PMV and pay K50 each for bus fare from Popondetta to Port Moresby at K100. It is a huge difference. The cost of K1600 is now only K200.

The cost of the tourist coming will significantly decrease bringing in more tourist coming into the country. So the dynamics of everything will be linked to that road.

I am happy, Mr Minister, so Oro can contribute in food security, to the economy in tourism and the socio economy of this country.

A guy who struggled to make a living came to Port Moresby and bought a truck and the truck costed around K100 000 like everyone else in Central province who bought their trucks. But the guy has to ship his truck to Popondetta that cost him additional K10 000. But if he buys the truck with K100 000 then K100 on fuel just to drive to Popondetta will reduce his cost a lot more. So the cost benefit will see decrease in food price, people should make more money and so forth, so I'm glad you captured that in your plan and the challenge is now for me and my governor to see that this road is completed in this five-year term so we can drive on it to Port Moresby for Parliament sitting and back.

Mr Speaker, I congratulate the Minister on his Ministerial statement and I can see that you are pushing some important agendas and I wish they will come to fruition.

Mr SOROI EOE (Kikori – Minister for Community Development, Youth and Religion) – Thank you, Mr Speaker. I rise to commend the Minister for his important presentation today. Infrastructures are very important and key to any developmental agendas of any country be it Papua New Guinea or anywhere in the world.

I am concerned especially when I look at the issues that are raised by the honourable Minister because there are Members of this Parliament who can access other areas by flying or by road. Kikori district, unfortunately, has none. I raised this issue at the beginning of last year and I am raising it again.

I don't blame what has happened but I guess Gulf Province and Kikori District leaders may have been the cause of why the district is what it is today. All the airports are closed, there is no tangible, physical connection of roads between major ports. For example, Kikori to Kerema. My people are losing lives at sea for the last thirty years or so. Every effort my people make are hindered by environmental factors so they cannot travel when there is wind

or rain. If they do because of emergencies, they became victims of those circumstances. So this is the sad situation.

Minister, I commend you for your presentation. The definition of the road being mentioned by the Works Minister is a highway connects provinces and if there are other major roads within province, they are district roads and they are the responsibilities of the provincial governments. This has never been developed. There are no road system and airports.

37/07

My Kikori District is a very big district in itself and from one end to the other, you will travel for a very long time; it is like crossing one province to the other. I think that has been the problem and therefore this issue of road construction and maintenance, Kikori District has had none of these in existence for the last 30 years.

Therefore, Minister, I take note of your presentation. I want to ensure that under your leadership, there should be some sort of road connection. I think there's a debate about missing link and it is about missing link between Southern Highlands and Port Moresby. This area has never been developed.

Just beginning of last year, when the Gulf Governor and I took office, we developed the airports and Kikori Airport will be officially opened by the Prime Minister when he is free.

Mr Speaker, these are problems that hinders development. We are not just talking about economic development; we are talking about social development. People are dying because they cannot access health and education services. There are lots of school dropouts. Many of my children are walking the streets because they do not have proper educational facilities. Therefore, I would like to appeal to the Government as well as the Minister himself to please look at these important issues. I am encouraged by his discussion about health; reintroducing the government trawlers.

Mr Speaker, I would like to ask the Minister to consider Gulf Province, particularly Kikori because it is only accessible by rivers and sea where some of the biggest waves are found in this area. My second point is the issue that he has raised particularly on developing free trade zones and deep water ports. I thank the Minister for the imitative that he has taken. This is very import and I thank the Government for it particularly when you look at Manus, Vanimo, Kikori and one other port. I would like to work with the Minister especially in terms of developing this concept. I have already looked at it and developed certain master plan

which I can make it available to the Minister in terms of developing deep water port in Kikori District.

Having said that, I would again encourage the Minister to look at Southern Highlands-Kikori road conception. At the moment, it is now being stopped because of legal issues surrounding the section of the road near Simbirigi. I would like to ask that this matter be resolved so that this road can be opened up and in doing so, in the future it can connect Kikori to Kerema enabling my people to access services in Kerema and beyond.

Thank you Mr Speaker.

