

EIGHTH DAY

Thursday 12 April 2018

DRAFT HANSARD

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EIGHT DAY

Thursday 12 April 2018

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

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

Sitting suspended.

The Deputy Speaker took the Chair at 10.40 a.m., and invited the Member for Kompiam-Ambum, **Honourable John Pundari** to say Prayers:

‘Our Father, God the Creator and the ruler of the universe, almighty and all powerful. We are nothing Lord, we come here in the House of the people, eyes closed, heads bowed. We give you our praise and worship and acknowledge that you are the copy God of our lives and the God of this country. Oh Lord, we thank you so much for a wonderful and beautiful country with the man blessings that you have bestowed upon us. Oh Lord, it is our sincere appreciation and we thank say, thank you, for and on behalf of the people that we represent. As we gathered here today, we remember our brothers and sisters of Hela of the Southern Highlands and the neighbouring provinces, who have been devastated by the earthquake. We just want to praise you and thank you for your love, strength and endurance. We just want to say thank you, that you have given them the willpower to begin life again. Oh Lord, our tears are with them, our hearts are with them, and our thoughts are with them. We thank you so much because never a tear that is dropped here on planet earth and in our country is unrecognised in the throne rooms of Heaven. You always share our tears, our and our grief. You are touched with the feelings of our infirmities and we say thank you. You are the God of our past, our present and you are the God of our future. In you alone oh God we trust. We pray that you bless us today with wisdom and understanding. We pray that the power of your spirit will give us the humility and will guide us to be servants of your people. Oh Lord, in the abundance of your love through Jesus Christ our Lord, forgive use of our many sins, for we confess that we are sinners and we repent on behalf of our people Lord. May you have mercy on our people. We thank you so much for the love you have for us through Jesus Christ our Lord, Amen!’

QUESTIONS

UPNG Graduation Eligibility

Dr ALLAN MARAT – Thank you, honourable Speaker. Mr Speaker, my questions this morning are directed to the Minister for Higher Education. Next Friday, on 20 April, the University of Papua New Guinea will be hosting its graduation.

02/08

Mr Speaker, there is talk amongst students that apart from what has been some poor performance by the lecturer such as not attending and presenting lectures, marking papers with the usual prejudices that goes with marking and not keeping proper grade records which has resulted in some students not on the graduation list. Some of these students have been asked to pay K600 in order for their names to be included in the graduation list. It raises a lot of questions in relation to the quality of education and creates an impression that you have to pay K600 before your name is placed on the graduation list.

Mr Speaker, I want the Minister for Higher Education to explain what is really going on? Some students who merit graduations are not graduating and some who do not merit graduations are graduating.

Thank you, Mr Speaker.

Mr PILA NININGI – Thank you, Mr Speaker and thank you to the Member for Rabaul for this important question. In the University there is still a lot of problems that I would like to get to the bottom and I cannot cover-up.

The selection as you all know that is done online and all the other faculties have accepted the selections that were done but only one school of business did not accept this and selected its students outside the selection process.

So, I have requested the secretary to come with the software and update me on where we have gone wrong. The students that they have selected where technically eligible for technical colleges but they went to back to select these students so I am still querying.

Now, they are taking the Secretary and I to court and the reason is they want me to pay for these students that they have selected but the secretary has taken a precision that we will only pay for those students that we selected through the system in place so, that is a case still pending.

Mr Speaker, we have a problem with people are not doing the right thing and I am trying to get to the bottom of it. We have to improve the university which was once a premier university and it still is. I can protect it but I will not cover up until the school is improved, in terms of the quality and proper selection criteria.

Mr Speaker, I will immediate instruct the secretary to investigate and those people who are responsible will be dealt with accordingly.

Thank you, Mr Speaker.

Safety and Management of Air Niugini

Mr ALLAN BIRD – Thank you, Mr Speaker. My question is directed to the Minister for State Enterprise

Mr Speaker, in relation to Air Niugini, it is difficult not to notice that there are seven aircrafts permanently parked at the old terminal and many other faulty air crafts now with Air Niugini that are parked in some parts of the country. There was a recent flight on Wednesday there was a flight from Madang that was forced to land at Nadzab.

Mr Speaker, given that background, I suspect that there are some serious issues with Air Niugini and hence my concern for the entire traveling public and as a representative of the shareholders.

03/08

I have heard that the essential workers such as engineers and pilots have left and many of them are Papua New Guineans.

(1) Could the Minister assure the travelling public that Air Niugini is still a safe airline for us to use, given the serious management issues that are currently at play?

(2) Given the serious nature of this bad management of Air Niugini, could the Minister revisit the board with the view to replacing that board?

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

Firstly, I can admit to a certain extent that most of the problems that our good Governor has highlighted do exist.

The aircraft that are parked on the tarmac are those that have technical problems. Some of these difficulties are associated with locating and securing spare parts. Some relates to leasing arrangement that Air Niugini has with one or two leasing aircraft companies.

So the fact that some of these planes are left on the tarmac does not necessarily mean that these are surplus requirements, no, they have technical issues. One thing that is against all the difficulties that the airline is going through is the airline. The Prime Minister and myself, assured everyone that regardless of whatever happens the safety of our passengers is paramount.

Air Niugini is one of the few airlines in the world whose safety record is second to none. And we are not going to under any circumstances compromise that and that is why even if we have to go through the pain of encountering flight cancellations and delays, the safety of the travelling passengers is paramount. The one thing that Air Niugini has got is its very valid and serious record in air safety and that is why Air Niugini has gone down that path.

Mr Speaker, in relation to the issue that Air Niugini is facing regarding the availability of pilots and engineers; there is generally shortage of pilots and aircraft engineers in the Asia Pacific Region including Australia, airlines like Qantas are also encountering difficulties in retaining some of their highly skilled pilots.

Because there is a lot of competition from China, it's offering pilots and aircraft engineer's wages which are even beyond what is prevailing in the market now.

So most of the good pilots that are employed by Qantas and other airlines as well as our own airlines Air Niugini have left. And when China pokes out money then no one can compete and that's the difficulty most of the airlines in the region are facing.

But Air Niugini is not sitting there and waiting, it's trying its best to offer attractive packages to our nationals as well as the region as a whole but it's also competing with Qantas at the same position.

In relation to the management issues, as many of you may have heard one of our longest serving employee and the CEO of the company has resigned, Mr Simon Foo. The company has employed an Acting Chief Executive Officer, but Kumul Consolidated Holdings has been directed by myself to place an advertisement in the paper requesting those with appropriate qualification to apply so the company is looking at employing someone who is able to.

In fact, Mr Deputy Speaker, Air Niugini's position is quite unique compared to the other regions. So we are looking at someone who understands very challenging culture in a country like PNG as well as managing an airline which when you look at it in all factors, and that doesn't mean that we will allow the airline to go down that path of self-destruction, no, we are looking at employing someone who will be able to help us turn the company around.

And that also leads to the competition of the boards, there are number of vacancies in the board which we are also trying to fill.

With this, I take this opportunity to point out that I have actually asked the management to come back with a strategic action plan, which will enable the Government to go and send in a team to look at all faces of the operations of this company.

But if we see that the way the service contracts have been administered leaves room for us to do some changes then we will do so. I have asked the management to submit a strategic action plan for consideration to Kumul Consolidated Holdings Limited and myself.

04/08

Mr Speaker, we've also asked strategic advisers to give us an objective report and also look at all phases of the operations of this company. If we see the way that the service contracts have been administered leaves room for us to change the way this company has been operating, then we will do that. This is why I have asked the management to bring a strategic action plan for consideration by the Kumul Consolidated Holdings Limited and myself.

Mr Speaker, finally we have also asked strategic advisors to go in and give us an objective report on the way this company has been operating and the way forward. Therefore, I can assure the Governor and the country that we are not sitting back but equally concerned as our good Governor. We are in the process of taking the right steps and hopefully they will remedy the situation and hopefully in the next 12 months, we see a better and efficient airline.

Adhere to Public Service Commission Directives

Mr JOHNSON WAPUNAI – I wish to direct my questions to the Minister for Public Service. I am aware that many public servants who were once terminated from work but were reinstated by the Public Service Commission are not turning up for duties. Many of them are on payroll but are not actually working. Many have been on payroll for months and even years.

If you look at our country's situation, there are a lot of people on acting positions. There are about one or two people being paid on the same position. This is a liability to Papua New Guineans.

Therefore, my question are as follows:

(1) What is the Ministry doing to address this issue?

We have a lot of departmental heads sitting on these reports but not doing anything about it. Why can't the Public Service look into this matter? Our country is going through a whole lot of financial issues, therefore, this is just another situation where it will put more burden on our budgets. Their salaries will only accumulate more financial problems.

(2) Can the Minister remove departmental secretaries who are not performing and appoint in new ones?

