

NINTH DAY

Friday 13 April 2018

DRAFT HANSARD

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NINTH DAY

Friday 13 April 2018

The Deputy Speaker (**Mr Jeffery Komal**) took the Chair at 10.05 a.m..

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

Sitting suspended.

The Speaker (**Mr Job Pomat**) took the Chair at 10.59 a.m., and invited the Member for Mul-Baiyer, **Honourable Koi Trappe**, to say Prayers:

‘Our Prayer will be from the Bible reading of 1 Kings chapter 3, verse 8. Here I am among the people you have chosen to be your own, a people so may that they cannot be counted. So give me the wisdom I need, to rule your people with justice and to know the difference between good and evil. Otherwise, how would I ever be able to rule this great people of the hills. The Lord was pleased that Solomon had asked for this and so he said to him, because you have asked for the wisdom instead of long life for yourself or riches or the death of your enemies, I will do what you have asked. I will give you more wisdom and understanding than anyone has ever had before or will ever again.

Father in the name of Jesus, all the leaders present in this Parliament are chosen by you. You have chosen us as David and King Solomon. God, this morning, we pray and thank you for choosing us to rule this nation. These are your people and we make laws so that your people can settle peacefully and enjoy their lives and praise you. This morning, I ask for your wisdom and blessings. Father God, may you bless us, guide us and lead us. Give your wisdom abundantly for us to lead this nation the way you wanted. Thank you God, thank you Holy Spirit, thank you Jesus Christ, this is your country, your people and you have chosen us the leaders. I pray specially for the Prime Minister, the Ministers, the Governors, the Members of the Parliament, and the Opposition Leader and the Opposition Members, I commit them unto your most holy and powerful hand. Give your wisdom abundantly so that we can lead this nation in the way you want it. Father God, I pray and commit us all unto your hands. Amen.’

**PUNCTUALITY IN THE CHAMBER –
STATEMENT BY THE SPEAKER**

Mr SPEAKER – Honourable Members of the House, the Chair wants to remind u all about punctuality. Time doesn't wait for us, so I remind us all to keep in mind the time.

02/09

MOTION BY LEAVE

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

Leave granted.

**SUSPENSION OF STANDING ORDERS –
REARRANGEMENT OF BUSINESS**

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

That so much of the *Standing Orders* be suspended as would prevent Notice Nos. 47 and 49 of Government Business being called on forthwith.

**ASIA PACIFIC ECONOMIC COORPERATION (APEC)
SAFETY AND SECURITY (AMENDMENT) BILL 2018**

First Reading

Bill presented by **Mr Justin Tkatchenko** and read a first time.

Second reading

Leave granted to move the Second Reading forthwith.

Mr JUSTIN TKATCHENKO (Moresby-South – Minister for Lands) – I move –

That the Bill be now read a second time.

Mr Speaker, our country will be privileged and honoured to hold a prestigious world meeting in November of this year 2018. The Asia Pacific Economic Cooperation (APEC) membership comprises of 21 developed and developing countries which includes USA, China, Russia, Japan, Australia which contributes or controls two-thirds of the world's economic and global trade. PNG is a member of the APEC community and we will host the APEC Leader's Summit in November this year.

Mr Speaker, the host of the APEC Leader's Summit will be the biggest international meeting for our country and it will allow us to showcase our cultures, traditions and our beautiful natural wonders put on the world map. Staging such an international summit with 21 world leaders in attendance comes with many challenges including safety and security of World Leaders and Global Business Executives of fortune 500.

03/09

In order to facilitate for provisions of safety and security of the APEC 2018, this Parliament enacted the *APEC Safety and Security Act* in 2017. This paved the way for our security agencies such as police and defence forces to establish a joint security task force which has engaged with our international partners which includes Australia, New Zealand, United States of America, Canada and Indonesia for assistance with APEC safety and security operations in PNG.

Mr Speaker, as a result of this ongoing dialogue with international partners some critical issues concerning the accuracy and the ability for the *APEC Safety and Security Act* were identified, which required immediate action by the Government of this honourable House.

The proposed APEC Safety Security Amendment Bill is to address this inadequacy and provide sufficient authority and protection of foreign safety and security personnel particularly in using their own capability (example jet fighters, warships and et cetera). The proposal bill addresses the following concerns; the application of other laws to foreign safety and security personnel; pre-authorisation which will allow for foreign safety and security personnel to deal with an imminent threats, privileges and immunities for foreign safety and security personnel to carry out lawful orders; command and control of foreign safety and security personnel and their assets; and the ability of authorised members of the foreign force including lease hold force.

Mr Speaker, all these legal issues have been addressed through a wide consultation with all international partners and we are now satisfied that the proposed amendment of the *APEC Safety and Security Act* will constitutionally and legally authorise the foreign safety and security personnel and assets to be used to assist with the provision of APEC safety and security operations in the country.

In summary this covers the clause for only during the leaders' summit and that period only. All foreign security forces that operates outside of this time frame will come directly under PNG law immediately. This will ensure all security aspects for all our world leaders are covered as they require working together in partnership with our own security forces.

Mr Speaker, I therefore seek the support of this honourable House for this APEC Safety and Security Amendment Bill, thankyou Mr Speaker.

Mr KERENGA KUA (Sinasin-Yonggamugl) – Thank you, Mr Speaker, I suppose, Mr Speaker, that these are the kind of normal procedures and protocols that you bring into place by legislation to facilitate for things like this to happen anywhere around the world.

And as the Minister has said, there appears to have been wide spread consultation by all the stakeholders who are going to be coming both from within and outside.

However, Mr Speaker, there is one glaring vacuum in this draft bill. That vacuum arises here because there appears to be no protection given to PNG citizens and families who might be affected because of the operations of these piece of legislation.

04/09

What it does is, it empowers security personnel of the foreign leaders coming here into this country to do whatever they want to do but if they do it and there is loss and damage suffered by Papua New Guinean citizens then the Bill gives them immunity. Therefore, who is going to carry the loss that will be occasioned? Who will be there to protect and speak for Papua New Guineans? This Bill presented by this Minister by his Government does not speak for Papua New Guinean citizens. There is an absence of protection to Papua New Guinean citizens and their families. It gives them immunity to both criminal and civil liability. If there is an incident where somebody gets bombed, they will hold up this Bill and say they have immunity to both criminal and civil responsibility. They will walk away untouched.

Mr Speaker, there ought to have some protection before we as a Parliament endorse this kinds of proposals. We are protecting everybody else in the world but we are not protecting

our very own. I'd rather see an additional section build into this draft which says that the Government of Papua New Guinea will become vicariously liable in place of those foreign visitors. If the eventualities that are envisage in this draft bill should happen, the people of Papua New Guinea will have some recourse.

There will be a mechanism that will give them some rights, some recourse to some damages because the way it is, there is a big vacuum. Those who potentially cause the damage will walk away from the source of this country and the poor Papua New Guinean villagers who suffer the loss and damages and who lose their fathers, sons and daughters will suffer. How do you expect them to chase after these people through all those forums? Do they have the means, the know-how and the money to do so?

Mr Speaker, I think this is an incomplete Bill so we should defer it to this afternoon. I do not think it is too difficult to ask the Minister to go back and add one additional clause, at the end of section 14 (2) which will say that because we are giving immunity to all these foreign people, the Government of Papua New Guinea will become vicariously liable for any damages suffered at the hands of our foreign guests out of the circumstances prescribed in this act.

