

FIRST DAY

Tuesday 6 November 2018

DRAFT HANSARD

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FIRST DAY

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The Parliament met at 2 p.m. according to the terms of the Resolution of 12 September 2018.

The Acting Speaker (**Mr Pesab Jeffrey Komal**) took the Chair.

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

Sitting suspended.

Mr Acting Speaker again took the Chair at 2.30 p.m., and invited the Member for Talasea, **Honourable Francis Maneke** to say Prayers:

‘Papa God in Heven, mipela tingim blut bilon Jisas krais we emi dai lon diwai kros lo klesinsim hart bilong mipela, spirit bilong mipela bodi bilong mipela na soul bilong mipela. Papa God tudei mipela iaskim dispel spesol blesin bai pundaun antap lon Praim Minista bilong mipela, Deputy Praim Minist, Cabinet Membas, olgeta lidas bilong Paliamen both long Opposisen na Gavaman. Mipela olgeta nidim dispel blessin long God anatap so dat mipela ken wok wantaim lon dispel Floa bilong Palamen. Ol discussions we mipela igat todei mipela itakim dispel blut blut Jisas emi ken go pass na kam bihain lo mipela lo ol gutpela toktok mipela iken mekim long dispela bikpela Haus blo mipela insait lo Papua Niu Gini. Lord tudei mipela iaskim dat yu go pass nay u lidim mipela long ol dispela discussions we bai mipela mekim lon dispela Haus wantaim blut blo Jisas bai inap lon givim mipela andastandin, save na wisdom so dat mipela ken mekim ol gutpela toktok. Lo dispel mipela iaskim long nem blong Jisas. Amen.’

**BROADCASTING OF PARLIAMENTARY PROCEEDINGS –
STATEMENT BY THE ACTING SPEAKER**

Mr ACTING SPEAKER – Honourable Members, I have to inform the Parliament that the Permanent Parliamentary Committee on Broadcasting of Parliamentary Proceedings met today and resolved that:

- (a) The *National Broadcasting Corporation* (NBC) will broadcast and televise live Question Time;
- (b) *EMTV* will televise live Question Time, and
- (c) *TVWAN* will broadcast live Question Time for the duration of this Meeting for news purposes only.

CERTIFICATION OF ACTS

Mr ACTING SPEAKER – I have to also inform Parliament that the Speaker, Honourable Job Pomat, has in accordance with *Section 110* of the *Constitution* certified the following *Acts* made by the National Parliament:

- (1) *Lands Amendment Act 2018*; and
- (2) *Summary Offenses Amendment Act 2018*

02/01

QUESTIONS

Anti-malarial Drugs – Improve Distribution Process

Mr RICHARD MASERE – Mr Deputy Speaker, my questions are directed to the Minister for Health.

Mr Deputy Speaker, before I ask my questions, allow me to preface my questions.

A couple of weeks ago I was struck down by malaria and I tried to source anti-malarial drugs from both the district hospital and the provincial hospital but unfortunately there were no drugs available to treat malaria. I was air-lifted from Popondetta to seek medical attention in Port Moresby.

Mr Deputy Speaker, on my return back after my treatment I took it upon myself to establish why there were no medical drugs, particularly anti-malarial drugs in the hospitals. And I've established that the Government has faithfully released funding and the Department of Health has faithfully gone ahead and procured the medical drugs.

Mr Deputy Speaker, the fact is the Government is providing this service but there is a breakdown in the supply chain process. From my discussion with the medical staff at the provincial hospital, there is not enough medical staff in the hospital and the fact is that the staff are stressed out in treating patients because there is a particular form that the medical staff need to complete on a daily basis and that form needs to be provided to the supplier of the medical drugs. But because this process is not been followed and there's a breakdown in the supply chain process, the basic medical drugs are not getting to the provincial and district health centres.

Mr Deputy Speaker, this process is now causing a lot of problems for our community. I've already lost three coordinators who died from malaria.

My questions are:

(1) Can the minister consider reviewing the current supply chain process with the intention to make some radical changes immediately so that we can have basic medical drugs in the hospitals.

(2) When can we expect these basic medical drugs to be available in both our provincial and district health centres across the country.