(3) If you cannot then what is the other alternative that you can take?

Mr ELIAS KAPAVORE – I thank the Member for Ambunti-Drekikir for his questions. This is one of the situations that is affecting our public service in our country today.

Mr Speaker, *the Public Service Management Act of 2014*, in amended section 5 to 19, clearly stipulates the powers and functions of the Public Service Commission. Under section 18, it talks about the processes of review that is undertaken by the Public Service Commission when someone lays a complaint of whether they are actually terminated from the public service.

The Public Service Commission takes about 90 days to look into complaints and then decisions are given back to departmental heads to take action. In a case where the departmental head is not happy, they can challenge that decision within 30 days. But it has come to our attention that many departmental heads are disregarding lawful decisions from the Public Service Commission. I appreciate and thank the two Members of Parliament for raising these issues here on the Floor of Parliament.

On one of our daily papers of 28 March, we saw an article where the National Court upheld the decision of the Public Service Commission to reinstate some staff of the NIO. These particular staff were waiting for some months and years to have them reinstated until they had to go to court to get a court order to effect the Public Service Commission's decision.

Mr Speaker, I would like to say here on the Floor of Parliament that the continued disobedience or disregard to such directive amounts to disciplinary offence under the *Public Service Management Act, Section 51*.

My department is not pleased to see that we are facing these problems so we are now in consultation with the Public Service Commission or PSC and we will be writing a report to NEC so that we know what is happening in our country. With regard to the staff of NIO, I will be talking to the Honourable Prime Minister, who is the minister responsible for NIO to address the best way forward for the NIO staff.

Mr Speaker, some of the staff who were affected are very senior staff in their own rights. Some of them have undergone years of training and have vast work experiences. Whilst some of them were disciplined due to due processes, some were terminated because of some other personal reasons by the departmental head. Such actions can lead to liabilities for the Government and our country. I find no penalties in respective acts for departmental heads who

continue to disobey the Public Service Commission directives. This is something we will review and fix for the future.

Mr Speaker, with regard to the issue raised on unattached officers or two people paid on the same position, I want to state here that data cleansing exercise which commenced last year following the 100 Day Plan of the Government, we found out that there were 7000 public servants who were unattached on the payroll system.

05/08

I can say today that we have actually reduced this number to 6000 after due process of doing the data cleansing exercise and we'll continue to do this as we go forward.

I've completed the 22 departments and we'll continue to do that as we go down to the provinces as well. So, its work in progress and we'll continue to do that as we continue to update the NEC and the Cabinet.

TB Isolation Wards

Mr CHRIS HAIVETA – My questions are directed to the Minister for Health and HIV Aids, Sir Puka Temu.

I want to thank you and the department for the assistance that you've provided to Gulf in terms of getting our strategic plan for the next four to five years in order to be launched today. As I speak, that plan is being launched in Kerema in collaboration with your department, the provincial government and our strategic partners, including Oil Search Foundation, ExxonMobil, Total and Kumul Petroleum Holdings. So, I want to thank you for the assistance you've provided over the last six, seven months, after the elections.

Tuberculosis is a major disease that's becoming prevalent right throughout the country and the hotspots as you very well know are Western Province, Gulf Province, Central Province and NCD.

So, my questions to you are as follows:

(1) On a national plan, can you give us an update of what the department is doing, especially in relation to the construction of isolation wards for drug resistant TB and for others in the overall plan for the country? It is also in relation to the money that has been made available under AUSAID for the construction of two isolation wards or hospitals for the provinces that are affected.

(2) This is in relation to the clearance of doctors or medical officers who are on cruise ships that enter PNG or who are on ships like the YWAM ships that will be sailing for Gulf to assist with the disaster and on its normal programme on Saturday. What process is there to ensure that they are cleared quickly so that they can carry out their programmes and that in no way hinders the operations of such vessels that are operating in the country?

Sir PUKA TEMU – Thank you, Mr Speaker. I thank the good Governor of Gulf for the question on this important disease in the country, TB.

The honourable Governor is absolutely right. TB is one of these diseases that is taking a big toll on our population.

06/08

Through the support of the World Health Organisation, Australian Government Bank, we have agreed to support the global theme this year. Some of you have seen in the media where we had the young children in NCD celebrate the World TB Day. The theme is go kick TB out and it requires leadership and I apologise to the leaders on the ground in Kerema that myself and the Governor were not there. But I commend the partnership that provided the enormous technical and resource support in this fight against TB in our country and the region. My sincere apology for not going to launch that strategic plan for TB in the Gulf province. We have successfully negotiated for TB in that regard and that is the Australian Government, ADB and partnering with our own Government through the Budgets. NCD has launched the World TB Day, and Gulf has already done so. There are enormous resources available; AusAID Foundation and other partners we have on the ground is paying enormous dividend. We are bringing other structures into place.

Specifically on TB, I want to say that, unlike before we now have the laboratory capacity to diagnose TB cases on day one. Before we used to wait for two to three months and if the x-ray was not sure, we will get the sputum and send it to the laboratory and we will culture that sputum for six months before we knew what it was. That is now of the past as we are now able to diagnose TB on day one that patient presents and we now able to put them on a treatment is used in other parts of the world.

During the World TB Day I said, if the head of the Commonwealth had TB, she will be on the same drug that a child with TB in Abau would have. So we now have an opportunity to make sure that those who had TB and the symptoms must be known by everybody. If a school

child is coughing, the teacher must bring the child to the centre for testing. So all of us play that responsibility. Don't let the child continue to cough for two weeks because that could be TB and by that time, he or she could have infected others in the community.

Now we have the ability for early diagnosis. We now have the ability to treat and the challenge is the patient and the family to make sure that the treatment is complete. This is to avoid drug resistance that we are having in Western Province for example. So those are the messages.

This year's theme is, "Leadership in TB", so I want all church leaders, headmasters of schools and the Members of Parliament to support the TB Program wherever we are. With the Australian Government and the support from the Planning Minister and our Treasurer, building of the Special TB Isolation Wards in priority areas will done this year and we are managing the processes. I can assure the Honourable Governor that those are commitment that we have made and we have been supported by our leaders.

With regard to the registration of Doctors, this was an argument that the Honourable Member for Wabag asked me the other day. We still have to comply with the registration of Doctors through the Papua New Guinea Medical Board. We don't want shortcuts.

I have already spoken with the Chairman who is very committed in making sure that everybody complies with the *Registration Act*.

07/08

I wish to assure the Governor and the leaders from the Youth With A Mission Ship is doing a very good job and on behalf of the Government I want to thank YWAM because they are doing a good job. I thank the Governor because, the Governor's Budget also supports YWAM and I know Milne Bay Provincial Government is also doing the same. Those of us in the Maritime Provinces I request that you also provide some support funding so that the team can come. They not only provide medical assistance but they can also provide other general assistance like fixing the vaccine machine. Those are some skills they have. I will make sure that the registration process and requirements are met so our team from YWAM can continue doing what they are doing.

The last point I would like to raise is, TB is on the rise in our country, particularly with the ongoing prevalence of HIV/AIDS in the country. Just to advise, about 25 per cent of the HIV/AIDS cases are in the country is the Highlands region and that is a big volume. With the problems we now have with the Earthquake, we are exposing those who are infected to poor living conditions that some of them have succumbed to diarrhoea, pneumonia and TB at a very

fast rate. I am now advising the UNAIDS team and our partners that we are looking at a special package as part of our response to the disaster to specifically look at this group of people so that they are protected and also that they are not infecting everybody. With the immense travel between the Highlands provinces and high prevalence TB areas like Central, Gulf, Western and NCD, we are going to pay a very special attention on NCD. I thank the Governor of NCD for supporting us in this endeavour and I think we are making sure that in NCD we will get the health interventions right. The trouble right now is health interventions can only control 40 per cent of the cases, 60 per cent is outside of health interventions and this is where I would request that in areas where overcrowding is common especially in small poorly built house with no proper ventilation. This is where Building Board must come in to ensure that where illegal settlements are crowded, they must apply the laws. Overcrowding allows TB to spread. These are non-health interventions which I can't control, therefore, all of us have to play a role. That is why this year, we will keep TB out but it requires leadership from everybody. Thank you, Mr Speaker.

Madang- Confirm Provincial Administrator

Mr JIMMY UGURO – Thank you, Mr Speaker. My question is directed to the Minister for Public Service, and can the Minister for Intergovernmental relations please take note. This is in regard to the appointment of two administrators in Madang province. Minister, you are aware that on a number of occasions we have approached your office to sort out the provincial administrator's appointment issues. On behalf of the people of Madang, I would like to thank you for your assistance so far.

Can the Minister confirm who the legitimate provincial administrator is now on the ground to avoid confusion?

