

TENTH DAY

Wednesday 12 September 2018

The Speaker (**Mr Job Pomat**) took the Chair at 10.05 a.m..

There being no quorum present, Mr Speaker suspended the Sitting until the ringing of the bells.

Sitting suspended.

The Speaker again took the Chair at 10.50 a.m., and invited the Member for Kompiam-Ambum and Minister for Environment, Conservation and Climate Change, **Honourable John Pundari** to say Prayers:

‘Our Father in Heaven, our heads bowed and our eyes closed we humbly come to the foot of the cross. Father, we remember that Jesus was wounded for your transgression, bruised for our iniquities at the foot of the cross we say sorry for the many sins that we have committed and we repent on behalf of the people that we represent.

We pray in Jesus Name that the power of the Holy Spirit will lead and will guide us this day and will help us to be humble in our services as servants of our people.

Oh God our Father, we know that you know that we are humans and as humans oh, father we forget, we are fragile and we are weak. So, Lord we pray that you kindly help us to lead and to serve in the way of leadership that you would want us to.

Our Father in Heaven, we thank you so much for a beautiful country and a wonderful people that we lead and we thank you for this privilege of being the servants of your people. We ask especially today as we help as leaders, as in the words of John F Kennedy, to ask not what your country can do for you, ask what you can do for your country.

Oh Lord, we thank you and we thank you for our people, our people in the hospitals we pray that you will be with them, anyone hungry in this country we pray that you will be with them and you will lead them to the abundant blessings of the land, the streams, the rivers and the wonders that you dear Lord have blessed us with.

Oh Lord, we pray for our brothers in the Opposition and we pray for ourselves that as leaders in the Government you will guide our hearts to be in the right place and may drive our mind to make sound and right decisions for our people in the name of our Lord Jesus Christ, Amen’.

**DEATH OF FORMER MEMBER (Sir John Maxwell) –
STATEMENT BY THE SPEAKER**

Mr SPEAKER – Honourable Members, I have to inform the Parliament of the death on 5 December, 2017, of Sir John Maxwell Middleton. He was the former Member for the Sumkar Open in the Second House of Assembly from 1968 to 1972 and was re-elected to the Third House of Assembly and First National Parliament for the same seat from 1972 to 1977.

02/10

As a mark of respect to the late Honourable Gentleman, I invite all honourable members to rise their places.

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

QUESTIONS

Revive Cooperative Societies

Mr SAKI SOLOMA – Thank you, Mr Speaker. My question is directed to the Minister for Commerce and Industry, and I want the Minister for Planning to take note.

Mr Speaker, Eastern Highlands and Chimbu provinces were once known for cooperative based businesses in the early 1960s and 1970s where people in these two provinces mobilised and established cooperative societies. Cooperative societies were economic vehicles that empowered the 85 per cent of the people living in rural areas through agri-business and other cooperative sectors.

Mr Speaker, the Government has not allocated funds from 2015 to 2018. The PNG economy is growing and is fragmented and vulnerable. Cooperative societies are the most appropriate economic entity that will be able to mobilise both people and limited resources to enable our farmers to compete in all forms of economic activities.

Mr Speaker, we know of cooperatives around the world and cooperative based businesses must be recognised by the O'Neill-Abel government and funds be made available to assist our registered cooperatives in the country.

What is the Ministry of Commerce and Industry doing to assist cooperative societies in the country?

Mr WERA MORI – Thank you, Mr Speaker. Firstly, I would like to thank the Honourable Member for Okapa for asking this question on cooperative societies. I thank him for the question simply because he has emphasised the significance of how we can drive our agricultural economy using cooperative societies as a vehicle.

If I may be succinct and go straight to the point to outline what my department is doing with cooperatives. On the issue of funding, under the 2019 Budget, we are making a submission to basically seek funding of K20 million to revive where possible all cooperatives and to create new cooperatives.

Cooperatives were successful since its inception in 1947 up to Independence. However, they fell out along the way. What we need to do is to use Cooperatives to revive many of our rundown plantations whether it be coffee, cocoa or coconut.

03/10

Many of those plantations were closed down because of the law and order situation and also because of issues associated with landowners. But by using Cooperatives and engaging former landowners living around those plantations as unit holders in a cooperative unit with a central investor then that will be the way to help Cooperatives be successful and also to revive those plantations and get the agricultural industry going.

In response to the Member's question, we are looking at that and I am sure that as the 2019 Budget is made, I would like to see this K20 million set aside to activate Cooperatives and also to partner with the National Development Bank so that we can have special funding as a form of SME.

Increase Housing Allowance

Mr GARRY JUFFA – I wish to direct my questions to the Minister for Public Service.

They relate to the welfare of public servants in particular the housing allowances and benefits. I believe that unless officers are on contracts or are senior officers, it is still K12 per fortnight.

(1) Can the Minister confirm or deny this and inform us on whether there are plans in place to improve that situation so public servants can afford decent housing for their families? It is affecting their morale and their output.

The Minister was the chairman of the Special Parliamentary Committee on the Public Service Review.

(2) Can the Minister advise as to whether that report will be tabled and the recommendations made would be acted upon?

This is so that we can scrutinise the public service machinery, modernise it and upgrade it so that it can function and serve the interest of the people of Papua New Guinea as it should.

Mr ELIAS KAPAVORE – I thank the Governor of Northern for his questions.

It is equally important that all of us have to have the passion to see that our public servants' welfare are being taken care of by the Government.

I can confirm that the housing allowance for general public servants today is still at K12 per fortnight, and that excludes the contract officers from technical advisors and higher up. This is something the Government will have to look into because it has been the same for the last couple of years.

According to the terms and conditions of employment, it says that accommodation is not a condition of employment. I have discussed this with my team and we will also be discussing this at the NEC level to see whether accommodation can be included in employment contracts.

I believe we need to make changes because the welfare of our officers contribute and lead to better performance. We will have to revisit this situation and improve on it.

Secondly, with regard to the reports that were given previously, I thank the Honourable Governor who was part of the team who went to other countries to also see how public servants in there were performing.

04/10

In the last government, I was appointed as the Chairman of Special Parliamentary Committee on Service Delivery and Public Sector Reform so I am fully aware of those reports. The reports made a lot of good recommendations and we will certainly look at revisiting some of those recommendations that were given.

At the moment we have a public sector organising review team within my department and we will have a look at the recommendations for the possibility of implementing them.

I take this opportunity to say that according to the reform process, Section 26 of the *Public Services Management Act* encourages the public performance management system. I mentioned that yesterday in my ministerial statement. The performance management system requires governors to establish the key performance indicators for their provincial administrators. That also goes for the departmental head and the managing directors who are appointed under the *SRE Act*.

We need to monitor the performance of our departmental heads and everyone who is appointed in the process. People are asking whether we are monitoring the performance of those that we are appointing. I can state in this Parliament that we have this particular section in the Act that clearly specifies that key performance indicators must be assessed on a yearly basis by our departmental heads. This has not been done in the past and we would like to improve on this.

I want to make it clear that if our departmental heads and the PAs are not performing, non-performance in itself is a serious offence and they can be dismissed from the public service. I want to stress here that it is important and we need to do this together. And we would like to make sure that the performance management system is also established at the sub-national level, down to the CEO at the district level, and they must also sign the KPIs, Open members of Parliament and going right to where the LLG managers are. This is so that we can track the performance of everyone at all levels of government to see improvement growth right throughout our public service. It is a working progress and I think that the *Public Services Management Act* that was done in 2014 was a revolution to what we can do and I believe there are enough policies that can turn the Public Service management around.

Corrupt Land Deal

Mr NAKIKUS KONGA – Thank you, Mr Speaker, for giving me the opportunity to speak.

My questions are directed to the Minister for Lands, and I would like the ministers for Forest and Agriculture to take note. When we talk about development in the areas of forestry or agriculture, there is always the issue of land.

Mr Speaker, I commend the Minister for Lands because he is doing a wonderful job in the department. Honourable Minister, you received a letter a few months back from the

Bishop in Rabaul regarding 18 000 hectares of land in Putput, on the west coast of East New Britain. The letter stated that through a corrupt deal with the Lands Department, this land was given to two people from the Baining area. To date, the Catholic Church is still waiting for some positive response.

(1) Can you look into this matter because it is causing a lot of problems in my province?

