

FIFTH DAY

Tuesday 4 September 2018

DRAFT HANSARD

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FIFTH DAY

Tuesday 04 September 2018

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

The Speaker then invited the Member for Ijivitari, **Honourable Richard Masere**, to say Prayers:

‘Heavenly Father we thank you for this day. Heavenly Father we thank you for giving us this opportunity as leaders in this nation. You brought us together Lord to congregate us to be able to lead this nation, guide this nation through the wisdom that you have bestowed upon each and every one of us.

Father we ask you to guide our Prime Minister, Deputy Prime Minister, Speaker of the House, the Deputy Opposition Leader and the Opposition Leader. Give them wisdom O God. Guide their paths, direct them and lead us as a nation into prosperity. Father we thank you once again for this day. We also commit this week into your hands. We ask you to bless this week as we congregate to discuss important issues concerning this nation. Father we thank you once again for your Son Jesus Christ, who died for us on the cross of Calvary. We also thank you for his death that brought salvation to this world. Father we offer this prayer in the mighty name of Jesus, Amen.’

QUESTIONS

Price Hike in Mobile Telecommunications

Mr ALLAN BIRD – Thank you, Mr Speaker. This is a question to the Prime Minister. It is a follow-up question to the one I asked last week and I felt that the answer from the Minister was unsatisfactory. Since then I have received new information. It is relation to the price hike in mobile telecommunications that has occurred recently in the country.

Mr Speaker, in addition to the points I raised last week, the NEC approval, chaired by the honourable Prime Minister, gifted a new 5G broadband network that was built by Telikom transferred it to Bemobile. It gave it to them free of charge.

After Bemobile received this infrastructure, it proceeded to increase telephone communication prices. Its justification is that it needed to cover its operational costs.

This is now putting a huge burden on our people, the business rationale is all wrong, you will note from the questions last week.

My question to the Prime Minister are:

(1) Are you willing, as head of the NEC, to conduct a review with a view to sorting out that mess that is now being created by this NEC decision?

(2) Are you willing to give an undertaking to our people, particularly in the light of some of our commitments to APEC?

APEC as you know is about removing trade barriers. The high cost of communications in this country is an additional burden to trade and of course, to our ordinary citizens in the country.

Thank you, Mr Speaker.

Mt PETER O'NEILL – Thank you, Mr Speaker and I thank the Governor of East Sepik for his questions.

Mr Speaker, I am not aware of any NEC decision that endorsed the price increases by Telikom and Bemobile. I am not aware of that decision and I don't believe that NEC has endorsed that price increase because we leave the SOEs to make their own decisions about operational matters through the board and through the management structure that they have. However, I will get Telikom and KCH to give me a detailed report on this matter and I will certainly get back to the Governor during this session of Parliament either tomorrow or Thursday.

02/05

I want to assure the good Governor that in comparison to Digicel, the prices being charged by Telikom and Bemobile are still pretty much lower.

Mr Speaker, in terms of the roll-out of services, I am told that only 4G is being rolled out by Telikom. I will get the details and report back to the Governor and the Parliament either tomorrow or Thursday.

Beche-de-mer Operator licences denied- Milne Bay

Mr ISI HENRY LEONARD – Thank you, Mr Speaker. My question is directed to the Minister for Fisheries and I ask the Prime Minister to take note.

The harvesting and export of marine produce such as beche-de-mer is one of the only means of income generation for many coastal and island communities in Milne Bay Province. They look to the window of harvesting season to earn a living through the harvesting and export of such fishery products.

The beche-de-mer harvesting season commenced on 01 August, 2018, and is in full swing now, but many have been unjustly denied the opportunity to make a living because of the very questionable conduct of the National Fisheries Authority Board.

The Governor of the Province, a well-known long time operator in the beche-de-mer trade, appeared to have colluded with the NFA Board to deny –

Mr Steven Davies – Point of Order! Mr Speaker, the Honourable Member is asking a question that is against *Standing Order 141*, subsection B 2 and 3 which prohibits questions that raise inferences and imputations that impinge on character of leaders. So the very suggestion that the honourable Governor of Milne Bay has colluded or in any way influenced the decision of the independent Board of NFA is unacceptable to that extent.

