

SEVENTH DAY

Thursday 06 September 2018

DRAFT HANSARD

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SEVENTH DAY

Thursday 06 September 2018

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

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

Sitting suspended.

The Assistant Speaker, (**Mr Thomas Pelika**) took the Chair at 10.51 a.m., and invited the Member for Angoram, **Honourable Salio Waipo** to say Prayers:

‘Thank you, Heavenly Father. Papa God mipla tok tenk yu lo displa dei. Tenk yu long wonderful Parliament, tenk yu long olgeta membas we husat irepresentim ol pipol blo ol istap long displa Parliament today, the 10th Parliament. Father as before mipla go insait long prea Father you know our minds, you know our hearts, you know everything in every one of us here as leaders. Father forgive us if our words or our actions are not right with you Lord, accept us Lord this morning. Larim Spirit blong yu iken stap wantam mipla, larim wisdom blong yu iken stap namel long olgeta lidas. Father mi prea na mi putim Praim Minista blong mipla, diputi Praim Minista, Ministas, Opposisen lida, diputi Oposisen lida na olgeta lain memba blo Palamen, gavanoas igo bipo long throne of Grace blong yu long dispela moning taim. Lord as mipla dwell long dispel graun Papa, Spirit blong yu em istap nay u are real. Lord long displa moning taim mil laik tok tenk yu, mi aknoledzim yu, mi givim glory on behalf of all the leaders here and the people of this wonderful nation of Papua New Guinea Father this morning, as mipla kam before long throne of Grace blo yu larim wisdom blong yu iken gaidim mipla as mipla deliberate antap long ol issus we i affectim na long helpim pipol blong mipla long dispela kantri. Mi tok tenk yu onc again as mipla jonim maus together to say the Lord’s Prayer this morning. Amen!’

DEATH OF FORMER MEMBER (Mr James Gau) –

STATEMENT BY Mr ASSISTANT SPEAKER

Mr ASSISTANT SPEAKER – Honourable Members, I have to inform the Parliament of the death on 30 August, 2018, of Mr James Gau. He was a former Member for

the Rai-Coast Open Electorate in the Eighth National Parliament (2010 to 2012) and the Ninth National Parliament (2012 to 2017).

He was elected in a by-election following the death of then sitting member, Mr Niuro Toko Sapia on 2 June, 2010. He was elected Governor of Madang Province in January 2011 following the appointment of Sir Arnold Amet as a member of the National Executive Council. He also served as a member of the Pensions and Retirement Benefits Funds Committee in August 2012.

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

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

Mr ASSISTANT SPEAKER – I thank the Parliament.

02/07

**ACKNOWLEDGMENT OF THE STUDENTS FROM UNIVERSITY OF PAPUA
NEW GUINEA (SCHOOL OF NATURAL AND PHYSICAL SCIENCE) AND
MOTHERS FROM THE PORT MORESBY CITY RANGERS –
STATEMENT BY THE ASSISTANT SPEAKER**

Mr ASSISTANT SPEAKER– Honourable Members, I would like to inform Parliament that we have the students from the University of Papua New Guinea, School of Natural and Physical Science and Mothers from Port Moresby City Rangers present in the Public Gallery this morning.

On behalf of the Parliament, I extend to them a very warm welcome to the National Parliament.

QUESTIONS

Distribution of Aid Post Kits

Mr ROBERT NAGURI – Thank you, Mr Assistant Speaker. Before I ask my questions, I would like to take this time to thank the Prime Minister, Rt Honourable Peter

O'Neill, for leading a delegation to Manam last week to see the situation as it is on the ground.

I also extend a word of thanks to the Minister for Energy and Communication, Honourable Sam Basil and also my colleague members from Madang; Sumkar, Middle Ramu, and Rai Coast. I also thank my colleague in the Opposition, Honourable Bryan Kramer, for taking time to go to Manam and visit my people there.

I would like to thank the Minister for Defence for the deployment of his soldier personnel who are currently on the island assisting the people with medical care and the establishment of wells for water.

Mr Assistant Speaker, my questions are directed to the Minister for Health and HIV. Recently on my tour to the three Highlands provinces as the Deputy Chairman of the Emergency and Disaster Committee to the Bosavi area, I came across a health facility managed by the Evangelical Church.

The Government has spent millions of kina to purchase medicines and awarding contracts to companies to distribute aid post kits throughout Papua New Guinea.

(1) Can the Minister clarify if the Department of Health has a tracking system in place to make sure that this aid post kits have reached all health facilities throughout the remotest parts of Papua New Guinea?

(2) If there is no tracking system in place is the Minister and the department working on any system to make sure that the contractors are really distributing these kits to all corners of the country?

Bosavi Health Centre

The health facility at Mt Bosavi has not received any kits or medical supplies to date.

(3) Can the Minister take some time to assist those people out there and ensure they receive their share of the medical supplies?

Dr PUKA TEMU –Mr Assistant Speaker, I thank the Member for Bogia for his questions, particularly his own initiative to identify that the Bosavi Health Centre has not received any of the kits and the medical supplies that we have been talking about. I thank him for informing me and I would assure him that immediately after responding, I will direct my secretary to make sure that Bosavi Health Centre receives the supplies that it was designated.

With regards to the contracts awarded to the logistic companies, I have been advising the Parliament that the contracts were awarded to four different logistics companies; one for each region.

03/07

I understand for Momase it was the LD Logistics and so we will make sure that we will check that out. We do not have a tracking system for every box that goes but we have our people on the ground who would normally report to us, firstly to the Provincial Base Medical Store, if they have one. All provinces should have one. But, secondly, to the Area Medical Store and we have an M-supply system that manages the volume of kits that are moving in and out. We do not have a specific base but we have been relying on our staff to inform us. A very good example is the leader who now informs us that there is a health centre in the country that has not yet received the kits and I have been saying that all the health workers, leaders and community, if there is a box sitting somewhere and not moving to a facility then we need to be informed.

I personally met with the individual logistics companies and I basically urged them that the health of the nation also depends on them. If they do not deliver the supplies to the facility then the sick person will not be given the right medication that is needed.

This is a very good question and we are looking at the M-supply and E- supply at the moment and we will build on those tracking systems.

At this stage we are relying on the logistic companies to distribute them and the Central Supply Tenders Board is the procurement authority that gives awards to these logistic companies after public tender.

The review that I am looking at is to go back to the provinces and when the provincial area medical stores are fully established we may delegate the responsibility on distributing the supplies to the provincial health authorities but more importantly the provincial transit medical supply stores. And then, you can call out the local tenders for logistics rather than Waigani managing it. Those are shortfalls that you and I know that if we centrally manage them we do not manage them well and medical supplies is one of them.

I thank the Honourable Member for Bogia for identifying Bosavi as a facility and for those of you who know that the supplies have not reached your health centres, please let us know.

Thank you.

PNGDF – Helicopter Lease Arrangement

Mr PETER YAMA – Thank you, Mr Acting Speaker. I direct my questions to the Minister for Defence and for the Prime Minister and Minister for Foreign Affairs to take note.

Before I ask my question, on behalf of the people of Madang and Bogia, I wish to thank the Prime Minister, Minister for Communication and my brother members of Madang Province, for accompanying me to visit the people of Manam. I am happy that they came to Madang and I took them to Manam.

Mr Prime Minister, you are the first member to set foot on Manam Island and your presence gave the people the confidence and trust of this Government and they look up to you as the father of this nation that will deliver the implementation of the *Manam Restoration Authority Act*.

In regard to the questions to the Minister, the Australian Defence Force leases two helicopters from the PNG Defence Force and pays the cost associated with those operations. It is also understood that PNG Defence Force pays nothing for the use of those helicopters.

04/07

(1) Is it true that the work lease arrangement of those two helicopters is costing K20 million annually?

(2) Is it true that the lease arrangement or agreement is for five years?

(3) Is the contract being properly tendered?

(4) If so, what are some of the prerequisites or the terms of reference for the work lease agreement?

If we calculate the total cost, it costs almost K100 million for the two helicopters for five years. I raise this issue because I was told to follow protocols when my people of Manam were in trouble.

(5) In an emergency situation like this what sort of protocol are they asking for?

This is a volcanic eruption and the people are dying. I need to go there and they are asking me to follow protocol. I am the leader of the people. I need to be on the ground to attend to them. I was told to follow of the 48-hours protocol.

I wasn't aware of the lease arrangement and I was confused. What protocol is ADF referring to?