Thank you, Mr Deputy Speaker.

Sir PUKA TEMU – Mr Deputy Speaker, I thank the Honourable Member for Ijivitari for his questions and sharing with us his experience with bout of malaria.

Malaria is one of the commonest diseases in the country. Fortunately what has happened with malaria - before I answer the question – the Rotarians Against Malaria organisation has helped us with the distribution of the long-term treated mosquito nets and the Global Fund on malaria has also helped and so the country has actually seen the reduction in the number of cases over the last ten years. It is one of the positive outcomes of the people been given treated mosquito nets to sleep under and this has made a very big impact.

Our recent studies has demonstrated a little bit of an upward spike and so we are addressing that upward spike at the moment. But there are very good drugs on malaria and one of our partners, the Republic of China through the medical programme in the Kiriwina

Islands there is a mass drug administration project that is going on so we are watching that whether that can be an effective intervention so that we can use that intervention for mass drug administration and hopefully reduce malaria enormously. Our Pacific leaders through the recent Head of Commonwealth meeting have made a commitment to make sure that malaria is reduced. Our Prime Minister chaired that particular consultation meeting.

03/01

With regards to the question of the supply chain system, I've been saying that, and with the recent social media report, particularly from one of our very good journalists, Scott Waide, we have now established certain reforms within this supply system to make sure that the issuance voucher form, as we call it, which has to be filled in by the facility has to be filled in. And that must be submitted because that will now help us to see the gaps.

By the time that information comes to the headquarters that voucher to be filled in will help us with the facility based supply levels. We have also established, through the support of the Australian Government using DFAT, the IT M Supply System starting in the Area Medical Stores.

That is helping us to better manage the inventory. For example, with the recent *Facebook* report of Amoxicillin not available in the Lae clinics, the information will be sent to the Lae Area Medical Store to confirm if they have stock or not. In actual fact, when the media reported that there was no Amoxicillin, we checked the Lae Area Medical Store and they were there. And if there was nothing there then the Badili Area Medical Store can, through that M System, inform Lae that they have it so an inter-store transfer can be made.

This is now happening so we are able to better manage the inventory system through the use of IT with the M Supply System they are able to communicate with one another.

That is why I said in the media that the fact that a facility has run out of a certain drug does not mean that we have run out of that drug in the country. It means that the managers, OIC or CEO of the hospitals must inform their area medical store that they have run out of an item and get it supplied.

This is similar to what Professor Mola posted on his wall regarding Oxytocin, which is a drug that is given to stop bleeding during or after childbirth when it was not available in Port Moresby General Hospital. And so when we checked it, they were there. Those are the type of dynamics we are managing.

I am very, very happy as Minister for Health because the social media is informing me earlier and at all times. This is okay. I am very, very happy with this. So we need to manage that to ensure that we have a better communication and information system.

And the challenge which the honourable Member for Ijivitari has shared is that if these forms are not filled in on time then the CEO of the Popondetta Hospital and his pharmaceutical technician, and we don't have many of them in the country, so we are training more of them at the moment, who is managing the dispensary at the hospital must make sure that the supply of various fast moving items and slow moving items are in stock at all times. And when there are shortages these communication will then be used rather than get the social media to communicate to me, it would rather have my managers at the health facilities communicate with me on time so that we are able to better manage the system.

I want to inform the Honourable House that in terms of managing the process I think we have improved enormously since the beginning of the year and, particularly with the enormous budget support that we have had when Parliament passed the 2018 Budget. So we are able to manage that.

In terms of the next process we have consciously decided to award four logistics companies, one for each region to look after that particular region in supplying the facilities with all the medical supply requirement.

04/01

As you have heard, the first round was in February. The second round was during the mid-year and we are now packaging the fourth and fifth round of the hundred per cent kits this month.

In two weeks the companies will go and pick them up and start distributing them to the aid posts and health centres. It is now working very well but in some instances as everyone knows some companies do not perform well so we will be putting them on the blacklist. In the future when the provincial health authorities are all in place which we only have 11 in place at the moment, and when the provincial transit warehouses are in place, I would want a change in policy where the logistic decisions such as which company is to distribute their supplies to the remotest areas should be made by the local health authority. Those are the future directions that we are looking at.