05/10

Investigate Illegal Logging

Furthermore, an unlicensed company has been operating and has started logging all the trees. In fact, two shipments of logs have been made already and it's a very serious issue.

(2) Can you investigate this illegal operation and inform us so that we can settle the issue?

Mr JUSTIN TKATCHENKO – Mr Speaker, I thank the Governor of East New Britain for his very important question on 18 000 hectares of land in Putput being taken away from the Catholic Church in East New Britain Province.

I have already referred this letter to the Registrar of Titles because it's a very serious matter. If the Catholic Church has already got a legitimate title then how can others have the same title?

So this is an ongoing issue with the Lands Department as you all know. But we are trying to change that perception. In this particular case, it was referred to the Fraud and Complaints Unit within the Lands Department, which was established 12 months ago.

Honourable Governor, I will definitely get back to you on this issue by tomorrow as it's already in process and I will give you a full update on the process made and the information that has been found on this issue.

But I do agree with you that there is a serious problem there and we are trying our best to rectify this problem once and for all. Only six or seven months ago we established the brand new scanning centre in the Archives section in the Lands Department.

That scanner was officiated by the Prime Minister and we have already scanned over 10 000 land and title files and we have recruited 20 casual information technology staff and they are working five days a week in ensuring the operations of that section.

They will be all electronically scanned which means that the days of paper files will be a thing of the past. Paper files can be easily thrown away, stolen or be kept cabinets with no proper certification. But with electronic filing, they will never go missing again.

So under the leadership of the current Government, the Lands Department wants to ensure that duplicate land titles will be a thing of the past. So within these two years, it will be an intense program of scanning every single land document and titles.

Hopefully, issues such as the Governor has raised will not be repeated once electronic filing is completed.

I appreciate the question and I look forward in giving the response tomorrow.

Enga College of Nursing

Mr LINO TOM – Thank you, Mr Speaker, for giving me this opportunity. I wish to direct my questions to the Minister for Health and HIV/AIDS and it's in relation to the new staff structure for Enga College of Nursing.

Before I ask my questions, I would like to thank the Prime Minister for the newly established Enga College of Nursing.

The college was established about five years ago and during that time, staff remuneration was taken care of by the Enga Provincial Government.

With the staff structure that was recently approved, the existing staff had to re-apply for the positions. We have realised that from the 30 staff, only 4 of the old staff were actually given positions in the current structure and 26 are new employees.

Most of the former staff have worked at the college from the beginning and as you would know, the college is actually situated in an area that is very volatile with ongoing trouble fights. The former staff have made sacrifices from the beginning but have not been appreciated by being retained in the current structure.

(1) What criteria did the Health Department use to appoint the new staff?

06/10

(2) Can the old staff who have actually been on casual salary be remunerated for the last five years they have been working at this college?

Sir PUKA TEMU – Mr Speaker, I thank the Honourable Member for Wabag for his questions in relation to the new Enga College of Nursing.

Mr Speaker, the Higher Education programs come under the Minister for Higher Education, Science and Technology, so I have no doubt the Minister has already taken note of the questions.

However, in response to the questions, both I and the Minister for Higher Education will communicate and coordinate the issues that the Member has raised.

Firstly, let me say that we need to acknowledge the strong leadership of the Honourable Governor, Sir Peter Ipatas, for providing leadership in supporting health programs in the province, in particular the establishment of the Enga College of Nursing, plus his strong support where the Provincial Government under the Governor's leadership have been providing and building quality infrastructure such as classrooms as well as houses for doctors.

I had the privilege of visiting the college and I must say that the quality of facilities is second to none and so I commend the leadership of the Honourable Governor, Sir Peter Ipatas.

On this particular question, the standard rule is that, once the structure of an organisation is approved, everybody is unattached. That's the first rule and so nobody has the right to claim any positions anymore. When the appointment process was done, we ensured that the appointment process was followed closely. Unfortunately, only four of the old staff have been recruited.

In relation to the criteria used, through the Minister for Higher Education, I will provide a written report to the Honourable Member for Wabag, so that the points that he has highlighted with regards to social issues and the staff who have given a lot of years of service to our health programs in the province and so we must acknowledge that as well. But we will look at the appointment process, but as I said, if the process is followed, I know that the provincial administrator there is a very experienced public servant so I would assume that the new process was followed in appointing the 26 new staffs.

In regards to the old staff who were labelled as casuals, my understanding has always been that casuals can be sacked, suspended or terminated anytime without compensation. That's the usual Public Service rule. So if a staff has been casual for a long time, it's not fair when the management and the administration don't do anything about it in terms of their retraining or ensuring that they are on substantive position.

So the issue of casual staff in this case is a very sad one because Public Service policy does not allow for those things to happen.

But as I said, Mr Speaker, because they are very important questions, with advice from the Minister for Higher Education, I will respond in writing.

Construct Supreme Court Building

Mr PETER NUMU – Thank you, Mr Speaker, I direct my questions to the Minister for Housing.

07/10

There is a greater need for the lower Highlands which covers Eastern Highlands, Simbu, Jiwaka and other neighbouring provinces for Supreme Court hearings within the provinces. We have many land issues and after my consultation and request to the Chief Justice and the Registrar of the National and Supreme Courts, I have been given the green light to have Supreme Court Circuits in Goroka.

Land of course is a big problem and we are now searching for land in Goroka Town. And after my consultation with you and during your last visit to the Eastern Highlands Province, you promised my people that you will allocate land to Eastern Highlands Provincial Government for a Supreme Court building.

My questions are:

(1) What is the progress with regard to the property owned by National Housing Corporation, and;

(2) Do you have any other plans for Eastern Highland under your department?

Mr JOHN KAUPA – Mr Speaker, I thank the Governor of Eastern Highlands Province for his questions

Early last year we went there for the launching of the Five-Year-Development Plan for Daulo and the Governor approached me with a plan to build a National and Supreme Court structure in Eastern Highlands which will ensure that all the Highlands provinces can have their Supreme Court hearings in Goroka.

He asked me for land and after the Daulo event, I came and checked some of the land in Goroka Town owned by the National Housing Corporation.

I found out that the area where the Court House is currently located has land behind it on allotments 10, 11, 13 and 14 which is owned by the Housing Corporation. It is not far from the current Court House. When I saw it I told the governor that I will return to the

National Housing Corporation office and check with operations on the status of these pieces of land and if there is a way I will help you.

I gave that commitment and checked with the Housing Corporation and found out that three have already been bought but two allotments behind the Court House are still available. I have ordered my people in conveyancing to start looking at how we can give it to him.

Lands Minister, please take note of this. We are nearly completing the process of transferring that land to the Eastern Highland Provincial Government so that it can build its court house and serve all our highland provinces.

So, Honourable Governor, within the next two weeks, I will come to Goroka and tell you about the status and I will work with the Lands Minister who I always inform with regard to land ownership by Housing Corporation and those that have been stolen, I am liaising with him and recovering them back to the National Housing Corporation.

It is an ideal location and I think it will serve many of our population in the Highlands from the district courts, National Court and even the Supreme Court.

Banab Bridge Re-construction

Mr CHRIS NANGOI – Thank you, Mr Speaker, my questions are directed to the Minister for Works.

This is the fifth time I am standing to talk about Banab Bridge which collapsed in January and is still not re-constructed. I think only last week there were signs of contractors going in to begin pile driving.

08/10

I would like to thank the Works Department for their intervention as it is very important because it links Bogia, Middle Ramu and Sumkar, which is my district where we are mostly affected. It's been almost nine months before any work has started but I must say thank you.

Karkar Ring Road Maintenance

Mr Speaker, I have two questions to ask the Minister for Works.

I would like to remind you that Karkar ring road comes under the Works Department. The current Governor of Madang, Mr Peter Yama, was the Member for Sumkar when this road was constructed and Covec was contracted to seal it. However, the road is currently in a very bad condition.

(1) Does the Minister have any plans in place for the maintenance of the Karkar ring road?

Mr Speaker, there are too many old bridges throughout Madang. One of them is Banab Bridge which has already collapsed and more will follow suit.

Construct New Bridges

(1) Does the Minister have any plans to build new bridges in our province?

I would like the Minister to inform the Parliament, especially the members from Madang Province.

Thank you.

Mr MICHAEL NALI – Thank you, Mr Speaker. I would like to thank the Member for Sumkar for his questions.

