

SECOND DAY

Wednesday 18 July 2018

DRAFT HANSARD

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SECOND DAY

Wednesday 18 July 2018

The Speaker (**Honourable 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 Speaker again took the Chair at 10.30 a.m., and invited the Member for Kikori and Minister for Religion, Youth and Community Development, **Honourable Soroi Eoe** to say Prayers:

‘Eternal God we give you praise and glory, thank you and acknowledge your Lordship over our lives. You are the Creator, you are the Sustainer of life. We continue to acknowledge your presence and your continued support to us and the grace that you have given us daily which sustain our lives. Father to day too we commit today and this Honourable House to you. I pray O God that you bless the Prime Minister, the Opposition Leader. All the Members of the Parliament as we debate issues O Lord we be reminded of our responsibilities to our people. Every decision that we make, we must have positive effects to lives of our people. Dear Father we are your mere creation and therefore we ask that you come beside us as your Word has continuously reminded that one or two gathered in my name, you’ll be there. Loving Father we acknowledge that promise and pray that you’ll be with us today. Bless the House as we debate all issues of the day. In Jesus name I pray. Amen’

DEATHS OF FORMER MEMBERS

(Mr Benjamin Poponawa and Mr Benias Sabumei) –

STATEMENT BY THE SPEAKER

Mr SPEAKER – Honourable Members, I have to inform Parliament of the following deaths:

(1) Mr Benjamin Poponawa on 11 July 2018. A former Member for the Tambul-Nebilyer Open Electorate, he was first elected to the Eighth Parliament, 2007-12 and the Ninth Parliament from 2012-17 for the same seat.

He was appointed Parliamentary Secretary for Finance and Treasury on 29 August, 2007, and Member of the Parliamentary Referral Committee on Primary Resource till December, 2010. He was appointed Minister for Civil Aviation from December 2010 to 2 August, 2011. He was then appointed Deputy Chairman of the Public Accounts Committee and Member of the Permanent Parliamentary Committee on National Parliament in August 2012 till 19 March, 2014 and was appointed Minister for Labour and Industrial Relations till August 2017.

(2) Mr Benias Sabumei on 12 July 2018. A former Member for Unggai-Bena Open Electorate. He was first elected in a By-Election in 1987 following the death of Mr Iambakey Okuk in 1985 during the Third National Parliament 1987 – 1992.

He was re-elected to the Fourth National Parliament, 1992-97 for the same seat and was appointed Minister for Health in 1988 and Minister for Defence from 1989 to 1992.

As a mark of respect to the memory of the late honourable gentlemen, I invite all honourable Members to rise in their places.

All honourable Members stood in their places as a mark of respect to the memory of the late gentlemen.

QUESTIONS

Restrict Sale of Yeast

Mr KENNEDY WENGE – Thank you, Mr Speaker. My question is directed to the Minister for Commerce, Trade and Industry, and I ask the Minister for Police to take note.

02/02

In our country many of our young people are creating a lot of trouble when under the influence of homebrew. A recent incident in my electorate made the headlines in the newspapers when an escapee from prison shot a policeman.

My questions are,

(1) Can the Minister for Commerce and Trade suspend the trade of yeast for an

indefinite period?

The youths are using this product to produce homebrew which causes an extreme state of intoxication. A moment of brief happiness turned into sorrow after the first game of State of Origin between Queensland and New South Wales. While consuming homebrew this escapee from Popondetta prison who has been hiding in my electorate of Nawae caused this tribulation in my electorate.

(2) Can the Minister suspend the public trading of yeast and allow only bakeries to have access to this product?

(3) Can the Police Minister set up a special task force to look into the use and production of illegal drugs such as marijuana and homebrew and recommend suggestions to curb the production of this illegal drug and alcohol so that we can have good young citizens of this country who will be better leaders tomorrow?

Mr WERA MORI – Thank you Mr Speaker, I would like to thank the honourable Member for Nawae for asking these questions.

It is very important that we just have to come down to the roots of the abuse of such things as yeast that goes to the production of alcohol. I would like to say that we are importing yeast into this country especially in the use of bakery but more so in the production of alcohol like SP Brewery and those who are producing alcohol here. It just so happens that yeast is also used in baking, it is sold in the supermarkets at any shops where anyone can go and buy them for the purpose of baking.

The problem does not only confine to the abuse in use of yeast. There are also other problems that pertains or affects the livelihoods for young people like the use of marijuana and also alcohol can also be used in the fermentation of foods like banana which can basically be fermented.

It is a good question and I am sure that my colleague the Minister for Police has taken note of the questions that he raised and what I will do is to discuss with the Minister for Police as to how we can address that because if we take yeast off the shelves it is also going to have a mutual impact on other Papua New Guineans who are on the street selling scones simply because they are able to produce using yeast. So it is not an easy ready-made answer that I will give. I can assure the Member for Nawae. But I thank him for raising the questions because now the onus is on us to see how we can resolve this issue.

Mr KERENGA KUA – Thank you, Mr Speaker. Yesterday, I asked the Prime Minister about the outstanding commitments of the Government to the people of Hela and Southern Highlands Province out of this LNG project related benefits. This was not the first time, I have raised questions on this similar issue in the past and almost all his replies were circled around the outstanding clan-vetting process.

03/02

So when will this stop? That is the key question that the landowners would like to know so that they can plan their lives while expecting their entitlements.

I am still a lawyer and the parties normally control the timetable too. If we want to speed up the case, we can tell the Judge to speed up the case.

Mr DEPUTY SPEAKER – Honourable Member, are you asking the question to the Chair or the Prime Minister?

Mr KERENGA KUA – Since the Prime Minister is not here, I will redirect the question to the Deputy Prime Minister. I urge the Attorney General and the Minister for Petroleum to take note.

When will the lawyers representing the government tell the tribunal that the case has been dragged on for too long so it must be sped up? The more it is dragged, we will be faced with social and community problem.

We need to have a timetable as to when the clan-vetting will take effect. If the Government is reluctant in facilitating this, then it simply means the people's money has been spent elsewhere already and they are using the clan-vetting as an excuse.

This is either a genuine delay, or the money is not there anymore. Thank you, Mr Speaker.

Mr CHARLES ABEL – Thank you, Mr Speaker. I thank the good Member for Sinasina-Yonggamugl.

The questions he raised relate to the questions he raised yesterday and the Prime Minister gave a comprehensive answer in relation to government meeting its commitments to our landowners at the plant sites, the pipeline areas and off course the oil and gas fields which the Government is fully committed to that exercise. We are trying our very best to do that.

In relation to the clan-vetting, I think we only need to reference what has happened in terms of the plant site, the pipeline and the landowner exercise process where those can be fairly successfully concluded.

In relation to some of the ground field areas in the Highlands where the deposits come from, there is a clear process there that the Government is committed to. In those cases, we have concluded those exercises and paid out the benefits recently, particularly on the plant sites. The process has been successfully demonstrated but we are struggling with some of the issue on the ground up in some other areas. The exercise is also disrupted by the earthquakes that happened. The alternative dispute mechanism that we have also accessed through Judge Kandakasi was also disrupted by the earthquake. The Prime Minister mentioned yesterday that, that process has now recommenced.

Funding has been provided and we are also meeting and working hard towards that exercise. To say that the benefits were diverted elsewhere is simply not correct. There is no need to continue to repeat again and again. We have given evidence that this is accumulating at the Bank of Papua New Guinea as we speak and we very much want to pay out unless there are issues like court cases impeding the exercise, particularly in relation to the last Development Grant of K12 million that is owed to the Angore people. That is held up because of the court cases initiated within the Landowners. So there is no desire to withhold any money or prolong the clan-vetting. We just wanted to clean up the issue that should have been cleaned up in the first place before the project.

We have followed due process in relation to this exercise: social mapping and clan-vetting are critical to this exercise, so as to avoid these issues after we sign it.

04/02

You should understand that some of these issues were created because of those legacy issues that were not solved properly in the first place, but we are committed to the process. Money is available, Judge Kandakasi is on the ground, the Petroleum Department and the Attorney General are all behind this process and we are going to successfully conclude it. And moneys will be paid to the rightful landowners, not to the ‘paper landowners’ and others hanging around in Port Moresby.

Lae-Nadzab Road Construction

Mr KOBBY BOMOREO – Thank you Mr Speaker. My question is directed to the Minister for Works. I want to thank the Minister for the completion of the first half of the Lae-

Nadzab road but at this point in time the section from ten mile to Yalu Bridge is in a worse state. I believe that those who have travelled this way would have seen for themselves the condition that this section of the road is in.

What plans does the Department have for this section of the road that is yet to be completed?

Mr MICHAEL NALI – I want to thank the Member for Tewai-Siasi for his question in relation to the completion of the Lae-Nadzab road, especially the second phase of it from ten mile to Yalu Bridge. The section from Bugandi to 9 Mile was built by the China Railway Company and the Government still owes this company a lot of money. The same company was awarded the contract for the section from nine mile to Nadzab. Due to the Government's cash flow problems these works did not continue. Last week we managed to pay some money to the contractor, so work should continue from nine mile to Yalu Bridge and the proposed road work should be completed.

The contractor has been advised to look into the worst affected section of the road, so that there is smooth traffic flow to avoid traffic congestions.

Western Province – Hospital Funds

Mr SEKIE AGISA – Thank you, Mr Speaker. I wish to direct my question to the Minister for Health. Let me take this opportunity to thank this Government for the special attention it has given to address the situation of TB in Daru. I would also be naïve not to acknowledge the valuable contribution by the Australian Government, which has assisted in a big way to support hospitals to fight against TB on the island, by building a state-of-the-art TB facility.

Thanks to this partnership to fight against TB, it has made a huge progress and has brought the hospital from a level three to now level five.

Apart from 2015 when 15 staff were infected, there has been recent infections of two nursing officers that were reported. This has brought the hospital's status very low. The management felt that most of the equipment were useless, compromising the lives of patients. There are no x-ray machines and films, et cetera. Pathology section has no reagents to assist in diagnosis. There are no funds available to provide meals and various important drugs for in-patients. And most of the drugs are administered on prescription such as antibiotics and oxygen making the volume of the problem serious.

05/02

It is difficult to secure specialist doctors because there is no equipment and drugs to operate with.

(1) Is the Health Minister aware of these problems faced by the hospital which has wind-down operations because they have no equipment as I speak??

The Government made a commitment of K8 million through the National Department of Health to address tuberculosis in Daru, unfortunately it has not reached the people. Last year another commitment of K10 million from CMCA was made but has not reached the hospital. This totals up to K18 million.

(2) Can the Minister inform the people of South Fly and the Hospital where these funds have gone?

Thank you, Mr Acting Speaker.

Sir PUKA TEMU – Mr Acting Speaker, I thank the Member for South Fly for his question on tuberculosis. I have advocated here in Parliament that tuberculosis, malaria and HIV/AIDS are the three focal disease areas where we have successfully mobilized national, bilateral and multi-national support. I would like to acknowledge our support from our Global Funds, DFAT, Asian Development Bank and World Bank. The three sites that we are focusing on is Western, Gulf and NCD. I am very happy at the progress we have made, particularly through infrastructure development in Western Province.

Mr Acting Speaker, I am surprised to hear of the issue of lack of medical supplies, particularly the basic supplies such as masks not being available. Those are routine equipment that normally the hospitals have access to and because we have sufficient funds, particularly for tuberculosis, I am disappointed by what the Honourable Member has raised.

So, I will make my personal commitment to ensure that all the issues with regard to drug supplies and multi drug resistant - as you and I know - is the biggest issue right now and we are addressing it. I think the spread of multi drug resistant tuberculosis in the Western Province I think is more than the statistics that we have. One in ten tuberculosis patients have multi drug resistant and that is a very high figure. But, I can assure the honourable House and Member that with the level of technical and funding support we have mobilised, we will be on top of it.

In particular, for example, we have smarter and faster diagnostic tools at the moment. In the past, patients will give sputum and it will take two or three weeks to get results, now the sputum is diagnosed immediately after an hour of giving it. That is the technology which we currently have in the country.

Further, the modality and the prescription that is given for multi drug resistant is very clear and standard and that is what we are implementing.

Our challenge - as the honourable Governor is saying - is the basic requirements and as I said, the drugs are always available. The other operational items like the laboratory equipment and masks must always be available.

Further, I want to advise that we are now fully utilising the current central laboratory equipment. We used to do a lot of manual things but I have given instructions as of last week that we will now purchase a fully automated machinery for the Central Public Health Laboratory, particularly to culture the multi drug resistant bacteria so that we are on top of it very quickly.

06/02

I am not aware of the K10 million from CMCA and the K8 million that was committed. I want to assure the Member that I have to check on these and find out who made the commitment, whether it was through the department or the partnership arrangement that we have engaged with ADB and NDoH. But I will reply on the issue of K8 million on a later date.

Polio Vaccination

Mr LEKWA GURE – Thank you, Mr Speaker. I want to direct my question to the Minister for Health and HIV/AIDS.

In the recent weeks there has been reports of some curable diseases which are now occurring again in our country, namely polio and measles in Morobe Province and yaws in Western Province as well.

We understand that polio vaccination will take place in Morobe and two adjoining provinces namely Madang and Eastern Highlands.

The cases of polio were identified in these three provinces.

Will those vaccinations take place in those three provinces or other adjoining provinces affected as well, and what is your advice?

Similarly for yaws in Western Province and measles in Morobe Province as well. Because some of the people, particularly in NCD are also taking steps to help their children immunised for polio as well so can the Minister shed some light on these issues.

Sir PUKA TEMU – I thank the Member for Rigo for his question on polio.

Mr Speaker, as the nation knows, we have declared those three areas Eastern Highlands, Madang and Morobe Provinces, and it's a public health emergency. Under the global polio eradication initiatives polio is a global issue and so since we were declared polio free in 2000, we have put up surveillance systems to ensure that polio doesn't recur and as the nation knows now we had the outbreak through a six-year-old child from Lufa, who was living in the Four Mile settlement in Lae. And this demonstrates our surveillance capacity compared to Lao where they picked up their resurgence case three years after but we picked it up one year after. So our surveillance systems are excellent. Basically, it's informing people and also networking to take the stool quickly through the global polio eradication initiatives as assigned by regional referral laboratories around the world. And one of them is in Melbourne and to be confirmed it is sent to CDC in America. So once the stools are confirmed we then declare a public health emergency in the country. But because it was what we call the C virus which is the circulating one, it required a global, regional and national responses.

And so I want to inform the honourable House and our people that because it was a circulating virus the global, regional and national response has been mounted.