This has been affecting our procurement projects in the districts. All Members have projects to attend to which requires the provincial supply and tenders board to work on but we cannot do so at the moment because we have two provincial administrators. At the same time, the people of Madang, the community and public servants are confused whom to report to. So the Minister has to clarify who is the truly appointed provincial administrator is.

08/08

Mr ELIAS KAPAVORE – Thank you, Mr Speaker, and I would also like to thank the Member for Usino-Bundi for asking this very important question.

The NEC during its recent meeting endorsed a decision that was made by PEC for Madang, dated 22 February, 2018, recommending the suspension of Mr Danny Aloï, as the PA for Madang. He is suspended pending investigations into allegations which have been raised against him and also the peace decision on that particular date to have Mr John Pivi as the acting PA for Madang Province.

So, I urge the provincial administration, the staff of Madang Province and all the leaders in the province to work together with the current PA that is now endorsed by NEC. The instruments are in order so the Head of State will be done shortly.

Thank you, Mr Speaker.

Election Petitions

Mr PETER NUMU – Thank you, Mr Speaker. I would like to direct my question to the Minister for Justice and Attorney. This is in regard to the process of the Election Petition cases.

Mr Speaker, before I ask this question, I need to disclose my interest because my case is before Court but I am speaking on behalf of all the provinces using the *Parliamentary Privileges*.

Mr Speaker, a lot of money is being rolled out through the Electoral Commission for Court Cases, some are unnecessary but they have the right to come to Court where they have a grievance.

But, the concern that I am trying to raise now is that some of these candidates that come to Court, come with dirty hands, some of them play bribery using influence to buy votes but when they lose they are the first ones to bring their cases to Court which cost the State a lot of money.

Is there a way that the court can't see the standing of these men and apart from objection to competency that they file, they should look at some cross claim by successive Members of Parliament to check if they are appealing with good intentions and clean hands? It is about time we must check these things so that with these mechanisms in place so all the Members of Parliament will play a clean game during elections.

So, my question to the Minister is can and will he consider such in future and are you going to look into this?

Because many candidates are using the Courts as a money making industry. This screening process must be in place so that the courts must be fair on both sides so that those of us who are thinking of delivering service are not wasting our time over court and the Court

keeps on pulling us back. Time is spent on looking for evidence and a lot of money is being spent during this exercise. So, I think it is about time the Courts must look into this.

Thank you, Mr Speaker.

Mr STEVEN DAVIS – Thank you, Mr Speaker. I would like to thank the Governor of Eastern Highlands for this important question that effects all of us and our people.

Mr Speaker, the honourable Governor refers to an important principle in respect to those who bring matters to Court and the need for them to come with clean hands. It is an equitable principle that the shadow minister for Justice and Attorney is acknowledging on the other side of the House that is not properly enhanced in the current legislations that govern our process.

Mr Speaker, the straight answer to the honourable Governors question is that reform is required in relation to our Election Laws. This are important reforms that we need to take and make in this time of our nations process and I am happy to announce under the Prime Ministers leadership we are now directed towards looking into the necessary reforms that we must make not in piecemeal basis but in a complete wholesome approach so that we deal with the core issues in respect to how our governments are processed through the Electoral Process.

09/08

On the specific question of the right to make a cross claim the answer is no, but that doesn't mean that my department has not been aware of the serious injustice that is now occurring. Mr Speaker, we have done a bit of research and it's continuing. There and similar provisions in other jurisdictions including India, where there is a right for the respondent to be able to bring a cross claim where matters that have been alleged against them are also have been found to have been committed by the petitioner, and that's an important matter that we are addressing our minds. I thank the honourable Governor for raising it now so that I take the opportunity to inform the honourable House and our people that this Government is not going to turn a blind eye on a system that is not serving our people well at the moment.

As to the general statement about money making or turning our court processes into a money making industry, I think that's a statement that the honourable Governor is making and it's not a question that I want to respond to.

At the moment, Mr Speaker, there is under the procedures a requirement for us or petitioners to file what they call a security for costs. And under current practise, the court uses the cost orders to regulate and control their processes. And as we all know, in the event that a petitioner is unsuccessful, the court ordered the cost of the proceedings to be borne by the

petitioner and we all know that the current requirement to pay K5000 in security for costs is inadequate and that is a matter that will be addressed. And there is now need for us to increase that security for costs requirement and that's a matter that we will be addressing in the reforms.

Timber Royalties

Mr TABOI YOTO – Thank you, Mr Speaker, for giving me this opportunity to ask my questions.

I want to direct my questions to the Minister for Finance and Rural Development. Mr Speaker, I was reliably informed that over K40 million in timber royalties held in the trust account for the benefits of forest resource owners throughout PNG by PNG Forest Authority has been taken away by the Department of Finance.

I believe this is in line with the recent enacted *Public Money Management Regulation Act*, which empowers the Department of Finance to scrutinise all government agencies account as reported in the media today.

I am also informed that operational funds have also been transferred to the Department of Finance and a similar issue is also occurring at the National Fisheries Authority and this has brought about insecurity for the employees who are currently employed with the National Forest Authority and the National Fisheries Authority.

(1) Can the Minister confirm or deny that the timber royalties and the operational funds have been removed from the custody of the PNG Forest Authority?

(2) If it is true, the forest resources owners in my province and other concerned provinces around the country would want to know what would become of these funds because these royalty payments rightfully belong to the forest resources owners?

(3) Will the Department of Finance be held liable for the misusing of these timber royalty funds or does it still remain with the National Forest Authority?

This has to be explained so that there is no confusion in the minds of the forest resource owners as to who is going to take care of the timber royalties knowing that royalties in the LNG Project have not been paid.

10/08

Mr JAMES MARAPE – I think the question has been asked to me in my capacity as the Minister for Finance and I will try my best on behalf of the Treasury Department with the finance team to utilise some powers given to us in the *Public Finance Management Act*. We

have to have visibility in many of the funds that belong to state-owned entities including statutory bodies and state-owned enterprises that sit in thousands of accounts in our commercial banks throughout the country.

For instance, as I speak, without impressing on the non-relevance of these accounts, for instance, we have in the National Forestry Authority over 36 accounts with the three commercial banks throughout the country. In the National Fisheries Authority, the National Gaming Board to name a few, we have many accounts that run into millions of kina being held by these accounts that we feel as a Government and as part of our responsibilities under the *Finance Management Act* that we must have visibility in as far as what these funds are for, and why they are kept in this many accounts.

This is a policy that embraces all agencies of state that the Government has an interest in. These are state organisations and bodies and if there is anyone who needs to know what these funds are and what are they doing or which accounts they are in then I think it is incumbent for our National Treasury Department to have at least minimum visibility into those accounts. That is in a sense the main point in the *Public Finance Management Act*.

Mr Speaker, let me assure the Governor for his people's sake and those in the forest industry mainly the landowners that no money that is meant for royalty will be taken and used by the National Government. It is just to ensure that we know exactly and take stock of all accounts we have within our state owned enterprises and within our statutory bodies that we are deploying this scrutiny so that we take account.

For example, we have the National Fisheries Authority who run very important programs but the infrastructure program they do is not in cognition to what the Department of National Planning and the Government has. It is completely outside of the visibility of the Department of National Planning. Whilst the project may be relevant and important, the National Government gets to pick up the slacks in maintaining those projects.

Mr Speaker, in the last three to four years, in the hindsight of our depressed economy, it has given us an ability to tidy up on the loose ends we have carried in our system for a long time.

11/08

I place on record that this Government, Mr Speaker, for the first time has arrested an ever increasing office rentals for instance. Every year for a long, long time we paid over K400 million. In addition to that, every year we paid over K300 million to K400 million on salary overruns.

Had it not been for the depressed commodity prices over the last four to five years and the tight situation we are caught up in, this country will continue to run with those many inherent weaknesses and loopholes we have in our system.

On the flip side, we have performance issues of our SOEs, who are in existence by the mandate of the government. They are not private companies, they exist because of the government's mandate.

And Treasury has every right to look into those agencies of state. If they are parking millions in many, many accounts we need to know what these monies are for. And those moneys, come for royalty payments, this government will not be stupid to consume royalty funds that are parked in the different accounts.

They are parked in different accounts and I've received many calls from heads of those departments asking for appointments and I've referred them to the Secretary for Finance and Secretary for Treasury. We are asking them to sit down, their work programmes will not be terminated. Their work programmes will run. Royalty will not be consumed, they will be kept but we are interested in excess funds sitting there doing nothing but run CEOs and managing directors and directors pet projects across this country. Development projects must have the blessing of the National Planning Department and the Parliament through the budgetary process. So, these are measures we are deploying to tidy the way we as government have been doing business for a long, long time.

Mr Speaker, let me assure everyone that the *Public Finance (Management) Act* is not draconian. It is not there to impede on the legal provisions of law governing the use of royalty and legitimate programmes in as far as their work plans are concerned, those will still run, but there are extra funds sitting there doing nothing. We are in the business of knowing what those funds are for and we are in the business of collecting them so that classrooms, roads, hospitals and others get built.