Mr Speaker, firstly on Banab Bridge, like we always emphasise, sometimes we must give opportunities to the local contractors so with that thought the Department had engaged a local contractor and we gave some funds to them to initiate the work.

I am aware that the Banab Bridge issue has been raised a number of times. Unfortunately, the local contractor found it hard to start work and was struggling and because of that we terminated the contract. We then awarded the contract to East West Construction, which is a very good contractor based in Lae and now is up in Madang, and that is why you have seen them working on pile driving and et cetera.

Mr Speaker, in regard to the Karkar ring road, all roads in this country whether it falls under the responsibility of the National, Provincial or District Government they are the property of the Department of Works.

So, Mr Speaker, I have this issue now where that are too many roads in the country that are in need of maintenance, although funding is still coming in. I will not tell lies to our people of Karkar, but most importantly, the Member has reminded me of this ring road, which is an important road. And I know Karkar has a big population unlike the Island of Palau which has less than 15 000 people but they gained independence, Karkar has more.

Mr Speaker, I take note of the Honourable Member's concerns so I will make it my business to see how I can help as soon as I secure some funding.

Mr Speaker, the question on aging and deteriorating bridges in Madang Province is quite a good question because I have good news for you. Under one of our programs, some of

our development partners have given us some big funding to construct bridges in the Momase Region of which Madang will receive close to six bridges and East and West Sepik coastal highway headed by the Awain Bridge will receive about three bridges.

09/10

The Department has received a no-objection letter. It has taken us a very long time, but thanks to the European Investment Bank who gave clearance to the department this week. The department has worked on the submission to tenders board and tenders board should sit as early as next week and after that because the project is more than K10 million, it will become our responsibility to bring this submission to NEC and as soon as NEC gives the approval, we will award the contract to build the nine bridges, six of which will be built in Madang and three will be in the Sepik coastal high way.

Mr Speaker, next week Wednesday, I will have a very important meeting with World Bank to discuss how best they can assist us on the maintenance of the roads along Hitritano and Magi Highway, Ramu to Madang and also the Sepik coastal and main highway.

While having this opportunity also, I want to announce to Parliament that two months ago, NEC awarded contracts to construct 12 bridges in West New Britain in New Britain Highway.

Mr Speaker, our development partners have been very supportive. Member for Sumkar, you have good news to take to our people in Madang that you will have six brand new bridges. We are now getting into concrete two-lane bridges.

Having said that, we have also had dialogue with National Planning. I am still waiting for a letter from National Planning, which we will pick up very shortly, to come up with a new bridge program where all districts in the country can benefit from and will also assist our people greatly.

Supplementary Question

Lae-Bukawa-Finchhaffen Road

Mr KENNEDY WENGE – Thank you, Mr Speaker. My question is similar to the one raised by the Member for Sumkar.

During the reign of Sir Rabbie Namaliu as Prime Minister, there were plans to construct a coastal road from Lae to Bukawa and Finchhaffen and all the way to Madang and Jayapura. It was categorised to be a National road.

Does the plan to construct that road still exist today?

Along that proposed road is a bridge that was built over a very dangerous river that has caused many fatalities.

Mr SPEAKER – Honourable Member, your question seems to be a new one, not a supplementary question. But, I will let you ask your question.

Mr KENNEDY WENGE – Thank you very much, Mr Speaker.

Mr Speaker, I will use my DSIP funds to start this project. There have been many accidents along this bridge, and has become a risk to the people of Bukawa and Nawae, therefore, despite the limited funds in the Budget, I will upgrade that bridge to extend this Highway.

Mr MICHAEL NALI – Thank you, Mr Speaker. I thank Member for Nawae for his question.

Mr Speaker, we share a common desire to provide roads and bridges for our people who we represent.

10/10

The commitment made by former Prime Minister, Sir Rabbie Namaliu, to build this road link from Bukawa to Finschaffen and to West Papua is important, but our main concern at the moment is upgrading and maintaining our existing highways and provincial roads.

With regard to districts, it is the responsibility of individual members of Parliament to take care of our districts. The National Government can also assist but then we will try to help but we must make sure we factor our district roads using our DSIP. The provincial roads are the responsibility of the provincial governments and the National Government.

Mr Speaker, I have about 8 000 kilometres of existing National Highways. The NEC has already approved but I have not yet made a ministerial statement in Parliament because I am still waiting for the decisions of major reforms in the department. In the next Parliament Sitting, I will be in a position to make a ministerial statement. It will detail what plans the Department of Works and Implementation has.

Mr Speaker, out of this 8 000 kilometres, the National Government is now locking in many of them in the programmes it is running. For example, 430 kilometres of the Highlands

Highway will go to ADB. The project has gone up for tender and the tender evaluation committee report is already with ADB. Soon ADB will come back to us whether they agree with the report or disagree, so in turn we will know about our status of rehabilitating the Highlands Highway. This is a project which will take up almost K3 billion.

The first phase will take up about K1 billion, phase two another billion kinas worth, and the final phase will take up the final billion. This project will take about 10 years to complete everything.

The Buluminski Highway in New Ireland will be done in partnership between the PNG Government and AusAID. Hiritano will be done by ADB. I am talking to the Australian Government that if they want to take part in these projects then they must align themselves with our programs in our country rather than picking up pockets of roads.

Mr Speaker, in response to the question, I must be honest with you that we never factored the road in question. It was not in the Government's program under the missing links but this is something that we can look into.

The missing links that we have now which the Government is concentrating on are the transnational highway from Wau-Bulolo to Menyamyia to Itiki to Kaintiba to Kerema and into Port Moresby. The other missing link that we are looking at is the Baiyer River to Madang. The other is from East Sepik to West Sepik all the way to Jayapura.

It will be hard for us to build a road from Madang all the way to West Papua because of the huge Sepik wetland due to the Sepik River. I am of the opinion that we can build a bridge at Bogia then from there we use boats into Angoram and into East Sepik and to West Papua. One can travel all the way from the Highlands to West Papua.

11/10

So these are workable. But for your question, I think you and I should have a discussion and we look at the proposition. But we will look at how best we can help you and your province.

Breach of Organic Law

Mr PAIAS WINGTI –Thank you, Mr Speaker. I direct my question to the Minister for Public Service. There are two important things that took place. The first is the district authorities, which we are working at to make it work, and the other law is we wanted five cities in the country, Kokopo, Lae, Mt Hagen and Port Moresby. And we have set up the authorities to manage those towns. My question is in relation to the Organic Law.

In relation to public service matters, *Section 76* of the *Organic Law* empowers the Department of Personnel Management to assign public servants to the province but must always be done in full consultation with the provincial administrator of that province. That is the law.

The other section of the law is *Section 74* of the *Organic Law on Provincial and Local Level Governments*. That section also empowers the provincial administrator to transfer, defer, and appoint. That section gives the PA that power.

The Public Service only has the power for structure, determination of salary and position. The law is very clear on that, but I want to ask the Minister because of the situation that arose in Western Highlands. On Monday, 13 August, 2018, two female officers in Mt Hagen from the Department of Personnel Management were sent by the Acting Secretary. There was an advertisement on the structures of the department and they went that day and started recruiting and appointing people under that structure within the department.

They came back and after a few days they immediately put these 48 people on the public service payroll. We are now trying to downsize the Public Service which is the aim of the Government, but now we have officers that are going against the Public Service rules. They are long serving officers and work very hard but in this case somehow their integrity is questioned. They were very quick and without consultation with the administrator of the province, things were done differently.

Did we change these two laws and empower them?

These are the guiding laws of this country, and does the Minister realise that allowing these kinds of activities demoralises the Public Service? It is going to cost extra money.

Mr William Duma – Point of Order! The Governor must remember that he supported the Mt Hagen City Authority Bill. It was passed by Parliament many years ago. No-one owns the public servants; they belong to the State so I think the Governor is misleading this Parliament.

Mr PAIAS WINGTI – The Minister for Public Service has my greatest respect. The department depends on the integrity of the Minister and the department, and I respect the Minister and department itself and I hope we maintain that.

12/10

Mr Minister, what cause of action do you intend to take if your officers breach the laws and do things contrary to the Public Service laws?

Mr ELIAS KAPAVORE – Mr Speaker, I thank the Governor of Western Highlands for his question.

The *Organic Law* comes under the ministerial determinations of the Minister for Inter-Government Relations. But the *Public Service Management Act* comes under my ministry and I would like to state here that the Secretary for Department of Personnel Management is the principal adviser to NEC with regard to all public service matters in the country.