07/02

On Monday, I launched the delivery of 600 thousand vials of polio vaccine to Morobe concurrent with Madang as well as Eastern Highlands. Currently, we have vaccination teams going throughout those three provinces. Two children in the community were detected bringing the total to three cases. Under this programme, we are making sure that all our children under five years must be vaccinated.

For example, in Morobe, 108 thousand children are targeted to be vaccinated over the next two weeks and this is the intensity of it. I want to thank the Governor of Morobe who was with me on Monday where together we launched the special immunisation programme.

In relation to NCD, it must be included because this is the centre point and the headquarters of our country. Therefore the Governor of NCD including all Members of our electorates here will be informed in due course. My team is organising themselves to look into immunising children here in the city.

The Global Initiative Fund on Polio gave us US\$500 000 so we have utilised that through UNICEF by purchasing the 600 000 vials of polio vaccine. With a Cabinet decision we were supported through the Budget with another K6.7 million to support the programme.

If surveillance shows that there are outbreaks elsewhere in the country then we will cover the entire country. I need to acknowledge the outbreak of polio, yaws, measles, and

whooping cough are signs that we have not maintained the goal standard of 80 per cent cover for our children on immunisation diseases. The nation has fallen below that 80 per cent but the World Health Organisation says that if 8 out of 10 children are immunised then you would have had immunity. We, however, have fallen below 60 per cent, therefore, this is the reason for the outbreak.

Under my leadership as the Minister for Health I intend to get UNICEF, Global Fund on Polio, World Health Organisation, my team, provincial health authorities and the churches to work together. We are now reorganising the immunisation programme specifically to respond to the outbreaks quickly.

The polio programme will be a 12-month programme and we will review the immunisations in October but under the standard operation procedures on polio eradication, it has to be a 12-month cover. Following that, I will be able to inform Parliament that this is the amount of support I need to go back to the routine immunisation programme.

I want to request the support of all the leaders to make sure that you allocate some funds from your DSIP Funds to assist anywhere necessary. I am requesting that you give your support to the health worker at the district for us to work towards eradicating all these diseases at that level. This is everybody's responsibility so let us all work together. I will do it at my level but you must contribute wherever necessary.

I am concerned particularly where there are no refrigerators. Where there are none, I request that you set up something there for the storage of vaccines. I do not think it costs much but it is a necessity for our fight.

I thank the Member for Rigo for his questions.

08/02

Fisheries – Unfair Distribution of Revenue

Mr ALLAN BIRD – Mr Speaker, my question concerns those of us from the coastal provinces.

Mr Speaker, by way of background we in East Sepik had our last assembly last week and this issue came about. The presidents raised it and one of my responsibilities is to bring the concerns of leaders from East Sepik to this House, therefore, my question is directed to the Minister for Fisheries.

Mr Speaker, we have a tuna operator in the province that has been operating for some time and questions are being raised by our coastal communities and island people about the issue of benefits.

Mr Speaker, it is becoming quite serious so the presidents and some of the local people and I had to intervene talk to the company.

One of the issues that arose was that the company indicated to us that they pay a considerable amount in terms of levies and fishing day fees and so on to NFA. I understand now that there is some 'pinball' going on in terms of the revenue between NFA and quite possibly Finance and other players.

But the issue is this, Mr Speaker, the people of the Wewak Island communities and the coastal communities are asking, where is our share. Vast amounts go to NFA and the government but how does it trickle back to the people who are the actual resource owners?

Can the Minister inform this House, when they collect the revenue, are they able to trace which communities in the coastal provinces that revenue then impacts?

So with issues like this where revenue is collected by the National Government - and I suppose you could say the same thing for forestry and others - how does it come back to the people who are the resources owners and are adversely affected?

I'd like to be able to trace that so I can be able to explain to my people how all of these things are going on.

Having said that, I want to commend the Government on the recent change in policy where they have removed the discounts on fishing days and they are now giving rebates on processing of tuna in country.

I think that is now changing the landscape somewhat in terms of, maybe the benefits that will come back to the country. However, the issue still remains. My understanding is that NFA collects somewhere in the vicinity of K300 million -400 million a year in revenue relating to fisheries.

I want to ask the Minister if he can inform my people and, of course, all the coastal communities how he plans to share the windfall revenue that the NFA picked up, with, not only my coastal people of East Sepik but also other coastal communities.

Mr PATRICK BASA – Thank you, Mr Speaker. I thank the Governor of East Sepik for asking the question.

It's not only affecting the East Sepik communities that host the only tuna cannery in Wewak.

The answer that I give would also concern the people in Madang and in Morobe as well.

Mr Speaker, as the Governor has raised, some of these tuna canneries, when they signed the agreements in the first place with landowners and other parties, they did so without the

presence of NFA. For example, in Lae the Bub landowners went ahead and signed the agreement for Metro Ship and Nambawan Seafood and now they are coming back with their problems to NFA to solve. They realise that they cannot get the K24 million that they were promised because the company cannot pay them. A similar case happened with the Nambawan Sea Food Cannery in Wewak.

Mr Speaker, I can come with the specific agreements that were signed and the benefit packages that were agreed upon after I get information from NFA so I can inform the Honourable Governor.

09/02

In regard to levies or benefits that people are missing out on, I think the NFA collects money through Vessel Day Scheme (VDS). That amount of K300 million or K400 million mainly comes through VDS. I believe in the case of the cannery operator in Wewak, for so many years now the cannery has been declaring no profit at all. I must be honest and inform the people of East Sepik and those resource owners affected. If the company fails to make profit, how will they receive benefits?

Mr Speaker, I can provide a detailed answer later.

Mr Allan Bird – Point of Order! Mr Speaker, my question was quite specific. It has no relation at all to the performance of the company. This is direct relation to the actual fishing that goes on and in direct relation to the revenues that his ministry is in charge of collecting. I ask that specifically for that K300 million or K400 million that NFA receives each year.

So can the Minister respond specifically to that question instead of shifting blame to others?

Mr PATRICK BASA – Thank you, Mr Speaker. I must expose everything including the company so the Governor is aware, therefore, I will respond with a proper response after consulting my officers.

Gas Project Agreement

Mr GEOFFREY KAMA – Thank you, Mr Speaker. I must ask these questions because my people of Karamui and Kikori are entitled to know about this issue. My questions are directed to the Minister for Petroleum.

Mr Speaker, my people are in the dark regarding the Papua LNG project and my electorate is one of those affected.

(1) Can the Minister advise this Parliament as to what state are we now on the gas agreement negotiations?

(2) Can the Minister advise through this Parliament whether we have signed the gas project agreement with the Developer Total?

I would like to inform the Minister that the Chimbu Provincial Government through my electorate are going to present him a submission on our stance on this project as we are also part of that area.

Mr FABIAN POK – Thank you, Mr Speaker, I thank the Member for Karamui-Nomane for his questions.

In the agreement, we have set up a state negotiating team headed by the Chief Secretary which will oversee these projects. The committee includes Treasury, Kumul Petroleum Gas Office and they are working with the firms to come up with an agreement which when signed will pave way forward for Papua LNG.

The gas agreement has not been signed yet because we have not finalised the details. The Deputy Prime Minister and I are co-chairs of the ministerial committee and the public servants are still working with their advisors so they will come to the Ministerial Gas Committee and we will submit it for NEC approval.

On this note, I would also like to inform this Parliament that I have met with the Presidents of Total and ExxonMobil who informed me that they will be here for the APEC Meeting in November.

10/02

In relation to the second question, we are yet to sign that agreement. On the third question, it boils down to the same issue and that is clan-vetting. In addition to the Deputy Prime Minister responses, we have not done any clan-vetting or landowner identification in our Kokopo gathering. That is why we are now faced with such issues. We do not know who the real landowners are. Our old people have not benefit and died waiting for those royalties simply because the clan-vetting exercise did not take place prior to signing the agreement with ExxonMobil for the gas to flow out. That is a legacy problem of the past government.

However, the current Government is now taking on board this issue and are moving forward with it.

I want to inform Parliament that the Government has allocated K3 million. Of the K3 million, K2 million is used to complete the clan-vetting on all the pipeline areas. Disgruntled landowners have taken the matter before the court but I told them to withdraw the court case because their money is still sitting there. It was good that the landowners have listened and have withdrawn all the court cases allowing the Government to go back and do clan-vetting.

There are three areas only. We have done the pipeline areas and the ground field. A further K1 million will be parked with George Kandakasi and his team for the completion of Angore. Then we will have PDL 1 and PDL 7 only. The team went to Tabubil and Komo to complete Jiwa because part of Jiwa is in Western Province while the other part is in Hela Province.

I urge the leaders of both Western and Hela provinces to sit down to assist our people because many of them have lost their lives without seen any benefits of royalties and equities.

So in response to the Member for Karamui-Nomane's questions, the responsibility is on him to identify clan-vetting before we can put the gas through the pipe. I am now waiting for Total to tell me where the drilling will be. I have received briefing already but I will not discuss it in Parliament because I do not want to mislead the people and the Parliament. I would rather let Total to tell me this is the area to access and these are the people in this area whether it be in Gulf Province or Jiwaka Province, they will confirm and come back.

So we will take it on from there instead of going back to the legacy issues we are facing now with PNG LNG. Our people must benefit from the day the gas is accessed.

I am taking it on board on behalf of the people of Papua New Guinea and I am determined that our people must benefit before they pass on. So we are waiting and next week I will be sending some people down to complete PDL 1 and PDL 7. I further urge the landowners to complete clan-vetting rather than going through court cases.

11/02

For Papua LNG, Total is now working on clan-vetting and once this is completed and confirmed we'll not face the same legacy problem that we have faced previously. I want to say that this Government is determined to do it. We have addressed the legacy issue and we will do our best to make sure that our people benefit.

High Cost of Airfares

Mr CHARLIE BENJAMIN – My questions are directed to the Minister for State and Public Enterprises, and are in relation to the hike in airfares and excess freight charges imposed by the airline to the traveling public.

For instance previously when traveling from Manus to any other centre like Madang, Lae, or Kavieng, it would be either a direct flight or a connection if one had to travel from Manus to and from Rabaul. And we were never charged extra fees, if the flights were connecting from other airports, other than the desired destination.

However, this is not the case today. All flights out from Manus have to come to Port Moresby, and then enroute to your chosen destination, and with this comes the added cost.

Where previously, I paid K500 to travel from Manus to Madang, now I have to pay K1, 500 because now I have to travel to Lae before flying enroute to Madang. And to travel to Kavieng from Manus, I have to pay K1 700 because now I have to travel to Port Moresby, then reconnect to Kavieng, where previously I would have paid K700.

This is unrealistic and uncalled for. This shows that the traveling public are penalised for the management crisis faced by the airline company. It is known they are down in manpower in terms of the decrease in the number of pilots in the country. What has come of the many years of pilot training that the company has embarked on many years ago?

There are a lot of aircrafts on the tarmac with no pilots to fly them.

(1) Why should the traveling public be penalised for their own mal-administration?

It is very unrealistic when I want to go to Madang but have to fly over it to get to Port Moresby and pay additional airfares when I did not intend to come to Port Moresby at the first place.

There is also increase in the airfreight charges, especially the excess fees charged to the traveling public. A kilogram of excess cargo from Manus costs about K12, now the same quantity of cargo cost K25.

(2) What has caused the rapid increase in such a short time and what is the Government doing to address this problem?

Mr WILLAM DUMA – I thank the Governor of Manus for his questions.

I agree that there have been increases in the airfares and freight charges. These are issues confronting all of us. Even the cost of an airline ticket to me electorate has also increased. Going back to the way Air Niugini flights have been structured to serve our small areas, the idea behind the establishment of Link PNG was to ensure that the Dash 8 aircrafts were to serve the smaller areas, and direct flights would be made from regional airports.

Somewhere along the way things have not worked out as planned. Apart from the apparent success of Link PNG in some of the areas, the difficulties remain with the areas pointed out by the good Governor. The Cabinet through the intervention of the Prime Minister has changed the leadership of the Company and that we have a new Chairman, who brings to the airline vast experience in the airline industry. He will be able to bringing new changes to the way the airline operates.

12/02

In addition to difficulties our people are facing in those routes outlined by the Governor, the cost of tickets for the ordinary person who wants to travel across the country is becoming a big cause of concern and one of the factors is the cost of fuel. Fuel takes up about 40 per cent of the operating expenses of Air Niugini in a vicinity of about three to four hundred kina and that is a cost of concern to the airline.

Mr Speaker, with the new chairman and managing director, we hope to request them to attend to this matter immediately and I must admit that we haven't been doing well with the airline and we are working very hard to rectify it.

I would like to acknowledge the questions that has been raised by the Governor and like I said earlier, we are sure that by establishing Link PNG it will be able to serve the smaller routes which have problems like the good Governor has alluded to.

Mr Speaker, I will not stand here before my fellow leaders and the people of this country and pretend that things are not well. I must admit that we have ongoing problems with the airline and we are working very hard with the Minister of Finance to rectify that. And hopefully before the year ends, I should be able to present a more positive figure to our people.

Thank you, Mr Speaker.

**DEPARTMENT OF JUSTICE AND ATTORNEY-GENERAL –
ANNUAL MANAGEMENT REPORT, 2016 – PAPER AND STATEMENT –
MOTION TO TAKE NOTE OF PAPER**

Mr DAVIS STEVEN (Esa'ala – Minister for Justice & Attorney-General) – I present the following Report pursuant to statute:

'Annual Management Report, 2016'

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

Leave granted.

Mr Speaker, and members of this Honourable House, it is with great pleasure that I present to Parliament the Department of Justice and Attorney General's (DJAG) Annual Management Report 2016 (AMR 2016). The AMR 2016 highlights the performance of DJAG against its 2016 Annual Work-Plan.

Mr Speaker, the department's Corporate Plan 2011-2015 saw completed projects as well as commencement of new projects, programs and initiatives led and co-sponsored by the department. The on-going developments prompted the revision of that Corporate Plan to the creation of the Department's Corporate Plan 2014 - 2017.

The AMR 2016, emphasises at the outset the mission and vision statement for the Department which is to "*deliver excellent legal and justice services to the State and the People of Papua New Guinea*" to create a "*Just, Safe and Secure Society for All*". This is reflected in the comprehensive data provided in the AMR 2016.

Mr Speaker, the department's performance output during 2016 illustrates sustained improvement and refinement of our services and most significantly our delivery on our performance commitments for the respective budget year.

Mr Speaker, there are four key performance areas in DJAG.