We should postpone debate and we ask the Minister to take it back and add one more clause for the Independent State of Papua New Guinea to step in their shoes and be vicariously liable. The vote should be deferred until then.

Sir JULIUS CHAN (New Ireland) – I stand to support the Minister for bringing this legislation to provide security to our foreign guests. The reason is we do not have this kind of gathering every year and it is a very unusual event for this country. I want to congratulate the Government of the day for being able to secure Papua New Guinea as the venue for the APEC Meeting.

This Bill is in compliance with the *Constitution* requirement and that is the first line I read so any requirement for protection of our citizens is in compliance with the *Constitution* of this country. The Government cannot act outside of the *Constitution*. One would imagine that Papua New Guineans would behave in a normal way that we are capable of looking after ourselves and that there would be peace in this land when our foreign guests come in but if there are people who want to sabotage the event then they are actually committing a crime against the laws of our country and therefore should be treated accordingly.

However, this should not be happening because we should all pull together for this occasion. It is probably one in a life time for a lot of us.

05/09

So, I am appealing really, not to put some obligations again to the government because the bill itself shows that our people are protected by our *Constitution*. So no other laws, I am sorry, I am not a lawyer but by all means you can listen to the Member for Sinasina-Yonggamugl. By all means listen to him. I just simply want to say that there is no fear because our people are good people and they will obey the laws of this land. And our *Constitution* protects their rights.

Papua New Guinea is no exception, if we want to be equal to the world we've got to accept the international reality. If this group goes to Australia or any other place in the world the same laws will apply for their security.

(Mr Kerenga Kua interjecting)

Sir JULIUS CHAN – When the Member for Sinasina-Yonggamugl spoke, I did not interfere with him.

Mr SPEAKER – Honourable Governor, the Chair is appealing to the honourable Member for Sinasina-Yonggamugl, the *Standing Orders* are quite clear, if a Member is speaking we must not shout and be rowdy. Based on that I am asking you to sit down and listen to the debate from the honourable Governor for New Ireland.

Sir JULIUS CHAN – As I said, I respect the Member for Sinasina-Yonggamugl of his views and he's free in this Parliament to say what he wants. And it is up to our Members of Parliament to either accept or reject him.

I just simply want to put to all of us here that it is a very unusual event that require international environment of security. I think the Government cannot go outside of this because it happens everywhere, in America, Australia or other places that this type of arrangement is made for countries who want to host such an event. So, I support this bill and I want to congratulate the Government.

I suggest to all Members of this Parliament to get the people behind this Government because it is an occasion that we may never experience again in our lifetime. We've got to make a success of it and the rise or fall of this occasion will tell and guide our future. It will give the right signal to the rest of the world, particularly to those members of APEC and from there it will radiate all around the world. This is our chance, this is our time. Let us not miss it.

It is ripe, let's pick it. When it is ripe, it is time to harvest. The fruit of this country is now ripe, let's pick it, leave it till tomorrow, play around with it and it'll be rotten.

So, on that note, Mr Speaker, I support the bill and congratulate the Minister and wish the Government every success in its programme to bring in all the world leaders to this country and they are the biggest leaders. Some of the most powerful nations on this planet are coming to Papua New Guinea so congratulations.

Mr SPEAKER – Before I allow any more Members to speak the Chair wishes to ask the Members of Parliament to have their mobile phones set to silent mode or switch them off. The same applies to the members of the public also.

Mr WILLIAM DUMA (Hagen – Minister for State Enterprises) – Thank you, Mr Speaker. I'd like to commend the Minister for Lands and APEC for bringing this important piece of amendment to an existing legislation.

06/09

Mr Speaker, I also want to start by commending our Prime Minister, who in the last Government was able to put his hand up on behalf of our country to convince Members of the APEC to agree to host this very important significant world event in our small country.

Mr Speaker, most of the Members of the APEC will only agree for a certain country, if they believe in the systems of an existing country and the leadership provided by their leaders of that country so it is not simple to convince leaders of a very advanced economically developed countries to agree to host a significant international event in our country. I would like to commend the Prime Minister for his effort.

I would also like to acknowledge the efforts which led to the recognition by World Economic Forum to be able to invite our country to be present in that world forum in Europe. This Mr Speaker, goes to show that Papua New Guinea is slowly coming of age and it is a country that can be reckoned with by our neighbours as well as the wider international community.

Going back to this amendment, our existing laws already provided more than adequate protection for our citizens including visitors. If you take the example of the President of the United States, it is a well-known fact that whenever the President of United States goes to any country, he is allowed to allow those who protect him to carry their own weapons in their own vehicles. No one talks against immunity.

(Mr Kerenga Kua interjecting)

Mr WILLIAM DUMA – Their existing government protects them. You are a lawyer, you should know! Your own laws and your country will be behind any citizen who gets hit. It is unbecoming of a leader to simply give the ordinary people the impression that the Government does not care about its citizens who are already protected by the *Constitution* and the existing laws. It is unbecoming of a leader to present a worst case scenario when the laws that you have in this country protects your citizens. They have done so since we became Independent.

Mr Kerenga Kua – Point of Order! Since I am being accused of misleading Parliament, I want the Minister to explain what the immunity section in this Bill means. Can the Minister explain what immunity means? Immunity from civil and criminal liability.

Mr WILLIAM DUMA – Mr Speaker, one would assume that the good Member of Sinasina-Yonggamugl knows all the answers and that he is the only learned man in law. Every law can be interpreted in many ways. Our interpretation is simple. Those who come here to protect the lives of their leaders, they will be expected to act in reasonable circumstances, that is what is expected, it goes without saying. That is the immunity we are talking about. You cannot simply change that law to suit your way of thinking, it is a clear law, it is only for two days and it is meant for those who are accompanying their leaders to protect their leaders. Those laws protect our citizens as well as the protection given to our citizen by our own *Constitution* and our laws. We are simply twisting the law to rearrange to what we are thinking. The law is simple and straightforward; it is the immunity that is being accorded to those who accompany their leaders. It happens everywhere in the world so we would be kidding ourselves if we were to twist everything to give out the impression that we are exposing our people. Surely those who are escorting their leaders are not mad men, they are trained people. They will only act to protect their leaders within reasonable circumstance and that is accepted.

Mr Speaker, it is a straight forward piece of legislation which we all should support the good Minister instead of polluting.

07/09

Mr DAVIS STEVEN (Esa'ala – Minister for Justice and Attorney-General) – Thank You Mr Speaker. The shadow Minister for Justice raised concerns that we all share as leaders

and as people of this country that the *Constitution* of our country should never be compromised under any circumstance as well as the rights of our citizens should never be done so. These are not new issues.

Mr Speaker, in supporting this legislation, I want to assure the honourable House and our people that, these questions have been addressed. The State Solicitor has cleared the view having considered this

Mr Speaker, this is not the first occasion on the question of immunity in relation to foreign security personnel in our country has been raised. We have the benefit of a Supreme Court decision on this issue. Focusing as a responsible Government on all these issues, a clearance has been given, knowing well that there must be protection for our people.

In the abundance of the protections in law, this Bill has been cleared because we know that our people have access to our courts. Their rights are still preserved. Look at the sunset clause, these protections are there. We are very specific in making sure that this law has a very definite time period. It applies within a very definite time period. Any claims, whether civil or criminal arising are saved even within the sunset clause.