Mr WILLIAM SAMB (Goilala) – Thank you Mr Speaker. Firstly, I would like to commend Minister for a very good presentation but while he was mentioning other roads, he forgot a very important road which is the Goilala road. If he does not know, he should connect Hiritano Highway to Goilala District.

I was in the media this week trying to showcase Goilala's potential to the people of Papua New Guinea. Whatever definition that the Minister gave to define national and provincial roads is beside the point but as long as we connect people to economic activities, we should give serious consideration and define some of these roads.

38/07

I have a bag of potatoes that I will present the Minister this afternoon to show that if he helps me build this road, this is what I am capable of providing to Port Moresby. This is an agreement I will make with him when I give him that bag of potatoes from Goilala.

Secondly, it is good to see Members so passionate about roads. My past life before politics is roads, therefore, the Minister should pay attention to what I say. We are talking about roads but none of us are talking about maintenance of roads. My leader and the Minister is complaining about the Bulolo Highway, my brother from Ijivitari is talking about roads and its impact on agricultural sector. We don't have a policy in place to maintain roads. Forget about building it. Mr Minister, I spent a good number of years in your electorate, where economic activity in Dei Council, Western Highlands, has improved because of good maintenance under National Roads Authority under ADB program. This includes the road from Ialibu junction to Pangia station. So, we have to be serious about the maintenance component of road projects. Mr Minister, I will read one of your statements here and I quote, *'while DOW is responsible for major development, rehabilitation and upgrading of new and*

existing road network, road maintenance continues to be delivered in an uncoordinated, ineffective and inefficient manner.’ This Parliament set up National Roads Authority and I believe we should empower it to look after our maintenance programs of all the roads. We can go ahead and build roads, there is no problem, but if we do not maintain it, we are missing the point.

Mr Speaker, we have seen a statement by Minister for Civil Aviation with support and innovations by the former Minister, they were able to separate powers in Civil Aviation, where we have four entities reporting to the same Minister but they are operating effectively as outlined in the Minister’s statement today. Works Department is a huge department. We all complain about roads. You have to establish a road policy for PNG.

Mr Speaker, I request that the Minister seriously consider these things. We need to demarcate powers in Works Department. One section should be responsible for research and development so that they will tell us material types, construction methods, quality and all those requirements. One sector should be for building and rehabilitating roads. The maintenance component should go to institutions set up by this Parliament like National Roads Authority where they can concentrate on maintain the roads. When you maintain the roads, you extend the life of that road infrastructure. You will reduce the cost. Our problem is that we build roads and we wait until potholes and deterioration occurs and we go searching for new funds to fix them.

Thirdly, we are talking about rates here. And I agree with your comment on rates. We set up this system in Works Department where one sector can look after rates and quality, then we should have a better road system, well maintained where other sectors can benefit from.

39/07

Mr ALLAN BIRD (East Sepik) – Thank you, Mr Speaker, for giving me time so that I can debate. I want to thank the Minister for this very comprehensive Report. I would like to particularly commend them for the factual approach that they are taking which is something that is very useful. But, I also want to add some ideas which you might want to consider to improve on our delivery of transport and infrastructure.

Mr Speaker, one of the things that I would like to see is some kind of data base you are kind of coordinating the entire sector from airports to road infrastructure all the way through to wharves and sea ports. I think it will be useful for some type of a database to be housed in

your ministry and this would have details such as cost; how much it will cost to build something, whether it be 200 metres of wharf, air strip or whether it be upgrading a proper aerodrome, and in that way it will add to our ability to properly plan and coordinate.

I also take on board some of the points raised in the previous debate by the Honourable Minister for Finance, in that we can't afford to maintain all these things all at the same time and we understand that all of us know that we have a limited Budget every year and we have so many competing things to do.

I refer to what the Minister for Works mentioned, that he needs K1.5 billion to effectively carry out his role and functions, and I think to myself that within our fiscal envelope there is scope there but the problem is we never agree as a country about what we should do first and second. I am not being critical but I am just pointing out something that I have been observing over the past nine months.

Many of you speak about your districts and rightly so and they are districts like Kikori, Telefomin, Rai Coast and Middle Ramu that are still not connected to anywhere, so, given that as it is, we are fighting a losing battle if we continue to split up our resources and do very tiny things every year.