1. Legal Policy & Legislative Reform

In 2016, the only amendment to the *Constitution* facilitated was the restructure of the Higher Courts in the judiciary system.

The most notable and successful reform was the gazettal of the Anti-Money Laundering and Counter-Terrorist Financing (AML/CTF) with the related five (5) pieces of legislation on 4 February 2016.

The 5 pieces of legislation brought in the development of the National Risk Assessment process, the establishment of the Financial Analysis and Supervision Unit in the Bank of Papua New Guinea in order to assess and analyze threats to investment coupled with money laundering and terrorist activities.

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This was a significant step towards the preparation for APEC 2018.

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Mr Speaker, there were also a number of significant gazettal's such as the *Judicial Proceedings (Debts and Damages) (Amendment) Act 2015* and the *Maritime Zones Act 2015* that become operational upon gazettal. Earlier in the year, the Leadership Summit 2016 was hosted and from that meeting DJAG was tasked to revitalize the National Narcotics Bureau (NNB) in accordance with the *Government Gazette No. G288* of 10 May, 2016. Per the Determination of Titles and Responsibilities of Ministers, the administration of the *National Narcotics Control Board Act 1992* is now a portfolio responsibility under my ministry.

The year also saw the establishment of the National International Humanitarian Law (IHL) to facilitate coordination and oversee the ratification of necessary IHL treaties and conventions sanctioned by National Executive Council to enable a working partnership with the PNG Red Cross and others. By December 2016, Cabinet sanctioned the National Action Plan (NAP) and Standard Operating Procedures (SOP) on trafficking in persons and people smuggling. There is also a Cabinet sanctioned National Action Plan on Sorcery and Witchcraft Accusation Related Violence (SARV NAP).

(2) Enhancing State Legal Services

Mr Speaker, the Office of the State Solicitor (055) and Office of the Solicitor General (OSG) are both highly professional in their overall performance throughout the year. Significant increases in workload but equally increased number of lawyers. The number of cases closed in OSG is more than the number of cases against the State being opened. A significant reduction in State liability and State has since been fully represented in the Courts during 2015 and 2016.

Mr Speaker, the turn-around times for providing legal advice and legal clearance through 055 has significantly improved to within days as opposed to months prior to the commencement of reforms. The State Solicitor and the Solicitor General are now deemed as Departmental Heads thus consolidating the Government's drive in ensuring highly effective and efficient State Legal Services.

(3) Justice Administration Improvement

Mr Speaker, throughout the year 2016, we supervised 1,676 village courts throughout the country, including the Autonomous Region of Bougainville (AROB). Out of the total, 1,492 village courts comprising of 10,628 village court officials are receiving their allowances through the ALESCO Payroll System.

With respect to land mediators, out of the total number of 1,424 land mediators, only 1,231 were successfully put on payroll whilst the remaining 193 was done early³ in 2017. Regional consultations were held with provincial administrators, local level

governments and district administrators on the need to have better monitoring, supervision and reporting systems for the Land Mediation Services. This resulted in the compilation of a report with recommendations that was endorsed by Provincial and Local Level Government Services Monitoring Authority for implementation in 2017.

Apart from paying allowances for the Village Court Officials and Land Mediators, significant strides in crime prevention work, achievements were also made in policies and other structural reforms.

Mr Speaker, our Crime Prevention and Restorative Justice initiatives and activities on youth inclusion, diversion and development through increased level of engagement and partnerships with both government and non-government organizations is reflective of the evolving nature of our department.

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With crime prevention, progress is continuing with several stakeholders such as City Mission and Second Chance Foundation and others to conduct life skills training for youths in key target areas to complement the Chicken Project which is proving to be a success. I will be bringing a detailed parliamentary statement in that regard.

Arrangements were made to identify parolees and probationers for skills training as part of capacity development to participate in the Chicken Project. The established sites particularly Morata in Port Moresby commenced complementary programs such as filming and script writing.

Mr Speaker, in community engagement, we are thankful for the European Union who awarded a grant of K1.1 million to assist Child Fund PNG to formulate a Concept Note and proposal for 'Strongim Justis Long Strongim Komuniti' project targeting capacity building of District and Village Court Magistrates in Central Province. That is the beginning of a roll-out that we intend bring throughout the country.

Mr Speaker, the most significant and commendable Government decision made in favour of the Justice Administration projects was the establishment of Community Justice Service Centres in the 91 districts of the country. This is to consolidate our efforts made in improving justice administration and justice related service delivery in the provinces, districts and local levels to strengthen and better coordinate our law and justice.

Mr Speaker, in relation to the infrastructure upgrading and organisation development, I report that during the Infrastructure and Capitals Work Program 2013 to 2017 we completed and commissioned the staff house in Kerema, Gulf Province. Construction commenced for the

office complex and staff houses in Lorengau, Manus Province as well as staff duplex in Wewak, East Sepik Province. The year saw the conclusion of the 5-year program. However, an extension of this program through a review and next phase plan of this key transformational program was done 2017, and I am happy to say it is continuing this year.

Mr Speaker, this is over and above what the Judiciary is undertaking in the area of infrastructure upgrade as headed by the Chief Justice.

Mr Speaker, DJAG saw an increased improvement in management of the organization, particularly maintaining the quarterly performance management system, financial management, reporting and ensuring a quality and transparent recruitment process where forty three (43) instances of staff indiscipline were swiftly attended to, some resulting in termination while some for criminal prosecution.

Mr Speaker, detailed information about our achievements, successes and progress are provided in the performance chapters of the AMR 2016. The proposed way forward outlines the key issues and focus areas identified in Appendix 2 of AMR 2016 used as a guide to steer DJAG in the delivery of services. The most notable is the framework provided therein to chart the next corporate plan and to lead the White Paper on the Justice Law and Justice Sector Policy.

Mr Speaker, there is much more I could report on regarding the performance and output of the offices and branches within the department, however, I wish to conclude my statement to sincerely thank and commend all the staff of the department for their respective contributions towards the discharge of our legal services and the various achievements of our key improvement and development initiatives. As a result, the Department's output and performance driven culture is mirrored in our reputation as one of the best performing organizations in the public service.

Mr Speaker, with that, I commend the Annual Management Report of the Department of Justice and Attorney General 2016.

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

That the Parliament take note of the paper and that debate be adjourned to a later date.

Debate adjourned.

15/02

**STRATEGY FOR SMART AND BALANCED DECENTRALISATION
2018-2022 – MINISTERIAL STATEMENT –
MOTION TO TAKE NOTE OF PAPER**

Mr KEVIN ISIFU (Wewak – Minister for Inter-Government Relations) – I present the Strategy for Smart and Balanced Decentralisation.

Mr Speaker, I wish to thank you for giving me this opportunity to give a ministerial statement to apprise the Parliament on the state of decentralisation reforms by this Government.

Sir, allow me at the outset to thank our Prime Minister, the Honourable Peter O'Neill, for his commitment towards greater empowerments of provinces, districts and local governments. In his inaugural speech on the 2nd of August, 2017 - he said "this government will facilitate greater decentralisation and autonomy, by devolving more power from Waigani to down to our districts and provinces".

And it is because of that commitment that today, I will present to this Parliament and people of this country an update on decentralization reforms and strategy for empowering our provinces and districts.

I wish also to acknowledge our provincial governors, many of whom have already undertaken innovations and creative initiatives to solving most of our problems. The reforms I will outline today are intended to support, integrate and encourage such initiatives by provinces.

Background, Mr Speaker, allow me to preface my statement with a brief background on decentralisation in Papua New Guinea.

Decentralisation as a system of government is imbedded in our *National Constitution*. The *National Constitution* provides for establishments of provincial governments and local level governments broadly. The intention is that specific powers, political, administrative, legal and financial necessary for establishments and operations of provincial and local level governments are then determined through an Organic Law which is easier to amend when necessary to meet evolving demands of our people.

Subsequently, the first Organic Law on Provincial Governments was introduced in 1977 establishing the provincial governments, firstly for Bougainville and the rest of the provinces. This reform translated district administrations into boundaries for new provincial governments - electing leaders and using existing administrative systems, infrastructures and personnel.

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Mr Speaker, the objectives for 1995 decentralisation reforms were;

- maintaining our identity as a Sovereign United Nation;
- promoting equal opportunity and popular participation in government at all levels
- to improve basic services and social order through economic self-reliance.

Mr Speaker, looking back at how we performed since 1995 in terms of objectives of decentralisation, firstly, we have maintained our identity as a sovereign united nation. Our people are resilient such that despite challenges and diversity, we remain a strong and united nation.

Secondly, we have more political representation and people involved in decision making today than we had in 1975. The political representation in 1975 consisted of only 109 Members of Parliament, which grew to around 700 when the provincial governments were established after 1977. And today with three levels of government, we have over 6000 elected leaders right down to Ward levels.

Unfortunately, the quality of services has deteriorated very badly since the 1980s.

Mr Speaker, quite clearly whilst our political representation and participation has increased, the quality of life for our people has not improved.

In 1975 when we became an Independent nation, the Human Development Index (HDI) by which the commonwealth group of nations are measured in terms of development, PNG was ranked 77. In 1995 when we introduced the *Organic Law on Provincial Governments and Local-level Governments*, PNG was ranked 128th and in 2010, when we developed and approved our long-term plans like the PNG Vision 2050 and DSP 2030, we were ranked 147th. In 2015 and 2016 we were ranked 153 and 154 respectively out of 186 countries.

Mr Speaker, we have not done well and need to do more. And if our aspiration is to achieve a 50th ranking by 2050, then we have to reform our decentralisation system to mobilise and empower our people to meaningfully participate to achieve our goal.

Mr Speaker, the 1977 and 1995 reforms were well intended but not very successful because of the lack of strategy to establish, build and empower provinces and districts to perform well and encourage growth of our country.

Most provinces that were granted Provincial Government status after 1977 experienced suspension by 1995 because of reasons relating to lack of capacity and non-performances. Quite simply, many provinces, if not most, were not ready but were granted Provincial Government status. There was no strategy to guide continuous improvement and empowerment of provinces to serving our people and growing the economy.

Mr Speaker, we suffer the same fate with the 1995 reforms of provincial and local-level governments.

17/02

After 23 years, many provinces and local-level governments still lack capacity, resources and focus to deliver service delivery and development outcomes.

Mr Speaker, we cannot do the same things and expect different results and that is why this government has taken steps to reforming the system to deliver frontline service delivery and growing our economy.

Reforms shaping future of decentralisation. Mr Speaker, allow me now to present this Government's plan for shaping decentralisation for growth and development. This is the first government that has taken a strategic approach to planning and phasing empowerment of provinces, districts and LLGs to improve performance to achieve service delivery and development outcomes.

The *Alotau Accord 2012* - Policy Enabling Environment for Decentralisation and Growth. Mr Speaker, this government in the last term started a committed process of reforms in decentralisation with clear objectives growing economy and improving quality of life for Papua New Guineans. These commitments are articulated in the *Alotau Accord 2012* to provide for policy and institutional enabling environment for the reforms.

(a) Review of *Organic Law on Provincial Governments and Local-level Governments 1995*

(b) *District Development Authority Act 2014*

(c) *City Authority Act* for Lae, Mt. Hagen and Kokopo

(d) *National Planning Act* and National Service Delivery Framework

(e) Service Improvement Program funding to Provinces, Districts, LLGs and now wards.

Mr Speaker, major reforms in decentralisation takes time and commitment. The *Alotau Accord 11* in 2017 builds on from 2012 reforms to ensure policy consistency and stability. The *Alotau Accord 11* has four priorities for the Ministry of Inter-Government Relations to undertake in the next five years;

(a) Directive 67: More autonomy to provinces

(b) Directive 68: Early transfer of administration and financial powers

(c) Directive 71: Review of *District Authority Act* to strengthen role of designated Town Managers are addressed in the proposed Organic Law on Decentralisation

(d) Directive 33: Review of Inter Government Financing Arrangements

Mr, Speaker, the government strategy is to harmonise and synchronise these decentralisation directives into one Policy Framework for implementation.

Strategy for a Smart and Balanced Decentralization 2018-2022

Mr. Speaker, I will now outline Governments Strategy for Smart, Balanced Decentralisation 2018-2022. We have to be smart and learn from past mistakes and change for a better future.

Our Vision is that by 2022 our Provinces, Districts and Local Governments are competent, competitive and self- reliant contributing to effective service delivery and development outcomes.

Mr. Speaker, our first goal in the Strategy is for a Smart, Balanced Decentralisation in a Cohesive Policy and Legal Framework that will create space, embrace diversity -

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Goal 1: Cohesive Policy and Legal Framework for Smart, Balanced Decentralisation for growth and quality of life. Mr Speaker, our first goal in the Strategy for a Smart, Balanced Decentralisation is a Cohesive Policy and Legal Framework that will create space, embrace diversity, integrate and connect many related initiatives into one strategy for empowerment and growth.

This goal will be achieved through the proposed Organic Law on Decentralisation when it is introduced in this term of Parliament. The Organic Law on Decentralisation was a key recommendation from the Review of the *Organic Law on Provincial Governments and Local-Level Governments*. The process of Organic Law Review started in 2013 and the Report was completed in 2014, approved by the National Executive Council in May 2015 and Accepted by Parliament in June 2015.

Mr Speaker, the Proposed Organic Law on Decentralisation will bring many related initiatives in decentralisation space under one broad legal framework to encourage complementarity and competitiveness, shared vision and resources. Thus, creating space for; Greater Autonomy for provinces, District Development Authorities, City Commissions or Municipal Authorities and growth regions, Provincial Health Authorities, Minimum Standards, District service and growth centres, Frontline service delivery, Opportunities for provincial governments in economic growth regions to form regional governments focusing on economic growth Innovation support grant to encourage innovations and creativity in provinces

I will make further joint statement with my colleague Minister for Justice and Attorney General when the proposed Organic Law on Decentralisation is approved by NEC and presented to Parliament shortly.

Goal 2: Performance Based Power Sharing or Gradative Decentralisation. Mr Speaker, our second goal is empowering provinces and districts - one province at a time as they prepare and are ready. We learn from the past that massive reforms become complex and we end up managing reforms and not achieving results. As each province is ready they can request for more specific and substantial powers and upon assessment, it will be granted to them.

Mr Speaker, this is the first time we have allowed sufficient time to apply the real context and intent of the *National Constitution* provision for decentralisation. The *National Constitution* provides framework for performance based power sharing or gradative decentralisation. The *Section 187* of the *National Constitution* provides two important guides for transfer of powers and functions to provincial and local-level governments. These are "substantive devolution and delegation of decision making powers and gradative decentralisation". It means that more substantial powers and functions be transferred to a province as it develops its capacity, preparedness and performance.