Mr SPEAKER – Honourable Member for Samarai-Murua, the Point of Order raised by the Minister is in order as stipulated under the *Standing Orders*. So, you can ask your question but you must not make accusations or point fingers at people at such times.

Mr ISI HENRY LEONARD – Thank you, Mr Speake. I will withdraw the statement which I read that has the name of the Governor or where I mentioned that name. I will rephrase it in a different manner.

Mr SPEAKER – Ask your questions.

Mr ISI HENRY LEONARD – The NFA Board actually denied the issuing of licences to genuine operators in the province such as Milne Bay Sustainable Development Corporation, a business arm of the Milne Bay Provincial Government and Muyu Limited. Given the very limited time for the appeals to the Minister, both businesses appealed to the National Court and requested for an injunction on the opening of the beche-de-mer harvest and export season and to establish truthfulness to the allegations of nepotism and corruption

associated with the decision of the National Fisheries Authority Board to deny them Fisheries Licences.

03/05

On the 31 July, 2018, the National Court made a ruling against the appeal on the grounds that all the administrative avenues were not exhausted by then before taking the matter to Court.

Mr Speaker, the National Court is correct in that all administrative avenues needed to be exhausted before going to the Courts.

However, whilst making this ruling, the Court revealed very disturbing behaviour, an action on the path of the NFA Board. The Milne Bay Sustainable Development Corporation and Muyu Limited's appeal for injection may have been denied by the National Court due to technicalities, but, the fact still remains as per the Courts judgement dated 31 July, 2018 that the conduct of NFA Board was corrupt.

The Presiding Judge in his ruling revealed some very serious matters against the NFA Board and I quote, 'the Board did not reconsider the application on the 20th July, 2018, but reaffirmed their previous decision which I have noted above was heavily biased and smacks of conflict of interests and of irrelevant considerations'. Even then, the Board and NFA did not formally advise the applicants until 24 July, 2018, a mere five days prior to the opening of the 2018 beche-de-mer fisheries season, leaving no time whatsoever for the appeal to the Minister.

MR SPEAKER – Point Of Order! Honourable Member, can you ask your question?

Mr ISI HENRY LEONARD – Thank you, I am about to ask the question.

So, Mr Speaker, my questions are as follows;

The National Courts observed that the NFA Board's decision against Milne Bay Sustainable Development Corporation and Muyu Limited was heavily biased, smacks of conflict of interest and irrelevant considerations.

(1) Does the Minister agree with and accept the Court's assertion on the conduct of the National Fisheries Authority Board with regards to the issuing of licences in Milne Bay Province?

(2) If the Minister agrees with the National Court findings and admits that indeed the NFA Board has acted corruptly, as the political head of this sector, what is he going to do about it?

(3) What corrective actions is the Minister going to offer to the Muyu Limited, the Milne Bay Sustainable Development Corporation and the people of Mine Bay for the injustice that has done to them by the National Fisheries Authority Board?

Thank you, Mr Speaker.

Mr PATRICK BASA – Thank you, Mr Speaker. These are very good question from the Member for Samarai-Murua.

Yes, Mr Speaker, I am aware of the issues on beche-de-mer, I will also give a general overview of the beche-de-mer product and then I will come to answer the questions raised by the Member.

Beche-der-mer is one of the rare marine product which is very rich and highly demanded in the Asian Market as well and it is bound to be misused during for harvesting season.

Mr Speaker, we have launched the harvesting season which starts in August and will end in October. According to the reports, apart from the existing licence holders, many Papua New Guineans are illegally colluding with foreigners to enter into this business of harvesting beche-de-mer in the waters of PNG.

04/05

These beche-de-mer is very scarce and very limited in quantity, so if we over harvest it this might ruin the future of this specific product or marine resource.