Mr Assistant Speaker, at this juncture, I am also supporting the Prime Minister's call for Australians to stop discriminating against Papua New Guinea, especially when it comes to

the issues of business and travellers. Simple things like harvesting rice in our country could have been done a long time ago with the help of Australia, but they did not want us to prosper, but to be reliant on them through imports. They made money from us all these years and told us we can't do it because our land was not good enough to cultivate rice.

People like you are helping them.

Mr ASSISTANT SPEAKER – Governor, please ask your questions.

Mr PETER YAMA – I'm coming to it.

Mr ACTING SPEAKER – Don't go around too much –

Mr PETER YAMA – I'm not going around, I'm telling you. I am making some points here.

(Laughter-in-the-Chamber)

Mr PETER YAMA – Can you all have some patience and listen for a while. Forty-three years of Independence and mature enough for Australia to treat us with some sense of respect.

Mr ASSISTANT SPEAKER – Honourable Governor, ask your questions!

Mr PETER YAMA – I am getting there. I have never been to Australia for the last 15 years, not like you all.

(Laughter-in-the-Chamber)

Mr PETER YAMA – It doesn't affect me because I am still a Papua New Guinean and I live in this country. When I want to go overseas, I go to Malaysia or an Asian country and come back. All of you in Parliament go to Australia instead.

(Laughter-in-the-Chamber)

Mr PETER YAMA – Mr Assistant Speaker, in this regard, Australia always used us as a scapegoat. It is about time we do away with Australian aid. It is not of any help to us. It is becoming a liability and problem to us. Every time they give us money, it is ‘boomerang’ money.

Mr ASSISTANT SPEAKER – Honourable Governor, please ask your questions, you can debate during Grievance Debate.

Mr PETER YAMA – Mr Assistant Speaker, I have already asked my question.

Is it true, that the lease of two choppers is costing K120 million annually?

If this is true why is this arrangement for five years causing hundreds of millions of kina. Who is paying the money, PNG Government or the Australian boomerang money?

Mr SOLAN MIRISIM – Thank you, Governor of Madang, for raising this issue.

Let me say this; Australia is one of our partners and is a closest neighbour. She contributes in various forms to all departments in this country, especially the Defence, where they have assisted and supported us in lot of programs. We shouldn’t talk down other countries who assist us but instead appreciate and support them.

05/07

The Australian Defence Force and the PNG Defence Force have arrangements for a civilian heavy-lift helicopter. Right now we have two helicopters that are operating and the issue on K20 million per annum is not right because the Australian Government assists with K15 million per annum for a four-year contract.

The PNG Defence Force has made arrangement with them so our pilots can be trained by them to fly during disaster calls and cover border areas and other issues concerning the Defence Force. The problem right now is that the current helicopters are civilian choppers and civilian pilots are flying them.

So when there is an emergency, the civilian pilots don’t feel safe to fly because they are required to fly in bad weather and land in difficult places that only Defence Force pilots are trained to do.

The four-year contract will expire at the end of the year, which will be put on tender again and other arrangements will be considered. But under the leadership of the O’Neill-

Abel government we can now see so many infrastructures in this country. The Government is considering to purchase helicopters and planes for the PNGDF that have land, sea and air capabilities.

I want to thank the Australian Government for funding us with four boats for PNG. The first one is ready and by December the Guardian Glass Board, named after Ted Diro, will be arriving to PNG.

In fact, Australia is really supporting PNG in a big way.

As for the issue of protocol; Governor, the PNGDF has its own protocol in place and that arrangement made with Australia. They advised you to report to the Commander or Minister for Defence, who will then direct the chopper to fly to Manam. That is the normal protocol that we follow.

Mr Peter Yama – Point of Order! That request was made and I had a discussion with the Defence Force Commander, Colonel Banda, and the deputy controller on the ground, and they went and saw those pilots who then stated that protocol was to be followed.

Even though the Commander had asked the pilots, they still insisted on protocol. Therefore, I want to know what sort of protocol is needed. Do I have to report to the Prime Minister or Minister? Because the Commanders were with me and they couldn't allow me to fly with them. That's why I want some clarifications.

Mr ASSISTANT SPEAKER – Your point of order is out of order.

Mr SOLAN MIRISIM – If the Commander was present when such situation arose then I apologise and if it was just an officer present who didn't consult the Commander then I apologise for that as well. That is the protocol. A hierarchy exists so they need to refer to the Commander or the Minister. As you are politician and the Governor of the province, they rightfully advised you to follow protocol by informing the Minister and Commander before they could fly you to Manam. I think that is correct.

Otherwise you should appreciate that the Defence Force personnel were on the ground to assist you. In fact, a boat was sent with relief supplies of food and you have assisted a lot in that emergency case as well, and I commend you for the good work done.

06/07

Rundown Government Station

Mr HENRY AMULI – Thank you, Mr Assistant Speaker. I direct my question to the Minister for Housing.

Mr Assistant Speaker, I spent one week in one of my remotest Tamata LLG in the Sohe Electorate. We have four LLGs in Sohe and one of them is Tamata LLG where Ioma Government Station is located.

Mr Assistant Speaker, Ioma Government Station used to be a very beautiful station in the Sohe District. Now the only government entity existing in this station is the Ioma Primary School. The Tamata LLG no longer has their meetings there and the facilities like the Council Chamber and subdistrict offices are totally rundown and overgrown with bushes. All the government documents are destroyed by rain and lack of proper upkeep. There are no public servants, even the ADA, LLG manager and other government officers are based at Popondetta town. The Airstrip in Ioma was closed 20 years ago.

Can the Minister clarify whether it is his responsibility at the national level or is it the responsibility of the provincial government and the district to maintain those government houses?

I am committed to work closely with this subdistrict to bring all the public servants back to this government station so that they will start to serve the people of Tamata LLG.

I ask the Minister to answer this question so that I can know my priorities and make commitment through my DSIP to revive Ioma Government Station.

Mr JOHN KAUPA – Mr Assistant Speaker, I thank the Honourable Member for Sohe for raising this very important question in relation to Ioma Government Station in Tamata LLG, Sohe.

Mr Assistant Speaker, when I took office, I directed the NHC management to take account of all the houses in the country. The first province that we have identified and are working together is the Gulf Provincial Government. We have identified all the government houses in the province and its districts and now we are working together with the Gulf Provincial Government. We will off-load some of the responsibilities to them so that they can look at the districts.

Likewise, the Member for Sohe has asked me and I have told him that my recovery team will be going to all the provinces to find out exactly how many NHC houses are there.

07/07

We will work with the Honourable Governor of Northern so that he will take note of his districts so we can work together with the provincial government to deal with these colonial houses which are made up of fibro and not good for humans to live in and work. We will take note of them and give it back to the provincial government

Mr Peter Isoaimo – Point of Order! Mr Assistant Speaker, can the Minister clarify if the NHS can also take responsibility for district housing because it's a matter to the provincial government as well.

Mr JOHN KAUPA – Mr Assistant Speaker, it comes under the provincial government. The Honourable Member for Kairuku-Hiri is correct and that's why I want to work with the provincial government so that we can identify them because my record says that National Housing Corporation has at least got some properties in all the districts too.

On that note, I want to work with all the provincial government so that we can identify all the districts so that we can offload it to the districts and to all the members. We now have decentralised these powers and your DDA will work with your staff in the districts so that you can provide affordable houses for them to stay and work in.

We do not have funding but we will find out and give it out on a statutory price so that you can have it and work with it in the province.

Customary Land Compensation

Mr MANASSEH MAKIBA – Mr Acting Speaker, my question is directed to the Minister for Lands.

Let me commend the Minister for Lands for the fantastic work he is doing on the preparation for the APEC meet in his capacity as the Minister for APEC.

My question relates to customary land accusation and compensation to customary landowners. We understand that the State owns about three per cent of the land in the country and 97 per cent is owned by the customary landowners.

I have experienced some issues in my district when trying to expand certain programs, programs which required acquiring of customary land from landowners. I encountered difficulties in situations where customary landowners demanded exorbitant and unreasonable compensation payment.

In another instances, I am encountering situations where in past arrangements, very little compensation amounts were paid to the landowners. And, therefore, they are now

raising the issue of fair compensation. For instance, at the moment we are encountering situations in the Komo International Airport where the LNG project is located. As I speak, the landowners have shut down the airport and ExxonMobil is no longer using that facility. The reason is that landowners claim they were not properly compensated with a fair and reasonable compensation amount.

08/07

There seems to be a disparity in the compensation amounts that were paid to the landowners. Some were paid more, other have been paid less.