Sir, we acknowledge the wisdom of our forefathers in the design of the *National Constitution* that not all provinces are the same. Each province has its own space and pace of development depending on its resources, priorities and development status. The intention is that as provinces continue to develop, improve capacity and improve performance - more powers and functions relevant and specific to their province are transferred to them with matching resources to continue in pursuit of excellence and growth.

Mr Speaker, we now appreciate that we did not follow this full intent of the *National Constitution* when establishing Provincial Governments in 1977 without effective strategy hence most provinces did not perform and were suspended. The same was experienced under the 1995 *Organic Law on Provincial Governments and Local-Level Governments*.

Learning from the past, the performance based power sharing or gradative decentralisation will now be supported by a decentralisation strategy that will guide building partnership and working with individual provinces to progress in their capacity and also improve their performance.

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most provinces did not perform and were suspended. The same was experienced under the *1995 Organic Law on Provincial Governments and Local-Level Governments*.

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Mr Speaker, to assist in implementation - we have developed a "National Framework for performance base power sharing or gradative decentralisation. Some of the key principles in this framework include;

- National sovereignty
- No one is left behind, which means all Provinces are given equal opportunities
- No one is held back whilst all provinces are given equal opportunity those that take initiatives must be reward to continue to pursue excellence
- Integration, there must be unity in each province. The Provincial Government, the District Development Authorities, local Leaders must work together including private sector and churches within province to develop the province.
- Reward of excellence, those that perform well should be encourage to do more
- Transfer of substantial powers based on performance, relevance and preparedness
- Preparedness, which means province must be ready undertake its own self-assessment, mobilise its leadership and identify areas of their strength and functions that are key to increasing participation and improve performance
- Inclusive development, which is participative and interactive decentralisation

Mr Speaker, there are three phases in the gradative decentralisation approach;

Phase 1: Innovative Service Delivery. This phase is about partnership to achieve minimum service standards and principles of delivering services to citizens.

Phase 2: Self-Reliant and Wealth Creation. This phase is about self-reliance and income earning opportunities for our people.

Phase 3: Growth and Economic Development. This phase is about provinces working with other provinces as well as integration through inter provincial partnership with adjoining provinces for purposes of economic growth to achieve efficiency and productivity.

Mr Speaker, this framework provides opportunities for all provinces from newly created provinces like Hela and Jiwaka to Bougainville. We are one country, one nation but many diverse provinces.

Mr Speaker, I am pleased to announce that the National Government through the leadership of Prime Minister, Hon Peter O'Neill MP has now approved implementation in the first three provinces - New Ireland, East New Britain and Enga provinces.

I wish to thank the three Provincial Governors for their commitment in working with the National Government to start administrative implementation whilst waiting for the Constitutional Amendments.

20/02

Most of our resources are located in the provinces, therefore, it is now time to support each province to develop these resources to produce additional resources to support delivery of services as well as further investments and growth.

Mr Speaker, provinces will complement and support districts and local councils' roles as frontline service providers by adding value and focus on quality. Whilst districts and local councils' main role is access to basic services, provinces will complement these efforts focusing on quality of services, through partnerships with districts, private sector and churches.

Again, the Organic Law on Decentralisation will make specific provisions for this including integration and partnership along economic and growth corridors.

Strategy 4: Districts as Service and Growth Centres - to facilitate frontline service delivery. Mr Speaker, our fourth goal is revitalisation of district towns to be service and growth centres. When the first Organic Law was passed in 1977, the population was around 2.7 million, and when the 1995 *Organic Law on Provincial and Local Level Government* was passed the population was around 4.3 million, and when we introduced the District Development Authority, the population is over 7 million.

Mr Speaker, the challenge is real before our eyes. If we do not develop districts to become service and growth centres, we will have a massive migration into urban areas which is already a major concern. Unless we develop districts as service and growth centre, with enabling environments to attract private sector to invest in rural areas, young people will not migrate to urban areas seeking better lives.

Mr Speaker, this Government is addressing these challenges by the making appropriate policies as follows:

- Establishing District headquarters as service and growth centres both for public service and business growth
- The concept of Regional Cities in Lae, Mount Hagen and Kokopo. These cities will provide supply centres for emerging population and encourage improve service delivery and growth of business

Mr Speaker, not all districts are same in terms of development status, capacity, local setting and priorities.

The Government has been working on the district minimum standards since 2014 which will now be finalised for implementation. The exercise has a category of districts recognising not all the districts are same.

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- Category A: Bare minimum or districts with very little capacity
- Category B: Median Districts - Districts with some operational capacity
- Category C: Ideal Districts - Districts that meets the minimum standards

Mr Speaker, the Government will provide support to all districts to achieve a level of efficiency to effectively operate as Service Centres and provide enabling environment for private sector investments in the districts.

21/02

Mr Speaker, the Government will provide support to all districts to achieve a level of efficiency to effectively operate as service centres and provide enabling environment for private sector investments in the districts.

And let me say here that it is going to take commitment and sacrifice to develop districts. I intend to bring full costs of revitalisation of districts with all enabling environments for funding in the next five years. This is about our frontline services because 80 per cent of our people live in rural areas and we care to do it, and it is with commitment and excellence.

Mr Speaker, our Fifth Goal is empowering local-level government as peoples' first governments. The local-level governments are very important for mobilisation and empowerment of our people. They are the face of government in our rural areas.

And I wish to express my deepest appreciation and gratitude on behalf of all the local-level governments to Prime Minister, the Right Hon. Peter O'Neill, for his commitment for this year's LLG Elections. The success of this election depends on each province and district, and therefore, I call on all Governors and DDAs to work with my department and the Electoral Commission to deliver a successful election.

Mr Speaker, we will face challenges in implementing these reforms. But we can find solutions through good and effective leadership and partnership. When our leaders are working together, other stakeholders will gain confidence to join as partners to serve our people, grow our economy and create employment for our people.

We can start partnership through the Service Delivery Partnership Agreements. The Service Delivery Partnership Agreement is an agreement between the National Government, provincial governments and district development authorities provided for under Section 6 of the *DDA Act*.

Mr Speaker, Service Delivery Partnership Agreements for most provinces are now almost completed. We will start signing with provinces that are ready to commit to achieving greater impact through shared vision and resources and work towards performance based power sharing or gradual decentralization.

Inter Government Relations and Dialogue. Mr Speaker, my department has worked closely with the Department of Prime Minister and NEC, and all other Central Agencies in facilitating dialogues with the provinces.

Firstly, the Annual Provincial Governors Conference which was recently held in Madang. This is an important forum where we will listen to provincial governments and many have already shown they have solutions to service delivery and how to grow the economy. This year's Annual Governors Conference will be in June.

Secondly, the Regional Governors Forums. The Regional Governors Forums are important, particularly along growth in the regions. These forums are good opportunities to investors and developers to invest and support local initiatives.

Mr Speaker, this Government is committed to work with our leaders in provinces and districts to find solutions to our challenges and also seek opportunities for growth.

Mr Speaker, in conclusion, this Government is committed to empowering provinces and districts. The challenge is now on us to make it work. The onus of responsibility is on provinces and DDAs to show commitment and leadership to develop their districts and provinces respectively.

22/02

I would like to ask all the Honourable Members of Parliament and provincial governors to work with me to implement Government's commitment to empowering our provinces, districts and local councils with enabling environments to grow the economy, encourage citizen participation and improve frontline service delivery. Let us work for our people.

God bless us all and God bless Papua New Guinea.

Sitting suspended from 12.15 p.m. to 2 p.m..

23/02

Mr NAKIKUS KONGA (East New Britain) – I move –

That the Parliament take note of the paper.

Thank you, Mr Deputy Speaker. Firstly, Mr Deputy Speaker, I take my hat off to this Government and say thank you to the O’Neil-Abel government for the job well done.

I also take this opportunity to thank the last Government because its continuity from 2014 to now, which has come to fruition. Last week we signed the understanding for autonomy in three respective provinces in the country.

Mr Deputy Speaker, East New Britain has been waiting for this for the last 12 years. New Ireland joined up some 10 years ago and not long ago, Enga Province joined up with us. So if you can see it in a nutshell, Mr Deputy Speaker, the people are crying for revolution of power to their own respective provincial governments.

I also take this opportunity on behalf of the people of East New Britain to say thank you to the working Committee who have been working tirelessly for the last 12 years to get this paper to the National Government so that the provincial government can be recognised with autonomy.

Last week, we were in Madang for five days and eventually, the understanding was signed by the Prime Minister of Papua New Guinea, Honourable Peter O’Neill and the three respective governors. The people from our provinces were overjoyed. However, it will take time to refine it as every one of us understands. I also thank the Minister for Inter-Governmental Relations, Honourable Kevin Isifu because his statement regarding what has happened is very comprehensive indeed. For the benefit of those Members, if we listened carefully, it was a great speech.

In 1985 there was a main shift in the provincial government system when districts were born and up until now, we have seen that all the services that we try to implement is not getting into the rural areas where 80 per cent of our people live. So we are shifting this way.

Mr Deputy Speaker, let me assure this House that for my province, we will make this one happen. So far in my province, we have been rated as group five. Group five stands for the five Members of Parliament from East New Britain. Despite our different political party

affiliations, we are working for a common goal and that is to prosper the province of East New Britain which has 400 000 people.

Mr Deputy Speaker, my province does not have gold, copper or gas, but we depend mainly on agriculture.

24/02

So, if you look closely, you will see that this is empowering the Provincial Government of East New Britain and above all, it is empowering the people who need the service.

I am grateful for the change that is about to take place. I understand that there will be some amendment to the Organic Law. When this is done, we will then see the results of full autonomy of the province, sections of politics, economy and administration.

Mr Speaker, we have also created brotherly and sisterly relationship with New Ireland Province as stated in the statement. That statement was very comprehensive for this change. Again, I thank the Minister for Inter-Government Relations, Honourable Kevin Isifu.

Mr Speaker, when I talk about agriculture, I will talk about my province of East New Britain. Let me reiterate, we will be living on agriculture and secondly, I urge this Government to recognise East New Britain to be the tourist hub in Papua New Guinea because we talk about tourists a lot. I want to be level at the international airport so that we can meaningfully handle tourists from China and Japan.

Tourism as we all know is one of the most productive industry in the world. It does not destroy the environment. I have been to a place known as Hollywood, in America. That place has become a money printing machine for the United State of America because a lot of tourists frequent that place.

In fact, Hollywood is not far from Disney Land and there are thousands and thousands of tourists there every year. So this is what we want to do here. Papua New Guinea is the best country in the world for tourism.

I am certain all the Members of this Parliament will agree with me. But we have to make it work in the sense that we have to open up two or three more international airports so that people can directly come.

We have so much culture here and is very unique so we must attract these people to come here. It is like going fishing where you have to use the right bait to catch tourism. I believe that if tourists take on very well in this country, law and order problems in the country will be reduced.

Mr Speaker, law and order problems is the result of our young not having jobs. These are people who need proper food, clothing, and money to go to school or hospital. Since they don't have the money, they resort to robbing from those who have.

Mr Speaker, I am grateful to be the new Governor of East New Britain Province. I am looking forward to working together collectively like in the old Provincial Government system. Thank you, Mr Speaker.

25/02

Mr PETER IPATAS (Enga) - Thank you, Mr Speaker. I want to congratulate the Minister for presenting his statement in Parliament. It is timely because we just completed the Governors Meeting last week and now we have this presentation done today.

The statement is trying to educate the country and us leaders as well that the decentralisation of powers is not subjected to provincial governments alone. There was a feeling created that decentralisation is for all levels of government and I thank the Minister for putting this into perspective.

Thank you for the leadership shown by the Minister, but this issue is not new, it is one that was created long time ago. We have always wanted some powers to try and do some work for ourselves in our own provinces, districts and wards. We are human and as politicians we try to protect our boundaries. And we do not really look into the agendas of the country.

I have always thought and am convinced that as humans and politicians our terms will expire and we will cease to exist in this world. But we owe it to this country and the future generation that we must establish the systems of government and strengthen our institutions. Since independence we have played politics and over politicised our institutions that our systems have collapsed.

As a governor from the Highlands region, I would say it is hard to manage a Highlands province. This is because firstly to manage the people, the people have to have the right attitude. We have an attitude problem and that is one of the many factors that we have to address in our provinces and in our districts. We cannot manage people with a remote control from Waigani. We have to have powers and responsibilities to manage our own people. And I strongly believe we have to allow some form of leadership and systems at all levels of government. We have to set the vision in line with the nation's agenda and vision.

The statement clearly illustrates that not all our needs are the same and one policy cannot be said to work for everyone. Let us start to think broadly and in my view, the National Government is there to cater for the whole country and we, the Ministers, beginning from the

Prime Minister's level down to the Cabinet, must protect the interest of the country. We need to look at our partnerships and bilateral affairs with other countries.

As representatives of our people, we need to take responsibility for our people. The word autonomy creates the confusion but it is just a general talk about decentralisation of powers. The Government is not stupid to go around giving autonomy as it wishes. It will only grant autonomy, if and when it knows that the province is able to manage its responsibilities and resources well.

The Governor of East New Britain has mentioned that they are looking into expanding the agriculture and tourism in the province. If ENB does well in agriculture and tourism, then as a nation we will be doing well. It is good that we are allowing that province and we must support that province from the national level to do well in tourism and agriculture. And if we have five or six provinces which are efficient and effective in the delivery of service then you will see that the output of the county will be very good.

26/02

Now, with this current system of government, if we all come together here in the National Government knowing that we have not taken responsibility at the provincial and district level and if the National Government has not performed properly, we will feel the consequences as well. But with the decentralised system of Government, even if there is a little sickness with the National Government, we have got five or ten provinces or eighteen different districts doing well, and you can bet that this country will still look good in terms of health and education and services, et cetera, in other nations rating as well.

So, I believe that the Prime Minister too for a long time did not make a mention but now I am very happy that the Prime Minister is working with the Minister and has finally decided to look at decentralisation.

It is now up to the leaders because with us the Governors when we are given the powers it is our responsibility to make sure that our provinces take responsibility and make sure that we provide good leadership and we meet the expectations of the Government and the people.

When they decentralise powers and responsibilities to the district level it will be the same. The Open Members must take responsibility and we must try to develop our own areas.

As for me myself I am very happy because as many times I have said on this Floor that without decentralised powers I was able to come with an intervention to educate my people as a provincial government. Enga being way back and considering its location, if I did not introduce this policy in my province I do not know where Enga would be today.