Mr Speaker, instead of being alarmist, this is an important legislation that needs to be passed. We need to support the Minister to make sure that all the preparations and expectations that our people have in hosting this once-in-forever international gathering and occasion be allowed to occur. The protections are there. The security forces arrangements are under the supervision and control of our own Police Commissioner. It is really outlandish and irresponsible in my respectful view to be creating a fire here which doesn't exist.

I commend this legislation.

Mr Kerenga Kua – Point of Order! I have been trying to see whether there is any substance in what the Attorney General is saying, but I have difficulty with everything he said so far. He refers to that Supreme Court decision which states that this sort of regime of legislation is acceptable. But, I know of no such Supreme Court decision. The only one that I am aware of involves the Australian Police in this country. The Supreme Court ruled that a similar provision that gave immunity was unconstitutional. That was the very reason why the Police program packed up and left. So, unless the Minister and Attorney General can refer us to an appropriate Supreme Court decision, the authority that we are aware of suggest that immunities are not allowed in this country by *Constitution*.

Mr DAVIES STEVEN – Exactly the point, Mr Speaker. Decisions of the Supreme Court are for guidance, correction. They stand to assist us in interpreting the laws and we know that immunity is not allowed and we also know the circumstances in which the Supreme Court declared that immunity was unconstitutional. All these factors were taken into consideration. The law must not be interpreted in isolation. The law is to be used to advance society and the priorities of government and the interest of our people. What the Opposition is saying is in relation to the rights of our people. We are saying that our people have sufficient rights all throughout the period in question.

Mr Speaker this legislation has been cleared after due consideration has been given to all these issues.

Motion – That the question be now put – agreed to.

Motion – That the Bill be now read a second time – agreed to.

Bill read a second time.

08/09

Third Reading

Leave granted to move the third reading forthwith

Motion (by **Mr Justin Tkatchenko**) proposed –

That the Bill be now reading a third time.

Mr ALLAN BIRD (East Sepik) – Thank you, Mr Speaker. I am not a lawyer and I am not going to get involved on the legal discussion but I would like to put in a practical example in this discussion.

Mr Speaker, I understand that this law is going to operate for two days only. We are finding hard to police our borders. Let's just say for argument sake, some terrorist group comes in and wants to cause problems with a visiting dignitary and their security guards response. In the process of that response, you will not be able to control the amount of bombs and bullets which they are going to use, we can see on TV even with the best technology in the world still manage to miss the military targets and hit civilians; we see that all the time.

Mr Speaker, my concern is that I want the Government to advise me if a cartridge or bomb is misses for a target in an unlikely event that a terrorist group attacks a president and they respond with all their fire power and happen to hit a family; in this law in my simple understanding is that they will not be liable for any damages caused. So, who is going to be responsible if there is a situation like this?

I want you to assure me, I do not want to come here and vote for things because Government is driving a bulldozer in the middle of Parliament. If such problems occur how are we going to solve it, are we going to buy a pig? In our country we know how everyone will react just like what is happening in Madang, it is our cultural way.

Now, if this is committed by a foreign government that we give immunity to, I have no doubt in my mind that we will be weary in the situation so before I give my support, I would like an assurance in this Parliament on the *Hansard*, that if such problems occur, the National Government of Papua New Guinea will meet all expenses in the event that such happens.

Thank you, Mr Speaker.

Mr PETER O'NEILL (Ialibu-Pangia – Prime Minister) – Thank you, Mr Speaker, and I would like to say thank you to the Minister for bringing this Bill to Parliament.

Mr Speaker, I understand the arguments raised by the Member for Sinasina-Yonggamugl and the Governor of East Sepik but the question is whether we portray our country as a country where leaders will come and be put under treat and that is what we are trying to indicate.

Mr Speaker, I think our country is a peaceful country and we need to portray the best image of our country. I can give full guarantee that the lives of our people are absolutely protected by all the existing laws that we have passed through this Parliament, including in the *Constitution*.

Mr Speaker, if there is any liability or an incident happens where one of our citizen gets into a situation where there is damage or loss of life then don't forget, the State gets sued for it.

09/09

Mr Speaker, they have the right to claim damages against the State. The State and the country is hosting this event, Mr Speaker, we don't need to write specific laws to a one-off immunity that we are giving to leaders who will be coming to this country.

Mr Speaker, it is a normal protocol when Heads of State travel all around the world it automatically extends the protections and the security personnel that travels with them. If there

is an incident that takes place regarding that particular security personnel, head of state or head of government then they are immune from prosecution. They will be told to leave the country because they are immune. If we are going to be a contributing member of a global economic community then we need to respect those who are coming to our country.

This is a very major event for our country, a unique opportunity to portray the best image for our country. This is not time for playing politics and become alarmist, Mr Speaker, it is a time for us to work together for the good of our country.

Mr Speaker, when are leaders going to stand up and make sure that we work together to attract investment into the country. These immunity is not extended to every visitor into the country such as business men and women who want to do business in this country. It's only extended to every leader and their protection team.

And it goes without saying, as I said, the normal protocol and we signed a lot of protocols at the United Nations on every international organisation that we are members of. And many other countries adhere to it so why not PNG do the same. This particular event has got a sunset clause, meaning that after the leaders leave on the second day, the law automatically ends and it doesn't extend forever.

So, Mr Speaker, the Parliament should get behind and put aside all our small differences and small alarms that are being created.

Let's support the Minister in this bill and let's showcase to the world that PNG has come of age.

(Mr Kerenga Kua interjecting)

Mr PETER O'NEILL – Stop being small minded about these issues, think about the country. One day, Mr Speaker, you will be in Government. I do it for my country and why can't you stand up for your country, thank you, Mr Speaker.

Motion – That the question be now put – agreed to.

Motion – That bill be now read a third time – put.

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

10/09

(Voting in progress)

11/09

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

AYES – 64

NOES – 17

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

Bill read a third time.

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

Debate resumed from 12 April 2018 (see page ...)

Mr JAMES MARAPE (Tari-Pori – Minister for Finance) – Firstly, let me thank the Members of Parliament for allowing us to suspend *Standing Orders* to allow us to dispense with the first Government Business and moving on to this one.

This one is really following on the report from the Permanent Parliamentary Committee on Emergency which was presented yesterday pursuant to *Section 228* of our *Constitution*.

Let me quickly go through the recommendations of the committee based on their observations for adoption by this House so that we can accept the recommendations.

12/09

Mr Speaker, as the committee found in their report, the extent of the damage is quite substantial by the fact that we recalled Parliament for the Emergency Sitting and the granting of the State Emergency for those areas that were affected by the earthquake. There is a need here as reflected by the Committee for an extension of the State of Emergency and this Parliament needs to confer its blessings.

So, Mr Speaker, for the benefit of the House, let me go through the recommendations and ask the Honourable House to accept them so that we can get into the business of fully restoring or providing restoration services to the affected provinces.

The committee recommends for:

- An extension of further two months for State of Emergency;
- Full Defence force call-out in the areas affected to assist Police and civilians as far as restoration efforts are concerned;
- Provincial and local level government authorities to return to their respective areas;
- Proper inquiry into the causes of the earthquake;
- All disaster coordination functions and responsibilities to be decentralised at regional centres and provinces that are affected and to be adequately funded;
- Request Government to expedite the appointment of the provincial administrator of Southern Highlands;
- People displaced to be resettled and relocated as soon as possible;
- Amendment to the West Restoration Authority to include West Sepik and Gulf provinces especially those provinces that are affected;
- Counselling services to be provided to those people who are affected by the earthquakes and thereafter; and
- A controller to be appointed from the disciplinary forces, but that is something that must be done in consistency with the West Authority.