Today, we collected the K1 million DSIP and PSIP, I looked at it and I thought to myself my province is 44 000 square kilometres which is the second largest in the country. If I had my sea borders, I have the largest province in the country. What is K1 million? It is ineffective and I think to myself wouldn't it be better if I forego this K1 million and invest it in one area of the country where they can be an economic. That way we can resolve some of our problems but if we come here and continue to fight for our little districts the country suffers because we never have enough to do what is right. We have to prioritise.

We the Sepik's, we know how to tolerate pain because we are happy to sacrifice everything for all of us to split later, for instance, if we agree that we invest in Morobe Province because they have mines coming up, they already got a K800 million wharf there and there has been considerable expenditure by the previous government on the road infrastructure within the Morobe Province. Then, do not give up half way, let us complete the city or the township and put in the power supply and everything else knowing and planning well that Papua New Guineans are going to come from East New Britain, Eastern Highlands, Jiwaka or Northern Provinces and they will go and be based in Lae. We do that deliberately knowing that the investment is not for Lae alone but for Papua New Guinea as a whole.

40/07

If we take that kind of approach than five years down the line, we will have money to go back and retrace the missing link. But if we don't and we continue to fight for our little districts and we want to build this road because the district need this thing but wouldn't it be better that based on an economic argument. For instances, I have got 2 million hectares sitting as part of the Sepik Plain and we have never developed it and if there is a study that says that an investment is to be made on the Sepik Plain than we are going to produce millions tonnes of whatever it is; oil palm, rice and et cetera. We then go ahead a build a wharf based on what the economic production is going to be because the good Minister mentioned that there is going to be a feasibility study to build a wharf for Wewak but I don't think it's fair on the country if we just go and build the wharf. Why are we building the wharf for? We have to build the wharf knowing that we are building it to supply and produce something and in producing whatever that thing is we create jobs and it's not just for Sepik and Morobe people but for whole Papua New Guineans. And I think that argument needs to be made in this house and we all need to agree as to what that discussion is. If we are able to create 100 000 jobs in Lae, based on all the things that we want to do in Lae, economic argument, actual data and its presented and we all agree with than that's a 100 000 jobs for PNG. And all of our people will benefit and then down the line we can rip the benefit of making that decision together. I know that this government has borrowed a lot of money and built a lot of infrastructure. And I continue to argue here that, that infrastructure is in the wrong place, yes, it looks very nice and when I fly in the plane from my destination to Port Moresby and when I fly over that four-way lane starting from Baruni to 9 Mile road, you will see not many cars on that road probably three cars but its four lanes. The point is that it's not heavily utilised and you can tell me that 20 years from now we will be happy for building this road.

But let me state here clearly here that perhaps there are other places that needs this same road somewhere in this country, that would have made better use of that road. It would have produce something of economic value for all of us to share later. This is the thing that I think my good Minister and through the Speaker, and this are kinds of arguments that I would like to see from ministry such as yourself.

So when you say you want to develop an airport and you justify it to all of us sitting in this House, it doesn't matter where I come from is under developed and my district where I am from still doesn't office and we share Maprik as our administrative centre and that's my

district. But for us we still recognise that we support Maprik because of the fact that Maprik is a growth centre and that's our administration base. It makes perfect economic sense to do that. We must look at what's good for us and I want to see if we are sitting in this House, when I go to East Sepik I talk about Sepik but when I am here in this House I need to be talking about PNG. The discussion needs to be more about PNG and less about our district and that's my opinion. And I want to see you ministers drive that and drive the agenda for the country, I have worked with some of you ministers and I have said when you drive something for the country and you call me I will support you and I have done that on many occasions.

So Mr Speaker, I want to see at some point in the near future a presentation on this Floor of Parliament of an agenda for development based on developing harps that will generate revenue for future use. Let's not develop things that don't make money and if some of us need to sacrifice so that, that agenda is achieved then come here and make the argument.