(1) Does your department have any plans to review the whole compensation scheme of the acquisition of customary land and that includes a definite fixture on the rate of compensation that is to be paid to the customary landowners?

The same question would be that since the State owns a small portion of land in the country, in order for the Government to expand its programs we need to acquire more land from the customary landowners.

(2) Does you Department have any plans to acquire more customary land from the customary landowners?

Mr JUSTIN TKATCHENKO – I thank the Member for his very important questions, especially on land compensation throughout our country.

When I became Minister we set up a committee to review all the existing land compensation claims in the Land's Department. This committee was set up to go through every single claim that has been lodged with the Lands Department over the last 20 to 30 years, including this year, that are still waiting for compensation.

They have found so far, after covering all of the Highlands and Momase regions, that 90 per cent of the land that is being claimed is State land. Going through the land files and the title files, they have been wrongfully or purposefully defrauding the State.

False claims have become a rote in the Land's Department when it comes to compensation. It has been an ongoing practice for quite a while where Land's Department officials would deal with Finance and Treasury and make up deals to get money through land compensation claims which had very high values and totally not acceptable in that regard.

So, we are trying to save the State funds that they should not pay by going through the proper process of identifying the true landowners and ensuring that the true landowners do get compensation if they are legitimate. And that's what we are doing at the moment.

We are also going to get the Valuer-General's Office to sit down with those genuine claims and revalue and look at the actual land that the compensation is being asked for because a lot of it is just over the top, absolutely ridiculous.

We will set in a new precedent that will ensure that the land compensation that is given is the correct amount by a proper process that would be put in place.

This is something that we are currently working on and I thank the Member for his question. If he has any issues with the airport or other areas that he needs to get more information on or he needs to get us to go up there and ensure that we identify the right landowners and the right portion of land, we have an open door policy to ensure that will happen and we're more than happy to look after any disputes throughout the country, not only in his district but throughout the country to ensure we get it right.

There's about K6 billion worth of land compensation claims sitting in the Lands Department at the moment. Crazy, absolutely ridiculous and I would say that 80 per cent of those are false.

We are now going through every individual land title and every land file to make sure that we get the correct information and then we can take action from there.

We did advertise in the newspaper all the current compensation claims that are with the Lands Department to date and that is what we're going through to ensure we get it right. We will also ensure that proper measures are put in place so that these sort of illegal compensations never happen again.

09/07

National Government Commitments to ABG

Mr WILLIAM NAKIN - Thank you, Mr Assistant Speaker, for allowing the voice of the people of North Bougainville to be heard in this Parliament. I am directing my question to the Honourable Prime Minister and am asking the ministers for Works and Finance to take note.

On 14 and 15 of December, 2017, there was a Joint Supervisory Body meeting held between the National Government and the Autonomous Government of Bougainville. That meeting was co-chaired by the Honourable Prime Minister and the President of the

Autonomous Bougainville Government. In that meeting it was resolved that the Government of Papua New Guinea pays K437 million as follows; K302 million was for the ongoing project by the National Government in Bougainville, a K100 million was for the Buka ring road and K85 million was for the project procured under the Special Intervention Fund.

Mr Assistant Speaker, in that same meeting a commitment was also made to commence the initial design of the Siara-Koropovi Road, west coast of Buka, as early as 2018, and the costing was factored into the 2019 Budget.

The commitment to procure a boat to service my people in the atolls was also agreed on by the two governments. This is perhaps the single highest commitment done by the Papua New Guinea Government since the establishment of the Bougainville Peace Agreement. To replace the failed Restoration and Development Grant.

Mr Assistant Speaker, on behalf of the people of Bougainville, especially my people of North Bougainville wish to convey our gratitude the Honourable Prime Minister and the President of ABG for their favourable gesture to the level of commitment made to assist the development in Bougainville.

However, it is already eight months and nothing has transpired in effecting these commitments by the National Government to my people of North Bougainville.

My questions to the Honourable Prime Minister are:-

(1) Can you tell the people of Bougainville if there has been any money spent out of the K302 million?

(2) If not when will that money be made available to complete the on-going projects there?

(3) The Buka ring road in which K100 million has been committed is deteriorating badly. When will the K100 million be made available to start the road works.

(4) Will the costing of the Siara - Koropovi road be included in the 2019 Budget?

(5) Is there any arrangement in place to procure a boat for the people living on the outer atolls?

10/07

Mr PETER O'NEILL – Mr Assistant Speaker, I thank the Member for North Bougainville for his series of questions.

Mr Assistant Speaker, I did attend the JSB meeting in Arawa but I cannot recall agreeing to a commitment of K437 million. I am lost where the Member has got his figures from.

But, Mr Assistant Speaker, I am aware of the ongoing projects.

Mr William Nakin – Point Of Order! The meeting was actually held in Port Moresby on t 14 and 15 December, 2017.

Mr PETER O'NEILL – Mr Assistant Speaker, the meeting he is referring to was held in Port Moresby and I did attend but really, again, I am at a loss to understand where the figures are coming from.

The resolutions that we have signed did not clearly state any commitment or any further commitment to Bougainville other than the one I made in 2010. This is the Special Intervention Funding (SIF) for Bougainville of K500 million, a term of K100 million each.

Mr Assistant Speaker, the first K200 million was passed through ABG and ABG managed that fund for projects on Bougainville, but unfortunately the Government did not see much of the outcomes from those funds on Bougainville.

So, in the subsequent JSB meetings, our National Government proposed to ABG to refine that utilisation of the SIF; a balance of K300 million. With that K300 million we have been jointly implementing some infrastructure projects on Bougainville, one of which is the opening of the Aropa Airport and of course the sealing of the Buka town ring roads. The first phase is a very good road in the town and on the island and the second phase, as the good Member is referring to, is yet to be implemented.

Mr Assistant Speaker, there are some funds available under the SIL Funds still yet to be exhausted. Once those funds are exhausted then we will enter into a new program that the Member wants to.

I want to assure this Honourable House and the Member that bulk of the SIF is being used to build the road from Arawa to Buin and although the release of funds is slow at present but the work is continuing. I have urged the Minister of Works and his department to continue to increase the funding so that the contractors can build and open up that part of our country.

And also, Mr Assistant Speaker, we have already awarded a contract from Kokopau all the way to Arawa. We have had JICA funding from us which was used to finish the bridge

programs on that particular road and our aim is to start the sealing program. The first phase has been done and a local contractor has done the first part of the sealing from Kokopau towards Arawa.

Mr Assistant Speaker, there is ongoing work and I think the Member is referring to that work that has already been awarded.

Now, the main thing is for the Government to release the funds and allow those projects to be completed. I want to assure the Member that we are committed and as soon as the SIF of K5 000 million is exhausted we will sit down with ABG and enter into a new program so that we can continue to build infrastructure in Bougainville.

Thank you, Mr Assistant Speaker.

11/07

SUSPENSION OF STANDING ORDERS – EXTENDED TIME FOR QUESTIONS

Motion (by **Mr Salo Waipo**) put –

That so much of the *Standing Orders* be suspended as would prevent time for Questions Without Notice this day being extended by 20 minutes.

Motion negatived.

Award Contracts to Local Companies

Mr SALIO WAIPO – Thank you, Mr Assistant Speaker, for recognising the people of Angoram.

My question is directed to the Finance Minister. I have travelled throughout Papua New Guinea and have noticed that many of the projects taking place throughout the country can be delivered by Papua New Guineans.

However, I am seeing many foreign companies being awarded small projects which can be done by Papua New Guinean companies, with our own labourers. There are lot of foreign companies operating throughout the country.

Does the Minister have any plans for nationally owned companies to operate within Papua New Guinea and especially in awarding them the small contracts?

This will return benefits to the people, build up resources and capabilities of nationally owned companies.

Mr JAMES MARAPE – Thank you, Mr Assistant Speaker. I thank the Member for Angoram for directing this question to me. In terms of relations, he is my in-law. In fact, he is my wife's brother so let me provide a suitable response to put him at peace.

(Laughter-in-the-Chamber)

Mr JAMES MARAPE – All the jokes aside, the gist of the question is quite a serious one. It goes to the core of many issues that affect our nation.

Mr Speaker, simply put, at this moment we have standing regulations that give emphasis to local contract. But let me take this time to answer his question by simply adding that there is an Act of Parliament coming next week which will clearly specify certain levels of contracts for local companies to bid.

I ask the Member and others to be present to give support to the National Procurement Commission Bill that will be presented. We will put ceiling for contracts below K10 million to be for local contracts only. All State issued contracts at K10 million and below will be awarded local companies only.