Those moneys are meant for those purposes instead of collecting interest sitting there in banks at the expenses of everyone in this country.

So, let me assure the good governor, our people's royalties will not be sabotaged, those departments concerned will not have their payrolls sabotaged in this exercise. Their legitimate work programmes will not be sabotaged. The only things that are going to be sabotaged are pet projects and money sitting in accounts doing nothing.

**PARLIAMENTARY BI-PARTISAN COMMITTEE ON BOUGAINVILLE AFFAIRS
– REPORT ON IMPLEMENTING THE BOUGAINVILLE PEACE AGREEMENT,
PERTINENT ISSUES AND CHALLENGES – PAPER AND STATEMENT –
MOTION TO TAKE NOTE OF PAPER**

Mr WILLIAM POWI (Southern Highlands) – I present the report of the Parliamentary Bi-Partisan Committee on Bougainville Matters on Implementing the Bougainville Peace Agreement, Penitent Issues and Challenges.

Mr Patrick Pruaitch – Point of Order! I think this report could be misleading because this particular report is from the last Parliament. Unless the Permanent Parliamentary Committee on Bougainville has met and adopted this report and then we can present it. As I understand it, the new committee has not been to Bougainville to update themselves with the report. So, in order to get it properly addressed so that we do not get into any legal implications in future I am asking your leave to make this clarification.

Mr SPEAKER – Your Point of Order is out order! The Chair will allow the chairman to present its report and later we will deal with whatever arises.

Mr WILLIAM POWI – Thank you, Mr Speaker and honourable Members of the Parliament for the opportunity to table this report and inform the National Parliament and the people of Papua New Guinea about the state of affairs in the Autonomous Region of Bougainville.

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I do so as Chairman of the Parliamentary Bipartisan Committee on Bougainville Affairs known for short as the Bougainville Bipartisan Committee. This is the first time for the committee to present a Report for the National Parliament's consideration. The members of the committee at the time that we visited Bougainville and the report was prepared were; myself as the Governor of Southern Highlands and the Chairman of the committee, Honourable Joe Sungi as Deputy Chairman and the current Member for Nuku, Honourable Dr Allan Marat, the current Member for Rabaul and former Governor of Madang, Honorable Jim Kas.

I would like to record my thank you to the Prime Minister Mr Peter O'Neill and his Cabinet for the foresight in establishing this committee and renewing our mandate and appointing new Members following the latest national election.

The Parliamentary Bipartisan Committee's role in monitoring and keeping the National Parliament and our fellow Members, the people of Papua New Guinea informed of developments and issues in implementation of the *Bougainville Peace Agreement* and the National Constitutional Laws through which the Agreement is given legal effect are of obvious importance in ensuring that every effort is made to keep a building lasting peace in Bougainville by peaceful means. A bipartisan committee such as the one I am honoured to lead ensures that relevant issues are identified and addressed on a bipartisan truly national basis.

Both the critical comments and the recommendations contained in the Report I am presenting and the Statement I am making are intended to ensure that peace-building in Bougainville keeps moving ahead and that the letter and spirit of the *Bougainville Peace Agreement* are honoured in practice and peace is secured.

On behalf of the committee, I welcome the opportunity to brief honourable Members on the committee's report in what my fellow-committee members and I hope will encourage careful consideration and discussion of the important issues at stake.

Mr Speaker, the report I am tabling was compiled after the Parliamentary Bipartisan Committee made its first consultative visits to the Autonomous Region of Bougainville in October 2016 and March 2017.

The committee endeavoured to take an independent and transparent approach as we engaged with leaders, officials and members of the Autonomous Bougainville Government (ABG) and members of communities around Bougainville. They included former combatants and members of the 'lost generation' who were born and grew up at a time (between the late 1980s and 2001) when the conflict meant that they did not have access to education or other services and opportunities that would have been available in peaceful times, and, in many cases, could not even move about freely.

The committee also engaged with officials of donor (or development co-operation) partners engaged in efforts to support peace-building in Bougainville. Honourable Joseph Lera, Regional Member for Bougainville and Minister for Bougainville Affairs at the time, accompanied us for protocol purposes.

Unfortunately, the committee's first visit did not include planned consultations with leaders and people from key areas in Central Bougainville for reasons that I do not need to specify here. It was, therefore, critically important that a second trip was taken to this part of

Bougainville for meetings with people in areas which were at the heart of the Bougainville crisis.

Mr Speaker, the Bougainville crisis has been the most painful chapter in our country's political history since independence. It started in 1988 and formally ended in 2001 with the signing of the *Bougainville Peace Agreement*. While the precise number of people killed or injured in the conflict is unknown, it appears that some 25,000 Bougainvilleans lost their lives from war and related violence - as well as other incidents involving the many factions which took part. Scores of other Papua New Guineans died too.

Many Members of Parliament -including many non-Bougainvilleans - know that the Bougainville crisis occurred. A few among us were Members of Parliament during and towards the end of the conflict. I suspect that many of us have, at least, some vague understanding and general knowledge of the conflict's origins, how it unfolded, and how peace was achieved.

However, I suspect that many of us barely know the detailed content of the *Bougainville Peace Agreement*, why the agreement was crafted the way it is, and the commitments it entails both for Papua New Guinea and the Bougainvillean parties. This has not stopped many people from developing preconceived ideas about the concepts 'autonomy' and 'referendum'. That is why when we talk about autonomy or referendum, it can be difficult to place them in the proper context of the present Bougainville and what might happen in the future. We must, therefore, not lose sight of the fact that these concepts came out of an agreement that was hammered out through quite a lengthy and detailed series of negotiations directed towards ending the previous conflict.

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That is why when we talk about autonomy or referendum, it can be difficult to place them in the proper context of the present Bougainville and what might happen in the future. We must, therefore, not lose sight of the fact that these concepts came out of an agreement that was hammered out through quite a lengthy and detailed series of negotiations directed towards ending the previous conflict.

In making this point, Mr Speaker, I wonder whether our limited understanding of these concepts in relation to Bougainville's status has given rise to fear and discomfort - so that many of us are reluctant to talk openly about an imminent act in which eligible Bougainvilleans will be able to vote and have a say in Bougainville's political future through a referendum. Instead, many people tend to focus more on the unity of Papua New Guinea and, in doing so, often

forget that a war did take place in Bougainville and a post-war peace settlement was secured through the Bougainville Peace Agreement.

It is on that note, Mr Speaker, that I will present the Parliamentary Bipartisan Committee's findings and recommendations in regard to the Bougainville Peace Agreement's implementation. The Agreement has three (3) key pillars:

- Autonomy
- Referendum
- Weapons Disposal

Mr Speaker, firstly, for autonomy, provision is made in Part XIV of our National *Constitution* and supported by the *Organic Law* on Peace-Building - Autonomous Bougainville Government and Bougainville Referendum, as well as the Constitution of the Autonomous Region of Bougainville which was made and operates under these National Constitutional Laws. It is an arrangement that paved the way for the establishment of the ABG, which has an elected president (currently, Hon. Dr John Momis), and a parliament with its own ministers, and potentially very substantial powers and functions, as well as a decentralised form of community government. The ABG was agreed through a negotiated peace process. The overriding purpose of participants in the peace negotiations was to make and keep building lasting peace by peaceful means. Interesting and even inspiring as others might find them, the agreed arrangements were neither designed nor intended to apply elsewhere. They are Bougainville specific.

Mr Speaker, perhaps the most critical issue regarding the autonomy arrangements expressed during the Bipartisan Committee's consultations was what Bougainvilleans described as the slowness in the drawdown of powers from the National Government to the ABG. This was due to the slowness - and, in certain cases, the lack, even the complete absence of funding to support implementation, despite the commitments contained in the Bougainville Peace Agreement and required by Constitutional Law. From the North to the South, the funding issue was repeatedly echoed.

Mr Speaker, if funding comes with the implementation of a constitutional directive, then financial resources should be guaranteed. Furthermore, it is rather unfortunate that in an age of provincial autonomy aspirations as in New Ireland today, faithful implementation of the autonomy arrangements in Bougainville might have served as a very useful litmus test. Are we now left to regret a missed opportunity, moreover, one with potentially significant implications

for the choices Bougainvilleans might prefer to make when they vote in the constitutionally guaranteed referendum.

The Joint Supervisory Body (JSB) was established, as the Bougainville Peace Agreement and implementing Constitutional Laws provide, to enable the National Government and the ABG to monitor, consult, and work together to resolve such issues as might arise in implementing and developing the potential of Bougainville autonomy and the Bougainville Peace Agreement generally. However, many Bougainvilleans have alleged that this body has not been properly utilised. Instead of being an essential forum for meaningful dialogue, they see it as having turned out to be largely a rubber stamp' at the behest of the National Government.