In regard to the issuing of licences, Milne Bay Province is the only one facing this issue at the moment. There are three companies in Milne Bay Province that have disputed the decisions made by the NFA Board regarding the issuing of licences.

Mr Speaker, when issuing licences, the recommendations must come from the province. We have a body in the province that make decisions. The NFA Officers in Port Moresby work with the officers in the respective provinces. They screen all the applications to see who qualifies for this business. The provincial officer then makes the decision and recommends to the NFA Board. The Members of the NFA board don't go the province as

alluded to by the Member. The NFA officers don't act on their own but they consult the officers from the province first.

In relation to the other matter, it is pending before the Court, so I cannot discuss the findings of the Court. There is a process that we have to go through.

After the NFA Board's decision, the appellant has to consult the Minister. As the Minister responsible, I will appoint an appeal committee and we haven't exhausted this process yet.

I have discussed it with the Prime Minister and we are in the process of appointing an appeal committee. This committee will review the decisions of the NFA board and will then come back to me for a final decision.

Mr Speaker, on the issue of quantity of catch per day, the NFA Board has allowed a total allowable catch of 142 tonne for Milne Bay Province. This is so much and it might affect the quantity of the beche-de-mer that we have in the waters of Milne Bay.

We reckon that there's a lot of beche-de-mer in Milne Bay Province, but there's a possibility that we may overfish. Therefore, I have instructed the board in a meeting last Friday to review the decisions they made regarding the allowable catch. The report will be presented in this week's NEC meeting for review and I will come back to you in writing in due course.

Empower Local Manufacturers

Mr RICHARD MASERE – Mr Speaker, firstly let me take this opportunity to thank you and your Office for the Inaugural Business Summit.

05/05

It is important that Members of Parliament are aware of what the business communities are facing in our country, particularly the good stories and the challenges they encounter.

Mr Speaker, my series of questions are directed to the Minister for Commerce and Industry. It is particularly in reference to the manufacturing industries in our country.

In recent times, if you move around to our retail outlets, particular the shops, you will find that most shelves are filled with imported products. This is because the country is importing a lot products. This imports are suppressing our manufacturing and local businesses in the country.

For example, we produce rice in the country, yet we import rice. We produce tinned fish, but we still import tinned fish. We produce Ox & Palm and still import it. We produce water, but still import water. We are now producing milk, but we still import milk into the country.

Mr Speaker, these imports are affecting many of our local businesses in our country. These businesses in our country have the potential to expand and grow and create a lot of employment in our country.

My questions are as follows:

(1) What is the Minister and the Department doing to develop the local manufacturing industry and businesses in our country?

(2) Does the Minister have any plans to push industries like Oil Palm to build factories in PNG, so that we can produce the finish products?

(3) Can the Minister consider a submission to NEC for increasing higher tariffs on imported products that are also produced in the country?

(4) Can we ban fake products or restrict imports already produced here?

(5) Can the Minister also look at the possibility of the exemption on raw materials to help the industries in our country?

(6) Can the Minister advice the Parliament if in his future visits to other countries with trade agreements, he will propose an arrangement where for every product PNG imports from a country, they must reciprocate by importing one of our products?

Mr WERA MORI – I thank Member for Ijivitari for his questions.

It is important simply for a fact that not only does it coincide with your forum that we are organising this week, but also a pre-run out to APEC.

Mr Speaker, on the issues of manufacturing industries, I would like to make it clear to the Parliament that O'Neill-Abel Government as part of the Alotau II Accord, have a primary focus to grow the economy. To do that, we have to extend the economic base of this country and our focus has shifted away more from the extractive industries to other sectors like manufacturing and agriculture.

With regard to the first question, I can concur with him that our focus is now on import replacements to meet the demand of this country.

06/05

We are starting off with rice with the support of Trukai Industries and others are also coming on board which will be spread throughout the country. This is the reason why we are driving that.