Mr Speaker, having said these, I recommend for Parliament to fully support the findings of the committee as recommended yesterday

Motion – That the question be now put – agreed to.

Motion – That the report and its recommendations be adopted – agreed to.

QUESTIONS

Youth Employment Policy

Mr TIMNOTHY MASIU – Thank you, Mr Speaker. My question is directed to the Minister for Religion, Youth and Community Development and the Minister for Labour and the Prime Minister to take note. As we are all aware, the youths of our country make up a huge part of our population. The youth population of our country is increasing every year.

13/09

I have a series of questions to the Minister. Many times, we blame the youths for the lawlessness in this country, but how are we assisting them.

My questions are;

- (1) What is the Government's status on the Youth Employment Policy?
- (2) With the high turnover of school drop outs, does the Government have a database of drop outs in grades 8 to 12, universities and other educational institutions in the country?
- (3) What is the employment rate in Papua New Guinea right now?
- (4) Can you please provide some statistics to us, informing us of the number of youths being employed in the country?
- (5) How many persons are employed daily, weekly, monthly or yearly?

Mr SOROI EOE – Thank you, Mr Speaker. I thank the Deputy Opposition Leader for his very important questions.

Youth is one of the most important issues confronting this country and I am glad you raised the issue. Youths can be a blessing and youths can be a curse. A blessing when our educational system is educating our youths to the point where lots of our young people find employment. On the contrary, youths can be a curse when they don't find employment even if they are upskilled. Some are not even upskilled because they leave the educational system earlier. Most of them are not even entering educational system. We have a big problem here.

Every issue faced in this country is linked to youths such as law and order, the laws passed in the last few day, delinquency, parole amendments. Yes, this Government is concerned about youths. When you look at the statistics, we are looking at between 40 000 to 50 000 young people being pushed out into the system. Most of these young people are finding it very difficult to find employment. Very few are finding employment.

So what is the Government doing? This Government has already been addressing this issue. I think this year's Budget reflects that, particularly looking at the issue of growing economy and creating job opportunities for our people. This issue has been addressed in all sectors of the government and the community. Youth is not one person's problem. It is not my problem alone. It is a problem that all Members should take note of and address it.

Mr Timothy Masiu – Point of Order! My questions are very specific and the Minister does not have to take us on a merry-go-around looking for the answer.

Can the Minister be direct and give us some statistics on the employment rate and the questions that I asked? Can the Minister give me the appropriate answer because there is a lot of youths out there who want to know how you are taking care of their wellbeing for the good of this country?

14/09

Mr SOROI EOE – Yes, Mr Speaker, that is exactly where I am coming to because I have to provide a backdrop to what we are talking about so we can understand issue.

The issue as I already said is not the Youth Ministry's responsibility alone, your question cuts across different sectors that includes labour that is what you were referring to. So, when you look at the issue of employment, it is not under the Youth Ministry. I am glad my colleague Minister is here. But, let us look at the issue here, we are talking about 50 000 students or children being pushed out into the community so what are we doing?

Actually, NEC approved my Youth Framework two weeks ago so hopefully in the next sitting of Parliament, I will table for Parliament's approval the National Youth Framework in which my Ministry is addressing.

So it is really a cross sectoral issue that concerns everybody and how as a government we address the issue of unemployment, agriculture, defence, police and right across the board to minimise it. I can tell you, youth is an explosive issue and if this government does not take note of it now, it is going to become a problem for this country. It is not only led by people who are uneducated but there are also some very well educated people who are not employed who will lead whatever problems that we face in this country in the future.

It is a serious issue and I thank for the Deputy Opposition Leader for raising that very important question so when you look at it statistically wise, I think that is where Labour Department can give answers. My job is to coordinate all the youth activities in this country

insofar as employment issues are concerned and upskilling of youth are concerned to minimise any other problems that are faced.

What can the Youth Department do in terms of making interventions for example; before a crime is committed or after a person goes into jail and come out, how do we accommodate them into the society?

So in terms of employment of these youth, my presentation in the next Parliament will explain the framework from which we will be looking at youth in this country.

Thank you, Mr Speaker.

P'nyang Gas Project Status

Mr JAMES DONALD – Thank you, Mr Speaker, for giving me the opportunity to ask my question to the Minister for Petroleum and Energy.

Mr Speaker, in today's *National Newspaper*, in the business section, there is information about P'nyang that has gone up by 84 per cent after the seismic drilling and they said that there will be an opportunity for ExxonMobil to extend and connect a pipeline to P'nyang. If the Minister can recall in the Hansard records, I asked a question last year relating to this matter and the Minister stated this P'nyang will be a standalone project.

15/09

My questions are:

(1) Can the Minister clarify whether this will be connected with PNG LNG project or will it be a separate project of its own?

(2) Can the Minister confirm or deny that he has already negotiated with the developer to have the project connected with the rest in my province?

Because I am prepared to consider this project as a Western LNG project on its own and connect it with P'nyang with the rest in my province, and the Minister has given me this assurance already during that time.

(3) Can the Minister clarify, and make a statement in line with these issue so that my people will be made aware of the status of the projects?

Mr FABIAN POK – Mr Speaker, I thank the Member for North Fly for his questions.

The P'nyang gas field is a subsidiary company of ExxonMobil. But what the Government is planning to do now is that P'nyang will be considered as a separate project of

its own and it's not part of PNG LNG. But because they have already had an existing plan put in place so they will create a new trend and it's just an understanding.

I will get the full information because P'nyang will be treated as a new project. Meaning to say that physical planning and other arrangements will not be part of the old PNG LNG project and that's what the Government is planning now.

But the word extension is being used because it will use the same facilities but in actual fact it's a separate project. The official team are now working together to make sure that P'nyang will be considered under its own physical terms and it's a new standalone project.

In Western Provinces, many fields are owned by different companies and not ExxonMobil only. So that is why we cannot intergrate all of them into one. But P'nyang will be treated as a separate field and not under the agreement signed in with PNG LNG project.

But I want to assure the Member that I will get the full briefing and reply in writing to the Member, the people of Western Province and the country as a whole because I have been in touch with them on this issue, thank you.

Mr SALIO WAIPO – Thank you, Mr Speaker. Before I ask my question, I seek leave of the Chair to ask you a question, Mr Speaker.

Mr SPEAKER – Leave is granted, go ahead.

Review *Standing Orders* of National Parliament

Mr SALIO WAIPO – Mr Speaker, we are in the Tenth Parliament now and since you got elected as the Speaker of this Tenth Parliament, I want to direct this question to the Chair.

(1) As this House is under your leadership as Speaker, do you have any plans in place to revisit the *Standing Orders* of this Parliament?

The existing *Standing Orders* is outdated and it's about time the people of this country, nation and current leaders and future leaders of this House must be fully informed of this *Standing Orders*.

That's my only question to the Chair. I have some more questions but I won't ask, however, I want a favourable answer for the benefit of this Parliament, the people and country as a whole.

Mr SPEAKER – Thank you, honourable Member. In response to your question, yes, since I was elected as the Speaker of this Tenth Parliament, I made a short speech on this Floor of Parliament that I will try my very best to bring back the integrity of this House back on track.