Mr Speaker, I am aware that there is a position that the National Government often expresses in regard to funding issues. While progress has been made in resolving certain issues, I hope that, following my presentation, Honourable Members will discuss the position that many Bougainvilleans have expressed.

For now, I am merely offering the views from the perspective expressed by many Bougainvilleans. However, what is most important for me and my Committee is that both sides work together to resolve outstanding issues quickly because there is little time left for the drawdown of powers to satisfy people's expectations of Bougainville, autonomy.

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The second issue is the constitutionally guaranteed referendum on Bougainville's political future. The Bougainville Peace Agreement says that Bougainvilleans shall exercise their free choice to decide their political future "no earlier than 10 years and, in any case, no later than 15 years after the election of the first Autonomous Bougainville Government".

The first ABG was inaugurated on 15 June 2005. This means that the time-frame for holding the referendum, 15 June 2015 to 15 June 2020, is now open. The referendum must be held unless the ABG decides otherwise in accordance with provisions requiring quite detailed consultations both in the Bougainville House of Representatives and with the people of Bougainville. This is a constitutional requirement.

Mr Speaker, the criteria the National Government and the ABG are to use when they consult with a view to deciding on the exact date of the vote emphatically, not whether the vote should be held are weapons disposal and good governance.

The Bougainville Peace Agreement states quite clearly that the benchmarks to be used in determining good governance will take account of internationally accepted standards as they

are applicable and implemented in the circumstances of Bougainville and the rest of Papua New Guinea. The benchmarks include democracy and opportunities for participation by Bougainvilleans, transparency, and accountability, as well as respect for human rights and the rule of law, including the *Constitution of Papua New Guinea*.'

In short, the benchmarks must be relevant to the Autonomous Region and Papua New Guinea. Respect for our National Constitution is both a prerequisite and the basis for implementation. The agreed arrangements for review and resolution of disputes presumably, the JSB, are to be used in determining whether Bougainville has achieved the standard of good governance intended in the Bougainville Peace Agreement.

Mr Speaker, the National Government and the ABG are required to co-operate in ensuring progress towards the benchmarks, and not focus on assessing their final achievement. In short, they should be working together now to make sure that the referendum can be held in accordance with the benchmarks specified in the Bougainville Peace Agreement and within the five-year time-frame for holding the vote.

At the JSB meeting on 20 May 2016, the National Government and the ABG set 15 June 2019 as the target-date for having all necessary preparations in place for the referendum.

Mr Speaker, there is clearly a great deal of work to be done, not only to ensure that eligible voters are enrolled, and other necessary arrangements for conducting the referendum are in place but in agreeing to the choices to be offered to voters, which must include a separate independence for Bougainville, unless the ABG decides otherwise in accordance with the Bougainville Constitution which does not seem likely

Mr Speaker the diverse arrangements which even independent countries have with one another makes it important that political leaders in Bougainville and at the national level engage in dialogue over the implications of the choices that voters may prefer. Think of the relations Niue and Cook Islands have with New Zealand, former Micronesian colonies have with the United States of America, and other arrangements around the world.

Mr Speaker, experience around the world suggests that referenda are dynamic exercises. A referendum can change the political course of a country in an instant with massive implications. Not all experiences with referenda are the same - as can be seen with the wide range of outcomes from far-flung places like Timor-Leste, Sudan, Scotland and even Great Britain's 'Brexit' decision to leave the European Union. There is no 'one size fits all' model that can facilitate desired outcomes without risking unwanted situations.

What I am trying to make clear is that we must prepare Bougainville well for the referendum because we do not want regretful outcomes. We must also ensure that other citizens

understand the process, including the preparations required, the need to ensure orderly and peaceful conduct of the vote, and acceptance of the outcome when the National Parliament will make the final decision.

After all, the Bougainville referendum was agreed in order to make and ensure lasting peace.

Mr Speaker, following the JSB's agreement to earmark 15 June 2019 as the target-date for having preparations in place for conducting the referendum, the ABG has stepped up activities to prepare for this date in order to ensure that Bougainvilleans are informed and adequately prepared for the event.

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Mr Speaker, perhaps the most elaborate and all-encompassing preparatory step taken to date has been what Bougainville's former Vice-President, Hon. Patrick Nisira, has called the 'Trident Strategy'. The idea is to have the key Bougainville government agencies of the Office of the Speaker, Office of the Clerk of Parliament as well as Members of the Bougainville Parliament drive the awareness agenda on the referendum, voter registration, weapons disposal, reconciliation and unification of the different groups at the constituency level. By the end of December 2018, constituencies are expected to declare themselves 'referendum ready'. Again, achieving these milestones and meeting deadlines require both political support and ready assured access to substantial resources, including staff, offices and equipment, and adequate, reliable funding.

Mr Speaker, in regard to voter registration, the referendum will require the type of preparations that apply for national elections. Thus, voter registration is indispensable to compile a Bougainville-only roll. This should include Bougainvilleans living outside the autonomous region (for whom the precise terms of eligibility to vote have yet to be defined).

Arrangements will also have to be made to enable non-resident Bougainvilleans to vote despite being outside the autonomous region when the referendum is held (for example, the provision of voting booths at places outside bougainville, or postal voting).

The Bougainville Electoral Commission (BEC) is working closely with the Papua New Guinea Electoral Commission (PNGEC) in line with an existing agreement between them. A Charter has been agreed for an independent Bougainville Referendum Commission (BRC), and a Transitional Committee has been appointed to oversee implementation. The United Nations Development Programme (UNDP) has been assisting the BEC principally through its Peace-Building Fund.

Mr Speaker, weapons disposal is a precondition for setting the date for conduct of the referendum under the *Bougainville Peace Agreement*.

The initial plan to remove arms from communities was overseen by the United Nations Observer Mission on Bougainville (UNOMB) and ended in May 2005. However, not all arms were removed. While UNOMB oversaw the handing-in and subsequent destruction of many guns, its final advice that the agreed arrangements for weapons disposal had been implemented was based on consultations with Bougainvillean communities and the finding that they now felt secure. Since 2005, there has not been strong enforcement for the removal of arms, despite efforts by governments and authorities at every level. Some Bougainvilleans have called for a review of the Agreement to bridge gaps and strengthen resolves such as the surrender of arms.

Mr Speaker, in the course of our consultations, the Parliamentary Bipartisan Committee noted that quite a number of Bougainvillean leaders as well as other people made reference to the presence of arms in communities. They include weapons left over from the recent conflict, guns brought in illegally from other provinces or countries, and weapons found, repaired or made in Bougainville - in some cases from materials left there following the Second World War.

Some of the people with whom the committee engaged appeared ambivalent about the idea that all arms be surrendered. Given the slowness in reconciliation processes and the uncertain road ahead to the referendum, perhaps it is understandable why some people were thinking that perhaps it was best to keep arms for deterrence purposes rather than be without them. This is not my committee's position. I am simply reporting what we heard and inferred from the consultations.

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Apart from the security concerns of communities, Mr Speaker, there were other Bougainvilleans who were believed to be armed to protect their own interests. Many Members of Parliament will, I am sure, know the name, Noah Musingku. He is believed to be armed. Other individuals include some involved in alluvial mining as well as others who are involved in the cultivation and sale of marijuana. They have been alleged to be using arms to protect their interests against intruders and theft.

Mr Speaker, there were also other issues relating to the implementation of the Bougainville Peace Agreement that were brought to the attention of the Parliamentary

Bipartisan Committee. The most critical among them was funding. Almost every activity and initiative ahead of the referendum hinges on the availability to sufficient funding.

Mr Speaker, when our former colleague, Mr Sam Akoitai, spoke through tears to the Committee on this funding issue in Wakunai, I promised him that I was going to raise this matter on the Floor of Parliament at the earliest opportunity.

There are two points of which we should be mindful in regard to funding. First, I do not need to tell you, Mr Speaker, that implementation of the Bougainville Peace Agreement is time-bound. The referendum must be held within a 5-year time-frame (2015-2020) which, is already open. The only circumstance in which this can be changed is if the ABG decides in accordance with quite strict requirements namely, a three-quarters absolute majority in the Bougainville House of Representatives to consult with the people of Bougainville; consultations between the ABG and the National Government; and then a final three-quarters absolute majority vote in the Bougainville Parliament. In short, it seems almost certain that the referendum will indeed, must be held before June 2020.

Mr Speaker, in fact, however, preparations are already lagging behind schedule at this point. With the hosting of the APEC Summit in 2018 and other challenges before us, we have to ask ourselves whether we will be ready for the referendum. Moreover, any binding arrangement like the Bougainville Peace Agreement requires honesty, trust and respect from all of the parties concerned.

During the Committee's consultations, some people accused the National Government of failing its end of the bargain in the implementation of the Agreement. It would, of course, be both fair and appropriate that the Papua New Guinea Government gives its side of the story.