At the moment, we are not processing enough for local demand, so we have to allow those quarters, so that at least suppliers like Trukai Industries and others suppliers of rice may do so to meet the demand. But, as our production increases sometime into the future, of course we will take the necessary steps to make sure that we can ban where it is necessary.

Mr Allan Bird – Point of Order! Mr Speaker, my point of order is, we just heard the Minister for Fisheries make a response that wasn't base on policy and now we are listening to the Minister for Commerce also responding without the basis of a policy.

It would be nice, if Ministers present a policy and then quote it and then discuss it. This gives the House something to talk about, rather than discuss the individual feelings and thoughts of Ministers. Thank you Mr Speaker.

Mr WERA MORI – Thank you, Mr Speaker.

Furthermore on the manufacturing industries, I'll be delivering in my ministerial statement which is basically more in relation to what the honourable Governor of East Sepik is alluding to.

My department has come up with a number of policies, among them is the policy special purpose economic vehicles. This is a major policy in my department that will drive to what I am getting at.

The second issue is on oil palm or to refine oil in this country. During my recent visit to West New Britain, I purposely visited to see New Britain Palm Oil is doing with regards to oil palm in that province. I believe they have a small refinery which refines oil in West New Britain. But, as you correctly have stated, most of the Oil Palm is exported to the factory in Liver Pool in England, where they refine it there.

It is one of the things that we have in the plan, which I will be elaborate on during my ministerial speech, but again it is a product which we can refine in this country.

For the question on increasing tariffs on imported products, which we also produce locally, we have applied that to our infant industries like the milk manufacturing. We are manufacturing milk up at 19 mile. We have applied tariffs on those that are imported to give

protection to our infant dairy industry. We will take similar action on other imported products, to protect our local producers and manufactures. So, this will not only apply to milk, but to other local products as well. We are going to move towards imports replacement.

In terms of importation of raw materials into the country to manufacture products, I think that's basically in force. I know that customs do allow or give some considerations for those who want to build factories in this country. That will be considered as and per when need arises so that at least we can encourage people to come here and build their factories here and create jobs and employments.

07/05

On the fifth question, on country to country trade, we have several bilateral trade arrangements with countries whereby there are trade agreements in place. We want would like to encourage that and now that APEC is here, we want to enter into more agreements with other APEC countries so that we can be able to enhance our opportunities in terms of growing our economy. Thank you.

Supplementary Question

Ban Counterfeit Goods

Mr THOMAS PELIKA – Thank You, Mr Speaker and Mr Minister. I want to raise some points here. In PNG, our parents and villagers come to sell their goods at the market to earn an income so that they can purchase store goods, but they end up purchasing fake and counterfeit goods.

(1) Can the Minister create a legislation to stop the trading of these fake goods in the country?

(2) Can the Minister create a special business lease system and introduce it in the country?

The foreigners are renting and setting up trade stores in the settlements and even in the rural areas. How will our children sustain their livelihoods in the future?

(3) Can those in the Office of Labour and employment also ensure that our people's jobs are protected?

Thank you, Mr Speaker.

Mr WERA MORI – Thank you, Mr Speaker and I thank the Member for Menyama for his hard question.

Firstly, I agree with the banning of fake goods. We must also understand that it is not the sole responsibility of my department. Other agencies like Customs will have to support my department. If we truly want this to happen, we will need a collective effort from all agencies concerned to check all entry ports in the country to enforce this regulations. It is not as easy as passing a legislation, we have to enforce the law once in place. And that is basically where the problem is, thank you, Mr Speaker.

Public Servants Pay Increment for 2017-18

Mr GARRY JUFFA – Thank you, Mr Speaker. My question is very brief and I direct it to the Minister for Public Service.

The CPI increase adjustments are often paid in the first quarter of the year. I am informed that the Public Servants have not been paid their CPI adjustments for 2017 and 2018. This is affecting productivity in the public service and many of them are running around attending to loan sharks and money lenders. There's also a drop in moral and that affects productivity.