I have already revisited the *Standing Order*. And some time ago, I discussed it with the Clerk of National Parliament and the Staff that we have to review the *Standing Orders* because it's outdated. If there is a need then we can always look at the *Standing Orders* and review it.

16/09

Mr RAINBO PAITA – I wish to direct my questions to the Deputy Prime Minister who is also the Treasurer.

Mr Speaker, before I ask my question, I would like to thank the Government for funding an important project in my area. It was project where through the wisdom and blessing of the NEC that gave permission for a team of investors from US to come and an invest in my district. On behalf of my people, I want to say thank you to the Prime Minister as the Chairman of the NEC and also all your Ministers. I say thank you particularly to the Treasurer and Deputy Prime Minister going with me to the US. After coming back, we have endeavoured on creating this special economic zone in the country.

Mr Speaker, this opportunity gives us the clearance to contribute our fair share to the development of our country. When we are isolated, we become a liability to our country. Therefore, with this opportunity, I embrace and am looking forward in working with our Government to see this project becomes a reality. So, once again, I thank the Government, the Prime Minister and the Deputy Prime Minister.

Mr Speaker, the world has changed so what we are endeavouring –

Mr SPEAKER – Honourable Member, time is of essence so please ask your question.

Outstanding Entitlements for Ward Councillors: Finchhaffen

Mr RAINBO PAITA – I take note that some things we ask in Government caucus are not recorded so for the benefit of the country, I would like to ask my question on the Floor of Parliament. I thank the Deputy Prime Minister regarding a question that I asked on the Floor last year. This was to do with the outstanding entitlements for our councillors so I thank the Deputy Prime Minister for approving most of the payments under his leadership.

However, there are still some outstanding payments yet to be paid. We are approaching the LLG Elections so are you going to pay the outstanding payments before the elections?

Mr CHARLES ABEL – I thank the Member for Finschhafen for his question. On the outset, I want to commend and congratulate him for the initiative to bring some development to his district regarding the special economic zone.

Mr Speaker, with regard to the councillors, it is our Government that has given due recognition to the councillors for the first time in a very long while. That recognition is coming in the form of improved allowances with a significant increase.

For many years, they have been on a K100 allowance per month but as part of our Government contention, we have embarked on the sub-national empowerment. It is the intention of the 2018 Budget to give money to our districts through the Service Improvement Program or SIP. It is intended to go down to as far as the councillors and the WDC. They have K10 thousand each year to contribute to development and to fulfil some of the mandates that those leaders have at that level.

The WDC have got K10 000 each per year to contribute to development and to fulfil some of the mandates that those important leaders have at that level.

There was some money released in January to fulfil that obligation in terms of the allowances.

1709

There are still outstanding amounts remaining to those councillors and like many of the other commitments in the Budget and the ongoing cash flow issues that we are dealing with and I work every day to make sure that we deliver the Budget in totality. Because despite the challenges and earthquakes and so on, we are also seeing an improvement in the world economy such as the oil prices as we endeavour to make sure that despite all these challenges we fulfil all the commitments in the Budget.

I've said this several times on the Floor of this Parliament that it is the Executive Government's working desire that the 2018 Budget continues to be fulfilled in its entirety and that includes the outstanding obligations to the councillors.

Mr Speaker, as we continue to do the work to fulfil the 2018 Budget there are resources coming and these are simply in line with the existing budget plans such as debt financing and so on that we feel that with the oil price hitting US\$70.00 per barrel then the other good work that we are doing on cost cutting and the good work the IRC and Customs are doing in their

collections, hopefully we will be able to deliver the 2018 Budget and not have to move for a supplementary budget.

Mr Speaker, there continues to be some outstanding amounts to the councillors and we'll be doing our very best to make sure that before the elections arrive we'll make sure that all those obligations to the councillors are paid out. There was a payment in January and we hope to make some more payments soon.

Unfair Policy – Higher Education

Mr JOE LERA – Thank you, Mr Speaker. My question goes to the Minister for Higher Education, Science and Technology and I want the Education Minister to take note.

I ask this question in regards to fairness to all provinces in human development and training, equality and participation in nation building and equal opportunities to all citizens in the public and private sectors regardless of what regions or provinces that our citizens come from.

Some years ago the then national government put a policy in higher education which gave higher quota to provinces that were populated and disadvantaged and gave less quota of selection to tertiary institutions to provinces regarded as advanced and well off.

(1) Is the Minister aware of such a policy?

(2) If it exists, can the Ministry review it and maybe correct it, so that a new policy is put in place that promotes and upholds the three principles that I mentioned in the country?

Secondly, there is regionalism in education institutionalisation. It looks like the regional centres are getting all the education institutions at the expense of the smaller provinces.

(3) Does the Ministry have any plans to come up with specific criteria where all provinces are given basic education institutions rather than putting all institutions in the four regional provinces or regions because it is contributing to marginalisation, unequal opportunities for the little province to not produce or come up with the maximum human resource that their provinces need?

18/09

Mr PILA NININGI – I thank the Regional Member for Bougainville for his series of questions. The requirements are almost non-existence. We stick to one policy and this applies all over the country.

Some of these institutions were established in the colonial time and others in the recent times. We are now giving chance to other provincial governments to establish those institutions. We now want to scale down the establishment of the institutions so that the current institutions are properly funded and run before we establish new ones.

So we must take stock of it. For example, the Agriculture institutions are not functioning. Some technical colleges are not functioning so we are taking stock of it and we must make sure that they operate before we talk about other institutions and universities.

Mr Speaker, we must adequately fund and ensure they are operating. I have talked to the Honourable Member concerned that we are seriously considering having a university in Bougainville. But this has to come from the Members of the ABG Government if they can put in funds.

You have to make some funds available to start a university. We realised the distance for students to travel in so order to have a university we must deal with it properly in terms of making land available and etcetera. If we work on it, we will establish a university. We also take into consideration your concerns. Thank you.

Investigate K20million for Tourism: ENB

Dr ALLAN MARAT – Mr Speaker, my questions are directed to the Finance Minister and the Leader of the Government Business. I urge the Deputy Prime Minister and the Minister for Treasury, and the Minister for Culture and Tourism to take note.

Mr Speaker, in 2014, the National Government declared East New Province as a tourism hub of Papua New Guinea and pursuant to the National Government Policy Declaration, an amount of K58 million was allocated.

The first part of K20 million was paid to the East New Britain Provincial Government. There were eight prioritised areas earmarked for the expenditure of K20 million.

Mr Speaker, there was a report presented to the Department of Treasury and Finance and I understand that the World Bank is a little reluctant at the moment to release the other K38 million unless the K20 million was properly accounted for.

Mr Speaker, I am concerned about one of the prioritised areas; the Kokopo-Tokua land mobilisation where a total of K5 million was paid.

19/09

I believe out of that K5 million, K3 million was paid to Raol Tamama Land Development Limited. A shareholder of that land development company was the former Minister for Inter-Governmental Relations.

My Questions are;

(1) Has your office considered the report?

(2) Have your officers carried out an independent onsite inspection on the eight items of expenditure of the K20 million, to consider whether the money was spent for value to tourism?

(3) Will you refer the K3 million tourism funds spent on Raol Tamama Land Development Ltd to an independent fraud and anti-corruption investigation team to advance private criminal prosecution of those involved?

(4) Will you refer this K20 million misuse to the Ombudsman Commission to determine whether certain leaders could be prosecuted for leadership offences?