However, the fact alone that Bougainvilleans have alluded to what they consider as a breach of trust should concern all of us and must be taken very seriously. Significantly, actions perceived to be contrary to the spirit of the Agreement are causing some Bougainvilleans to seriously consider independence as the only way out for them.

Mr Speaker, a number of issues signalled by Bougainvilleans were linked one way or another to funding. First, they called for greater efforts to promote more awareness on the content of the Bougainville Peace Agreement, and, even more so, on what referendum really means and what it entails. As we can imagine, it should be a source of concern to all of us that something as significant to our country as the Bougainville referendum will take place less than three years after our visit among a group of people who are not well-informed about the consequences of a freely made choice they will soon be making.

Mr Speaker, the fact that about half of Bougainville's population are either illiterate or not educated to adequate levels suggests that efforts to promote public awareness through verbal communication is the best way to enhance awareness. Again, these would incur great cost. Indeed, awareness is taking place, but it needs to be driven to all parts of the autonomous region in a comprehensive manner.

Mr Speaker, reconciliation is another pressing issue. The Bougainville Peace Agreement stipulates that reconciliation must take place before the referendum is held. However, there were Bougainvilleans, particularly among proponents of independence, who basically said that reconciliation can wait until after the referendum. At the moment, there are no resources for such activities. At specific localities such as villages or within the same constituency, people have taken steps or initiatives to carry out reconciliation activities. That is commendable. Understandably, there would be added costs if reconciliations were to take place between far-flung communities.

In Wakunai, the Bougainville Bipartisan Committee was told that people were taking initiatives in their own localities to reconcile and they witnessed successes. Local initiatives such as these should be encouraged so that they become the preferred model of reconciliation.

Mr Speaker, other important issues include the need to progress rehabilitation and reintegration of ex-combatants into communities. While some individuals can easily slot back into normal lives, others struggle to settle in and restore their normal lives due to the trauma and ordeals that they have experienced.

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While some individuals can easily slot back into normal lives, others struggle to settle in and restore their normal lives due to the trauma and ordeals that they have experienced.

The ABG administration informed the committee that there was very little funding for rehabilitation and reintegration activities despite the fact that both were clearly outlined in the Bougainville Peace Agreement.

Mr Speaker, apart from ex-combatants, there is yet another group that needs to be embraced and properly settled into communities: the so-called 'lost generation'. These are people within the age range of 16-30 years - who were born and grew up between 1986 and around 2000-2002. Many of them have grown up with limited or no formal education, which then leads to consequential problems such as illiteracy, unemployment and social dislocation among their age peers who have been educated to reasonable levels.

Alcohol and drug abuse is common among this generation. Many of them also display signs that they cannot readily fit into their communities, perhaps because of the way many of them were brought up away from established villages or communities.

Mr Speaker, there is yet another issue that I wish to bring to your attention, which I would like to call the 'parallel political structures'. It has been around for many years, but it has reared its ugly head more forcefully recently. This is to do with the roles and responsibilities of Bougainville's two categories of leaders:

- (1) The four national MPs in the National Parliament, and
- (2) In contrast - the 40 ABG Members.

Mr Speaker, the establishment of the ABG in 2005 paved the way for the co-existence of the dual parallel political structures. These structures are occupied by two sets of leaders who are elected by the same Bougainvillean voters and serving the very same Bougainvillean constituencies. They have similar development aspirations for the people and share similar views in terms of policy initiatives for development and service delivery.

While this can be easily brushed aside as a needless political tussle, the issues at hand include conflicts over the legitimacy of different authorities as well as allocations of funds.

I do not want to offer a shallow description of the situation. However, I would like to urge the National Government to look into the matter urgently because it is causing Bougainvilleans to offer their own interpretations against the hardships that they feel and see in the autonomous region. The parallel political structures must be aligned and made easier to follow.

My Speaker, during our consultations the people showed gratitude and joy that a parliamentary committee or a 'mini-parliament' - had finally arrived on Bougainville for dialogue.

But, as the discussions became increasingly pointed and serious, the tone of voices and body language of those who spoke turned to frustration, anger, disillusion and sadness. People openly cried too. They had placed so much hope on the Bougainville Peace Agreement, but developments on the ground had fallen short of their expectations.

There have been four coalition governments since 2001, but I wonder, Mr Speaker, whether the present situation in Bougainville is the best these Governments could have achieved. It is needless for me to say that we have a duty of care to the people of Bougainville. They must not feel that they have been abandoned or ignored.

I would now like to pose some questions, which I hope can guide our thinking and discussions on the ongoing considerations of Bougainville's future.

Mr Speaker, they are as follows: how realistic are we (as the National Government) that we are in a position to adequately prepare Bougainville for the referendum (especially in terms of awareness) in the next fifteen months - particularly, taking into account APEC 2018 the other major events on the government's calendar?

The Bougainville Peace Agreement stipulates that 'good governance' and 'weapons disposal' will be used in determining the time for the referendum to take place. At the same time, reconciliation as well as the rehabilitation and reintegration of ex-combatant are yet to be achieved to respectable levels. With the concurrence of Bougainville, can legal and practical implementation of the Agreement be reviewed to reflect these challenges? (The Agreement itself cannot be amended).

Upon objective assessment, can Bougainville be persuaded to see reason and logic in the possibility of moving back the referendum date? This question is posed with the understanding that the onus to change the date is the prerogative of Bougainville government.

Parliamentary Bipartisan Committee's Recommendations

Finally, Mr Speaker, let me draw Honourable Members' attention to the Parliamentary Bipartisan Committee's recommendations.

Bearing in mind the truly national importance of the issues addressed and the findings recorded in our report, I would urge all Honourable Members to read the full report.

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To summarise briefly, the recommendations made in concluding the report are much as Honourable Members might have concluded from my statement so far - namely that the National Parliament should instruct the National Government to provide additional funds (beyond the grants to which the ABG is otherwise entitled), to ensure that Bougainville is *referendum ready* and able to comply with the requirements of good governance and weapons disposal in time for the referendum to be held within the specified time-frame (that is, before the middle of June 2020); consult with the ABG in taking stock of the *Bougainville Peace Agreement*;

Speed up the transfer of functions and powers to the ABG so that the process is completed by the end of 2018; develop modalities, including secondment from Waigani and training, to assist and help develop the ABG's administrative capacity, both the Bougainville Public Service and the Police and review the status of the four Bougainville Members of Parliament in order to avoid duplication and align them with the Bougainville House of Representatives

so that it becomes the focal point for planning, budgeting, financing and implementing policies and projects in Bougainville.

At the National Level

The National Coordination Office for Bougainville Affairs (NCOBA) should become a stand-alone entity (and no longer part of the Prime Minister's Department) with offices in Port Moresby and Buka, and the role and resources required for it to become the focal point for development cooperation partners, non-government organisations and businesses interest in engaging in Bougainville;

The National Executive Council should consider extending the Special Intervention Fund beyond the referendum when Bougainville will still require support for governance and development, whatever the final outcome; and it is imperative that the National Government and the ABG consider and fund economic plans on the ground so that the Bougainville economy grows and diversifies.

In regard to what might be most accurately described as 'people-oriented issues' a Joint Papua New Guinea-Bougainville Forum should be convened in Bougainville so that some of the issues highlighted in the Parliamentary Bipartisan Committee's Report are discussed and move forward in the spirit of the *Bougainville Peace Agreement*; the National Government should work on modalities to assist with internal reconciliations and rehabilitation in Bougainville in ways that draw on local authorities - traditional and church leaders, as well as eminent Bougainvilleans and other Papua New Guineans;

A national level reconciliation process should be organised between Papua New Guinea (particularly, the Defence Force) and Bougainvilleans; and the private sector should be encouraged to bring much-needed services, such as banking facilities, closer to the people and so enable people in other areas reduce the costs otherwise involved in travelling to Buka.

The summary just provided is only an outline of the Recommendations and the reasons for making them - contained in the report

I would, therefore, urge all Honourable Members - of course, including the Prime Minister and other Ministers as well as senior officials with responsibilities in some way relevant to Bougainville, as well as interested members of the public to read and give careful consideration to the Report I am presenting.

After all, the Bougainville conflict was not only the most damaging in our country's experience since independence, honoring the letter and spirit of the Bougainville Peace Agreement poses unique - and critical - challenges and opportunities not only for government

and people in Bougainville but for leaders, officials and citizens of the Independent State of Papua New Guinea.

Finally, Mr Speaker, thank you again for this opportunity to brief Parliament on the so critical issues involved in ensuring that the Bougainville Peace Agreement is honored as the Agreement and our National Constitution require.

In concluding, let me make clear that my presentation, including the Recommendations outlined, is based on the visits that the Parliamentary Bipartisan Committee made to Bougainville in 2016 and 2017.