Can the Minister please advise us when the CPI adjustments will be paid to the Public Servants for 2017 and 2018?

Mr ELIAS KAPAVORE – Thank you, Mr Speaker. I thank the Governor of Northern for this important question regarding the payment of CPI to our Public Servants.

Firstly, the CPI pay adjustments were not part of the 2017 and 2018 Budget as we have seen. This has been on the media and I want to state here that, the Government has made commitment to pay the CPI increases of three per cent to the Public Servants for the last six fortnights. More than 60, 000 teachers were actually paid the in last six consecutive fortnights.

08/05

The other category of Public Servants like disciplinary forces will follow on after the next four fortnights, followed by Health staff and admin staff.

I would like to make it clear today on the Floor of Parliament that all the Public Servants will be paid the three per cent increment. This Government has committed more

than K200 million to actually meet this commitment. The pay increment has started from 2017 and it will go on.

Mr Bryan Kramer – Point of order!

Mr SPEAKER – What’s your Point of Order!

Mr Bryan Kramer – I just want to clarify for the Minister, he stated earlier that it was not budgeted for, so is the Minister confirming that the pay increasing were not budgeted for in the 2018? Budget. This question was raised previously to the Deputy Prime Minister and Treasurer, where Mr Speaker ruled my question out of order and said that, it was in the Budget.

Mr ELIAS KAPAVORE – Thank you, Mr Speaker the Government is actually paying the Public servants. To-date, we had covered more than 60 thousand teachers and will follow up with the discipline forces, the other health staff and the admin staff.

The Government has committed K200 million kina to actually meet this commitment, starting January 2017 and will continue throughout this year until the end of 2019.

Mr Bryan Kramer – Point of order!

Mr SPEAKER – Honourable Member for Madang, you have already raised a point of order; therefore, the Chair will not entertain a second point of order from you. Please resume your sit.

Mr ELIAS KAPAVORE – Mr Speaker, I think I have answered the question. The Government committed the funding and has actually paid the Public Servants.

I want to urge all the Public Servants to commit themselves fully to serving the people of Papua New Guinea.

Minimum Wage for Papua New Guineans

Mr THOMAS PELIKA (Member for Markham) – Thank you, Mr Speaker. I direct my question to the Minister for Labour and Industrial Relations.

My question is in relation to the minimum wage of Papua New Guineans.

(1) Can the Minister inform us on the minimum wage set by the Minimum Wage Board that companies should adhere to?

(2) Has there been any review done on the minimum wage in PNG?

(3) Is the Minister aware that the Asians here in our country are underpaying our people, especially those they employ to work in their shops?

They are not paying them according to the minimum wage requirement, they are paying less, even below K100 fortnightly.

(4) Can the Minister also explain why these Asians are occupying positions or jobs that should be reserved for Papua New Guineans?

For example, a shop assistant or shop keeper position should be reserved for Papua New Guineans these are jobs for the little people.

Mr MEHRRA KIPWFA – Thank you, Mr Speaker. I thank the Member for Markham for these very important questions. These are some of the backlog of issues that we have been facing over the past few years. So many people are entering the country through legal and illegal means. All these are current existing problems.

09/05

My department is now at looking into some of the issues that we are facing, one of which is the Minimum Wage. The Minimum Wage is still sitting at K3.50 and the board will reach their term needs this year. Once the board is changed and we have a new chair then we will sit and look into the minimum wage issue, because K3.50 is too low; therefore, we will look at ways to help our people.

In relation to reserved jobs for nationals, the PNG HR has reviewed the list of jobs for nationals. They have already given their recommendations to the department, for us to act upon and implement. We will bring this recommendations to Parliament and the list includes all the jobs that are reserved for nationals only.

Mr Speaker, on the issue of work permits, there have been a lot of issues raised on that and we are continuously reminding our officers to thoroughly screen the applications, but it seems most of our efforts are falling on deaf ears. We have reviewed these and are looking into digitalising all our systems so that all applications will be done online to avoid any further complaints.