Mr JAMES MARAPE – Thank you, Mr Speaker. I thank the Member for Rabaul for his very important and pertinent questions as far as our focus on ensuring Kokopo is developed into a robust city that will embrace tourism more.

Mr Speaker, I will confirm but, yes, an amount to the vicinity of K20 million was disbursed for certain projects in that part of our country. The exact specification of what areas the funds are meant for is not something I can recall.

I am yet to see the report that the Member is alluding to. I will ask him to furnish a copy of that report to my office and we will undertake to ascertain whether or not those funds were put to good use.

As I said earlier, this money is not from World Bank, the World Bank is yet to send us the component funding of 20 million dollars earmarked to support government in this program. The K20 million is our own governments PIP funding.

The former Treasurer, now the Opposition Leader, as Treasurer was able to facilitate a transfer to the sub-national government in as far as the Kokopo city plan is concerned. The Member stated that it happened in 2014. He can send the report he has to my office so we can check against the records we have. I assure you, we will be on the ground to check as we give every money from central agency here from Finance and Treasury. Those funds are earmarked for specific projects and if the funds were misused or misapplied then the due process of law will take its course.

The Member as a concerned leader from the province concerned is entitled to lodge a complaint as a leader from the area, but from Finance perspective, we will certainly follow up and if no work is being put to good use then the complaints that are lodged can be supported from my office.

20/09

Incompletion of Okapa Roads

Mr SAKI SOLOMA – Thank you, Mr Speaker, for recognising the people of Okapa.

Mr Speaker, my question is directed to the Minister for Works and I would like the Ministers for Planning and Transport to take note.

Mr Speaker, my question is regarding a stretch of road from Kainantu to Okapa, Okapa to Henganofi and Henganofi to Lufa. Before, I ask my question, I will give a little background on it.

When the National Alliance lead Government was in charge and the former Okapa Member, late, Mr Tom Amukele sealed this road. And then, when the O’Neill-Dion Government came in, they sealed the second phase of this road but they did not finish it.

Mr Speaker, this stretch of road serves 300 000 people in the four districts that I have mentioned. Okapa is known for its organic coffee and it is also recognised by the world.

(1) Is he thinking of completing the road?

(2) Can he explain to the people of Okapa and the other four districts why it is not completed?

(3) Because the road which runs through to four districts of Eastern Highlands Province, is part of the Highlands Highway so can it be given the same prominence?

Thank you, Mr Speaker.

Mr MICHEAL NALI – Thank you, Mr Speaker, and thank you to the Honourable Member of Okapa for asking these very important questions.

Mr Speaker, I am aware of the issues that the Member has raised. Last year, I sat down with the Department Secretary and I asked him on the statues of the roads and he advised me that when road works were undertaken on this road, there was landowner issues and the contractors stopped work.

That is the only information I have but because it is a new question I will get a brief from the department and then I will advise him accordingly.

Thank you, Mr Speaker.

Mr SPEAKER – Before, we continue, the Chair would like to advise all the Members of Parliament that many times, we complain that the Chair does not recognising you to ask your questions. We think that more questions are coming from the Government side and less from the Opposition but it is not like that. In fairness, when I see that you have already asked a question and want to try a second time, I will not call on you again because there are many other members who want to ask their questions.

Other thing is that because we have a short question time, can we cut out our comments and ask the questions.

SUSPENSION OF THE STANDING ORDERS EXTENDED TIME FOR QUESTIONS

Motion (by **Mr Geoffery Kama**) put –

That so much of the *Standing Orders* be suspended as would prevent the time for questions this day being extended by 20 minutes.

There being no absolute majority, motion negatived.

Fix Kundiawa – Gumine Road

Mr GEOFFERY KAMA – Thank you. Okay, many times the questions are being asked to the Minister for Works but I also want to direct my question to him.

This question relates to four electorates in Chimbu; Sinasina-Yonggamugl, Kundiawa-Gembogl, Gumini and my people of Karamui-Nomane who use this road. My question to the Minister is that there have been three governments that have been in office and they have already declared this road from Kundiawa to Gumini a National Highway.

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And this road connects two electorates and it also serves the people of this country because they use this particular road.

But now this portion of the road has deteriorated from bad to worse over time and no maintenance work has been done. I have witnessed it myself because I frequently travel back

and forth on this particular road because that's my electorate unlike other members from Chimbu Province who don't travel frequently on this road.

My questions are:

(1) Mr Minister, do you have any funds available to do maintenance work on this portion of the road because it's a sealed road and too it's a provincial road and it deteriorated badly?

(2) If not then can you instruct your department to allocate some funds to do maintenance work on this road because it serves two electorates in Chimbu Province, if not most of the people will be badly affected?

Mr MICHAEL NALI – Mr Speaker, I thank the Member for Karimui-Nomane for his questions.

Mr Speaker, this portion of the road connects two districts and that's Kundiawa and Gumine and automatically it's considered as a provincial road which the responsibilities are under the care of the Department of Works and Implementation, as I have always stated, and that includes some of the important district road also.

Mr Speaker, the deteriorating of road issue is not only in Kundiawa-Gumine but the country as a whole too.

My department doesn't have enough funds to do major maintenance work to all the deteriorating roads.

But to answer the Member's questions; I will instruct my department to consider it quickly and find ways which we can come in and assist you with some basic maintenance on this particular road.

When I say basic maintenance, I want all the honourable members must please understand it clearly. So you don't come back here and criticise me for doing substandard work, because I don't have enough funds to cover for the many kilometres of deteriorated roads but will only grade the road and cover it with gravel and that's it.

As I have said, I don't have enough funds but for basic maintenance, but I will do it when we have some funds available.

But right now I will instruct the Works Manager for Chimbu Province, to visit this particular road and report back to me if there is way to do basic maintenance work, we will do it.

Parliament Not Receiving Its Appropriated Funds

Mr JOHN SIMON - Mr Speaker, I direct my question to the Deputy Prime Minister and Minister for Treasury.

Before I ask my question, I want to state here that we need to give credit where it's due and whatever remarks has to be mentioned when it's due.

With that I thank the Government for giving K1 million for DSIP to all members. I thank the Treasurer for working very hard to release these funds for us. Thank you for a job well done.

But the other issue which I am not happy with is that some of your ministers, Prime Minister, have become super-minister. When we call them, they won't answer the call or even reply the text and they have gone beyond the mark of being a minister. Please advise some of them to respond to us because we are all elected members of Parliament.

I can mention their names but its ok next time I will mention their names.

Mr Minister, you mentioned that we are alright but if we are alright then why is Parliament not receiving its appropriation?

The National Parliament is a separate arm of the Government and year after year, your department has not been allocating its appropriation.

The reason being that some of the elected members of Parliament when faced with problems and seek assistance from the Parliament they are being ignored because there is no advance and extra funds available for them to get.

For instance, two weeks ago, I helped one member from the government side whose car could not start so I used my jumper lead to jump start his car.

So, Minister, allocate some necessary funds for Parliament so that Parliament can assist the elected members. Otherwise we will be embarrassed in the public by push-starting our car because we don't get assistance from this House yet we come to this House to debate on issues concerning our country.

22/09

Mr Minister, take care of Parliament so that it can look after the Members of Parliament. Otherwise, we will be embarrassed in public. This is the House that is accommodating all of us here therefore, we should take good care of it. We are suppressing the operations of the Parliament.