With regard to the issues raised by the good Governor, I have received a letter from him which I forwarded to my secretary to provide a full response, which will be presented in due course.

MOTION BY LEAVE

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

Leave granted.

SUSPENSION OF STANDING ORDERS – REARRANGEMENT OF BUSINESS

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

That so much of the *Standing Orders* be suspended as would prevent Notice Nos. 85, 86 and the National Procurement Commission on Consequential Amendment. And Notice No.81, it relates to amendment of laws that will ensure that buai and smoke are banned in public places. And Notice No.75 on the Parole that the Attorney General will present as well as Minister for Lands and Physical Planning and APEC concerning the *Land Amendment Bill 2018*.

NATIONAL PROCUREMENT BILL 2018

First Reading

Bill presented by **Mr James Marape** and read a first time.

Second Reading

Leave granted to move the second reading forthwith.

Mr JAMES MARAPE (Tari-Pori – Minister for Finance and Rural Development) – I
move –

That the Bill be now read a second time.

Mr Speaker, I rise to present to this Honourable House an important reform the Ministry and the Department of Finance has undertaken on behalf of our government, country and the people.

13/10

This particular reform is part of the bigger Public Financial Management Reform underway in the country assigned to respective State agencies and National Government departments, identified in the Public Expenditure and Financial Accountability (PEFA) Road Map 2015.

Mr Speaker, the Public Procurement Reform is one of the impact projects spearheaded by my department, in-consultation with key State agencies, National Government departments and relevant stakeholders including development partners.

Mr Speaker, the procurement reform presents the new and the single biggest standalone procurement legislation in the country with the creation of a new National Procurement Commission replacing the Central Supply & Tenders Board and its offices in the provinces and districts, and also transforms to building procurement capacities in State procuring agencies. This proposed Bill has gone through wider public consultations gauging views of public at large including government procuring agencies and has the full blessings of the Cabinet before this Honourable House.

Mr Speaker, I want to inform the Parliament that this Government is serious about improving the public procurement system so that it meets the needs of the State and the People of Papua New Guinea. This Government is strong and committed to revisit our procurement system and the public financial management laws in order to improve and effectively manage the public money and economize the scarce resources. In doing so, we are determined to meet our people's expectations at all levels of government as well as creating a balanced space for private sectors to meet the Government's development agendas.

Mr Speaker, the ministry and the department in consultation with key government agencies and development partners have been undertaking the public procurement review with the technical assistance provided by European Union (EU). I'd like to thank the development partners for their continuous support in key technical areas of assistance and capacity building for the common good and development of our nation.

Mr Speaker, in a policy direction issued by the current government the department has set this project as one of the priority impact projects and that is why I am committed to this review as the Minister responsible, and I'm glad to introduce this important piece of proposed legislation to this Honourable House.

Mr Speaker, the capacity of our national procurement has increased substantially, both in terms of volume and value, since Independence. This proposed Bill presents the strategy to reform the public procurement system so that it meets the needs of the State and the people of Papua New Guinea. It is also aligned to international best practices and promotes fair competition for government contracts.

Mr Speaker, procurement must be addressed on a national basis to avoid fragmentation and confusion and ensure that procurement laws and processes meet the needs of the people of Papua New Guinea.

Mr Speaker, our current public procurement and financial management framework has generally served us well for the last 40 years. But as our country faces new challenges and exciting development prospects, it is important that we have a modernised public procurement system to harness with the current global public procurements and public financial practices.

In our last Parliament, as part of the continuous public financial management reforms, the previous government of which I was a cabinet minister, introduced significant reforms in the public finance spectrum and successfully overhauled the Public Finance Law (PFMA) of the country.

Mr Speaker, the economy and the population are simultaneously growing at a constant and rapid phase, with continuous increases in infrastructure development and demand for goods, works and services. The national procurement regime needs to be tasked to administer a procurement system that meets the needs of the country, with a capacity to change as circumstances changes.

Mr Speaker, the need for change in the national procurement system has been long recognised in the various studies and reviews that have been undertaken, such as the (PEFA) Public Expenditure and Financial Accountability exercise introduced by IMF and World Bank.

Intension of the Bill- Definition of Procurement

Mr Speaker, for the purposes of the new legislation, procurement shall mean and include acquisition by purchase, rental, lease, hire purchase, licence, tenancy, franchise, or any other contractual means, of any type of goods, works and services or any combination.

Mr Speaker, in order to avoid doubt and confusion, procurement shall include the disposal of goods as well. All public and statutory bodies must dispose goods in a manner that is ethical, equitable, efficient, and where practicable maximises a value outcome for the State.

14/10

Mr Speaker, this is to enhance transparency and increase public benefits for financial returns. Disposal shall mean and include the divestiture of public assets, including intellectual and proprietary rights and goodwill, and any other rights of a procuring and disposing entity by any means, including sale, rental, lease, franchise, auction, or any combination however classified.

Application to the Autonomous Region of Bougainville

Mr Speaker, when the *Public Finance Management Act 1995* (PFMA) was amended in 2016, a specific provision was inserted for the Autonomous Region of Bougainville to apply PFMA. It is the Government's policy that until the Autonomous Bougainville Government has in place a separate procurement framework that has been operationalised to the satisfaction of the Government, the procurement law will apply to the Autonomous Bougainville Government.

Public & Statutory Bodies

Mr Speaker, it is intended that the Procurement Bill will apply to all procurement activities by all public and statutory bodies, whether or not the procurements are funded by public funds. So long as they are government entities, this procurement law will apply to them. It is essential that all public and statutory bodies are regulated so that the standards of their procurement activities not only reflect mere procurements but also ensure value for money.

Application of the *Public Finance (Management) Act*

Mr Speaker, it is significantly intended that the national procurement legislation applies to all procurements carried out by public or statutory bodies, within the meaning of the PFMA, whether or not those bodies are funded under the National Budget.

Mr Speaker, within the meaning of *Public Finance Management Act* there are over 1100 statutory bodies in Papua New Guinea which, due to their statuses limitations, not all undertake procurement. These are simply too many procuring entities and the number credibly requires rationalisation.

Mr Speaker, with eminent circumstances of limited public resources, the Government cannot devote itself to procure for all public and statutory bodies. Hence, all public and statutory bodies, except those certified as having procurement capacity, will have their procurement capability withdrawn and all their procurement will be undertaken by the new National Procurement Commission (NPC). The NPC will have their provincial and district offices established to undertake procurements by the provincial, district, local-level governments and other statutory bodies like Provincial Health Authorities.

Mr Speaker, in respect to the procurement provisions in the *Public Finance Management Act*, it is recommended that the PFMA is amended as a consequential PFMA Bill. The fundamental purpose of amending the PFMA is to expand and institutionalise the Departments of Treasury, Finance and National Planning and Monitoring as the Authority to Pre-Commit Committee (APCC).

Mr Speaker, the APC Committee powers and functions are to be vested in the PFMA to embrace the mandate on the budget, development planning, planning of procurements, timing of procurements, and cash management functions of all procurement processes.

Mr Speaker, the recommended changes to the *Public Finance Management Act* accord with the National Procurement Bill. This amendment is to ensure that all procurement provisions are captured in one piece of legislation.

Mr Speaker, the *PFMA*, alongside the *National Procurement Act*, National Procurement Policy, Good Procurement Manual and the Procurement Instructions will fundamentally give confidence to the public financial management that will embrace compliance, controls and a fair and transparent procurement mechanism in Papua New Guinea.

Application to International Agreements

Mr Speaker, it is government policy that all procurement should, as far as possible, be regulated by the laws of the country. However, where Papua New Guinea has entered into an agreement that contains terms relating to procurement with one or more states, or with an international organization, the terms of the agreement shall be complied with, in full.

15/10

Mr Speaker, where there is a conflict between the procurement laws, including any regulations, guidelines, instructions or the like, and a condition imposed by the donor of the funds, the conditions of the donor shall prevail with respect to the procurement that uses the funds.

Mr Speaker, constitutional institutions, public and statutory bodies shall have the same definition as provided in the *Public Finance Management Act* (PFMA). This will ensure that the terminology throughout the whole of government is standardised.

Mr Speaker, in the PFMA, constitutional institutions were excluded from the definition of statutory bodies, but a separate provision is included so that constitutional institutions were bound by the PFMA as if they were statutory bodies.