41/07

When the previous Government wanted to put together the LNG Project, they had to be a sacrifice and those resources that were sacrificed went into this great LNG Project that now sits in Southern Highlands Province. That was a deliberate decision and I think those sorts of arguments need to be brought more on the Floor of Parliament. We have worn out our extractive industries. We are now trying to log the life out of our forest which some of us are quite afraid of but we have done very little in areas like agriculture. I would like to see that if we are developing infrastructure whether it be ports, roads or airports then let's do it knowing very well that we are doing it to enable an agricultural development. This agricultural development is going to be sustained in such a manner that it makes enough money to pay for all of that infrastructure. Thank you very much.

Mr DAVIS STEVEN (Esa'ala – Minister for Justice and Attorney-General) – I would also like to contribute to this debate that sounds very inspiring and provoking a lot of interest.

I commend the Minister for this important presentation. This presentation reflects a clear understanding of the challenges that we face and it speaks about the way forward.

Mr Speaker, the main issue from my observation is how we approach the challenges. I acknowledge the speakers that have gone before me in their contributions and immediately before me was the Governor of East Sepik.

In his address and helping us to elevate the discussion from the microscopic issue from our district perspectives and addressing it as it should be is an important strategic and economic argument.

Mr Speaker, I am encouraged by the presentation of the Minister especially his references to important Government interventions that have occurred in the last five years of the last Government. My first point relates to the National Transport strategy which effectively addresses the issues that have been raised which the Governor of East Sepik has been referring to.

Mr Speaker, in 2013 the Parliament for the first time adopted a National Transport Strategy. That is a strategic document and a technical blue print and sector policy that was put together after a lot of work with the assistance and support from our development partners. What that meant is that as a nation we assessing our position. We were doing an analysis of our needs. It was not just in our land transport but all the three modes of transport. I rise knowing fully well that I represent a remote island community that relies heavily on marine transport.

Mr Speaker, from my point of view is, a lot of observations have gone into this particular sector policy. The policy sets out the pathway in terms of developing our transport sector from 2014 to 2030. This strategy is the way for us to get to where we want to be in the future. The desired outcomes that we want to achieve by 2030 and the way to achieve them are all set out in there.

42/07

I'm encouraging Members of this Honourable House to read the National Transport Strategy. I think it is one of the best pieces of policy documents that you will find because in there you will also find that the transport infrastructure plans for the three modes of transport are clearly set out, costed and including the cost of maintenance.

And this government is about getting the sector plans together and then, depending on the priorities that have been identified, put in the budget where it should go. This is one policy which believe has begun to change our attitude in government where budget discipline is concerned.

So, if the priorities are already set, Mr Speaker, I should like to think that we as leaders should keep committed to the priorities and not arrive during budget sessions and nominate our own pet projects. Because if we commit to these plans then we are committing to achieving the outcomes for which these plans are designed.

Mr Speaker, if we do not then we will continue to suffer this confusion and we will continue to struggle and argue amongst ourselves. And in the process those who are better placed will receive the transport connection to the exclusion of others.

Or perhaps because many of us in this House are talking roads, marine transport and rural airstrips will continue to miss out to our own detriment.

Mr Speaker, modernising government is about sticking to plans, strategic plans. I want to say that this government, in its wisdom has adopted the National Transport Strategy.

My debate, Mr Speaker, is that the Minister and his Department will review and evaluate how the National Transport Strategy has been implemented, what weakness they have identified and perhaps, work in conjunction with the Planning Minister and the National Works Department and other agencies, consult with the governors and the open Members and perhaps a review might be necessary.

Mr Speaker, the current government, under the leadership of our Prime Minister worked very hard to include the issue of rural airstrips in the national debate on transport. This is a legacy issue, Mr Speaker, rural airstrips were forgotten, ignored and neglected. Everybody was in a mad rush to build roads and they forgot the rural airstrips. But when the maintenance budget as not forthcoming, or a natural calamity such as a disaster hit the roads, and communities were disjointed then we regretted that MAF and SDA Aviation could not land. By over emphasising one mode of transport we created the disconnection that we are now talking about.

Mr Speaker, the Rural Airstrips Agency has been mentioned as one of the sector priorities in the minister's presentation and I'd like to contribute my debate in this debate to the Minister's reference to the CADIP Phase Two programme which is another success story. It is another achievement, a milestone that must be credited to this government.