I beg the concurrence of members of this House to be in Parliament next week, so that we pass this Bill in order to entrench this policy in a law that will secure our local contractors to participate and have freedom to bid, knowing that at that ceiling only local companies can bid.

At the moment, all companies are bidding for contracts and we are competing in an open playing field.

12/07

For contacts ranging from K10 million to K30 million, if local companies cannot bid on as a stand-alone, then there must be an evidence of joint-venture with the local company if the foreign based company is also trying to bid for that contract.

For contracts above K30 million, it's an open bid for both local companies and international companies.

These are programs that the O'Neill-Abel government is putting into motion to ensure that we secure benefits for local contract.

In response to the questions to the Member for Angoram, the Government is responsive and is proactive. The size of our economy has grown from a small economy in the past to a big economy today. The volume of government contract is now expending into billions of kina as we speak, therefore, it is appropriate that our government gives special emphasis to our local companies once we put that ceiling in.

Whilst I have the opportunity, I was just reminded by the Minister sitting next to me to put those ceiling at districts. This law will also entrench procurement at the districts in congruent to the District Development Authority structures. For procurements in districts, it will be at a ceiling up to K2.5 million. This will build capacities up at the districts linking with provincial treasury and the works units in various districts, while procurement at provinces remains at K5 million.

If you pick up a copy of the new Bill next week, you will see that it gives multiple-year life to procumbent, but has a special link to approval at the national level also. Where APC is concern, the APC committees will give clearance to that procurement request, if there's a multiple-year life to a project.

To answer the Member's question today, the Government has looked at the vacuum in law concerning the local content and the upcoming national procumbent bill will give preference to citizen contractors at 10 million or below or in respect to a higher contracts between K10 million and K30 million.

ANSWERS TO PREVIOUS QUESTIONS

Mr DOUGLAS TOMURIESA (Kiriwina-Goodenough – Minister for Forests) – Mr Assistant Speaker, I seek of leave of the Chair to answer questions that were raised yesterday.

Leave granted.

Thank you, Mr Assistant Speaker. I made a commitment yesterday to answer questions raised by the humble Member for Kairuku-Hiri, Honourable Peter Isoaimo on the Ome Ome Oil Palm project.

Mr Assistant Speaker, the first question was whether it is legal for FCAs to be issued over an SABL or outside of an SABL.

First of all, before I answer the question, I'd like to make it clear that the Ome Ome landowners, having learnt of the cancelation of the SABL, did approach the Southern Region Forestry Office with the possibility of continuing with the oil palm project that was proposed at that time.

13/07

Mr Assistant Speaker, when the landowners approached the Southern Region Forestry office, they worked together for about two years to realise the FCA project there.

In response to the first question, the *Forestry Act, Section 90(a)* and *Section 90(b)* does make provision for FCAs to be issued over other land tenures and types.

Regarding question two, they suspect that the dealings by the developer will not benefit the landowners and the communities.

Mr Assistant Speaker, the response to that would be that the Ome Ome was a logged over a TRP project which has since expired and the resource relinquished to the people and the landowners of Ome Ome TRP area. There is not much in terms of timber to be extracted out of this TRP area, however, it is good enough for agriculture and in this case oil palm development. The landowners are looking at developing this area with the developer, an area of about 10 000 hectares.

Regarding consultation with the landowners and their consent, definitely this is an integral part of the project development and as I have said, it is the will of the landowners. The landowners want to see development go into that part of the area. However, the concern that the Honourable Member has raised in relation to lots of trees being cut and those logs should have been exported or put through downstream processing, it is the wish of the landowners and the developers to make certain that they either go for downstream processing or export and license will be given for that purpose.

Question four relates to benefits under the original agreement. At present, this is an agriculture development project and the Minister for Agriculture will be in a better position to respond to that because the FCAs are pertaining to oil palm development attended by the Department Agriculture and Livestock. The TRP operations ceased 10 years ago and its terms and conditions no long holds, therefore, it is a non-issue for the PNG Forest Authority.

The Minister for Agriculture was also asked to take note of the questions so I hope he will respond on his part in due course.

ANSWERS TO PREVIOUS QUESTIONS

Mr PILA NININGI (Imbonggu – Minister for Higher Education, Research, Science and Technology) – Mr Assistant Speaker, I ask leave of the Chair to answer previous questions raised by the Honourable Member for Rabaul.

Leave granted.

Mr Assistant Speaker, yesterday, I was asked to provide answers to questions raised on the Floor of Parliament by Member for Rabaul, Honourable Dr Allan Marat.

In his remarks, he raised series of questions which needs to be transparently and accurately answered.

I went to check the files to see whether Parliament has received right answers based on evidence and not on perceptions or unfounded allegations. So after consulting my records today, I wish to respond to this Honourable House.

Mr Assistant Speaker, I would like to inform the Parliament that the Honourable Member, with due respect, has no direct knowledge of the Higher Education Sector, the University of Natural Resources and Environment, my role as the Minister for Higher Education, Research, Science and Technology and the Fr Czuba as Acting Department Secretary.

14/07

Following the series of discrepancies, the Honourable Member raised claims yesterday during the Question Time, which I wish to answer.

(1) Did you know that Fr Jan Czuba was directly advising Dr John Warren, Vice Chancellor in 2007, to disobey legitimate directions by the University of Vudal Council to reinstate two very senior officers he sacked without any justification and the reasons from the University of Vudal Council?

In reply to the first question; Professor John Warren couldn't have been the Vice Chancellor of the university of Vudal or UNRE in 2007, as he was never in PNG at that time.

Almost after 10 years, Professor John Warren came to PNG and resumed the role as Vice Chancellor of the UNRE by the end of academic year in 2016.

Furthermore, Mr Assistant Speaker, in 2007 Fr Czuba was not in office. As you would be aware, at that time the department was then operating as an office of Higher Education.

Dr Allan Marat – Point of Order! The year is not 2007 but 2017, thank you.

Mr ASSISTANT SPEAKER – Point of order is in order. The year is 2017 and not 2007.

Mr PILA NININGI - With due respect, Mr Assistant Speaker, it is recorded 2007 and I have the copy here and so 2007 is the correct answer.

In 2014, the *Higher Education General Order Provisions Act* saw the establishment of the Department of Higher Education, Research Science and Technology. The marginal gap between 2007 and the claims raised by the Honourable Member should not be left unchallenged.

I wish to advise the Honourable Member and the House that there was no university of Vudal as he referred to in this address. But I think he was referring to the University of Natural Resources and Environment.

(2) Did you know that Fr Czuba was advising Dr John Warren to violate the University of Vudal status, regulations and the procedures as well as the Public Service General Orders on appointment and disciplinary charges?

In reply to the second question; Mr Assistant Speaker, the statement made by the Honourable Member has no substance. It is a false fight and it's a personal attack on my ministry and Secretary Fr Czuba as well. It is disappointing to see a person of honourable calibre a second time providing unfounded information to the Parliament.

Mr Assistant Speaker, I want to recommend for such claims in the future to be researched with solid evidence and not based on mere allegations and rumours

15/07

(3) Did you know that Fr Czuba and Dr Warren refused to acknowledge and respect the authority of the Council under the *University of Vudal Act of 1997*?

Mr Assistant Speaker, again the statement made by the Honourable Member has no substance without any solid evidence. These are falsified and they represent a personal attack on the Ministry and the Secretary?

(4) Did you know that Dr Warren was openly influenced by Fr Czuba in 2017 that the *Higher Education (General Provisions) Act* of 2014 was the law Dr Warren should follow to administer the University of Vudal?

Dr Warren was and until very lately an employee of the University of Vudal that paid his salaries and other entitlements.

Mr Assistant Speaker, again, the statement made by the Honourable Member has no substance without any solid evidence. They are falsified and they represent a personal attack and I am asking for him to provide further evidence and I can answer specifically.

(5) Did you know that instead of implementing the approved restructure of academic and administration of the University of Vudal of November 2015, Fr Czuba convinced Dr Warren to implement the so-called flat (organisational) structure of UNRE which the Council rejected in 2013?

The flat structure was submitted to the Council by Fr Czuba. There is no flat structure in existence elsewhere. Modern university structures are hierarchical, with the president or vice chancellor at the top, followed by the deputy or pro vice chancellors, followed by deans, professors and so on down the line.

Mr Assistant Speaker, the University Council developed the University of Natural Resources and Environmental Organisational Structure where the vice-chancellor and the management of the university before the appointment of the vice-chancellor, Fr Czuba, to the current office which was by the end of May 2017 when I became the Minister of Higher Education, Research, Science and Technology.