I am honoured and pleased to have been appointed again as Chairman of the Parliamentary Bipartisan Committee on Bougainville Affairs, and to serve alongside the members appointed since the last national election. They are; Honourable Joe Lera – Deputy Chairman and Regional Member for Bougainville, Honourable William Samb, Member for Goilala, Honourable Thomas Pelika, Member for Menyamya and Honorable Isi Henry, Member for Samarai Murua.

Members of the current committee hope to make another visit to Bougainville in the near future in order to ensure that we - and, most importantly, our findings are up-to-date.

Our specific objectives include visiting and talking with people in certain parts of Central Bougainville which the previous committee did not visit.

As Chairman of the committee, I look forward to keeping other Members of Parliament and through you the people of Papua New Guinea - informed of our findings as our visits, our engagements with the ABG and the people of Bougainville, and events move ahead.

Thank you for your attention and consideration of my statement and the report presented on the Parliamentary Bipartisan Committee's behalf.

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Mr PETER O'NEILL (Ialibu-Pangia – Prime Minister) – I move –

That the Parliament take note of the paper

Mr Speaker, we will debate until further notice to allow the Minister for Bougainville Affairs to present a ministerial statement so that we can debate these two issues together. Before I do so Mr Speaker, let me commend the committee for a job well done.

Mr Speaker, this is a very difficult issue as we all know. Anything that happens on Bougainville will have huge consequences to the rest of the country. We need to have a bipartisan approach in ensuring that these issues are debated in the interest of the stability of our

country taking into consideration our national interest which is going to provide the support that we need to give to the people of Bougainville.

Mr Speaker, as I have always stated, we are guided by the Peace Agreement that has been signed by our leaders some 20 years ago. Mr Speaker, I also want to add that some of the aspects of the report clearly states that the one of the concerns that the people of Bougainville have is the presence of government on Bougainville. After the formation of the ABG Government, as we all know, we have left the administration of Bougainville to ABG to a large degree. In the sense that the National Government provided funding directly to ABG and ABG took charge of all the administrative issues on the island.

Only recently, because of certain concerns, the National Government has deliberately made some interventions so that we can deliver a much needed infrastructure and service on Bougainville. As a result, there has been an openness and considerable increase in the number of services that are going into Bougainville in the recent years. Funding is always an ongoing concern, but it cannot be understated that national governments both past and present have given priority to Bougainville and have always tried their very best to secure appropriate funding for Bougainville. The question that remains is, how will the referendum take place over the next few years which is up to 2020 and the preparations that will lead up to the referendum.

Mr Speaker, I want to inform Parliament that there is a good dialogue that is now going on between our officials and the leaders of ABG and Bougainville as a whole. We are certainly going to have the officials meeting on the 27 April 2018 in Buka, followed by JSB Meeting in Arawa, led by the ABG President and myself. We will talk about how we are preparing for the referendum. The referendum is certainly a huge task but there are many challenges ahead of us that includes fulfilling the conditions of the Peace Agreement which clearly stipulates issues like weapons disposal, rule of law, transparency, accountability, all these issues need to be addressed at the same time.

The second issue, is about the question; how we formulate the question that will be put to the people. It talks about the political future of the Bougainvilleans and how Bougainvilleans will run their political affairs in the future. How do we frame that question? The question needs to be agreed to by both the government and the leaders of Bougainville. I have stated that we have not agreed to the question that we are going to put to the people as yet. After we have established that, we will do a public awareness on the outcomes of that question that will be out to the people.

The one thing that I want to make very clear is this, the Peace Agreement clearly states that any deferment of the referendum will have to be approved by the ABG and the people of Bougainville. Bu, the ratification of the outcome of the referendum solely rests with the responsibility of this Parliament. That particular clause has to be explained properly to the people of Bougainville. If this Parliament does not ratify the outcomes of the referendum, we don't want to create anxiety amongst our people. We must make sure that there is a realistic outcome that happens in our country. It must be discussed in a frank and open manner so that we are not going to build the hopes and aspirations of the people of Bougainville to a degree where when Parliament does not ratify the outcome, the people of Bougainville feel that they are being let down. This is an issue that needs to be debated in a sensible and bi-partisan approach for the interest and stability of our country.

Therefore, I move –

That Parliament take note of the paper and the debate be deferred to a later date when the Ministerial statement is presented.

Motion so agreed to.

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**PERMANENT PARLIAMENTARY COMMITTEE ON EMERGENCY – STATE OF
EMERGENCY IN WESTERN, ENGA, SOUTHERN HIGHLANDS, HELA, GULF
AND WEST SEPIK PROVINCES – PAPER AND STATEMENT –
MOTION FOR ADOPTION**

Mr KOBBY BOMAREO (Tewai-Siassi – Chairman) – I present the following Report pursuant to statute:

Report of the Permanent Parliamentary Committee on Earthquake affected areas Western, Gulf, Hela, Southern Highlands, Enga and West Sepik provinces.

I move –

That the Report and its recommendations be adopted.

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

Leave granted.

Mr Speaker, thank you for giving me this opportunity to present to this honourable House a brief Statement on the findings of the Permanent Parliamentary Emergency Committee.

Before that I would like to thank all the leaders of the affected provinces like Southern Highlands, Hela, Western, Enga, Gulf and West Sepik in one way or the other that you have made a major present felt out there that we and the effort relieve activities going on.

Mr Speaker, let me proceed. *Pursuant to Part X, Section 228 (Declaration of a National State of Emergency) of the Constitution of the Independent State of Papua New Guinea, the National Executive Council declared the National Emergency Gazettal No. 19 of April, 2018.*

Mr Speaker, the declaration of National Emergency covers Western, Enga, Southern Highlands, Hela and Gulf Provinces which were affected by the massive 7.5 magnitude earthquake that struck in the early hours of 26, February 2018.

Mr Speaker, Section 228 is in the following terms;

(1) If the National Executive Council is of the opinion that an emergency exists or is about to come into being such that is necessary, that the powers conferred by succeeding provisions of this Part be available. The Head of State, acting with and in accordance to the advice of the National Executive Council may publicly declare the existence of a National Emergency in relation to whole or part of the council

(2) Unless it is impracticable to do so a declaration under subsection (1) shall be made in relation to a part of the country only after prior consultation with the Emergency Committee.

Mr Speaker, *section 242* of the *Constitution* empowers and mandates the Parliamentary Committee to carry out its investigations into the areas affected by the 7.5 magnitude earthquake, assess the current state of emergency and upon its return, presents its findings to the Parliament.

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Considering the enormity of the disaster and the vast areas that were affected by a disaster of this magnitude, the Emergency Committee in its Meeting No.2 2018, passed a resolution to divide its committee into two sub-committees. Both sub committees covered different disaster affected areas both independently and as a combined team. Mount Hagen was considered a sound base for operations. There were considerations of safety as Members had to go through stressful conditions in the delivery of this report.

Mr Speaker, the committee took over a week to investigate and compile a report of its findings to parliament. At the conclusion of its investigations, the

Committee feels that its findings are satisfactory to propose this following report.

Mr Speaker, the *Constitution* under *Part X, Sections 240-242, empowers and mandates the Parliamentary Emergency Committee* to carry out its investigations into areas in the Southern Highlands, Hela, Enga, Western, Gulf and West Sepik Provinces that have been affected by this disaster. *Section 242 (2) of the Constitution* requires that, the Emergency Committee, at each meeting of the Parliament during a period of declared national emergency, to present to the Parliament a statement as to -

- (a) Whether or not the period of declared national emergency should continue; and,
- (b) The justification for and the operation of the emergency laws; and
- (c) Whether or not any emergency laws should be altered, and such other related matters as it thinks fit.

Mr Speaker, to assist the Emergency Committee to make informed decisions and advise the National Parliament accordingly, the Committee undertook the assessment and inspection of the affected areas in Western, Enga, Southern, Hela, Gulf and West Sepik Provinces.

Mr Speaker, this report describes the situation on the ground in the affected areas following an independent assessment by the Permanent Parliamentary Committee on Emergency (Emergency Committee) of the damage to physical assets, psychological trauma, the subsequent losses sustained, and the general impact of the disaster in all the affected provinces. Although there were a lot of reports presented in parliament since the disaster struck; this is an independent assessment undertaken by the Emergency Committee which is an extension of parliament itself. Thus, this report sets the scene for the committees' continued work during the emergency period.

Mr Speaker, the report is organised in five broad areas: (i) background information on the disaster and its context; (ii) the impact of the earthquakes on livelihood of the people in the affected areas; and (iii) the current situation in regards to the relief efforts, (iv) observations made by the committee during our visits and (v) the committee's recommendations to the National Parliament.