But, with the more organised system of decentralising the functions to us, I think if every province or district prioritises, we will find that we can do better. For instance, if we allocate funds of K10 million to each district, it is not good that the National Government to say that you have to spend 30 per cent on health and other percentages for other things. So it is good that we have decentralised powers and we can decide for ourselves at the provincial and district level to see what is best for our people. You might want to spend the K10 million on one certain activity that will change the district or the province.

We should not back down on decentralisation because the needs of my people up in Enga is different from Western Highlands or Eastern Highlands so I feel that we must understand this decentralisation concept well. In some provinces the way they are seeing decentralisation of powers could be different but there are some of us who know what we want. It may not be the same kind of powers and responsibilities that other provinces want but each province knows what it wants. For example when I wanted decentralised powers, I am looking at education, health, agriculture and services that can really change my people.

It is not about becoming autonomous and competing with the National Government and trying to have a rebellious government. It is about changing the lives of our people as a national government and the ministers can focus on the bigger agendas of the nation and leave the provinces to the governors who are mandated by the people to take some leadership.

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And the National Government's major job is to monitor and audit. And when we are given chances then we must use it wisely to improve the lives of the people otherwise we abuse the power as well and that's a very major agenda. The National Government must take ownership of auditing and monitoring in making sure that we are actually delivering services and meeting the goals and objectives of the nation.

So, Mr Minister, once again, I want to take this opportunity to congratulate you and I thank you for giving Enga an opportunity. Many people think that we are way back so we have to wait for some time. But thank you for having confidence in my province.

When New Ireland and East New Britain went ahead as a big brother I too followed them because I also wanted to benefit from this power. So it's good that you have recognised Enga and we will make sure we have a good story to tell to other provinces.

My major issue in my province is law and order and now with this more decentralised function I can deal with it myself. I can handle it so that's why I was elected to represent my people. But I must be empowered to make some decisions and I hope that when we decentralise

powers in terms of law and order. Then we will reconsider the village and district courts system how they function in the province. Even the police personnel where do they step in and who are they answerable to and all these issues I want to see it happen.

So I am hoping that with these greater powers introduced and negotiations underway with the National Government then each province will have their own priority so I will come with my agenda on law and order. Because without law and order my province cannot succeed and move on.

Therefore, I appeal to all of us here that we must unite and support the Prime Minister's idea. And I thank the Prime Minister for providing this leadership and giving us this responsibility. He is giving us these extra powers and responsibilities because it comes with trust. As for the three provinces; East New Britain, New Ireland and Enga are the role models and then all the provinces and districts will follow suit.

But I am glad to hear that when the law is introduced it will state clearly the roles and responsibilities of the provincial governments, districts and down to local-level governments, so we will have a system that we must follow. Otherwise, we beat around the bush and get nowhere so it's good that we all cooperate. And that will amount to trust amongst leaders in every provinces and as individuals as well. We do have our own personal issues but these are earthly things so we have to consider bigger things and try to provide leadership in the provinces.

Mr Deputy Speaker, that's just my opinion that if we empowered each provinces then there will be huge competition in every provinces.

For instances, in East New Britain, they have been colonised by expatriates for a long time and when you observe them now it's one of the provinces which is well developed. So I too want to compete with them.

As one of the last province in the Highlands Region to be recognised as a province after independence, I too want to be like them and get to where they are. But how can I get there if I am not empowered to do the things that I want?

It won't be that easy and it will come with challenges and responsibilities so Mr Minister, thank you for your support and as a first time Minister to actually taking the bull by its horn. From experiences, many ministers have been occupying this position and not knowing what to do. They didn't provide any leadership but you as a first timer and not even a year, you have been able to work on this huge agenda on decentralisation and trying to harmonise our relationship with our local-level government, provinces and the districts

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We are the same here in Parliament and sometimes we disagree with each other but if we can set the systems properly and responsibilities then there is no need to have competitions. There is no need to be jealous of one another. We just have to focus on what we can deliver for our own people rather than competing with each other. Let us build a big dynamic Papua New Guinea that we can all be proud of.

Sir PUKA TEMU (Abau – Minister for Health) – Thank you, Mr Deputy Speaker. I would also like to contribute to the debate in thanking the Minister for Inter-Government Relations for bringing this statement to the Parliament on power-sharing between our levels of government.

Mr Deputy Speaker, I couldn't agree more with the Governor of Enga that there is first time a clarity in our efforts to advance the delivery of goods and services throughout the country.

I want to pick up the Minister's statement on his very good summary of how far we have not gone under the current structural arrangements. He said that under that arrangement after 1977 when the *Organic Law on Provincial Governments* was passed and then changed in 1995 when the *Organic Law on Provincial Governments and Local-level Governments* was passed, our human development indicators have gone backwards.

Mr Deputy Speaker, I think that during our term of Parliament as leaders of this country, we need to ask this very important question. Why is it that we have not advanced in terms of our human development indicators under the current arrangements?

The Minister in his efforts has to basically clarify the roles, powers, responsibilities and functions of different levels of government and how we need to be in agreement in helping each other in the delivery of goods and services to our people. This is the basis of the *Organic Law on Provincial Governments and Local-level Governments*. I want to use this opportunity to go back and revisit some of the reasons why we have not gone far.

Mr Deputy Speaker, after we gained independence in 1975, the leaders of Bougainville wanted some autonomy, therefore, the *Organic Law on Provincial Governments* came to birth in 1977.

In 1995, a team headed by former Member, Ben Micha, re-looked at the Organic Law and brought in the third level of local-level governments into the equation. However, when you see the period between 1975 to 1995, which is a span of 20 years, that was the post-independence era. We were trying to organise ourselves but if you assess the political situation

then you would realise that an average term of government was 22 months. This was before OLIPAC was passed. We all know that no one can do much in just 22 months, therefore, I think that that is where the problem was. It was the instability in politics and policy implementation and that was our dilemma.

However, when OLIPAC came in and after the 2002 National Elections, we then started experiencing some stability. We saw the Grand Chief's Government in power for two terms including this current one under Honourable Prime Minister, Peter O'Neill.

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But, after the reforms in 1995 the baby was thrown out into the ocean without anything. No funding came.

And so this *Organic Law on Provincial and Local Level Government* really did not result in any funds going to the provincial governments or local level governments and they sat idle like political clubs. Mere clubs, just meet and feel good and nothing happens, no service delivery while most things were happening at Waigani because ministers were controlling it.

And so the theme that the Minister has presented and we are debating is really about how we can devolve power. The Minister was talking about performance based power sharing, I want to change that to performance based power devolvement. Not power sharing, but power devolvement, as the Governor of Enga was saying.

We really need to recognise that after every election mandate is given to provincial governors and each Open Member. That's the mandate, nobody else has got the mandate. And so from Waigani, like what the Prime Minister's leadership is doing, when he introduced the K10 million DSIP and LLGSIP and PSIP, it changed the whole thing.

So, I think the challenge has been that, how does Waigani move the appropriate development funds to where it matters the most, to the provincial governments and in the fore front in development. I think this is the area that we must properly structure because I think so far it has been transformational for those of us who came in when K10 million was not there and halfway through we got this K10 million. And we were able to do the things that we would never do thanks to the Prime Minister's leadership, and because we made the decision, K10 million is coming now.

To me I think we need to stop speaking the language of autonomy because it has too many different political interpretations. I think we should now talk about devolving power and we now have to decide what the powers are that need to be devolved.

I hate this concept of service agreements. Are you from another country and I am from another country so we have to enter into a service agreement? I don't want this kind of concept. I think we should not be talking about agreements between Waigani and provinces and this service agreement that the Minister and his secretary are trying to move, which is a good one, but for me as a leader, I think the concept is not the way to play the game.

I think playing the game is devolving power and as the Governor rightly said, Waigani monitors performances, makes sure standards are complied with and accountability is achieved. So, how are we going to do it?

Mr Deputy Speaker, my second point is I want us to advance this concept that I once argued on this Floor and that is, when we develop the strategic plan up to 2030, we are talking about economic zones. We need to talk more about those economic zones but I want to debate on regional economic zones.

This demarcation between provinces is mere politics and is not a good concept for us at the villages. These provincial boundaries are one of the culprits of advancing development in our country. So I want to advance the discussion in this debate on regional development, regional economy, and regional growth.

And so the governors, as the Minister has rightly said, there are those of you who will hold regional governors forums. I think to me in terms of development we have to go for political boundaries, cross provincial boundaries, for example, I am very keen how Oro, Milne Bay and Central can look at this as a Southern Economic Zone. And we design the roads to connect the three towns. We create a new city in the middle of Oro, Milne Bay and Central because nickel is there, oil palm is there, and I am building a sugar mill there.

30/02

That is the way the Planning Minister and the Governors need to think and talk because when we do that we are at the political level uniting the country further. No more of Highlands provinces and Southern provinces. No more of setting up regional settlements in NCD, this approach must stop. We need to build a country. I think we need to advance this concept of regional development under the regional economic zone concept. Our country is small compared to China and Russia. Their roads cover their entire continent and they have electricity coverage all over their continent. Yet Abau is only 140 kilometres from NCD but has had no electricity connection for the last 43 years.

Mr Deputy Speaker, I really want to advance this discussion and the conversation on how we can actually make regional development work through regional development forums,

resourcing in the Budget , regional funds, obtaining from the Sovereign Wealth Fund that we will create to move into the regional development, build the infrastructure and create jobs. We know what the Southern region is good for, Oil Palm is growing well there, and agriculture is there.

The Governor of East New Britain just mentioned agriculture and tourism. Many of us in each district know the capabilities of our district. However, just talking about districts and provinces is not good for this country. We need to move further.

This morning, the Leader of Government Business just reminded us that our nation would turn 50 years old in the next seven years. This is not far off. What type of scorecards will be announced by the Prime Minister then on the Independence hill at 5am, 16 September 2025? Will he still quote the same HDI world ranking of PNG being 143 out of 180 or are will we move closer to Vision 2050 goal of being ranked 50th in the world. To advance towards it, we should stop focusing our discussions on provinces and districts instead we should divide the country up in regions and identify major development needs of each region and that region is given the support it needs from Waigani to bring the economic social advancement. I think in that way, we will achieve many of our policy instruments that have been approved and many of the laws that support those legislations.

The Minister also mentioned the review of the *Organic Law on Provincial and Local Level Governments* done in 2013 and 2014 and that was presented here in June of 2015. But I have been arguing, Mr Deputy Speaker, because that review contains some of the serious changes that have been recommended by our professionals in the Constitutional Law Reform Commission (CLRC) but we the executive Government nor the Parliament has picked that up. We haven't given the right attention to that review that was done by CLRC.

The Minister alluded to that review and Parliament owes this country an address and a serious look at the review recommendations on the *Organic law on Provincial and Local Level Governments*.

Mr Deputy Speaker, I have always echoed in the Cabinet, in Government Caucus and on the Floor of this Parliament that I believe that our current Organic Law on structure of service delivery has impeded us from achieving the human development index that we would want and, therefore, it is only right for this term of Parliament pick the review recommendations and look at it seriously.

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I strongly suggest that there should be a select Parliamentary Committee who can look at this particular review that was done by the Constitutional Law Reform Commission that is before Parliament today.

We need to tear that apart and before we reach the 50th anniversary, I think this Parliament owes the nation some smarter recommendations in law and in administrative rearrangements for the country for the next 50 years of the 2025 then we can achieve vision 2050 of achieving our position as the 50th in the world because we have done our job. We can do it, Mr Deputy Speaker, because we have the resources now.

The Prime Minister announced the other day and maybe you did not pick it up but I have been watching our Gross Domestic Product, we have doubled, Mr Deputy Prime Minister, thirty to sixty billion. We will wait next seven years when Papua Gas comes on. A country with high prospective in gas, nickel, gold, copper and tuna. An ecology that can attract the world.

Before I sit down, Mr Deputy Speaker, once upon a time, I said from that Chair, the Deputy Prime Minister's Chair, that one day global entities will recognise us as the richest black nation and I still believe it.

Mr Deputy Speaker, our challenge is how we can transform the wealth to social advancement. I think the debate is right. I want the executive government and the parliament to pick this debate up. Let us get together through a parliamentary committee. Let us relook at the recommendation of the review of the Organic Law on Provincial Government and Local Level Government and let us restructure ourselves.

How many laws have provincial governments passed as a legislature? You tell me! So why are they called legislatures? Why do we have three levels of legislatures when two levels are not working in their role as legislatures?

Our small country has too many politicians. No doubt there needs to be a national parliament but below the national parliament I will always question what the right to a legal structure is.

In my view we have already accepted provincial governments to remain as a level legislature. Maybe the reform that is needed is a Waigani level legislature and a district level legislature but in the middle level, a provincial development authority that coordinates development between the DDAs to make sure that authority is linked to the regional development authorities. So rather than advancing in politics we are advancing development in the country. Thank you.

32/02

Mr SOROI EOE (Kikori – Minister for Religion, Youth and Community Development) – I would like to join the other speakers in congratulating the Minister for Inter-Government Relations for a very important submission made to the Parliament. I was in Madang during the tail end of this discussion and I sat in and listened to all the arguments and discussions that were raised at that debate and I agree with most of the things that have been said by the governors and Minister for Health. One thing that continues to confuse both ourselves in the Parliament and the public is the terminology which is autonomy. I think we have already raised that issue as a concern and if that can be presented in some form so as to get support of those we are trying to administer.

These are the people of this country. I think this is important in the way that we have been thinking and doing things. I am a first-time politician but I have been in the Government sector for nearly thirty years and in that time, this concept of decentralisation of powers were introduced. And this structure has been in existence for over thirty years and it has never really progressed. I think there comes a time that every system needs to be overhauled and reviewed so that we can move forward.

I think it is are good system. Eighty per cent of our people live in the rural communities and provincial and district governments serve those people. We often find that lots of our public servants are coming into Waigani for answers. What has happened in the last days is really giving some powers in which will enable provincial governments to address most important areas that they have been lacking, this is to ensure that growth is seen in their provinces as well as helping the districts to ensure they deliver to their people.

I am encouraged from what has taken place this morning through the presentation of the statement by the Minister and the direction that the government is taking. I think it has been mentioned by the Honourable Governor of Enga, that it creates a healthy competition for the three governors and the provinces that have been given the privilege of running their own affairs, in finance and perhaps in administration. This will also make other provinces to look at it and be competitive. There are provinces with so many resources and sometimes the resources allocated are not used for the intended purposes. That would challenge them to also improve their own performances.