Mr Assistant Speaker, Fr Czuba and I did not influence or get involved in the developing the structure of the university. I or Fr Czuba did not do anything and we respect the autonomy of the university. We were not involved in the restructuring of the University or developing a management model.

Mr Assistant Speaker, around the world there are different models of university organisational structures, some universities have a hierarchy organisational structure and some have a blend structure. In the case of UNRE, the academic structure is hierarchy but the management structure is level and it is blended together in a blended structure.

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I would like to bring to your attention that there is no flat structure in the university as claimed by my friend. There is no evidence as to which organisational structure performs better. The organisational structure is established to ensure that the university performs its functions of learning, teaching, research, community engagement and be a global citizen in the 21st century.

Mr Assistant Speaker, on question 6; are you aware that both Dr Warren and Fr Czuba have messed up the University of Vudal or UNRE by imposing the flat structure which was not in the first place approved by the council and secondly, authorised by the Department of Personnel Management. Staffing members, positions and the salary levels have also not being approved by DPM. These are extremely important for budgetary purposes. Today the staff are confused and divided. Senior staff members have been sidelined or demoted and replaced with inexperienced junior staff.

The answer to that question is, and again, the statement made by the Honourable Member has no substance and is without any evidence and they are made up to represent a personal attack. Again, I ask for evidence so we can give him a better answer, otherwise we can leave it as mere allegations.

Question 7 is; Minister, you had informed some staff from the University of Vudal that you held a letter on 27 September, 2017, on your table for a week that Fr Czuba was pestering you to sign and dismiss University of Vudal Council members.

Can you confirm to this House that you signed the letter under duress to revoke the appointment of the university council members? As mentioned yesterday and let me reiterate as to the duress placed upon me, no-one will hold my hand and get me to sign anything. I employ research and fact to better inform before I decide whether to sign or not. That is the moral and good decision that I and the department must consider for this generation and also the future of Papua New Guinea.

Mr Assistant Speaker, I would encourage the Member for Rabaul to do the same; make decisions based on research and ethical considerations and fact, not on rumours.

On question 8, it mentioned Fr Czuba as the chairman of the Western Pacific University or committee. Fr Czuba is also the secretary of the DHERST, which clearly shows conflict of interest. Minister, there is an urgent need for the secretary for DHERST to show some basic talents of honesty, integrity and accountability, enforcing regulations

without morality to do work. Can you clarify to this House, Fr Czuba's role in these two institutions?

Mr Assistant Speaker, I would like to clarify the relationship between the secretary and the Western Pacific University.

17/07

The Western Pacific University is a national project within the Department of Higher Education Research Science and Technology. It is the responsibility of the Secretary to oversee all infrastructure development in the higher education sector which includes Western Pacific University.

Fr Czuba was appointed by NEC to develop the university. The university is under construction and is not enrolling students. It is a project like all other projects within the department. We will be disappointed if the department is not involved to oversee the investment in Government. This is an investment and someone must take full responsibility for it. In this case, it is the departmental head. When the university is established, then the management and leadership will be appointed and the council takes over.

Mr Assistant Speaker, it is sad that an Honourable Member attacks Fr Czuba, who committed his time, energy, leadership and life to serve the people of Papua New Guinea. When will we members of Parliament appreciate these sort of people who give their life and time and money? I would urge the Honourable Member to consider withdrawing his statement. As I know that he is a credible man and deserves respect for the time that he has spent for this country.

For question nine, the Honourable Member said, 'you appear to not appreciate that some members of the sacked University of Vudal Council have made great contributions to the development of this nation. They have served with unquestionable achievement and loyalty. They have impeccable and exemplary record which they earned decades before and after Papua New Guinea attained political Independence. They have rendered great service to the higher education sector. Do you agree, respect and support their outstanding and continuing service?'

My response to that question is, Mr Assistant Speaker, again, the statement by the Honourable Member is far from the truth. For example on 2 October, 2017, I recognised and acknowledged contributions made by people like John Toguata, who was then a member of that council. I personally called him and asked if he wanted to be on the Council.

In fact, I promoted him to pro-vice chancellor. He wrote to me declining the offer. So we have given chances to some good people like John Toguata, who was Director of Leadership in the Ombudsman Commission. He was also a senior police officer, a pastor and he contributed a lot. I gave him a chance. I appealed to him to hang on and stay in there. I gave him a chance, but he did not want to take it. For the other council members, with due respect, I had questions, I will not entertain them or retain them. I rightfully revoked them.

18/07

For question ten, the Member stated, “recently, the University of Vudal students protested against the interim Council’s decision to appoint the acting vice chancellor, acting pro-vice chancellor, learning and development, and acting registrar. These appointments contradict the normal practice where acting appointments are normally made from within the university. Fr Czuba is again rumoured to be behind these acting appointments. Can you clarify to this House why these acting appointments should be made from outside the University of Vudal, especially when it is alleged that the new vice chancellor and his deputy were found guilty of corruption at the University of Goroka and the Office of Higher Education and are now assigned there to the University of Vudal.”

The answer is; the interim council of UNRE exercised its autonomy or authority in appointing the current vice chancellor and acting pro-vice chancellor as the Vice Chancellor Professor John Warren voluntarily resigned from the role of Vice Chancellor due to health conditions. I wish to register on record that Fr Czuba and I were not involved in appointing the Acting Vice Chancellor or the staff as the council and the management made the appointments themselves, but we were advised.

Mr Assistant Speaker, again, the Honourable Member has attacked the Acting Vice Chancellor of UNRE without substantial evidence when making such a claim. It is sad that the Floor of Parliament is used to destroy someone’s good standing and reputation.

Mr Assistant Speaker, as the Minister responsible for Higher Education Research Science and Technology, I have mentioned many times and so did my secretary that we respect the autonomy of the higher education institutions and encourage them to be governed by the internal policies of the institutions or the university act.

We always give priority to these institutions to employ its institutional policies and act to resolve internal problems. However, if the governing council and the management is

incompetent to address the problem, then I will use the *Higher Education General Provisions Act* of 2014.

The Member's comment concerning the relationship between the University Act and the *Higher Education General Provision Act* 2014 is out of context and again incorrect.

Mr Assistant Speaker, there is no charge being laid in Goroka, neither was he found guilty. It is misleading to say the vice chancellor was found guilty. The vice chancellor should be respected. He is a doctor, not a no-body on the street, when he was appointed. So respect must always be given to him.

For question eleven, finally, a number of provisions in the *Higher Education (General Provisions) Act* 2014 gives you and Fr Czuba unparalleled powers, which both of you are abusing and exploiting to intimidate the authorities of State university councils and staff in particular.

19/07

Can you tell this House that you will work with the State universities' leadership to immediately review and abolish many of the ill-advised, ill-considered and intrusive provisions in the *Higher Education (General Provisions) Act* of 2014?

Mr Assistant Speaker, the answer to that question is the *Higher Education General Provision Act* is law in PNG. It gives me authority but you would appreciate that I have not abused this power neither by my Secretary. Again, the integrity of the statement made by the Honourable Member has no substance without any evidence, it's only made-up and falsely misrepresented.

In conclusion, Mr Assistant Speaker, I would like to ask the members of Parliament that we all must respect the people who contribute so much to this country and not try to destroy them.

Fr Czuba is one amongst many secretaries of departments who has standing in the country as a whole and no question about it. He really performs his duties and responsibilities very well by responding to all correspondences and he even attends to you personally in all queries. He commences his work at 7.45 a.m. and finishes very late. This sort of people are very rare and maybe he is the only departmental head with this work attitude.

I urge all members to come and see me when in need of issues concerning the department and not to tarnish this honourable man. For instances, he has done a lot for Divine Word University by contributing his personal funds to build the university.

And now for you to discredit this guy is absolutely uncalled for. Thank you, Mr Assistant Speaker.

20/07

**AUDITOR-GENERAL OF PAPUA NEW GUINEA – REPORT
OF THE AUDITOR-GENERAL – PART 1, 2014 –
MOTION TO TAKE NOTE OF PAPER**

Mr ASSISTANT SPEAKER – Honourable members, pursuant to statute, I present the Part 1 Report of the Auditor-General of the audits of transactions for the years as reflected in the detailed statement of receipts and expenditures of the Public Accounts of PNG for the financial year ending 31 December 2014.

Mr KONI IGUAN (Markham – Chairman of Public Accounts Committee) – I move

–

That the Parliament take note of the paper and the Report be referred to the Permanent Parliamentary Committee on Public Accounts.