Mr Speaker, constitutional institutions shall be bound by the Procurement Bill. In order to ensure the constitutional integrity of constitutional institutions, it is necessary to enshrine the principle that the Procurement Bill provisions shall be interpreted only to give effect to the administrative provisions of the Procurement Bill and not to impinge on the functional roles and responsibilities of these Constitutional Institutions.

Mr Speaker, post national budget procurement planning has been almost universally ignored in the budgeting process, despite it being a mandatory requirement. The Department of Finance cannot manage available cash with procurements funded by the National Budget unless there is effective procurement planning to clearly align procurement needs and cash availability.

Mr Speaker, obviously, it will be impossible to always have available the cash required for all procurements unless the procurements are planned. As well, too many procurements in the past have purported to proceed when in fact they were nowhere near ready to be launched and this has tied up scarce resources.

Mr Speaker, conversely, in the past, many procurements have been launched by both public and statutory bodies without any reference to available funds, resulting in the Government not being able to meet all requirements when they arrived at Department of Finance, Treasury or National Planning seeking payment.

Mr Speaker, therefore, immediately after the passage of the National Budget, all public and statutory bodies shall be required to submit to the Authority to Pre-Commit (APC) Committee a complete procurement plan for all procurements planed by the public or statutory body in excess of a very limited threshold. Most Budgets are passed by November of the proceeding financial year, and it is intended to allow for the procurement plans to be submitted up to 21 days after the commencement of the financial year, which is a period of three months post-Budget.

Mr Speaker, after that period, no further procurement plans will be accepted by the APC Committee without an express direction from the NEC. If a public or statutory body cannot produce a

procurement plan within three months, its capacity to manage and oversight any contracts must be severely questioned.

Mr Speaker, the submitted procurement plans shall include details of the total amount of funds required for the procurement; a schedule of the dates at which the funds will be required to meet expected contractual obligations; the current state of bid preparedness, including the technical and related specifications and the timing of all procurement steps; and such other details as the committee may from time to time require.

Mr Speaker, on receipt of a procurement plan by the committee, it shall reject the procurement plan, if required details have not been provided or incorporated the procurement plan into a consolidated procurement plan of all submitted procurement plans.

Mr Speaker, this procurement planning acts to advise and inform the APC Committee of the cash needs and the relative importance or priority of procurements, as well as the preparedness of procurements to proceed. Procurements that are not ready to proceed immediately will not have funds assigned to them.

Procurement thresholds

Mr Speaker, the procurement thresholds for all public and statutory bodies are categorised in certain phases. This is to specify the limitations placed on the public and statutory bodies on their procurement capacity.

Mr Speaker, the threshold level for minor procurements which public and statutory bodies may procure themselves using a simplified procurement system approved by the Commission is not more than K5 000. The threshold level which public and statutory bodies may procure themselves using a standardised procurement system approved by the Commission is from K5 001 to K500 000.

Mr Speaker, the threshold level which public and statutory bodies shall not procure themselves but shall have procurements undertaken on their behalf by the Commission is above K500 000.

Mr Speaker, the threshold level which a provincial committee of the Commission may procure itself using a standardised procurement system approved by the Commission is K5 000 000. The threshold level which the district committee of the Commission may procure themselves, using a standardized procurement system approved by the Commission is K2 500 000.

Procurement Capacity & Certification

Mr Speaker, the role of the Department of Finance is to protect public finances and ensure that these scarce resources are utilised only on authorised purposes by competent people and in line with required processes. Most public and statutory bodies do not have the demonstrable capacity to undertake procurements in line with required processes.

16/10

There are too many public and statutory bodies in Papua New Guinea to be able to consider nationwide capacity building across the whole range of public and statutory bodies while allowing these bodies to execute procurements when they lack the capacity.

Mr Speaker, unless certified pursuant to this Act, public and statutory bodies shall not seek bids in respect of a procurement or enter or purport to enter into any contract for any procurement above the threshold limit.

Mr Speaker, many people have in the past simply ignored procurement processes and continued as if they had authority. This has led to very unfortunate events where the claims are made for work done on invalid contracts, usually when funds are not available to meet the claims. Additionally, many such contracts have been entered into, knowing that they are invalid and then claims made for work done using equitable legal principles of quantum merruit.

Mr Speaker, there will be very substantial penalties, in line with the *Public Finance Management Act* for failing to comply with the procurement laws and this will apply to both the private and the public sector. Quantum merruit has been removed as a legal principle on which damages can be awarded for work done under illegal contracts.

Mr Speaker, all procurements in excess of a low threshold limit shall be undertaken by the new National Procurement Commission on behalf of public or statutory bodies. The threshold limit for agencies are fixed and remain in place unchanged. However, this new legislation has introduced National Reservations and Restrictions for public tenders.

Mr Speaker, a public or statutory body certified under the new law may then undertake procurements in accordance with the terms and conditions of that certification. This ensures that only those public and statutory bodies that have procurement capacity are permitted to undertake procurements. However, it is not enough to remove authority, without also seeking to build capacity. This is addressed in the provisions relating to Contract and Evaluation Committees in the bill.

National Procurement Commission

Mr Speaker, the National Procurement Commission (NPC) will be a statutory body within the meaning of the *Public Finances Management Act*. It is not a regulatory body but has the function of performing procurements for and on behalf of the government.

Mr Speaker, the NPC shall consist of seven (7) board members, three being government office holders (ex-officio members) and the other four to come from the

professional bodies and private sector. The ex-officio members will ensure that the legal and fiscal interests of the government are represented, as well as having government experience in major contracting matters.

Mr Speaker, the other four (4) members shall be selected from nominations from each of the organisations representing the interests of engineers, civil society, businesses or accountants, and a reputable and impeccable person who has the industry knowledge and experience.

Mr Speaker, a member of the board of the commission shall be appointed for three years by the Head of State, acting on advice of the National Executive Council, upon recommendation of the Finance Minister, to be the Chairman of the Commission, and shall be a non-executive Chairman with no role, powers or functions in the day-to-day operations of the Commission.

Mr Speaker, members of the commission shall be required to advise whether they intend to acquire, a direct or indirect personal interest in any agenda item or specific matter requiring the commission's consideration and decision; and where such an interest exists, not participate in the deliberations or decision-making process of the commission in relation to the agenda item or the matter in question. Ex-officio members whose agency is responsible for sponsoring major procurement such as Works Secretary will have to abstain at the meeting

Functions of the National Procurement Commission

Mr Speaker, the functions of the NPC are broad, but they focus on the conduct of procurements and have no regulatory aspects. The NPC is to undertake timely, fair, competitive, transparent, non-discriminatory and value for money procurements for and on behalf of public and statutory bodies, as well as build procurement and disposal capacity in Papua New Guinea.

Mr Speaker, the NPC shall be required to maintain a register of providers of works, goods and services. The purpose of the register is to pre-vet potential providers of works, goods and services and ensures that they have not been created simply for the purpose of a particular procurement and are persons or businesses actually engaged in the businesses in respect of which they are bidding. This will also ensure that potential bidders have met all obligations, such as tax obligations, prior to being able to bid on any procurement.

Mr Speaker, only registered providers of goods, works or services shall be able to bid on any procurement. The method of application and registration shall be specified in the Procurement Instructions under the Act.

17/10

Mr Speaker, the NPC will advise the private sector on all public procurement and disposal policies, principles and practices and monitor and report on the performance of the procurement system and advice on desirable changes.

Mr Speaker, the NPC shall advise competent authorities on standards for procurement education and training, competence levels and certification requirements. The NPC may conduct training and capacity building from time to time.

Mr Speaker, the NPC will prepare an update for the APC Committee to issue recommended standardised bidding documents, guidelines, common specifications standards, procedural forms and any other attendant documents. These documents will not be issued or authorised by the NPC but by the APC Committee so that you have a clear difference and standard maintenance there. The NPC shall organise and maintain a system for the publication of data on procurement opportunities, awards and any other information of public interest as may be determined by the Committee.

Mr Speaker, this will require a public website at which the consolidated procurement plan is published together with the details of all APC Committee decisions in respect of the allocation of resources for procurements.

Mr Speaker, the NPC shall conduct periodic inspections of the records and proceedings of certified public and statutory bodies to ensure full and correct application of the Act.