Mr Speaker, labour has a lot of cleaning up to do. There are outdated policies and acts and I am working tirelessly to have all these things fixed.

Supplementary Question

Penalise Officers involved in Bangladeshi Syndicate

Mr GARRY JUFFA –This question was asked by the Member for Markham and I would suggest that the Member who is the Chairman of the PAC, can actually summon the Labour Department and their staff and begin to find out what is going on in that department.

My question is in relation to similar matter raised. I referred last term to a sick report on a Bangladeshi syndicate that was operating and had compromised a number of officers within that Department that were involved in bringing into the country a large number foreigners and acquiring work permits illegally, unlawfully and fraudulently. That report contained a lot of evidence and highlighted the officers involved.

Mr Speaker, I have spoken to the Minister about this report and I want to know what actions, the Minister has taken so far in regard to this report. Will there be any actions taken and will the officers identified be taken to task. We cannot just keep warning them. They have committed the offences, so let us deal with them once and for all. This department are guardians of the gates of the economy. They are responsible for protecting the interests of this country's jobs, SMEs, work and opportunities.

Mr Speaker, we keep hearing complaints from Members of Parliament on both sides. The fact is we are in charge, can the Minister elaborate on what we are doing?

Mr MEHARRA KIPEFA –Thank you, Governor for your question. It is another important question and we are working with the Attorney-General to get a task force for cross border and illicit trade to operate on that. To-date, we have worked hard to get few of them deported. And those people that you have mentioned, we are working on that, and once we identify them, they will be deported. These are some of the things that we are doing and we are working closely with the office of immigration. Some of the foreigners who are not following the laws of this country and in the name of our resources, land and people; they do not have a place to stay in this country and continue whatever it is that they are doing.

10/05

Some of them have already being deported. As for your case when everything is in place and recommendations have been done they will also be deported.

Thank you, Mr Speaker.

Provincial and District Operations Funds - Police

Mr JOE SUNGI – Thank you, Mr Speaker. My question is directed to the Police Minister.

Mr Speaker, last week Friday during Grievance Debate, I raised an issue of allocation of operational funds to the provincial police commands and also down to the districts. But, because the Minister was not present, I would like to follow on by asking my questions, so some actions can be taken.

Mr Speaker, as you know the Police is a National function meaning that all funds are budgeted to the Police Department for the operations, except we the districts and provinces receive the infrastructure component, however, that is not actually spelt out in the way of policy or guidelines.

So, Mr Speaker, the issue now is, most of the funds that go to the Police Department, the provinces nor the district don't know about how much is allocated to the respective provinces and the districts.

Mr Speaker, I would like to request that the Minister for Police table in Parliament the actual amount of operational funds allocated to each province on a monthly or quarterly basis out of the National Budget and how much of that amount goes to the districts for police operations?

Mr Speaker, from what I know, in West Sepik, K4, 000 is given every month for the police operations. Two of my districts or even Telefomin is not connected by road, so if they receive K4, 000 a month, how do we expect the police to operate with this amount, in terms of Police arrest, feeding the detainees, preparing the court files etcetera.

Mr Speaker, the important thing is, once we know how much is given, then we can budget for the provinces and districts. But, if we do know, then the Police Department is the most confused department. That is why they go around to looking for support elsewhere.

So, can the Minister table a report for the benefit of everyone in the next Parliament Sitting, a report of how much operational funds is given to each province and district?

Thank you, Mr Speaker.

Mr JELTA WONG – Thank you, Mr Speaker, and also I thank the Member of Nuku.

I apologise that I was absent during Grievance Debate last week because we had some law and order problems in our country that I had to attend urgently, but I will look into it and by the next Parliament Session I should have some figures for you.

At the moment we are working with National Planning and Finance to actually find out what the actual components for each province and districts are. By the next Parliament Session, I should have something for you. Thank you.

ADJOURNMENT

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

That the Parliament do now adjourn.

The Parliament adjourned at 11p.m..