Motion agreed to.

**AUDITOR-GENERAL OF PAPUA NEW GUINEA – REPORT
OF THE AUDITOR-GENERAL – PART 3, 2016 –
MOTION TO TAKE NOTE OF PAPER**

Mr ASSISTANT SPEAKER – Honourable members, pursuant to statute, I present Part 3 Report of the Auditor-General of the audits of each of the accounts of provincial governments, local-level governments, their business arms and statutory corporations, provincial authorities, trust funds, hospital boards and their provincial authorities.

Mr KONI IGUAN (Markham – Chairman of Public Accounts Committee) – I move

–

That the Parliament take note of the paper and the Report be referred to the Permanent Parliamentary Committee on Public Accounts.

Motion agreed to.

**CONDUCT OF THE 2017 NATIONAL GENERAL ELECTIONS, REPORT –
PAPER AND STATEMENT –
MOTION TO TAKE NOTE OF PAPER**

Mr WILLIAM SAMB (Goilala – Minister Assisting the Prime Minister) – I present the following paper pursuant to statute:

Report of the Conduct of the 2017 National General Elections

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

Leave granted.

Mr Assistant Speaker, I rise to present to the National Parliament the report on the conduct of the 2017 National General Elections by the Papua New Guinea Electoral Commission.

Mr Assistant Speaker, as the Minister Assisting the Prime Minister on Constitutional Matters, I am honoured to stand before you today and brief you on achievements and challenges in conducting the 2017 National General Elections as well as the institutional structures and organisational capacities needed at the PNG Electoral Commission to improve the conduct of future National and Local-Level Elections.

Before reporting on the conduct of the 2017 National General Elections and commenting on the performances for the LLG local-level government elections, I would like to inform Parliament that the Government has pledged commitment to a set of obligations, objections and priorities in the *Alotau Accord II* that includes electoral reforms. The Accord states that and I quote ‘*in support of this priority areas, we also undertake to deliver key reforms to strengthen our systems and processes of service delivery and accountability. This includes more autonomy for provinces and districts, electoral reforms, good governance, telecommunication, climate change, and gender equality and women empowerment*’.

In the priority area for "Electoral Reforms", the Accord includes a significant set of sector deliverables under the responsibility of the PNG Electoral Commission:

‘Priority No. 78: Establish an accountable voting system (electronic voting); improve electoral rolls; review polling periods; and conduct electoral boundaries review.’

Mr Assistant Speaker, the PNG Electoral Commission generally supports the Electoral Reform priority area that includes electoral legal framework review, a feasibility study on the use of electronic voting technology, innovative methods for improving the electoral roll, and a comprehensive review of electoral boundaries to comply with the *Constitution* of the Independent State of Papua New Guinea and *Organic Law on National and LLG Elections*.

These components of electoral review and reform are important and worthy of parliamentary and public debate, discussions through transparent stakeholder dialogue, and comparative electoral systems analysis to understand the full implications for any reform efforts to be successful and sustainable.

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However, the PNG Electoral Commission and associated institutions must have this technical capacity, administrable ability, operational skills, consistent funding and material and human resources to effectively and efficiently implement reform measures. Conducting democratic elections require professional and modernised Electoral Commission to deliver electoral service over the next five years and into the future.

Mr Acting Assistant Speaker, the PNG Electoral Commission report to the Tenth National Parliament on the conduct of the 2017 National Elections present the following achievements and challengers experienced during implementation of the 2017 Elections.

The PNG National Elections Commission delivered the 2017 National Elections to form the Tenth National Parliament and all 111 provincial and open electorates writs returned to the head of state with the total budget of 400 000 000, and hence our presence here.

The commission implemented in 2017 Budget an allocation of 279 000 000 and deliver the elections under the Budget with the whole of government support and embodied by the Inter-government Election Committee and Provincial Electoral Steering Committee. Even though unexpected trust arrangement was established at the Bank of PNG to facilitate required payment and reporting to relevant authorities, there remains outstanding

commitments of 26 000 000 from the 2017 National Election and must be paid out immediately to legitimate service providers and legal fees.

The commission facilitated a separate allocation of 121 000 000 to the security agencies such as Royal PNG Constabulary, Correctional Services and PNGDF to provide election security in the country.

The Electoral Commission has tutored more than two thousand first-time election management reform initiatives since October 2015 to improve administrative, operational and financial performance during the election period. The entire list is too long for this venue but the following example from each of the six functional areas highlight the Electoral Commission's commitment to improving election delivery and accountability.

Under the administrative and financial management, stricter internal financial control and reporting were implemented in line with the amended *Public Finances Management Act* and payment of approximately five per cent of the polling workers were made to bank accounts instead of cash which lowered risk and increased accountability.

Part B under Electoral Roll Management, the voter enrolment updates and data processing systems were decentralised to the provinces for preparation of the 2017 preliminary electoral rolls, which were displayed for verification at the district level before producing the final electoral roll in compliance with the electoral law and regulations.

Part C, under Gender Equality and Social Inclusion, separate working lines were mandated for men and women and persons living with disability at polling places to increase accessibility and gender balance was emphasised in human resource, hiring policy and recruitment advertisement.

Part D, Operational Planning and Implementation. A national election implementation plan 2017 was developed and published providing electoral activities and timeline for implementation. Also a national logistics plan provided guidance on procurement and materials distribution.

22/07

Under Operational Planning and Implementation, a National Election Implementation Plan 2017 was developed and published, providing electoral activities and timeline for implementation. Also, a National Logistics Plan provided guidance on procurement and materials distribution. Finally, centralized polling places were established in the National Capital District to provide more convenient access to voters.

Under Civic and Voter Education, photographic imagery of real people was used instead of cartoons to create diverse and inclusive awareness products, an election song and video were produced using imagery from the four regions and in seven languages, and a Facebook page was established to inform voters and stakeholders, especially youth.

Under Election Results Management, a tablet-based results transmission system was deployed in 111 electoral counting centres, enabling the collection, verification, and publication of certified results, and a website was launched to publish progressive, provisional, and final election results.

Minister Briefing to the Tenth National Parliament:

Achievements and Challenges during the Conduct of the 2017 National Election

After the elections, the Electoral Commission conducted a comprehensive evaluation in the four regions to identify lessons and receive direct feedback from Returning Officers on how to improve electoral planning and implementation for the 2018 LLG and 2022 National Elections.

The Electoral Commission is currently responding to election petitions filed with the Court of Disputed Returns and other national courts. At the end of the 2017 National Election, 79 petitions were filed, a 33% decrease from the 105 filed at the end of the 2012 National Election. Thus far, six judicial recounts have been ordered, with three completed for Central Bougainville, Sohe, and Samarai-Marua open electorates, one operation ongoing for Goroka open electorate, and two pending Supreme Court review for North Fly open electorate and Madang provincial electorate. There are still approximately 30 petitions still making their way through the courts that might result in additional recounts or even by-elections depending on the outcomes.

The Electoral Commission has developed its new Corporate Plan 2018-2022 with fresh strategic goals, objectives, and actions. The Plan incorporates evaluation lessons, examines internal organizational capacity and structures, and considers external electoral observer reports to improve performance for conducting elections in Papua New Guinea.

The Electoral Commission has made progressive achievements in its ability to deliver credible elections; however, this steady progress is not enough and the Commission is determined to face its formidable challenges and continuously improve its capacity for conducting credible elections.

PNG Electoral Commission Challenges.

Mr Assistant Speaker, the PNG Electoral Commission also experienced numerous internal and external challenges that ultimately resulted in an electoral roll with imperfections and the return of five of 111 Writs after the 10th National Parliament was convened on 2 August 2017. Even though the next three Writs were returned within the next week, and the fourth a week after that, the Electoral Commission acknowledges that the final Writ for the Southern Highlands provincial electorate was considerably late when returned by the end of September.

There is no denying that the delays in counting large provincial electorates, like Eastern Highlands and Southern Highlands, and various disruptions and obstructionist behaviour during scrutiny, all contributed to an erosion in security conditions in several districts and provinces in the Highlands region, such as Kandep and Kundiawa open electorates and Chimbu provincial electorate. The Electoral Commission acknowledges its responsibility to deliver results on time, but some situations were impacted by "special circumstances" that were beyond the control of the PNGEC or security forces.

For a more detailed analysis on the specific challenges experienced by the PNGEC during the 2017 National Election, please review the PNGEC Report to the Tenth National Parliament on the Conduct of the 2017 National Election.