Mr Speaker, NPC, being the face of public procurement in PNG, shall establish and maintain institutional linkages with entities with professional and related interest in procurement, undertake procurement research and surveys and any activity that may be necessary for the execution of its functions.

Mr Speaker, the NPC will operationalise the provincial offices of the Commission in every province. This is to ensure that the provincial offices can sufficiently meet the procurement needs and requirements of provincial governments, LLGs, DDAs and any other state agencies like the Provincial Health Authorities. Importantly, the board of the Commission, subject to limits imposed by the Act, shall examine and consider Technical and

Financial Evaluation Committee recommendations for contract awards and approve and award contracts. However, there are instances where not all recommendations assessed and examined can satisfy the board of the commission to approve and award the contracts.

Mr Speaker, in such instances, the board of the commission, in the exercise of its powers and functions under this Act, is not bound by the recommendations of the Technical and Financial Evaluation Committee. In this case, if it does not adopt those recommendations, it shall provide justifiable reasons to the Technical and Financial Evaluation Committee and the Ombudsman Commission for not following the recommendations.

Mr Speaker, in order for a contract to be executed under this law, the contract must first be given the legal clearance in writing from the State Solicitor. This is to ensure that the procurement was conducted in compliance with this Act, so as other laws in force in Papua New Guinea and ultimately protects the interest of the relevant public or statutory body and the State.

Mr Speaker, the NPC staff shall consist of such persons, determined by the NPC, as may be required for the performance of the functions of the NPC on terms and conditions of service determined by the NPC. The contracts of employment of the staff of the commission shall be executed by the chairman of the board of the commission.

Mr Speaker, this approach provides the NPC with the flexibility to sufficiently monitor the contracts of the staffs and determine and respond to staff needs, while limiting excessive or inappropriate remuneration payments. The NPC is meant to be a lean and efficient procurement body and not an overpaid and inefficient body. The staff of the former CSTB, PSTBs and DSTBs, will be transferred to the NPC. No staff member will lose their employment and benefits.

Mr Speaker, the Procurement Bill may delegate powers, roles or responsibilities to any person who is staff of the National Procurement Commission or a member of the board of the Commission. With respect to this, the board of the commission may delegate, on such terms and conditions as it thinks fit, its procurement functions at a Provincial, Local and District levels.

Mr Speaker, the delegation of powers at the provincial level will be exercised by the provincial committee of the commission, at the local-level, the local-level committee of the commission and the district level, the district committee of the commission.

Mr Speaker, technical and financial evaluation committees are to act independently in relation to the performance and discharge of their functions. Any person is not to, directly or indirectly, by any means seek to influence or direct in any way a technical and financial evaluation committee or their members, in the independent performance and discharge of their functions.

18/10

Mr Speaker, the NPC and certified public or statutory bodies shall maintain records of procurement proceedings for a period of seven financial years from the financial year within which a procurement was approved to proceed by the APC Committee.

Mr Speaker, this law will specify procurements that shall be reserved or restricted to national bidders or classes of bidders so as to promote the engagement of national companies and persons in the provision or sale of goods, works or services to the State.

Mr Speaker, it is ensured that, as far as is reasonably practicable, all procurements promote and maximise the use of local expertise and materials, the participation of local communities or organisations and the application of appropriate, sustainable and cost effective technologies.

Mr Speaker, this bill has addressed what has been long overdue on the local content. For the interests of our people and citizens any procurement with value up to K10 million will have a technical evaluation requirement that it is open to public tender only by national companies and citizens with capacity to undertake or provide the goods, works or services.

Mr Speaker, in the case of partnership, any procurement with a value of equal to or greater than K10 million but less than K30 million, shall have a technical evaluation requirement, open to public tender only so that at least 50 percent of the value of the procurement is to be undertaken by national companies and citizens, with capacity to undertake or provide the goods, works or services.

Mr Speaker, for procurement with a value of equal to or greater than K30 million shall have a technical evaluation requirement, open to public tender by all companies and persons. The national content for preservation and restriction to our citizen to bid for public tender is well over due and this government is very much committed to empowering our small people. This national content will address one of the Pillars in the PNG Vision 2050 on wealth creation.

Mr Speaker, I now present the National Procurement Bill 2018 and the PFMA Consequential Amendment Bill to this Honourable House.

Thank you, Mr Speaker.

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

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

Bill read a second time.

19/10

Third Reading

Leave granted to move the third reading forthwith.

Motion (by **Mr James Marape**) proposed –

That the Bill be now read a third time.

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

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

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

20/10

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

AYES – 72

NOES – 0

The Bill passed with the concurrence of an absolute majority of 56 Members as required by the *Constitution*.

Bill read a third time.

**PUBLIC FINANCES (MANAGEMENT) ACT 1995, ORGANIC LAW ON
PROVINCIAL GOVERNMENTS AND LOCAL-LEVEL
GOVERNMENTS (AMENDMENT) BILL 2018**

First Reading

Bill presented by **Mr James Marape** and read a first time.

Second Reading

Leave granted to move the second reading forthwith.

Mr JAMES MARAPE (Tari-Pori – Minister for Finance and Rural Development) – I
move –

That the Bill be now read a second time.

Mr Speaker, this is a consequential amendment to the first bill that we passed and I
ask the support of this House.

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

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

Bill read a second time.

Third Reading

Leave granted to move the third reading forthwith.

21/10

Mr JAMES MARAPE (Tari-Pori – Minister for Finance and Rural Development) – I move –

That the Bill be now read a third time.

Mr Speaker, before I move the third reading I'd like to thank my team from the Department of Finance, CSTB, as they are presently known, but very shortly they will be classified as National Procurement Commission, our advisors and the whole of government for giving support to this important transition we are making. This amendment to PFMA basically divorces sections on procurement in the current PFMA and transplants all of them into the National Procurement Commission.

Motion – That the question be now put – agreed to

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

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

22/10

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

AYES – 73

NOES – 0

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

Bill read a third time

SUMMARY OFFENCES (AMENDMENT) BILL 2018

First Reading

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

Second Reading

Leave granted to move the second reading forthwith.

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

That the Bill be now read a second time.

Thank you Mr Speaker, I am tabling this particular amended Bill of 2018, in respect to the Summary Offences, as a matter of public health and wellbeing.

Mr Speaker, the Bill is intended to prohibit illegal selling, buying and smoking of tobacco products, chewing of betel nut and also the use of canned spray paint in public places.

23/10

Mr Speaker, this has become a cause of concern for many of our communities and citizens and for our towns throughout our country. That is why in relation to prohibition of smoking of tobacco products, the passage of this Bill was done in 2016 under the *Tobacco Control Act*. The main provisions of this *Act* was to declare that certain areas must be smoke-free environments and to also regulate the cigarette packaging to make sure that it becomes unattractive and to prevent the sale of tobacco products mainly to children.

We are now also trying to empower our city authorities and town managers and district authorities to manage this process, including the sale of cigarettes in the districts. This is so that we take control of this issues.

Mr Speaker, this is now a summary offence that is trying to ensure that there is some penalty clauses, so for offences committed, it is important that we impose some penalties so that we can continue to reinforce compliance.

Mr Speaker, at the same time, it must be emphasised that we must respect the rights of individuals. There are smokers in our communities, but there are also rights of non-smokers as well. That is why it is important that in public places, we continue to monitor the process of selling and of course smoking in areas where it has become a concern for other members of the public as well.

Mr Speaker, under this amendment, the offence will carry a penalty. We have made the penalties high so that we can deter people. People can smoke in the privacy of their homes or in declared areas where there are smoking zones or designated places. But, if they are smoking in public and in public buildings and public transportation, it is important that we protect the other members of the public as well. That is why the penalties carry a fine not exceeding K10 000 and or three years imprisonment. This is because some members of our community feel that they can just pay the fine and continue to be offenders in some of these cases.

Mr Speaker, in relation to chewing of betel nut, selling and buying of betel nut is becoming a real concern for our towns and communities right throughout the country. It is becoming a major health issue. At the same time, we don't want to infringe on the right of individuals and traditional practices where people can chew betel nut in a responsible way.

Sometimes, Mr Speaker, chewing has gone beyond the boundaries of culture and tradition and has now become a very serious health problem for our country. In fact, the World Health Organization reported that Papua New Guinea is among the highest incidence rate of oral cancer attributed mainly to the betel nut chewing in the country. That is why we have a responsibility to protect and promote good health for our people. Some of our people seem not to care, but it is our responsibility as Government to making sure that these concerns are publically addressed and making sure that we regulate this.