(1) Can you as the Minister, review and budget appropriately for the Parliament? This is so that we have enough financial strength both in the Government and the Opposition to run our operations here in Parliament.

Loan for District Agricultural Projects

(2) Mr Minister, can you look into seeking loans to support agriculture especially with districts who have a lot of cash crops to generate income into our economy? We have 89 districts but not all of them are involved in cash crop productions.

For example, districts here in Port Moresby are not privileged to have cash crops while some of us back home are fortunate to have them. It is unfair when we are all getting K10 million each for our districts when we have to invest in cash crop productions while others they don't. Therefore, it would only be fair and right if the Government looks into seeking loans to help us with extra money for our agriculture sector which in turn will generate money back into the country's economy and repay those loans.

Mr CHARLES ABEL – I thank the Member for Maprik for his questions.

With regard to his first question, if we are okay or not, we have talked a lot about this topic so many times already. We do have our problems in our economy and it is nothing new and there is no need to go too far into those details. They are inherited from global circumstances and we are doing our best to manage the situation. But his question is in relation to the appropriation to Parliament and some of the issues that our Members of Parliament are facing perhaps in the delay in giving some of these appropriations.

Mr Speaker, I want to say that the Parliament receive a single line of appropriation every year in the budget. To date, we have been consistent in meeting those obligations. I think a lot of those issues relate to a timing issue which is a general budgetary delay. It would be wonderful if we can provide a 100 per cent of the appropriation including DSIP at the beginning of the year so that we can plan our work and resources there to get on with work. It would be better that way instead of receiving it in an inconsistent manner throughout the year.

The reality is that it comes back to our cash flow, revenue and the expense of the Government. We do not get everything or all the money in one go but rather it comes in at its own timing during the year. This affects all distributions and appropriations including that of Parliament. We are doing our best to meet those appropriations and I must say it also comes down to priority as well. Therefore, the importance of getting the moneys to Parliament so that

the good Speaker can conduct Parliament business, run his committees and pay our wages on time.

The transitional allowance which I think you are referring to for Members of Parliament to do the necessary transition, obtain their vehicle that they require to operate in the district and in Port Moresby, all come through that particular appropriation. Money has been provided to Parliament and under that appropriation but not at the speed that we would like. These issues were also raised by our Speaker.

He has raised these issues because he has these needs and pressures from the Members of Parliament and therefore, he would like to receive those moneys in a timely manner. We are addressing those issues for Parliament to meet those commitments as we have done over the years. We have met those commitments in full but if we had all moneys on time then we would not be facing those problems.

23/09

Thank you for raising those issues, I am aware of them and I sympathise with some of the Members of Parliament who need to access some of those allowances and advances.

In relation to loans and our loan financing, again we have talked at length about this and we've got a clear strategy. I am just talking overall in terms of our debt to GDP, our fiscal strategy, our financial strategy and our debt strategy. It is all clear there and we're working through those parameters within a 30 to 35 per cent debt to GDP ratio. In that context we have agriculture sector programmes and other programmes.

What we are trying to do as a government in terms of agriculture is exactly what you are talking about. When you make those interventions in the agriculture sector it is a bit more strategic so that those districts and provinces who have the capacity and have got the circumstances like the land and the suitability of the land for agriculture, we should be making larger scale interventions into those areas.

That is why the agriculture commercialisation fund that we have allocated K100 million in this budget must not be utilised like the former National Agriculture Development Plan where it was broken up into many small parcels and can walk into the Department of Planning or Department of Agriculture and access them. And we are funding a whole range of small thinly spread low impact, non-strategic type agriculture projects.

We are trying to be very careful, through the relevant agencies, in particular, Planning and Agriculture that that money is applied to some high level strategic projects.

And of course, we talked about the Sepik Plains where there's some good projects that are being developed in there. In relation to rice production, I'll talk about that later and of course, other commodities because that is a strategic piece of land that is of national significance where we want to do large scale agriculture in there.

But there are other areas in the country as well. There's also Karimui, there's of course Baiyer Valley where some good work is going on with Mainland Holdings and Trukai Industries in partnership with the district and provincial government there where we can get some rice, sorghum, soy beans for stock feed and so on.

And of course we continue to try and work towards some good projects for the Central Province in terms of rice production or some other products because of the nature and availability of the land there.

So, my good Member you reside in a part of Papua New Guinea where you have availability of land, you also offer a central location in terms of Maprik being the station from which you are servicing the Sepik Region and we acknowledge the wonderful attributes that you have. And we hope that your district can participate in the intentions that we have to develop large scale agriculture in the Sepik Plains through Maprik.

I have had discussions recently with the good Governor of East Sepik and I know there are some good intentions there with the oil palm project but also there are other good intentions there in terms of the discussions going on for a large scale rice project that will benefit all of the districts in that area, including West Sepik and Madang.

So, it is our intention and desire that the K100 million that is there be utilised in a more strategic manner like you were saying, for large scale agriculture projects that not only services our people but also creates import substitution. In particular, we are looking at rice and stock feed production. But of course there are other agriculture products as well.

There's other provisions in the budget, through the National Development Bank as well that has the funding we continue to provide there to support agriculture and other SME as well.

There are also other funding made available to the districts and provinces which you can also access through agencies like the National Development Bank to make financing more accessible to our small farmers and other small businesses.

So, Member, let us work together, and please approach us. I don't know if we have any super ministers here in the executive. We try our best to follow the good example of our Prime Minister who tries to make himself accessible and available to everybody. And those of us, juniors try our best to follow the example of our Prime Minister as well that we must be responsive to you leaders.

Whether you are on the Opposition or not you will find that most of us, Ministers try to be responsive, available and accessible because you are very important people and we are here to serve you and your people, including your people in Maprik. So, let's continue to work together and if there are any specifics please bring it forward, thank you.

Most of the Ministers try to be responsive and be available and accessible because you are very important people and we are here to serve you and your people including the people of Maprik. So let us continue to work together and if you have specific needs, please bring it forward, thank you.

24/09

MOTION BY LEAVE

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

Leave granted.

SUSPENSION OF STANDING ORDERS – REARRANGEMENT OF BUSINESS

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

That so much of the *Standing Orders* be suspended as would:

- (1) allow the Prime Minister to make two Ministerial statements; and
- (2) for Parliament to sit beyond 1.p.m..

MINING OK TEDI CONTINUATION NINTH SUPPLEMENTARY (AMMENDMENT) BILL 2018

First Reading

Bill presented by **Mr Peter O'Neill** and read a first time.

Second Reading

Leave granted to move the second reading forthwith

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

That the Bill be now read a second time.

Mr Speaker, I want to present this OK Tedi Bill under the Continuation Ninth Supplementary Act of 2001, Amendment Bill 2018, as OK Tedi Mine is obliged under the code to establish a reserve account that is to be kept in US account so that the company can be able to meet the cost of the closure mine obligations if the Mine is closed at a time in the future.

Mr Speaker, before I speak on the amendments, I also want to take this opportunity to table the Annual Reports and the financial statements for the year ended December 31, 2017.

Mr Speaker, these are audited financial accounts, audited, by price Waterhouse Coopers.

Mr Speaker, the results in comparison to 2016 from 2017 has been an excellent year for OK Tedi. In fact, its financial position has strengthened, generating more than K777 million of cash of net investment activities allowing OK Tedi to have close to K380 millions of free cash flow that is to be distributed to the shareholders; that is the State and the people of Western Province. The balance has to be retained to ensure that OK Tedi continues to have good working capitals and provide self-funded growth capital requirements for the years 2018 and beyond. In 2017, the OK Tedi Mining Limited generated a profit of K848 million which is 120 per cent high than in 2016 where we had a net profit of K384 million.