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Mr Assistant Speaker, on behalf of the PNG Electoral Commission, I would like to highlight the institutional challenges that affect all levels of electoral performance and suggest improvements that are more in line with the theme of the March 2018 National Leaders' Summit 2018: "Accelerating Implementation Through Teamwork" that ensures all Government agencies work in unison to unify aspirations through collective efforts to effectively and efficiently deliver essential Government services to our people. Minister Briefing to the Tenth National Parliament: Achievements and Challenges during the Conduct of the 2017 National Election Key Challenges:

Mr Assistant Speaker, the PNGEC is confronted with two significant institutional challenges that impact its ability to professionalize its public services and deliver high-quality electoral rolls and timely electoral events: organisational capacity and financial management.

1. Organizational Capacity:

(a) The Electoral Commission is challenged by inefficient internal structures and outdated technological systems. Conducting periodic elections rely primarily on temporary staff at the national and provincial levels. Depending on casual or seconded support, especially at the provincial and district levels, provides insufficient human resources to fully develop capacity and retain talent over the long term.

Consequently, the PNGEC relies on a cadre of experienced but aging election managers and directors, with an inadequate number of middle managers to advance and fulfil succession plans. This institutional constraint impacts all branches and will increase over time without adequate restructuring and greater investment in the skills and abilities of the middle and junior-level staff.

(b) The capacity to budget, plan, prepare, implement, and evaluate electoral events requires dedicated and talented staff to maintain the quality and integrity of the processes and procedures. The numerous sequential, simultaneous, and overlapping activities involved in electoral roll development, and in conducting candidate nomination, polling logistics, counting operations, and results management, all require skilled personnel to be effective, efficient, and reliable. Operating the PNGEC on insufficient budgets in election and non-election years and with inadequate full-time staff has created severe capacity challenges when delivering elections.

A lack of investment into the skills and abilities, as well as in modern computing equipment and technology, contributes to a high risk of poor performance and non-credible processes. Sufficient and ongoing resourcing could enable steady and consistent capacity to deliver essential electoral services.

2. Financial Management:

Mr Assistant Speaker,

a)The lack of adequate resourcing during non-election years creates lean periods when skills development and systems maintenance are limited by low levels of funding. The result is lost opportunity for professional knowledge and modernized technical systems or equipment. Even during election periods, when more funds are available, the tranches arrive late or in small amounts. They are often insufficient to address the fast-paced needs during electoral operations and logistics, particularly at the provincial and district levels, when timely operating funds are needed most. For the PNGEC to provide consistent and reliable services, the Government must properly resource the agency during both election periods and the time in between to support a professional and modern electoral commission.

The complex bureaucratic processes for accessing available funds through the expenditure trust account creates long delays for claims, payments, and disbursements. The PNGEC acknowledges the need for strict financial controls, as were implemented in 2017; however, the labyrinthine processes and procedures for submitting and approving claims within the PNGEC, and then within multiple agencies at the national and then provincial levels, before funds can be disbursed, are severely constraining efficiency. The delays often prevent timely payments to vendors for electoral services and materials.

24/07

The delays often prevent timely payments to vendors for electoral services and materials. Consequently, there is a deep lack of trust among service providers who now demand advanced payments or simply refuse to work with the PNGEC after consistent non-payment. Complex or slow bureaucratic processes affect the ability to deliver effective elections.

Mr Assistant Speaker, the commission acknowledges its institutional challenges and remains committed to addressing its organizational capacity and improving its financial management systems. The difficulties experienced during electoral roll development and counting implementation could be resolved with sufficient resourcing, deeper training and enhanced professional skills. Internal development, in conjunction with coordinated electoral reforms from parliament, government agencies and stakeholders, would all improve future elections.

Mr Assistant Speaker, in conclusion, I wish to inform the House that NEC recently decided to further defer the elections for the Legislative Council elections for LLGs nationwide from this year to April 2019, with the exception of the Motu Koita Assembly which has begun.

This decision was taken by Government following a series of circumstances faced by the Country.

The earthquake that hit parts of the highlands region, followed by the polio outbreak in Momase and other parts of the country.

The PNG Electoral Commission also acknowledges the technical assistance received during the 2017 National Election, as well as the ongoing support for the 2018 LLG elections, from international partners and diplomatic missions. The PNGEC is grateful for support from the Australian Department of Foreign Affairs and Trade (DFAT), International

Foundation for Electoral Systems (IFES), Australian Electoral Commission (AEC), Australian Civil Corps (ACC), Australian Defence Force (ADF), New Zealand Electoral Commission (NZEC), Papua New Guinea Governance Facility (PNGF) and China Aid who contributed to the 2017 National Elections with advisory services and materials.

Mr Assistant Speaker, as an independent constitutional institution, the PNGEC will seek support from all members of Parliament to continue to decentralise and devolve power from the national authorities to the people of our provinces and districts. Through the pursuit of the Alotau Accord 2 objectives, priorities and reforms — especially those involving electoral reforms and institutional development — our political and social systems can be strengthened and our service delivery held more accountable.

The PNGEC calls on the whole of society to sufficiently resource the national and provincial electoral offices:

- 1.To increase operational and organizational capacity
- 2.To streamline fiscal processes for more efficient financial management
- 3.To support conduct of the 2018 LLG elections
- 4.To promote comprehensive voter awareness, stakeholder education and women and youth participation
- 5.To initiate transparent electoral legal framework review and election technology study and
- 6.Implement constitutional restructuring at the PNGEC to improve the conduct of the 2022 National Election.

Mr Assistant Speaker, I therefore wish to inform this Honourable Parliament that to conduct a genuine election, requires a unity of purpose between government agencies and stakeholders. Together, we can achieve success; overcome the challenges; and prepare for, participate in, and protect the delivery of credible electoral results to the people of Papua New Guinea.

With that, thank you, Mr Assistant Speaker and honourable Members.

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

That the Parliament take note of the Paper.

Debate adjourned.

25/07

**PAPUA NEW GUINEA TOURISM PROMOTION AUTHORITY -
ANNUAL REPORTS 2015 AND 2016 –
PAPER – MOTION TO TAKE NOTE OF PAPER**

Mr EMIL TAMMUR (Kokopo – Minister for Tourism, Arts and Culture) – I present the following reports pursuant to statute:

- 1. Papua New Guinea Tourism Promotion Authority Annual Report 2015, and;*
- 2. Papua New Guinea Tourism Promotion Authority Annual Report 2016*

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

Leave granted.

Mr Assistant Speaker, in compliance with *Section 20* of the *TPA Act 1993* and *Section 4* of the *Public Finance Management Act*, I commend the PNGTPA Board and the Management for being up to date with its annual reports.

Mr Assistant Speaker, this is my first formal statement to Parliament as the Minister for Tourism, Arts and Culture and I wish to take this opportunity to thank Prime Minister Peter O'Neill for his confidence and trust in appointing me as a Minister in his Cabinet.

I wish to also take this opportunity to thank my people of Kokopo Open Electorate for giving me the mandate to serve them in this term of Parliament.

Mr Assistant Speaker, I rise today to present to Parliament the 2015 and 2016 Annual Reports for the PNG Tourism Promotion Authority.

The Tourism Promotion Authority is the lead Government agency established under an Act of Parliament in 1993 with the primary role to develop and extensively market and promote Papua New Guinea as a desired tourist destination.

Mr Assistant Speaker, like all Government departments and State entities, Tourism Promotion Authority is also required under the *Public Finances Management Act* to present to Parliament its Audited Annual Financial Reports.

Mr Assistant Speaker, before I go into the financial reports of the Tourism Promotion Authority, let me first take this opportunity to briefly report to Parliament on the successful

hosting of the 10th APEC Tourism Ministers Meeting as part of the 2018 PNG APEC host in Port Moresby in May in which I was privileged to be the Chair as the host Minister.

The meeting was attended by majority of ministers from the 21 APEC Member Economies under the theme "Harnessing Sustainable and Inclusive Tourism in the Asia Pacific Region."

Mr Assistant Speaker, during that APEC Tourism Week, PNG also saw the staging of the Women in Tourism Dialogue which was an initiative of the PNG Tourism Promotion Authority that places emphasized on Women as Prime Movers of Sustainable and Inclusive Tourism in the Digital Age.

Mr Assistant Speaker, the week also saw the successful staging of the 52nd APEC Tourism Working Group Meeting and among others saw the adoption by the APEC TWG Meeting of PNG Tourism Promotion Authority's first ever APEC project on "Voluntourism Best Practices in the Asia-Pacific Region".