Mr Speaker, in Port Moresby, NCDC imposed a total betel nut ban in 2013, and again lifted it in 2017. During that period, pavement and streets of our little city showed a remarkable change in terms of littering and stain associated with betel nut chewing. So, the penalty clauses that we are now introducing is just to deter bad practices.

Mr Speaker, people can chew at their own homes and in their own communities, there is no ban on that, whatsoever. People can sell and buy betel nut at designated places in the city. It must be an area that is specifically set up for that.

24/10

But chewing in public is totally banned. We have to respect other people and other members of our community and health is another major issue.

Mr Speaker, under this amendment we are saying again that there will be a penalty not exceeding K10 000 and or imprisonment of a term not exceeding three years. It gives a lot of flexibility to magistrates and judges to enforce this.

Mr Speaker, finally on the prohibition of importation, distribution, sale of use of spray paints in cans and containers, the problems we face are very evident. The use of spray paints for graffiti, vandalism and defacing services is becoming a terrible practice and an embarrassment to our nation. This is an imported nonsense cult activity and it is destroying our infrastructure and public services right throughout the country and it certainly must be brought under control. That is why we are inserting a clause to deter those who are responsible this behaviour. This amendment will make it illegal to import, distribute and selling of spray paints in the country. This offence will attract a fine not exceeding K10 000 and or an imprisonment term of not exceeding three years.

Mr Speaker, I commend our departments and other stakeholders who have contributed to preparing these amendments.

I call upon the honourable members of Parliament to support this Summary Offences Bill 2018 with amendments.

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

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

Bill read a second time.

In Committee

Bill, by leave, taken as a whole.

Mr PETER O'NEILL (Ialibu-Pangia - Prime Minister) – I ask leave of the Parliament to move the following amendments and new clauses.

Leave granted.

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

That the following amendments be made:

Page 2; clause 2, new clauses 44A, 44B and 44C.

- a. New Clause 44A – Prohibition of Smoking in Public Places. In clause 44A, Subclauses (1) and (2), insert the word “and” after the figure “K10 000”.
- b. New Clause 44B – Prohibition of Selling, Buying, Chewing of Betelnut in public places
In Clause 44B, Subclause (1), insert the word “and” after the figure “K10 000”.

25/10

- (c) New Clause 44C – Prohibition of Importation, Distribution, Sales and Use of Canned Spray Paint in the country.

In clause 44C, Subclauses (1),(2) and (3), insert the word “and” after the figure “K10 000”, again that is to make it and or so in the financial and imprisonment penalty.

Thank you, Mr Chairman.

Bill as amended, agreed to.

Remainder of the Bill, by leave, taken together and agreed to.

Bill reported with Amendments and new Clauses, Report adopted.

Third Reading

Leave granted to move the third reading forthwith.

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

That the Bill be now read a third time.

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

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

Bill read a third time.

26/10

PAROLE (AMENDMENT) BILL 2018

First Reading

Bill presented by **Mr Davis Steven** and read a first time.

Second Reading

Leave granted to move the second reading forthwith.

Mr DAVIS STEVEN (Esa’ala – Minister for Justice and Attorney-General) – I move

—

That the Bill be now read a second time.

Mr Speaker, yesterday, I presented a statement in respect to the important work in my Department and the broader Law and Justice Sector is now doing to make the sector responsive with the ultimate aim of addressing the challenges in law and order that we face today as a country.

Mr Speaker, we have been given the opportunity to look at the reviews that have been done in the past and in recent times, the 2015 and 2016 reports on the review undertaken by my department has pointed to the need to strengthen this particular legislation and to enable the more efficient and effective work of the Parole Board.

Mr Speaker, the Parole Board and its activities are very important in respect to our criminal justice system in the country. This Honourable Parliament passed the *Parole Act* in 1991 and didn’t commence operations until 1992.

Mr Speaker, the legislation provides the basic system of parole by facilitating the re-interrogation of offenders that are found to be worthy into the communities as law abiding people.

Time and circumstances have changed as evident in the reports I have referred to, Mr Speaker, so this honourable House is now again given the opportunity to make this law a good law with the results that we intend to achieve.

Mr Speaker, the amendments is as follows:

(1) The membership of the parole board would now be changed to be comprised of the head of department responsible for justice administration matters and to now involve the Commissioner for Correctional Services and a medical practitioner.

(2) Parole officers have been supervising other detainees who are released on licences (ROs) apart from supervising parolees. The amendments would now include this as one of many duties and mandate them to continue with the supervision of those person on paroles.

With parole eligibility the amendments will ensure that the detainees serving a term of imprisonment of less than five years or a life sentence is subject to death sentence would not be eligible for parole, meaning that the open licence is now being limited.

Mr Speaker, where the parole board has refused to grant parole then it must now provide its reason for the refusal to the detainees under the principles of justice.

And if a detainee has been transferred from his original prison then it will now be a requirement for the Correctional Institution to transfer him back to his point of origin to be released on parole.

27/10

Mr Speaker, parole is a significant aspect of the criminal justice system in Papua New Guinea. By updating the Parole Act through this Bill, the parole system can be administered effectively and efficiently which would then contribute to maintaining a just, peaceful and safe society.

With that, I now commend the Parole (Amendment) Bill 2018 to this Honourable House. Thank you, Mr Speaker.

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

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

Bill read a second time.

Third Reading

Leave granted to move the third reading forthwith.

Motion (by **Mr Davis Steven**) proposed –

That the Bill be now read a third time.

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

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

Bill read a third time.

LAND (AMENDMENT) BILL 2018

First Reading

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

Second Reading

Leave granted to move the second reading forthwith.

Mr JUSTIN TKATCHENKO (Moresby-South – Minister for Lands and Physical Planning and APEC) – I move –

That the Bill be now read a second time.

Thank you, Mr Speaker. Since taking over the Lands Department as minister, there are a lot of processes and procedures that are outdated and need to be corrected to ensure and promote transparency and accountability and the change of the perception of the National Lands Department.

These are the amendments that will help fix some of the issues.

The first is an amendment for the appeal fee deposit fixed in Section 62 of the *Land Act 1996*. The appeal deposit is K500 and has been placed for over 20 years.

This is now being amended to allow the Department of Lands and Physical Planning to review and evaluate to set a prescribed fee reflective of current circumstance prevailing around administrating the Land Board appeal process.

The second amendment to Section 62 of the *Lands Act* makes clear a previously ambiguous part of the law on the process upon which the Land Board appeals are administrated and finalised. An integral part of the efficiency of this process is a form in which the appeals go to the Head of State for endorsement only

28/10

And this has now been made clear to ensure that the efficiency in which this Land Board appeals are administrated through for final endorsement by the Head of State. These amendments and the ongoing review of the *Land Act* of 1996 and all enabling and supporting legislation is a part of a process of ensuring the law remains clear and efficient in its processes.

Thank you, Mr Speaker.

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

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

Bill read a second time.

Third Reading

Leave granted to move the third reading forthwith.

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

That the Bill be now read a third time.

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

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

Bill read a third time.

**DEPARTMENT OF EDUCATION – ANNUAL REPORTS
FOR 2015, 2016 AND 2017 – PAPERS AND STATEMENT–
MOTION TO TAKE NOTE OF PAPER**

Mr NICK KUMAN (Gumine – Minister for Education) – Pursuant to statute, I present the following papers:

Department of Education Annual Reports for 2015, 2016 and 2017.

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

Leave granted.

Thank you, Mr Speaker, let me firstly acknowledge the Prime Minister for his leadership over the Education Policy and the manner in which he wants to see our children in this country get a better education for the future of this country.

On behalf of all the parents in this county and the 2.2 million students right across the country, let me express our gratitude and appreciation to a brilliant policy that made education become the number one policy of the O’Neill-Dion government in the last term of Parliament and it continues to enjoy at the back of the 2017 Elections.

Mr Speaker, despite the backdrop of our economic downturn in this country, the O’Neill-Dion government and the O’Neill-Abel government continued to place greater emphasis in the education sector. In so doing, we have retired all our commitments to our Tuition Fee Free Policy.

29/10

Mr Speaker, our major key policy is Tuition Fee-Free (TFF) education from elementary to National High Schools and Technical Vocational Education Training (TVET) at a cost of K600 million per year from 2015-2017.