I know there are districts and provinces struggling despite lots of government interventions. In this way it makes it competitive for provinces to adhere to what we are now bestowing on the three provinces and it is a good exercise. What has been alluded to by the Minister for Health is a very important one, but the discussion today is about the provincial

government systems and I think we need to empower and enable our provinces to move forward, so that they can address 80 per cent of our people who are living at the provincial level. At the same time it will stop public servants from coming and wasting time in Port Moresby.

33/02

Mr SAM BASIL (Bulolo – Minister for Communications, Information Technology and Energy) – Thank you, Mr Deputy Speaker. I join my colleague members and governors to congratulate Honourable Kevin Isifu, Minister for Inter-Government-Relations, for delivering his statement on strategy for smart and balance decentralisation 2018-2022.

Mr Deputy Speaker, I stand to speak on behalf of my governor and my fellow Morobe members of parliament here today, in relation to topic of the autonomy

Mr Deputy Speaker, I was privileged to be here in the 8th and 9th Parliament and I have witnessed and seen the hard work put together by the three governors, especially the Governor of New Ireland Province, Honourable Sir Julius Chan, the Enga Governor, Grand Chief Sir Ipatas and Mr Leo Dion, the former Governor of East New Britain Province.

I was privileged to be elected under the People's Progress Party in my early days and also I was privileged to visit New Ireland during Sir Julius term in the 8th Parliament where he had engaged consultants and debated this issue throughout these three provinces and of course on the Floor of Parliament.

Mr Deputy Speaker, the hard work that has been put together by these three governors we are now seeing the fruit of it of declaring autonomous provinces. And I join the other sentiments that have been shared that let us not take the autonomy word differently from its meaning.

But, Mr Deputy Speaker, I stand here to clear few things and it goes on *Hansard* so that the people of Morobe should understand the Members of Parliament sitting in the 10th Parliament today.

Mr Deputy Speaker, during the 8th Parliament I have raised this issue in my Morobe Tutumang about autonomy and I believe that a lot of Morobe people are now asking, why Morobe is not one of those provinces being declared autonomy.

Mr Deputy Speaker, the reason why I have to say this and it goes on *Hansard* is because the previous Governor of Morobe back in the 8th Parliament decided not to entertain it despite us being very vocal on the Floor of Tutumang. If he would have listened today, we would have Morobe on the list. But I assure the other Members of Morobe that I will bring this issue back

to Radio Morobe and we will announce it to the people of Morobe that these three provinces that have been given autonomy. It is not an act that the Prime Minister just decided to hand those status over to those provinces, it is their hard work that these governors have been together in the last two to three terms of Parliament in order to get them to where they are.

So, for the other provinces let us not get it wrong here because this is the hard work of these three governors that they have achieved it. We will be watching very closely how it will work because there are a lot of issues about resources in the provinces that has to be shared; the functions of the Army and Police and how do we share the resources with the IRC? I am sure that there are formats in place, I believe, that the Government will employ.

Mr Deputy Speaker, as for Morobe, we would like autonomy too. My Governor is with me on that and we will kickstart the process to make sure that Morobe Province being the largest province with a lot of resources would also want to experience autonomy and be part of it.

Mr Deputy Speaker, on that note, I would also want to bring our attention back to the District Authorities. Since the inception of the District Authorities, we still have issue in relations to the functions of District Authorities in terms of health, education and also collaborating our efforts with the Local-level Government. We do have a little bit of problem is terms of aligning ourselves and to me I see my six local-level governments in Morobe in my district as a skeleton. They do not have resources to operate and they do not have back-ups and I believe that the Provincial Government also is struggling to deliver some services.

34/02

Since the inception of District Development Authority we are now having conflict of service delivery between the DDAs and the provincial government, which we still have to sort that out.

Whilst I have this Floor, I am happy to announce that the largest Wafi-Golpu gold mine has started last week and it will be an ongoing.

So I want to emphasise here again and I have said it in the last Parliament, because of my experience with the Hidden Valley gold mine, which started its operation in 2009, the members here who have existing mine operations in your provinces must come and we talk about the DDAs involvement. Because under the law it states clearly that it's only the local-level government, national government and the landowners. I have found out that if you attend the Development Forum, DDA is not part of the benefit sharing process. If you try to enquire

they will shut the door on you. When the mine is in full operation you will notice that the mines community affairs program will run its own program.

We are enacted by Parliament to make sure that we deliver services and look after the five- year development plan to guide the process of delivery alongside our governors and the province plan.

But it's not happening this way because the mine has its own program to run such as building water supply for communities and construct roads and so forth. It's really confusing so where do we fit in because we are elected members and our responsibility is to bring services to all the communities. There is really no proper arrangement put in place between the mine and leaders.

I have raised this issue with the Minister for Mining to consider it. When the Wafi-Golpu gold mine is in operation we have to bring amendment to Parliament to include DDA Board so that it can be recognised. Otherwise, we the members who have projects in our area will have difficulties in delivering services.

Therefore, I appeal to all the members to support when this amendment is brought to Parliament to include DDA Board to be included in the *Mining Act*. We all must support so that we will benefit from it.

During the time of Hidden Valley they voted out the DDA Board and I wasn't there to argue because I got elected after the mine MOA was signed.

A lot problems arise when a mine is in operation such as environmental damage, landowner issues, contracts not distributed evenly and so forth. When such problems arise then where will they seek for help, they will come looking for you, members. They won't run to LLG presidents as beneficiaries. And where are you going to get funds to engage lawyers to fight for environmental issues, hire cars for them, provide accommodation, meals and so forth? Where will you get funds to meet all these expenses? It will only come from the DSIP funds to meet all the expenses. When the mining royalties funds are ready it will only take care of these three areas; landowners, local-level government, provincial government and of course national government in terms of taxes.

Therefore, districts will always be left out so let's revisit the district development authority so that it can become a recognisable authority on the ground so that we can deliver with authority and that other entities and stakeholders that are on the ground who are delivering the same thing must align themselves with our development plans.

Why I am bringing this to Parliament is because the people of Morobe are asking a lot of questions and I want it to be on record in *Hansard* and it will clear to us on how and why it came about.

But once again I congratulate the Minister and the Prime Minister for the support and fully trusting the provinces that have already done their work to deliver the autonomy status to them and of course other provinces who are planning to follow suit, we will also help and stand by you to make sure that we venture into that autonomy status.

We stand to support this government policy and support the Prime Minister, Deputy Prime Minister and this Government to ensure that we work properly so that our people of this country will be proud.

Thank you, Mr Deputy Speaker.

35/02

Mr JOE SUNGI (Nuku) – Mr Deputy Speaker, firstly, I would like to thank the Minister for his presentation about closely working with provinces and districts and LLGs.

Mr Deputy Speaker, the part that really interests me is the HDI. The Human Development Index is the only measurement indicator that Papua New Guinea is measured by the world. The story is very clear that we are not making any improvement at all. We are basically going backwards.

Mr Deputy Speaker, I would have thought that the autonomous arrangement or basically transfer of more powers into the provinces was to address the issue of the indicators of health and education going backwards.

I would like to suggest that we should bring more papers to Parliament but it all boils down to the simple indicators of health and education. You can build all the good roads and do everything else but if the indicators of health and education do not improve then something is wrong because these are the only indicators that you are measured by the world.

Mr Deputy Speaker, through section 119, it is required by the Organic Law for all provinces to submit the annual reports to the Inter Government Relations on Provincial Affairs which will guide the government and the country on how the provinces are performing annually. Section 119 is the performance indicator report from each province. It is basically a culmination of the district's performance and a summary of LLGs performance up to the provinces. It must be submitted annually to the provincial affairs through the section 119 report. The other is the section 114 report. This is the financial report that must be submitted to finance by all provinces.

Mr Deputy Speaker, as Open Members of Parliament, we would like to know the indicators of our provinces. I do not want to know about the national indicator or the provincial indicators. I want to know about the performance of my district. You have to tell me exactly how I am performing and by doing that you as the Minister responsible will have the statistics to put in corrective measures for my district and electorate. It will also help me to use my DSIP to put funding to where it is much needed in my district.

Mr Deputy Speaker, it is a sad story for this country that when donors come, I don't think we Open Members of Parliament are entertained. The story with our country is as such, all donor funding are directed to where ever the government minister comes from. You all can argue on that but it is a fact.

Mr Deputy Speaker, there is no criteria to guide the development partners on where to spend. We must have the figures so that we can assist the partners increase our indicator of health and education. Therefore what are the basis? What are you giving autonomy for? Are you giving autonomy because it will increase health and education indicators? What is the meaning of the autonomy that you are putting in place?

Mr Deputy Speaker, we have an issue that we must clarify. It is not a matter of where you sit in Parliament but a matter of national interest.

36/02

We must talk about not having enough money. The Deputy Prime Minister and Treasury is struggling to get the Budget funded.

As for me I know that K10 million for each district as a lot of money. It's a lot of money compared to so many years ago since Independence, no district has ever seen K10 million a year.

That's a lot of money but when you preach about equality and equal distribution of wealth, here comes donor guided by Planning or some other department to fund the same areas that already have indicators indicating that they are okay. What about the provinces and districts and electorates that are performing very badly in the indicators? Who's going to fund them? What formula are you using?

The current Deputy Prime Minister and Treasurer and former Planning Minister stated it very clear when he was Planning Minister. And he did a very good job to put the Planning Act in place. The Planning Act is mentioned here also. Are we implementing the Planning Act because what this simply says is this, before you go to the store you must do your shopping list first. This will tell you if you have sugar or not. If you know that you do not have tinned fish

then you can take the money and go and buy the things on your list. What the Planning Act means is that you must have a plan before you spend the money. You can't spend the money without the plan. And where is the plan? The indicators of health and education. The HEI. It simply means that. So, do you know the indicators of your district? I want to know my indicators. How is Nuku performing compared to Golala, Telefomin or some other electorates?

Mr Deputy Speaker, I have a big question, when we start calling NCDC Electorate as district, they don't qualify to be called district. Which laws says it, quote the law? Do they qualify for DSIP funding as the name says it? I don't think so, by law it doesn't. So you might as well call it an electoral development fund? That makes sense. By name and by definition it is okay. It qualifies but not a district support grant, by meaning, by definition, where did you get the word 'district' from?

So, Mr Deputy Speaker, these are some serious discussions that we must discuss to get ourselves right. So, I want to also put on record now, Mr Deputy Speaker, that whenever ministers present papers, you must indicate or present them based on the district indicators. Tell me exactly so that we can discuss. Oh, I have a situation with my health programme so that I can put some money from my DSIP and if you find some money from other means that you never announce in Parliament then you can give it to us by other means. If not, if you want your own system then you can go ahead and do it.

The bottom line, Mr Deputy Speaker is that we must be guided by the HEI. The Education and Health indicators are the basic measurement indicators that everything is measured and based on. We can build good roads and everything else.

So, Mr Deputy Speaker, we must talk on things that will open up our minds. We cannot just read papers from officers or whoever that is giving us the same story. How can you change the indicators if you are doing the same things? Authentically it's not about changing performances in terms of administration. It's about indicators.

I have been a former provincial administrator for nine years and West Sepik was performing very well when I was the provincial administrator but I still had to walk for three hours before I get to my village.

So, when we went to Alotau to form the government, a lot of things changed. Everything changed for Papua New Guinean in 2012. Ward members got paid, village court officials got paid, land mediators got paid, and well they are not paid yet but on paper, according to the policy it says 'paid'.

37/02

I would like to commend the Deputy Prime Minister, Prime Minister, Sir Puka and Finance Minister for the good insight when putting this together at Alotau in 2012. The basic idea at that time as I recall under the chairmanship of Sir Puka was to basically put ‘as is basis’ so that the Prime Minister’s directive was to put the money down.

The main source of funds is the DSIP and PSIP, now the extras must use whichever development support or development funds to fund those electorates that are not performing in terms of indicators. That is where they come in. So if we do it this way, we may see improvement. But today we just received K2 million of DSIP funds in July. What are you going to do with that K2 million, are you going to wait another five months? Let’s put emphasis on DSIP and PSIP. I don’t know much about PSIP but DSIP funds have driven development. And most of the members within key ministries, including the Prime Minister and Deputy Prime Minister are Open Members. So if we are committed to giving out DSIP funds we will see changes happen to address the issue of HEI, the indicators of health and education that is the bottom line.

I have talked about a lot of things but I think that Members of Parliament must evaluate what we present and discuss. We should not be wasting time discussing things that don’t matter. We should discuss about addressing the issues of the very remote electorates of this countries. Those electorates are facing a lot of problems in terms of health and education. We must put the money from our friends, the donors and those that fix our roads and create projects that can improve the indicators of these areas. The report shows it clearly.

When I heard about the Prime Minister signing with the three provinces, I was drawing a conclusion that it is all about money. Each province is trying to find extra ways to get some more money to help themselves. That is my own personal conclusion. But as a country, we should stand together and support the Prime Minister, Deputy Prime Minister and Treasurer to ensure that the Planning Ministry sorts itself out and fund the *Planning Act* brought in by the former Minister for Planning and current Deputy Prime Minister.

The Act was passed in Parliament and it is sitting there. How are we going to fund it? What is guiding the funding? What criteria are we using to fund guide the donors to fund the districts and the provinces? What criteria are we using? If there is a criteria in place, can the Planning Minister tell us exactly what it is and provide a copy to all of Members of Parliament. Tell us, this is the criteria that the Department of Foreign Affairs and Trade Australia is using to fund using Australian money. Or this is European money, I will use it to fund the district or

the province and this is the criteria I will use. Right now, we don't even know which criteria they are using. That is my conclusion remark. Thank you, Mr Deputy Speaker.

Mr SIMON DUMARINU (Central Bougainville) – Thank you, Mr Deputy Speaker. I stand here to debate the Ministerial Statement presented by the Minister for Inter-Governmental relations this morning.

I also take this time to commend him for presenting a statement that needed to be made and at a time when there are calls from within the country, especially from the provincial governments.

38/02

Mr Speaker, to address this issue that has basically surfaced now, we really need to regard it by where we come from, where we are and where we need to go. Let us not take this opportunity lightly. I think the Prime Minister of this nation has called last month stating that it has come to a stage where he will look at the government structure in the country.

There has been calls that this country is over-governed basically by the levels of government that we have in this country. I recall when Papua New Guinea gained independence in 1975, but now the population has increased and that is putting a lot of pressure on the National Government to provide services required by the population.