Mr Speaker, the committee is aware that this report may not be accurate and conclusive due to the fact that there are many unreached communities that are still suffering and are yet to get in contact with relief supplies and agencies on the ground. For instances, whilst this report was being compiled another 6.5 magnitude quake hit Hela Province and felt in most parts of the affected areas. It was also learned that West Sepik Province was also affected.

Mr Speaker, the following observations were made as a result of visits to actual disaster affected areas and interviews with witnesses and other responders on the ground:

(1) Lack of coordination amongst Government agencies and communication breakdown between relevant stakeholders in the relief effort was prevalent.

(2) The lack of the Controller's presence in the affected areas either personally or through representatives has added to the disorganization and duplication of effects.

(3) Most of the affected people in the remote areas are unreachable by road network. Therefore, medical supplies are brought into the Aid Posts by health officers and village volunteers on foot walking for very long distances.

(4) Despite countless killings in Hela no arrest has been made so far by the police. These murderers are freely roaming the township. The criminal elements have more firepower compared to the police rendering the entire justice system in Hela.

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(5) Although timely funding from the National Government was an issue, officials in Southern Highlands Province and others were able to coordinate and provide relief supplies to most of its affected areas. However, in Hela, a result of the law and order situation has made it difficult to direct relief supplies to the affected people.

(6) Whilst many view this disaster to be natural, people in Hela do not share our views, they believe it is an induced disaster directly caused by the pumping out of oil and gas (PNG LNG Project) from Hela Province. This view has been confirmed and firmly cemented in the minds of the Hela people; especially, after the magnitude 6.5 earthquake that struck again on Saturday 7 April 2018 soon after ExxonMobil resumed pumping gas. Eyewitnesses said they saw the fire light again and then the earthquake hit again. Still others maintained that Hela was being punished under the ancient "Gigira Laitebo" prophecy.

(7) During the 12 to 48 hours response period, relief supplies were distributed on an ad hoc basis to areas that were worst affected. In the absence of the Controller and his agents on the ground the ad hoc distribution continues resulting in food supplies reaching only a few.

(8) Whilst most displaced people are living in care-centres; outbreak of air and water-borne diseases is very high.

(9) There is no proper authorization for a call-out for the PNGDF to restore law and order in

Hela and affected areas in the Highlands provinces. However, the PNGDF is only involved in the distribution of relief supplies, protecting state assets and assisting the police.

(10) High cost of transportation is hampering delivery of relief supplies to all affected areas; therefore, hungry and displaced people are walking long distance to main provincial centres to seek assistance; others make it successfully and others died whilst walking.

(11) Growing frustration by people in affected areas towards the government due to the slow delivery of relief supplies is building up. Also rugged terrains and bad weather are also factors affecting the non-delivery of relief supplies on a timely manner.

(12) Lawlessness has made it difficult for proper and coordinated distribution of relief supplies to the affected areas. Often relief supplies are being hijacked by thugs and warlords and resold again.

Mr Speaker, based on Committee observations, the following recommendations are made to the National Parliament:

1. Extension of the State of Emergency for a further two months.
2. Full PNG Defence Force Call Out to provide assistance to the police force and the civilian authorities during the national emergency declared to curb crimes and restore law & order in Hela Province and other affected areas should the need arise.
3. Provincial and Local Level Government authorities to return to their respective provinces and districts to ensure normal government services are functional.
4. To put doubt and suspicions of the people of affected areas and PNG to rest, a proper enquiry into the causes of the Earthquake and its impact to be undertaken immediately.
5. All disaster coordination functions and responsibility be decentralized to regional centres, provinces and be adequately funded.
6. Government to expedite the appointment of the Provincial Administrator for Southern Highlands Province to restore confidence and bring stability back to the province during this time.
7. The appointment of The Controller must be from and within the disciplinary forces.
8. The displaced people from the worst affected areas are re-settled and relocated as soon as possible.
9. Amendment of the Western, Enga, Southern Highlands and Hela Provinces *Restoration Authority Act 2018* to include West Sepik and Gulf Provinces.
10. Counselling services be made available to deal with trauma caused by the earthquake and after effects.

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Counselling services to be made available to deal with trauma caused by the earthquake and its after effects.

Mr Speaker, in concluding, let me thank you once again for this opportunity and I commend the report and its recommendations to the Parliament.

Mr WERA MORI (Chuave – Minister for Trade and Industry) – I move –

That the Parliament take note of the Paper.

Thank you, Mr Speaker, it is so vivid in my mind at 3.16 a.m. on the early hours of Monday morning I was sleeping in my house in Chuave and so I know about the intensity of this earthquake.

But it is important that I would like to make this comment to reaffirm the report by the committee and also to state here that some of the innuendoes may also be misleading. These are sometimes aired by our leaders on the Floor of this Parliament.

Mr Speaker, the intensity of the earthquake and especially the epi centre of this particular earthquake with a magnitude of 7.5 on the Richter scale occurred around 39 kilometres of depth as reported by the Geological Survey of the United States.

What I want to point out here is that the earthquake is attributed to a major structural deformation, it is natural and that there must not be any perception whatsoever that it is man-made.

I know that there have been theories floating around, especially on *Facebook*, on cracking. Cracking is a process where you achieve cracks with the strategic pressure by the function that is involved in the extraction of oil and gas out of the structure.

But I would like to make it clear to our colleagues, Members of Parliament that oil is extracted at not way below five kilometres. For such to happen and if it was man-made, it should not exceed five kilometres.

So what has really caused that earthquake is a major structural deformation which has been dormant since about nine million years ago, so when the southerly moving New Guinea Plate collided with the Australian Plate it gave rise to volcanic activities like those at Mt Bosavi, Ok Tedi, Mt Marray, Mt Ialibu, Kikori and others.

I would like to point out here that what has happened which led to the cause of that earthquake is a natural process. It is important that I make this commend because I can see in

the report that people are alluding to the fact that it may be man-made. But, I'd like to state clearly that it is a natural process.

Secondly, the cost associated with this is huge. Because it is a structural deformation we must be prepared to restore services, especially those caused to our structural services such as roads and buildings. We as a country and as a government must be prepared to spend the money and to restore the services to our people who need those.

I would also like to encourage us as we take note of the points and anomalies that have been raised to address them so that we can be able to bring normalcy back to that region of the country.

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Mr POWES PARKOP (National Capital. District) – Thank you, Mr Acting Speaker. Firstly, I commend the Chairman of the Emergency Committee and his committee for the report over-view so that we can all understand and help the Government to respond and to help our people recover.

The points raised by the Minister are very important that we must emphasise and balance by providing leadership in this type of situation. We must not fall by all sorts of views and suspicions from our people without scientific proof that we just reached conclusions. It is very important we understand these things that's why I'm up again to make these comments.

Mr Acting Speaker, I would like to give some examples Christchurch in 2011 was hit by a huge earthquake. Up to that time, Christchurch has never had any incident of earthquakes in the past. Other cities maybe in the Northern Island of New Zealand usually have earthquakes they are in the Pacific Ring of Fire. Christchurch never had any such experience of earthquakes at all, no oil and gas and suddenly the earthquake hit and caused huge damage, which they are still recovering from. So we must understand this, sometimes there are incidents like this.

Prime Minister in his statement during the emergency session said an earthquake occurred in this region in 1920. There are records so we must not just support such assumptions. The Minister himself is a Geologist so he understands that there are examples like that around the world so I just want to balance such perceptions and opinions.

Saudi Arabia has been drilling oil and gas for many years and no earthquake have occurred. We have countries like Nigeria who has been in oil and gas business for donkey years more than Papua New Guinea including where we now have the project. No such earthquakes ever experienced in Venezuela, South America also has oil and gas going on for so many years but there are no records of earthquakes occurrence, so we must balance these things.

We have scientists including our volcanologist to come up with a proper assessment. We have established certain office responsible in giving professional advice and they must come quickly and try to explain this. Otherwise our people in their lifetime memories have never experienced such occurrence and are reaching conclusions for nothing and laying blame on oil and gas activities. What if our people make an attack tomorrow? Who will take responsibility? We must balance this issue.

I know points like this have emerged but I am not a scientist thus making this statement based on evidences around the world. Yes, cracking or on fracking may have created instability within the earth crust and things like that, but there are other evidences which shows that no earthquakes that have happened in areas where there is oil and gas activities happening like the case of Christchurch in New Zealand. They have no experience in their living memory of such an event. The only memory of an earthquake is the one that happened in 2011. \

Mr Acting Speaker, I just wanted to contribute to provide some guidance to our people during this time of disaster. We are in bad time so let's respond to it and let the scientists come up with some firm evidence and cause of this earthquake instead of us just reaching conclusions for nothing creating anxiety with more problems, another social disaster and human disaster coming out of the natural disaster.

Thank you. Mr Speaker

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

ADJOURNMENT

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

That the Parliament do now adjourn.

The Parliament adjourned at 1.10 p.m..