The APEC PNG 2018 Tourism Week was concluded with a successful 10th APEC Tourism Ministers Meeting and regional visit to Kavieng for which I must thank the provincial government and people of New Ireland for being such a wonderful host.

Thank you Governor Sir Julius Chan for everything. It was indeed a great success.

Mr Assistant Speaker, I also wish to inform Parliament, that I attended the 30th Joint Meeting of the United Nations World Tourism Organization Regional Seminar on Climate Change, Biodiversity and Sustainable Tourism Development in the Asia-Pacific Region held in Nadi, Fiji Islands at the beginning of the month of August.

Mr Assistant Speaker, as this Parliament and members will appreciate, the impacts of Global Warming and Climate Change on our natural environment are real. As such, major regional and international bodies such as the UNWTO which PNG is a Full Member are always looking for regional collaboration and partnerships to addressing the negative impacts of climate change. PNG Tourism industry members are fully aware of the impact of climate change and doing everything possible to promote and harness measures that provides platforms for climate change adaptation.

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Mr Assistant Speaker, I was also privileged to attend the Melanesian Spearhead Group Tourism Minister's Meeting and the Melanesian Festival of Arts in Honiara, Solomon Islands recently. PNG had a 150 person contingent with a strong presence showcasing PNG's vibrant

cultures and traditions. I am pleased to also announce that I was appointed as the MSG Tourism Ministers Chairman at this meeting for a period of two years.

Mr Assistant Speaker, I wish to now take this opportunity to also thank the O'Neill-Abel government for giving more recognition to tourism as a key economic sector reflected in key government policy documents Medium Term Development Strategy, Medium Term Development Plan, Alotau Accord I & II etc. This truly reflects Government's unwavering commitment to develop tourism as a key economic sector. Tourism is surely a buffer industry we must develop to cushion the effects of declining production in mining and petroleum sector in years to come.

Mr Assistant Speaker, while we proclaim tourism to have the potential as a key sustainable economic driver for PNG's future after all the resources in the extractive industries have been depleted, we must also follow up our pronouncements with real action. This is by putting sufficient funding and resources to not only fully develop but to also fully realize for our people the tangible benefits of tourism in our beautiful country.

Mr Assistant Speaker, the O'Neill-Abel government has increased funding support to tourism development but more needs to be done if we are to compete equally in the regional and global tourism market with our Pacific and Asian neighbours.

Mr Assistant Speaker, on major tourism developments on the national front, my Ministry through the Tourism Promotion Authority and the Department of Treasury has successfully concluded negotiations for the US\$20 million dollar funding for tourism development particularly in the tourism hub provinces of East New Britain and Milne Bay.

This funding will be rolled out soon to these selected provinces as services procurement processes and project delivery mechanisms have already been put in place for East New Britain and Milne Bay. Major tourism project launching will be announced commencing September 2018.

Mr Assistant Speaker, I must clarify to Parliament that while other provinces will benefit over time through this World Bank program, focus currently is on East New Britain and Milne Bay as they currently have developed tourism infrastructure and established service delivery mechanisms on the ground.

More importantly, they are nominated provinces under the national government's tourism hub development concept. If we can get some success out of these provinces we can replicate that in other provinces of PNG too.

Mr Assistant Speaker, some of the major programs to be delivered under the World Bank Project will include the review of the National Tourism Master Plan 2007-2017 which will now be a five year master plan focusing on key areas such as marketing, infrastructure

development, product development, workforce development and policy and institutional strengthening.

Mr Assistant Speaker, major infrastructure developments will include building craft markets, provincial museum, tourism site roads, jetties, et cetera, which will serve as a catalyst for tourism development.

Mr Assistant Speaker, on the cruise tourism sub-sector, while it is currently the fastest growing sector in PNG, we will have a decrease in number of major cruise ships visiting PNG in the next two years particularly from Carnival Australia as they go into re-fleeting exercise of their ships.

However, from 2020 onwards we will have increased cruise ships visiting PNG destinations such as Milne Bay, East & West New Britain, Madang, Bougainville, Wewak and hopefully other smaller offshore islands using their 2000 plus passenger cruise ships.

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Mr Assistant Speaker, the Tourism Promotion Authority is continuing its other key functions of marketing and promoting PNG in our key primary markets in Australia, Japan, North America, Europe and more recently in China. We have representative offices in Sydney, Tokyo, Shanghai, Munich, London and Los Angeles aggressively promoting PNG with the limited resource we provide.

Mr Assistant Speaker, I want to thank the Government for approving the Visa on Arrival for Chinese Tourists to PNG and vice versa. China now has huge wealthy middle-class population and they are now at the verge of leading the world's outbound travellers. Visa on Arrival will surely entice them to visit PNG in groups. This will be fully completed if our National Flag Carrier commence a scheduled flight to Shanghai or Beijing.

Mr Assistant Speaker, most of TPA's major activities are also currently on-going in other key areas such as tourism product development to meet international tourist standards, nationwide awareness and education, development of local tourism SMEs, promotion of major cultural festivals and the on-going development of our tourism policy frameworks to align ourselves with the national government's economic sector policies and those of our regional and international partners.

Mr Assistant Speaker, most of these activities and programs are summarised in the 2015 and 2016 Annual Reports of the Tourism Promotion Authority which I am now presenting to Parliament.

Mr Assistant Speaker, of course, the performance of my Ministry especially the tourism sector is measured by the number of international arrivals to PNG per year and I must inform Parliament that we have had a modest but healthy growth rate of around 4 percent over the last few years including 2015 but unfortunately PNG experienced a slight drop in 2016.

Mr Assistant Speaker, in 2015, PNG recorded 198 685 international visitors to the country, an increase of 4 per cent or additional 7 000 arrivals compared to the 191 442 international visitors recorded in 2014. Out of the total arrivals, 35 percent came for business, 33 per cent were on holiday including those visiting friends and relatives, 26 per cent came for employment, 4 per cent MICE and the remaining 2 per cent visited the country for other reasons.

Mr Assistant Speaker, at the back of many challenges including law and order problems propagated by the media both locally and internationally mainly in Australia plus other challenges such as high cost of travel, PNG recorded 197 632 international visitors, a slight decrease of 0.5 per cent or less 1 053 less arrivals compared to 2015 with visitors spending an estimated K1.95 billion in the country overall.

Mr Assistant Speaker, the healthy growth in holiday arrivals to the country in 2015 and 2016 was mainly attributed to increase in cruise ship visits. Australia remains Papua New Guinea's largest inbound tourism market in 2015 and 2016 making up over 50 per cent of the total arrivals to the country, followed by USA, UK, Germany, Japan, NZ, China and other smaller markets.

Mr Assistant Speaker, on the issue of international visitors, my ministry is also putting a lot of emphasis on the MICE Tourism sub-sector or international visitors coming to PNG for meetings, incentives, conferences and exhibitions and Sporting Events. I must commend the National Government for infrastructure developments around the country including re-development to our airports, wharves and major roads and building of major conference venues and international sporting facilities which will only encourage more visitors to PNG.

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Mr Assistant Speaker, we are already witnessing these growths in the MICE Tourism sub-sector and our potential to host international events such as the Commonwealth Heads of Leaders Meeting some years ago, the 2015 Pacific Games, the Under 20 Women's' FIFA

World Cup and the World Surf League Long Board Surfing Championships in Tupira, Madang in 2017.

The WSL Long Board World Surfing Championships will be again be held in Vanimo in October this year and will telecast live to 120 million people around the world.

Mr Speaker, with PNG hosting APEC 2018, especially with the APEC Leaders Meeting in November, we are certain PNG's image and profile will be further exemplified on the global tourism market with the large number of international media visiting and covering PNG.

In fact, the Tourism Promotion Authority already has plans and strategies to utilize this once in a life time opportunity to promote PNG on the world stage. This is an opportunity of a lifetime to showcase who we are in our unique cultures and traditions in our country.

Mr Assistant Speaker, as Minister responsible, I am proud to inform Parliament that the Tourism Promotion Authority has been one of only a handful of State Entities that has on a timely and consistent basis produced its annual audited financial report to Parliament since 2006 as required under the *Public Finance Management Act*.

Mr Assistant Speaker, as I speak, the Auditor General's Office is currently auditing the 2017 finances of the Tourism Promotion Authority and it will be my privilege to present the completed report to this Parliament soon.

In conclusion, Mr Assistant Speaker, it is now my pleasure to present to Parliament the 2015 and 2016 Annual Audited Financial Reports of the Tourism Promotion Authority.

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

ADJOURNMENT

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

That the parliament do now adjourn.

The Parliament adjourned at 1 p.m..