Mr Speaker, CADIP Phase Two is a continuation of CADIP Phase One. It is on public record that the successful implementation of CADIP Phase One by our aviation sector agencies as led to the development of CADIP Phase Two which is now focused on the rural airstrips. That's the missing link where the land mass and certain of our maritime locations are.

Mr Speaker, the challenge that I want to contribute on is in defining the scope of that programme. That consultation must occur. My own experience in CADIP Phase One is that our own bureaucrats went ahead and signed a programme that did not full capture the challenges that we are faced with.

43/07

Mr Speaker, my own experience in CADIP Phase 1 is that, our own bureaucrats went ahead and signed a program that did not fully capture the challenges that we were facing in our aviation sector. For example, the Accidents Investigations Commissions report we just received today in this House was completely neglected, left out in that CADIP program until this Government came in and we started to review that program and included other agencies that are required so that we can be compliant where ICAO's standards are concern.

The consultation process must occur properly, leaders must be consulted, and a lot of debates that transpired this afternoon is relevant to the issue of how we scope CADIP Phase 2 once again because it's a loan, a loan that must achieve important purposes that objectives of our Government.

But I want to add one important contribution, that when we are thinking about rural airstrips so that we don't get carried away with the economic consideration, perhaps tourism, agriculture. The recent disasters have shown that our nation is ill prepared, ill positioned when taken by natural calamities. If a disaster hit the island of Woodlark in my province today, the planes can still land because the Milne Bay Provincial Government continues to sustain those airstrips. Not because of economic purposes but because our people lived there and if we need to access them, we must access them by means of aviation. These are lessons we have learnt.

Mr Speaker, let me go through the third mode of transport, the marine transport. The trollers have gone and there is nothing to replace the trollers. Let me make this important points arising from the statement for Civil Aviation. In the period between 2011 and 2015, only 35 recorded air accidents in a five-year period and how many road accidents occurred during that time? So you see the cost and risks involved in one transport sector as compared to another. This is not to mention the realities, the statistics where the maritime transport is concern.

Mr Speaker, my debate this afternoon is in respect to the *Small Craft Act*. When the trollers went missing in the Milne Bay waters, they were replaced by local boat owners.

People were able to construct their boats because of their skills taught to them by the missionaries, especially those who came with the Deputy Prime Ministers ancestors. I must give credit to the missionaries who came to that mission; the Kwato Mission.

They taught our people to build boats, not the dangerous banana boats that are causing people's lives today. And the people engaged their own sea-ferrying skills transferred to them from the dugout canoes to these boats and provided that important essential links to the highlands until the *Small Craft Act* was passed. And then the NMSA officers go down and stopped the boats from operating and they put on requirements that are almost instrument-able.

Mr Speaker, if you go to the beautiful town of Alotau today at the Senesen Bay, the boats are all there. Because they cannot pay, they cannot meet each and every requirement that are assumed for Small Craft Act now imposes on the small village people.

Mr Speaker, the unfairness is this; Government did not support these small boat owners to build the boats in the first place but now we have taken them out of business.

44/07

The injustice continues as the missing link is exhausted by this *Act* that we have passed. You might be saying that you are the Attorney-General, I am and I am ready to amend the law. I am encouraging my brother the Minister for Transport who has raised the issue. So when we talk about the missing link and why efficient working transport system is important in this country. We must not neglect the three issues.

Mr Speaker, what is not present in the Minister's statement is the question of transport subsidy. The Department of Transport has to my knowledge has engaged in necessary work to create a subsidy scheme that will support coffee growers in Karamui and other rural communities that are going to rely on the small aircrafts to cart them into the main centres. The industry is waiting for us; MAF and other mission based aircraft operators have been doing it tough out there.

This government recognises their services and dedication by giving certain exemptions in the last term of government. We have worked with them but we can improve. And this transport subsidy will even work for the communities that rely on the road transport or the marine transport. This important work must be done by our people in the transport department. If those points were included in the Minister's next presentation, your people and our people in Esa'ala will be very grateful.

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

ADJOURNMENT

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

That the Parliament do now adjourn.

The Parliament adjourned at 4:35 p.m..