Since 2012, the Government has already expanded over K3.7 billion to date, including 2018, in TFF alone.

Other major initiatives include; introducing Standard-Based Education (SBE), and achieving the Outcome Base Curriculum Development as I reported in this Sitting. It is an on-going program that we started in 2015 and it continues to 2022 when we fully implement the Standard Base Education right throughout Papua New Guinea.

These initiatives are undertaken to ensure that the future needs and aspirations of our children are realized.

Our government under the leadership of the Prime Minister continues to prioritise education on top of its development agenda together with health, infrastructure, and law and order. These are the policies of the PNC Party which went into election in 2012 and 2017 and has become the major policies of the O'Neill-Dion government.

The government policy on education, particularly on TFF has seen greater number of students entering our school system in ensuring a greater accessibility available to all our students who are not able to meet the school fees by our parents in this country.

We have 2.2 million students and a lot more girls are entering our school system. These are positive signs of the TFF Policies

Our development partners in education continue to support the government in education and I take this time to extend our sincere appreciation to them. They include; the churches, NGO's, international development agencies, provincial and other sub-national level governments who continued to support in funding and implementation of our activities.

We have made many positive progresses in the past three years as shown in our annual reports; 2015, 2016 & 2017, despite challenges faced at various stages of implementation.

Overview of Annual reports

Mr Speaker, in 2015, the total manpower ceiling for the Ministry of Education (including TSC & OLA) was a little bit under 1 050. From this ceiling, actual manpower in place was only 756 in the Education Department (excluding TSC & OLA). At the school level, there were more than 56 273 teachers right throughout Papua New Guinea.

Mr Speaker, we have more than 11 000 institutions and I am pleased to report to the Parliament that now we have 13 431 institutions to date.

Manpower Resources — 2016

In 2016, there was only a slight increase of 48 employees in 2015, while actual manpower in place increased by 116 to 2017.

30/10

Achievements

Mr Speaker, there were two major achievements in the past three years. I allude to the achievements of the TFF. We have seen an increase of number of students from less than a million to over two million in 2017. Secondly, the exit of Outcome Based Education (OBE) Curriculum to Standard Based Education (SBE) Curriculum which will be fully rolled out in 2020.

Tuition Fee Free

It was, indeed, the biggest and boldest decision ever undertaken by any Government since 1975, and in a few days, we will celebrate our 43 years of Independence. This is the Prime Minister's own brainchild, now widely commended across the wider community. We have seen a lot more children entering our schools. A lot more girls enrolled in our schools. This is encouraging and I would like to commend the Government

Standards Based Education (SBE)

Mr Speaker, the implementation of the Standards Based Education replacing Outcome Based Education (OBE) is continuing including the development of Standards Based Curriculum (SBC) material such as text books, teachers' guides and syllabuses for junior primary grades 3, 4 and 5, as reported to you a few days ago in my ministerial statement.

For the upper primary, it is progressing and will be complete by the end of this year. For high school and the secondary schools, work is in progress and is expected to be complete by the end of 2019 and be fully implemented in 2020.

I am pleased to inform the Parliament that we are on target, given the Governments directive to fully implement under *Alotau Accord II* and other directives. .

Mr Speaker, other achievements within the department includes:

(1) Growth in student enrolments in all school sectors in the national education system which is now at 2.133597 million compared to below one million at pre-TFF. The student number to date has increased to 1.2 million

(2) Successful conduct of the national examinations for Grades 8, 10 and 12, graduating more than 200,000 students with various awards in general education as well as

TVET, business colleges, polytechnic institutes and teacher training colleges around the country.

Mr Speaker, let me also inform the House that for the first time, in the last two years, we have no reports of examination cheating because of the leadership that we provided at the Education Department by ensuring that flagging system must be put in place from the preparation of examination questions to the printing of exam papers and the distribution of exam papers throughout the schools and management and marking of examinations.

31/10

(3) Continuation of procurement and distribution of basic teaching and learning resources component of the TFF. We have for the first time ensured that in 2014, following the trial of the commodity component, the full implementation of the commodity component using 15 per cent of the allocation of K180 million.

A couple of days ago, the Prime Minister launched the 2019 material distribution with over 400 containers of teaching and learning materials. It started in October and will be in the schools before the start of the school year in February 2019.

(4) Launching of the web application called the 'My school Application' in 2017 which was aimed at collecting accurate and real time data. Its application will be enhanced and complement the existing systems of data collection for the department to use in all these activities.

Mr Speaker, I urge all the Members of Parliament, particularly the 89 districts in the country and the provincial governments to ensure that you participate in 'My School Application' in collecting all data from all schools starting with the elementary to secondary schools including the vocational institutions in your districts.

This will assist the Government in ensuring that proper data is collected and stored in our education systems so that we know the plan of education based on real information. It would also address a lot of issues on teachers.

(5) Given the size of the teaching population, it is important that we have to account for every teacher in every school in this country. And also in response to the Government's decision on rationalisation and right sizing of our public servants in the country, we want to make sure that every teacher must be accounted for. We will then avoid ghost names or teachers who have resigned and still on the payroll or teachers who have passed on and are still being paid. It will require a lot of leadership from all levels to assist us to this.

(6) We will continue to procure and distribute the basic science equipment. This is one of the strategies that we are putting in place to address the decline in our maths and science standards in this country.

Mr Speaker, while we talk about the good things, there are some challenges as well. I want to bring those challenges and issues and report to the Parliament so we know where we are in terms of education and what we need to do to address it as partners to deliver the best education for our children.

Challenges and issues

While we have made some significant progress in our reforms, there are still many challenges that remain to be addressed from 2018 and beyond, particularly the issue on the quality of education

32/10

The Department has identified eight priority policy interventions to improve the quality of education from 2018 to 2022 as directed by the Government in the *Alotau Accord II*. They include;

- Introducing Phonics as a subject in elementary schools and precondition to Grade 1.
- Improving Teacher Training
- Infrastructure Development of teachers' colleges to increase teacher supply to reduce class sizes in the country
 - Infrastructure Development to reduce class size at High/Sec School.
 - Recruitment of local and overseas science, mathematics teachers and school leaders for high/secondary & national high schools. And current teacher's content enrichment programs which is the in-service in the country.
- Teaching & Learning Resources;
 - Commodity Component it is a continuous progress which will continue to partner with our stake-holders in the province and the districts to ensure that the school materials are available in the school before the schools starts every year
 - Science and Math kits will continue to roll out particularly in the high schools and the secondary schools. Only this year the Government has put emphasis on the department to roll out dedicated science labs to all our high schools and secondary schools.

I want to introduce to the schools that perform well in science and mathematics, as a token of appreciation for their efforts, fully kitted science labs starting this year

- eLibrary in high/secondary schools
- Phasing out Elementary schools and moving Grades 1 & 2 to primary schools.

Grades 7 and 8 will move up to high school level.

- Civic & Christian Values curriculum in 2018. It will become a compulsory and accessible curriculum. NEC has given its approval and under the Education Act, I have approved that curriculum to be used and will be a compulsory subject in all the schools, starting in 2018, this year.

We are also at an advanced stage of overseas recruitment of maths and science teachers.

33/10

Mr Speaker, we remain committed to our international obligations to the six goals of and place more emphasis on *quality and relevant* education through our programs within the ambit of the National Education Plan and Vision 2050.

In order to achieve these goals, we must work together and support our schools, institutions and teachers within the bounds of limited resources at our disposal.

The department will continue to implement the following priorities;

- Tuition Fee Free,
- Standards Based Education
- TVET Expansion
- Teacher Education and Training
- Education Infrastructure
- E-Learning, and the
- New School Structure – 1-6-6

In conclusion, Mr Speaker, with these overview I now present to this honourable House my Departments annual reports for the year 2015, 2016, and 2017 our highlighting performances, achievements and challenges.

Thank you, Mr Speaker, and may God bless us all.

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

That the Parliament take note of the paper and debate be made order of the day for subsequent sitting.

Debate adjourned.

SPECIAL ADJOURNMENT

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

That the Parliament at its rising. adjourn until Tuesday 6 November, 2018, at 2 p.m..

ADJOURNMENT

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

That the Parliament do now adjourn.

The Parliament adjourned at 1.35 p.m..

TENTH DAY

Wednesday 12 September 2018

DRAFT HANSARD

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