The provincial governments are now calling for autonomy and basically wanting more powers to the provincial governments. I support the comments made by other speakers. I think the issue that should be guiding us is the creation of the provincial government system in 1977. That came about because of the uprising in Bougainville. They wanted to break away from Papua New Guinea. However, the compromise that was reached was to establish a provincial government.

So Bougainville took the autonomy and other provinces want that system too. This system worked in some provinces. I was really encouraged by the premiers in each region because they worked collectively. In fact, what they did was to look at the globe in the region.

Honourable Members, I made a call earlier and I want to make it again. Waigani is the 'Dead Sea'. Revenues of the resources come to Waigani but those revenues do not reach the provinces just like the Dead Sea where the fresh water flows through but the sea does not give back life.

That is why I refer to it as an opportunity. If you want to really look at the structure to serve our people in this country. We should not look at a cut-and-paste system because PNG is already becoming a cut-and-paste nation.

Papua New Guinea will grow from the provinces and not from Waigani. We need to be seriously guided by what is happening today. We are now talking about the new gold mines again and the revenue will come here but how much will be given to the provinces or the districts where these project are?

39/02

That is why I am saying that in relation to reforms we need to critically look at how we can have those development funds in the province. And I support the call made by the Minister for Health. He is using a different term- regions. I would support a regional autonomy. And there are a number of factors that basically supports this call. If we talk about provincial autonomy, there are provinces which do not have the resources that others have. Maybe we should look at regional autonomy, to basically give powers to the regions. But from what we already have, three provinces are ready or have put their hand up to gain autonomy.

It is good that this statement also made a reference to the Organic Law. One thing that we and our people can understand is that those provinces cannot attain autonomy unless, the *Organic Law on Provincial and Local Level Governments* is amended. So in a way we are raising the expectations of our people without even amending the *Organic Law on Provincial and Local Level Governments*. It is good that the Minister pointed out through the statement that, the *Organic Law on Provincial and Local level Governments* must be amended to cater for any new arrangements.

Currently, there is no law that provides for autonomy in other provinces except for the arrangement for Bougainville. When we are talking about autonomy, I want to call on Parliament to accept the arrangement that is in place for Bougainville. The Bougainville arrangement is an arrangement to stop a crisis that was not started in 1988, but one that started in 1899. That arrangement must be respected and Bougainville will always trigger change in this nation, because they have an issue.

Am sorry but and I apologise on behalf of our people of Bougainville, for Papua New Guineans becoming a victim of an issue that we have no idea as to how it begun. But it began, I think it was between the Germans and the British who drew a line between Solomon Islands and Bougainville. That is when the problem of Bougainville started. Again, I want to state here that there are no other parts of Papua New Guinea who have a history like Bougainville.

The arrangement for Bougainville is one that the 20,000 people of Bougainville and Papua New Guineans died for. I hope that this will remind us to respect that arrangement. And I want to call on each one of us in this House to seriously look at the calls from the governors to basically transfer powers from here. The 1995 Amendments to reform the provincial government system is a disaster. Provincial governments had the powers to raise their own money. Today provincial governments are begging from Waigani to have money transferred. We must not take this issue lightly. We need to seriously look at it through what sort of laws will provide solutions and not as band-aid to our problems. I think the Governors are making a good call on behalf our people but I would support regional autonomy and not provincial autonomy because there are provinces that do not have resources that other provinces have.

40/02

In fact, three or four provinces have a lot of resources compared to others who don't but the only resource we have in those provinces is human resources; the people of Papua New Guinea. We must look at this now and I thank the governors for making that call to relocate the structures of governments that we have today.

So, with these changes that are going to take place, I hope that we will be guided by change of legislation to cater for powers for provincial governments or our regions so they do not depend on Waigani. Again, I will tell you all that Waigani is like the Dead Sea, it will always remain like that if we do not seriously look at this issue.

So, with this, Minister, I give you my full support to ensure that proper legislation is introduced to transfer powers to the regions or provinces to support themselves and not depend on the National Government.

When we say that this country is over-governed, we should not just look at provincial and local-level governments but we look at reducing the number in this House and put more focus into the regions so that we can address the issue of over-governing where we have many leaders.

Some of us who are serious about our people can go back and work in our regions or provinces and we can start to develop our areas.

Mr Deputy Speaker, to conclude, Papua New Guinea will not be developed from Waigani, Papua New Guinea will be developed from the provinces and regions. Port Moresby will grow Port Moresby. Thank you.

Mr MICHAEL NALI (Mendi – Minister for Works and Implementation) – Thank you, Mr Deputy Speaker. I too would like to add on to the statement of the Minister for Provincial Affairs.

Mr Deputy Speaker, the conclusion part of the Minister’s statement that really touched me was “the challenge is now on us to make it work.

Mr Deputy Speaker, when we look at ourselves we have the National Government, then the Provincial Government, then the Local-level Government and ward councillors who are looking after their wards. These three levels of Government are all in place to represent our people and they too will automatically get affected by the laws that Parliament and the Provincial Government have enacted which are all dealing with our people.

So, when we look at the responsibilities of the three levels of government from my point of view, in the Bible there are Ten Commandments and it covers all the activities that we humans go through such as experience, benefit and abuse in our daily lives.

41/02

Mr Deputy Speaker, but we have in place our *Constitution, Organic Law* and Acts of Parliament, other laws, rules and regulations. And, too, we have the National Government, provincial governments and local-level governments and on top of that, we are debating about autonomy now. So many different governments and powers we are debating on and what will we do with all these issues?

Mr Deputy Speaker, it doesn’t matter how many people you gather on one island and give them money or responsibility to carry out this work for the benefit of this island.

Mr Deputy Speaker, what matters most is whoever takes the lead in carrying out the work, and secondly, it boils down to whoever obeys and follows instruction from the leader to carry out that work.

We all have seen that when provincial government system was established we decided to change it. We must fully understand what are our roles and responsibilities as leaders. Why I am saying this is because I am the Minister for Works, my duty is to make sure that roads and bridges are constructed and maintain existing road. Whether I have funds or not it doesn’t matter because it’s my responsibility.

Mr Deputy Speaker, on top of this, I have questioned myself many times. When I construct a road then what purpose will it serve? How many highways have we built so far? Are these highways being used properly and for a purpose or not? They are very good questions to ask and I think we all know the answers. It doesn’t matter how super that highway can be

but our people don't really care. We politicians have created a big culture and it is eating into us and yet we are not honest enough to admit.

I was elected in 1992 as a young man and when I go back to my electorate in Mendi and talk to my people they listen and follow what I say. But some of my village leaders judge carefully what I say and advise me to be careful with what I say and I follow them.

We, leaders, have different personalities, some listen and some disobey. The time that we are now in, our behaviour and attitude has changed dramatically in the way we operate from day to day.

One major issue that we simply forget in this country is our culture; how we behave. Don't talk about other issues, trees and grass will still grow, oil and gas will be extracted from our land and taken away but our people will still survive in this country as long as we live on this earth.

But being a young Island nation we are developing very fast and at the same time we are forgetting very fast on how we behave and approach other people. This mentality of respecting other people is no longer there. And here in this Parliament we have some credible people here with us and some at the provincial level.

In the past, only the village leaders in my village became councillors but now drug addicted people become councillors too.

42/02

The drug addicts and homebrew consumers are councillors. The people are not voting anymore because these people forcefully run their own elections. But when major issues arise that affect the village, it is the elders that come forward to settle the issues and not these people.

Mr Deputy Speaker, it really does not matter how much money one has to solve the problem. It is the knowledge, wisdom, experiences and the leadership qualities and the guiding hand of God that solve problems.

We in the Highlands come up with all kinds of compensation payments. Payments are sometimes so extreme to almost K1 million and so many pigs but when chosen leaders stand before the mediation, things are sorted out so easily with less the amount that was originally demanded. Even the claimers of the compensation payments are happy with whatever that is offered as compensation.

Mr Deputy Speaker, leadership is something that was given to us by God to control his people. We were too afraid of regional governments so many years back but times have changed and we are now discussing these issues.

I am concerned that our systems in our country are collapsing. Looking around our streets in our country, police are not arresting wrong doers. They are becoming friends with the very people that they should arrest and charge. This is an important system in our country that is dying out very fast. We here are politicians and Members of Parliament so how can we go out there and arrest people? Our Police Minister is doing his job by instructing the Police Commissioner to carry out his duties. The Police Commissioner in turn orders his police personnel to carry out arrest but they do not adhere to the oath they make, therefore, the criminal walks away a free man. We have the leaders on one hand and on the other we have our people who must listen and obey our laws in order for us to have a better country.

Mr Deputy Speaker, we are the richest country in the Pacific and blessed with a lot of resources. Furthermore, we have a vast resource in our land that we own. We have all the resources including our land. The Member for Sinasina-Yonggamugl made a statement in one of our dailies telling people to go back and work the land. Yesterday, I heard on the radio that they were going to open up an agricultural extension programme somewhere in the Highlands. Who are you trying to educate? We use to be coffee growers but now people are no longer interested. People in the coast are no longer interested in copra or cocoa.

43/02

Nobody wants to cultivate kaukau, spices such as chilli, et cetera. Mr Speaker, in my district the DSIP money received has a lot more money left in the account. Do you know why I have a lot of money sitting in my DDA's account? That is because I am not dishing out that cash. I am going to be a happy man to walk out of Parliament if I am not re-elected in 2022 because I want to teach my people to learn to do the right thing.

Members are creating a culture where they want people to say, hey, boss, there's money in the account. Give us some minor works such as rural clean up or some other such works so we can get it and use it. No, that practice is not going to be entertained. If you don't have teachers' houses, you let me know, if a bridge is washed away, you let me know or if a landslip occurs you let me know. I am not going to give you cash to go and squander.

Mr Speaker, I also wish to challenge the provincial governments also. When you are running the provinces, you must know that the provincial government is in your hands but very lucky and very convenient, thanks to this Government. The Government has made things very easy for us by giving every district K10 million. And that K10 million is a lot of money. You can do a lot of things in your district.

When you go to Mendi, Mendi used to be a nice place, now Mendi people have burnt an Air Niugini plane. We have also burnt down our courthouse and the DDA office. We have burnt down everything worth burning down.

Mr Speaker, I wish to say sorry to our country Papua New Guinea and all of you leaders and people of Papua New Guinea for what has happened in the district and my provincial headquarters.

Not all of us are guilty of those events. Individuals who took advantage of that issue have orchestrated those events. Do you know who did those? Marijuana, homebrew, if you go down to Mendi to one of the markets that I made at Wara Mangani, you will see that this is the very place where they produce home brew and it is also the hub of growing marijuana. The opportunists were just waiting for a catalyst to stimulate their reaction.

Mr Speaker, I have some people who have lived in my district for a very long time. They have commandeered many hire cars from business people and drive them around and then they will come and say, boss, here are the hire car bills. You are not entitled to a hire car so how did you get that car? You go and pay for it yourself.

We've got to start to be tough in the things that we do. We leaders must shoulder many of those blames because we have been very soft.

Mr Speaker, one thing I have noticed is that all of us, Members of Parliament, have campaigned and spent all our resources and when we come to Parliament, knowing full well that we are going to go back after five years, we know that we are going to need vehicles, money and repay all the loans from the past and many other such commitments. With all these thoughts bombarding us, we are forced to get into this business of agreeing and compromising with our voters.

Individual Members of this Parliament have personal business interests so they are very lucky but a lot of the Members of this Parliament who have no business and have no other means of getting some extra toea are living on borrowed money. Trust me, Mr Speaker. The fortnight pay that I get is not enough. It is not enough for me.

But I am not complaining about the money. I am just pointing out the truth about life of leaders. Leadership culture of Papua New Guinea is completely different to the leadership culture of Australia. In Papua New Guinea I became a leader because I have a tendency to put my hands into my pocket and because I am the person who brings in the biggest pig to pay compensation for a youth who has a reputation of being a thug. Where there is a mourning house I buy coffins. I am a man who kills pigs. I am a headman. That is why they take me as their chief.

44/02

But my fathers are the real chiefs but while awaiting their calling, I have taken up that responsibility. But, Mr Deputy Speaker, the burden of leadership is unbearable that many people don't really understand what the Members of Parliament are going through. It is very tough. So people must not think that we have come to Parliament to be seated nicely, be well dressed and put on a show. There are some joy in it but, Mr Deputy Speaker, you know what I am talking about. Every day we are put under a lot of pressure and stress.

Mr Deputy Speaker, I think in terms of leadership, we must look at approaches to provide a stable environment for our leader so that they can concentrate on their responsibilities. The society today is completely different from that of the past.

Mr Deputy Speaker, I am emphasising on leadership because only through proper and strong leadership will the country and provinces and councils be well established. If there is poor leadership, it doesn't matter. If you want autonomy, you can have it. No one is complaining about autonomy, but what will autonomy do to you? The leaders of the provinces who have received autonomy are the ones that will change the province for the better if their mindset is right and they are doing the right thing.

However, if they fail to do the right thing and fail to provide good leadership, this autonomy that they are asking for, they may not even know what they are asking for. It's all to do with the mentality. In everything we do in life, it is sometimes good to question oneself, what am I achieve out of this. Many times we forget that and we make too many changes. The national government remains as it is except that the number of seats at the national level has increased and a couple of provinces added. For provincial governments there has been changes as well as the local level government. But for local level government leadership, now that the village councillors are on payroll, the genuine councillors have been overtaken by criminals, not everywhere but in few areas. But in my village, I know of young men whose fathers never contributed to society or the community and forcefully become councils without merit but fail to facilitate during reconciliations. These are just some comments I would like to contribute to this very good Ministerial statement. With that, I thank the Speaker and the Members for listening to my debate.

Mr THOMAS PELIKA (Menyama) – Thank you, Mr Deputy Speaker. I also thank all those Members of Parliament who have spoken ahead of me. In the past, there were village councillors. These councillors collected tax from the villagers. But do we still practice that today? I don't think so, we all wait on the government for funds.

John F Kennedy made this famous quote 'ask not what your country can do for you, ask what you can do for your country',

I am one of those who voted against this reform. I wanted to change the laws of this country because Waigani holds the funds. When we come to Parliament there must be changes made and the funds must reach the electorates. When Somare was in power I asked for the vote to make reforms for funds to leave Waigani and reach the rural areas. The rural electorates are marginalised. Why are we trying to rid the provincial government in this system because those in the provincial government care less about the little people from the rural areas? Some provincial governments are effective, some don't care about the people. Some leaders today don't care about the people.

45/02

We have not made any changes to the money laws so where are you going to get the money to fund the people and the projects instead of allowing it to be taken money overseas.