Mr Speaker, that came about as a result of revenue increase. The revenue for the Mine was K 3.3 billion which was up by 57 per cent from 2016.

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Mr Speaker, in that time, we also had an increase in the time that the OK Tedi Mine was able to keep operating after the effects of the drought. In 2017, we were able to operate for the full 12 months as compared to the 10 months in 2016. The copper prices were up by 18 per cent, gold was relatively flat. The balance was that the underlying production of both gold and copper was up by 35 per cent and 26 per cent respectively.

Mr Speaker, globally, we had an independent audit done by the global leader in the mining industry called Wood McKenzie which assessed the Mine's ability to operate profitably. In 2013, OK Tedi was ranked 99 against all the global mining companies, but in

2017 we were able to improve our position to the 12 most competitive mines in the world. The gross operating profits were lower by 30 per cent, profit was up by almost 970 per cent from 2013 when we took over to 2017.

Mr Speaker, we are in a very good position as a company. It has a very strong balance sheet, with net return earnings of about K3.3 billion, that is the shareholders' value to both the state and Western province. The company has no borrowings or bank loans and at the end of 2017 the cash on end was K581 million in the bank.

Mr Speaker, from time to time, OK Tedi needs to put money aside in the trust account or the Financial Assurance Fund which was established during the Supplementary Mining Act in 2001. The most recent independent audit done by the industry says that we have a balance of USD 231 million, in the event that the mining is closed that will be used to fund. The recent review and audit says that the actual amount required estimated today is USD196 million so it is over funded by USD 35 million to that fund.

Mr Speaker, OK Tedi Mining wants to get that USD 35 million back to fund its operations and invest in the expansion of the Mine that is also going to increase the shareholder value of the company.

Let me say, on behalf of OK Tedi Mine, the first share transfers of OK Tedi Mine to the Western province, OK Tedi Mine has paid K31 million in stamp duties to IRC on behalf of the land owners and provincial government of Western province and the shares are being stamped now as we speak. But, that does not mean that when we announce the dividend to be paid, the shares are deemed to be transferred on the day when we make the announcement, dividends are accrued and will be handed over to them when we make the official handover within a few weeks from today. That would mean that the Western Provincial Government and shareholders would receive up to K100 million for the previous year and another K100 million plus for 2017.

Mr Speaker, it is a substantial return for the first time for State and the people of Western province, therefore, Mr Speaker, this Bill has been cleared by the Solicitor and the first legislative Council. It has been granted certificate of compliance and I recommend to the House to accept this audited financial report to be tabled and the Bill to be passed.

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Motion – That the question be now put – agreed to.

Motion – That Bill be now read a second time – agreed to.

Bill read a second time

Mr SPEAKER – The Chair has already advised all you honourable Members that your phones should be switched off or put on silence but I can still hear someone’s phone ringing.

Attendants, can you attend to that?

Third Reading

Leave granted to move the third reading forthwith.

Motion (by **Mr Peter O’Neill**) proposed –

That the Bill be now read a third time.

Motion – That the question be now put – agreed to.

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

Bill read third time.

DEPARTMENT OF THE PRIME MINISTER – REPORT OF THE MANUMANU LAND DEAL – PAPER AND STATEMENT – PAPER NOTED

Mr PETER O’NEILL (Prime Minister) – Thank you, Mr Speaker, this is a short Statement to accompany the tabling of the Administrative Enquiry into the Manumanu Land Deal Transaction.

Mr Speaker, I wish to inform this honourable House that I have received the Administrative Enquiry from the Griffin Enquiry Team, this was concluded in October Last year but it was held up because of the National Elections and it needed proper clearance from the State Solicitor.

Mr Speaker, during the sittings of the previous Parliament a series of questions were raised by the Members of Parliament about the land acquisitions by the Department of Defence Force.

Mr Speaker, in 2012, the Government made a deliberate decision to direct the Defence Organisation to re-locate Murray and Taurama barracks, the Naval Base, Lancron and re-locate its Engineering Battalion from Lea, to its new location in the Highlands. The four land accusations were to be administered by the Department of Defence and these were undertaken at different times.

Mr Speaker, part of the implementation of the 2012 decision to a number of re-location areas it was pointed by the administrative enquiry that there is no issue with regard to the Government decision to re-locate to the new Defence Sites from their present locations especially Murray Barracks and the Lancron Naval Base which are located in the heart of the city because of the expansion of the city. The decision of the Government was clear at the time to clear up the land so that the city so that the expansion can continue.

Mr Speaker, the implementation of this directives have become somewhat controversial at the same time brought about public questions and call for the Government to take decisive actions.

The issue is related to actual acquisition and suitability of land portions for the Defence Barracks and the Naval Bases. The process involved accusations especially with the valuations and of course the sum of money that was paid.

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Mr Speaker, these allegations were considered serious enough to warrant some actions by the Government and the questions raised must be answered so as not to bring disrepute to government agencies that were involved in the process.

Mr Speaker, the National Executive Council made the decision to appoint an independent inquiry team to investigate this allegations and report back to government in March 2017. The NEC appointed an administrative inquiry into the lands transactions deal.

Mr Speaker, a prominent Australian Queens Counsel and former law lecturer at the University of PNG, Mr John Griffin, QC was appointed as Chairman of that administrative inquiry.

And, Mr Speaker, let me point out very clearly that the Government couldn't appoint a full commission of inquiry because the commission of inquiry act itself was a subject of a Supreme Court reference, which was pending determination at that time when we established this administrative inquiry.

Therefore, there were some practical problems which included getting people who were implicated to cooperate with the investigation that is why it took some time for me table this report to this Parliament.

Mr Speaker, the other problem was the fact that files from the Department of Lands and Physical Planning at some stage went missing and the administrative officers could not find it due to some of this limitations.

However, the inquiry team could not adequately deal with all this specific terms of references to establish if there were irregularities amounting to impropriety by persons identified as instrumental in the sale and purchase of the land. It should be noted that the land transactions took place separately commencing 2014, with the final purchase concluded on the Christmas Eve of 2016.

Mr Speaker, the inquiry recommends further investigations to be undertaken by appropriate state agencies. The administrative inquires found evidence that the processes were not followed in some cases and these processes of implementation of government decision to relocate the army facilities and especially the valuation and determination of the land and of course the operation of the Department of Lands and Physical Planning and its oversight needs to be fully investigated.

These are all necessary because all the files related into the lands portions went missing at some stages and it needs to be investigated further.

Mr Speaker, following the establishment of administrative inquiry the NEC suspended a number of departmental heads in the transactions and the government has now received this report. And the only way to conclude is that this report be tabled and referred to the government agencies to deal with its recommendations.

Mr Speaker, the people of this country has the right to know and of course principles of good governances must be promoted.

Mr Speaker, it gives me great pleasure to present this report to Parliament with the State Solicitors advice and comments, thank you.

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

That the question be now put.

Motion – That the Parliament take note of the paper – agreed to.

SPECIAL ADJOURNMENT

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

That the Parliament at its rising, adjourn until Tuesday 22 May 2018 at 2 p.m..

ADJOURNMENT

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

That the Parliament do now adjourn.

The Parliament adjourned at 1.10 p.m..