We are talking about K10 million. This is the money from our resources that were used to fund votes. So in a way, we keep the council and change the money laws so that when we get it, we should bring back the money into the country.

Now people are receiving the revenues from the agreements signed. Just make sure that the MOAs are correctly addressed so that our people can benefit and the provincial government can benefit as well. We should have the money to develop our districts.

I was privileged to be a policeman and worked in Oksapmin, Telefomin, Esa'ala and Woodlark. I have been to Western and the Highlands provinces, to Gumini and Yani.

I am saying this because we are not concerned about our people any more. Our public servants are watching. When they see that their leaders are dishonoured, they also want to do their own things. There is no checks and balances.

When we say take the money to your electorate from Waigani, there must be a monitoring and evaluation section to check this up. But those in Waigani demand payments before they can carry out a task.

I support comments made by the Deputy Prime Minister and also the honourable Minister for Health. We must establish a Parliamentary Committee and review this issue. Why is there a blockage? The governors also came to Waigani and grieve. We are repeating the circle but we are the parliamentarians and not little clerks. I do not know what more to say now. But if you look closely, there are certainly people who provide advice and some made errors and said, let's look to the North.

Mr Speaker, I supported Wingti and we looked to the North and I have done some stupid things for my country. I brought them to build big roads but some of you bring them here to build small roads. In the name of development you must tear it down to make new roads. So to those advising us and don't want us to grow as a nation, we are one country Papua New Guinea and let us work together. Let us put our foot down. For example; East New Britain Oil Palm is a good project so they said to build a factory in Scotland or England.

46/02

How much tax have we got for our oil palm? Are getting our tax back? It is the small farmers, the people of West New Britain, who work hard to produce the oil palm. Are they benefitting from these?

There are no checks and balances. How much have we got from our copper, gold and silver? They have grounded them down to dust and exported them already. And as for our Government once the investors tell them if they want 30 per cent they will be eligible for a loan and yes they are contracted to mine in the country. Have we not learnt from our mistakes? Can we change the money laws during this term of Parliament to make sure we do not have to pay the 30 per cent equity fee so we can have enough to give to our people? Let us change the mining laws, so that we do not borrow to pay for the equity percentage that the investors come in with.

We look stupid, last fortnight while you got paid I did not get paid. It may sound funny but this has to be stopped. I do not have money for such cases as Haus Krai. And the population is increasing on the same speed with people's demands.

These are some facts of life and I support the call made by the Health Minister. Can both sides of the House agree and find out why there is a blockage in Waigani? Why is that we cannot get money to our people, in order to move the country forward.

Why is there are blockage and so much money is only going to certain areas? It is money for Development, if Port Moresby and Lae do not need the money those in Nuku and Menyama need the money. I was privileged to be on the Emergency Committee and travelled to the Highlands. Despite the resources of oil and gas, most of what I saw as a police officer stationed in those places has not changed. There is not much change, so we have to review our tax laws and mining laws to ensure we have total benefits of what is taken from our environment.

I support the sentiment shared by the Leader of Pangu Pati, who reiterated on the issue of DDA. This animal that was created, let us feed it so that it can help us, but we are doing

nothing about it. And when I went to ask for a loan from the bank under the DDA for my district, I was told there is no money.

47/02

Only yesterday, I went to the bank to ask for a loan for the district and they told me that I do not have any powers. What the hell when we are trying to become self-reliant and move on. If the government cannot give us the money, allow the districts to go and borrow money to a certain limit, for instance, K3 million or K5 million to fund projects in their own electorates. We cannot afford to wait around for funding from the National Government.

I don't want to become a beggar because K10 million appropriated for my electorate is not forthcoming. So as politicians, I want to ask again, do we really need wards in our electorates? Ten thousand kina is okay for each Ward in the urban electorates but for rural electorates like Menyamya, it is in the remotest part of the country and what will we do with the K10 000 for each Council Ward? Up until now, these wards have not received any funds and the councillors are also not paid their fortnights.

So as politicians, we must carefully look at how the K10 000 allocation will work in each Council Ward. It won't be similar to all the areas, different Council Ward areas have different needs depending on their geographical location. It is not right when someone in Waigani tells us what to do because we have different needs and whatever projects I fund depends entirely on our needs.

I know that one day, Menyamya will become a central point when roads are linked from Port Moresby and other nearby provinces. I heard Sir Puka Temu's debate and I was not pleased because why is there a blockage in Waigani in terms of cash flow. There is no excuse because we have a lot of gold and gas resources but what has happened to all the money? Did Waigani use up the money?

Thank you Mr Deputy Speaker.

Mr PILA NININGI (Imbonggu – Minister for Higher Education, Research, Science and Technology) – Thank you, Mr Deputy Speaker, I, too, would like to commend the Minister for Inter-Government Relation for bringing this Paper to Parliament.

When they were trying to start the provincial government system my father had been a councillor for Ialibu for a very long time and he was given the funds to make the road and that fund was called RIP. This little fund helped to build the road but when the so-called provincial government came in this fund never came, the road deteriorated and also the bridges got spoilt.

At that time I was the advisor to the Government and Honourable Thomas Pelika was the Minister back then and I tried to influence Governor Paias Wingti to change that government system. But, when we were trying to change it another Prime Minister came in. I wrote a paper and I held on to it and later when Sir Mekere came then Mr Utula Samana came in and I gave him the paper.

Mr Ben Micah and I changed the provincial government system and now we have this new system in place simply because I believe that the money will go to the village.

48/02

Mr Minister, when autonomy is granted to them I hope they won't appoint campaign managers to become managers at different levels. They don't respect the system of government such as budget provisions. For instances, if funds are allocated for health then it should go to health sector, education and roads and so forth. But the main problem is that you can colour it and come up with a major budget and say this and that but in reality funds are diverted to other areas. Unless governors and provincial governments have the respect for the budgetary provision on how they can spend these funds and what it's intended for, then we won't create harmony amongst our people. I personally think that it boils down to individuals.

I fully support the three provinces for them to have their autonomy because they are capable of managing their provinces so that other provinces can learn from them. They must not use their money without consultation and funds must be used on purposes intended for.

Mr Deputy Speaker, in the case of decentralised functions and powers to certain provinces such as Enga, they have tribal fights often so we must decentralise police powers and if he wants to engage foreigners such as Australian police then do so and see how he manages it. If it works well then fine, other provinces can follow suit.

We can have a trial for Enga, there have been request for police personnel for almost seven times in every meeting about police presence in the province. Now we try them out and they can prove to us that they can manage it. We have to empower them with some responsibilities so that they can implement it.

Our *Constitution* will never allow a province to break away completely, no. Every province is part and parcel of PNG. The *Constitution* has the overall framework and we must respect this system. So each provinces must only manage their own affairs and not to break away completely and if you have this mentality then it is wrong because the *Constitution* never allowed for it.

Thank you, Mr Deputy Speaker.

Mr KERENGA KUA (Sinasina-Yongamugl) - Thankyou Mr Deputy Speaker, on this Floor of Parliament we debated on a lot of issues. But once in a while we have to debate an issue that is of particular importance to the survival of this country for now and going forward into the future.

49/02

Once in a while we have to debate an issue that is of particular importance to the survival of this country for now and going into the future. This is one of the issues and if we did not debate and address it properly, the consequences will be felt for decades to come. It will take decades to fix and that will be a lost opportunity to future generations of leaders. It is incumbent on us to take this issue seriously and to debate it properly.

Mr Deputy Speaker, I am not quite happy to see that nearly everybody is not here on the Floor of Parliament. We are about 40 or so out of the 111 Members of Parliament. I wonder if our elected leaders see the importance of this debate.

An example would be the issue of Bougainville which revolves around this question of decentralisation of power. Decades later it is still haunting us and we have not found a proper solution to it.

The front bench of the Government is empty. Where is the Prime Minister and all his senior Ministers? Of the 12 only 3 of them are here and nine are missing. What level of importance do they place on this agenda?

Mr Deputy Speaker, for whatever its worth, I want to add a few comments to hopefully give some sense of direction and objectivity to this debate. I can already see that we are derailing ourselves and moving away from the fundamentals of setting up a government vesting it with all the powers and then diverting some of it to lesser authority. These are not new things. They have been done so many times all over the world over generations. From all those experiences they have distilled it and written it into our *Constitution*. We do not have to go far to seek advice when discussing this agenda.

Mr Deputy Speaker, it begins with the proposition that all powers, authority and jurisdiction belongs to the people. By virtue of our *Constitution* which is a contract by our people written in 1975 vested all those power, authority and jurisdiction in the National Government. It was not vested in any other government but the National Government which consists of this legislature. Secondly, the National Executive and thirdly, the National Judiciary.

Those are the three trustees that manage the repository of the people's power. That is the primary proposition. That is the foundation principal that we must not lose sight of. The people did not in this contract call the *Constitution* vest their power in any other secondary authority. They vested it in the National Government.

Therefore our primary position has to be to respect that and defend that primary position. Any thoughts debates, suggestions of moving away from the primary position has to be done with a lot of cushion. The provision for provincial government is a secondary position in the *Constitution*. The primary position is the National Government of which this legislature is a part of.

If we are going to be talking about devolution of power to a secondary authority then we must do so with caution whilst defending the primary position all the time or losing sight of it. We have got to be careful about all that we do. When we talk about delegation of power to a lesser sub authority, we have got to be careful not divert most of the powers from the National Government or all the powers from the National Government. That is not what the contract says and the position you are supposed to administer. We might not like it but that is what the people want and is written into the *Constitution*.

Therefore any debate we have must respect the primary position that most of the power as of right always remain in the National Government. The *Constitution* says there can be some level of decentralisation, the question is not whether you will have some level of decentralisation but what is going to be the concept and substance of that decentralisation.

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What are you going to devolve from here, down the rank to the provincial government or from there to any other tertiary or other lesser forms of government that have delegated powers from the central point which is the National Government. That is the important point and none of these is covered in the speech by the Minister today.

He said there is going to be autonomy. He said there is going to be delegated powers, but to what extent and of what type? That is the thing that he must bring to the attention of this Parliament so we know exactly what level of power we are going to be delegating away from the central authority that we are supposed to defend, not undermine. That's your constitutional duty, Members of Parliament.

Mr Speaker, we must not forget that. It is there for a reason so we need to know from the Minister. When he is talking about autonomy, talking about more decentralisation of powers, exactly what is he talking about? Maybe it will come in the draft but this is a policy

statement. We need to know. We have to have some indication at this point so that we can start thinking about it ourselves too as individual leaders. What are we going to devolve from here downwards?

Decentralisation of power is not a new issue. We've attempted it on Bougainville in 1976. In 1985 we've reformed that again and up to now it still has not worked. Many people are still complaining so we cannot rush this debate. We need to slow it down.

My suggestion, Mr Speaker, is perhaps the best time to deal with this issue is after the Bougainville Referendum has been completed because when you push the barrel at this point in time, it gives me the impression that you've already taken for granted that the people of Bougainville will vote to be independent.

But, what if they vote otherwise? What if they say, no, we are going to continue to remain a part of Papua New Guinea? Then you have to conduct another round of debates about what sort of power they can have because the powers that they have at the moment only takes them up to the referendum.

And if you go down the process or the step as you are doing now and you met up with that event in Bougainville are you going to run two parallel agenda about what sort of autonomy is to go to the other 21 provinces and Bougainville. It's going to be confusing. Allocation of material, resources and finances will all become complicated.

We have not managed Bougainville properly. We've given them powers but we have not even financed it. Just today, as we are talking here on the Floor of this Parliament, the National Government cheque of US\$1.49 billion to the Bougainville Government bounced today. That is supposed to finance the delegated powers but we are not resourcing them properly. We give them a cheque now and it bounced. If we are not managing what has already been delegated and now here you are talking about more delegations, what guarantee do you have that whatever else you delegate, that require more finances, more manpower, more everything else, that you are going to manage that successfully. The chances are you won't. We'll be wasting our time yet again.

This is a serious business. We've got to manage this country for stability and for success. That means that when issues like this come up on this Floor of Parliament, take a break and think about it carefully before we start shooting off the hip.

We are talking about decentralisation on behalf of the people but is it really the people or is it the leader? Is it the leaders wanting a bigger wider platform to flex their muscles? I don't really think the people want this.

Too many times leaders on this Floor of Parliament use the name of the people as a leverage to gain what they want to build up their own platform and advance themselves in whatever they want to do. But is it in the interest of the people? Where is the referendum, where is the study that shows that this is the will of the people?

I think that is the first starting point. Let's go back and ask the people, did you really call for more delegated powers? On the basis of failed delegations up to this point in time, did you really call for more? If we did that study I think we will be surprised, maybe not so surprised to find that it's not the people, it's the leader.

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The little power delegated has been mismanaged, so how would you manage well with more delegated power this time. We must think before we speak. We are discussing the interest of eight million people, not the interest of one or two persons. The leaders are not the people. Let us not use the peoples' name in vain. Sometimes I think, provincial governors - with due respect to all of them but as a matter of governance, I need to be frank in saying this - they sit on the Floor of Parliament advancing agendas from a conflict of interest positions. They want to build up their own place. They scream for more power and rally the Open Members to support them and the Open Members do so grudgingly without believing in the underlying reasons for it. That is what conflict of interest does. Perhaps, if this reform goes through,

Mr Deputy Speaker, my proposal is this, if you are going to delegate more power, at the same time you must abolish the seat of the governors in Parliament to avoid people with conflict of interest sitting in the central Government and undermining it. It goes back to our primary duty which is to protect the people's wishes which vested their power, their authority and jurisdiction in the National Government and not any other government. So if you want delegation we might look at it, not all of it but some of it. But along with it you must surrender your seat on the Floor of Parliament because going forward we need stability. We need to protect the integrity of the *Constitution* as we have it. So, they must be man enough to say, yes, that is the true proposition. We are operating from a conflict of interest. They should agree to us abolishing the seat of a provincial Member or the Governor so that they can have their expanded territory to operate from in the provinces but not come here and undermine the interest of the National Government whose role is to look at the totality of the country. Not just one section because they will drag us into 22 different directions. That is what will happen and it won't lead to stability.

Mr Speaker, I am asking that the Minister and all senior Ministers over there to slow down this debate, take this paper of the Notice Paper and wait until the referendum in Bougainville is completed and we will see what the position is there or which way the people of Bougainville have voted. Then we will have a comprehensive debate covering them and the rest of the parts of the country together. There will be more common sense, more focus and more objectivity in those discussions. Thankyou 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 4.25 p.m..