At the moment, one issue that has surfaced is our procurement process. For example; recently some of the drugs have been short of supply because one procurement tender was

done and pre-bidding meetings were held between the builders but at the CSTB level there was a redirection for us to only give once contract or tender to one supplier. That discussion is still going on. But we advised that for a tender for antibiotics we need different companies to bid because not all antibiotics are manufactured by one pharmaceutical company and so when I was advised of the decision of CSTB of awarding one contractor to one bidder, international processes don't allow that and we have been following that. The Technical Evaluation Committee advised CSTB that we cannot do that because not all the suppliers will procure all the drugs in one bundle.

Because we had delays in that procurement and we had sufficient support we have the process of emergency procurement where we purchase emergency kits. In our country there are about seven to eight companies that have warehouses in the country which have stocks available. Our team does the request and whoever has the emergency kits win the emergency contracts and they supply us. There are seven companies that have been servicing us very well over the years.

Mr Deputy Speaker, the way forward is to identify the many issues, including the issue of government corruption going on and also the issue of Health Department Staff stealing drugs. We have installed CCTV in Badili and Lae and we have caught some of our staff. Also there are some Health Staff who are selling drugs which is illegal and we are managing that as well.

For those who procure and supply us the medication, there was a report some years back where they supplied poor quality drugs but now we have established a quality testing laboratory and no one will cheat us in supplying us poor quality of drugs.

Mr Deputy Speaker, overall I can comfortably advise and inform the country that we have actually come a long way over the last twelve months and most importantly is that we have had the right Budget support according to the WHO requirements for drugs; a country must spend US\$10 per capita for medical supplies, which is about K40 per capita.

05/01

With 8 million people, we are looking at K320 million for medical supplies to supply our requirements. We had K213 million in this year's Budget so we are close to K320 million. But there are frontline issues like poor management and poor administration.

I have submitted to my secretary a re-structuring of the medical supplies branch because there are only three staff managing the paperwork which is insufficient and so we

requested to beef up that number because medical supplies has the biggest budget in the Department and for capacity to process those invoices.

There is a vetting system, the Department of Treasury, Finance and Health are in that vetting system so any invoices that come in must be cleared before the cheque is raised to pay them. So, the governance issues in terms of corruption is also managed with that inter-government committee that manages which suppliers we pay; if the invoices are in order, if the suppliers actually supplied us, et cetera. So, we are in control of those issues.

Mr Acting Speaker, while we have facing base shortages as in the case of the Member for Ijivitari, unfortunately we ran out of anti-malarial drugs, but the issue is managing the systems so that the facilities must always have the drugs on time.

Unpaid Royalties

Mr CHRIS HAIVETA – Thank you, Mr Acting Speaker. My question is directed to the Leader of Government Business and Minister for Finance.

Mr Acting Speaker, I would like to thank the Minister, the Treasurer and the Prime Minister and NEC for the reforms that they have undertaken upon the formation of this Government. The reforms have worked well. As of yesterday, I checked my provincial treasury for releases of functional grants, and I can say that 80 per cent of functional grants have been released to all the provinces. So, the provinces should not have any questions about whether the funds are released in full or not because it is up to date.

As part of our reforms, the Treasurer and Minister for Finance would know very well, one of those reforms was SWEEP and in this reform, they swept all trust accounts into one basket – the consolidated revenue. What else was swept into the consolidated revenue were moneys that don't belong to the Independent State of Papua New Guinea. In particular reference, Minister for Finance, I draw your attention to royalties that are unpaid and are outstanding that belong to landowners from concessions right around the country. In my province, I have received petitions from my landowners, and some of them have been here for more than eight months knocking at the doors of the developers. With Forestry, on one or two occasions, there was a near riot at the Forestry Minister's gate and the Minister had to come up and address them.

As of today, I checked and those royalties that belong to the landowners right around the country as well as log export levies that belong to districts that have forest concessions and provincial governments levies that are supposed to come to the provinces have still not

been released back to the Ministry and Forest Authority so that this can be disbursed in the manner that it should be disbursed.

06/01

My question is; how soon are you going to alleviate these problems for our landowners, provincial governments as well as any other trust accounts that hold money for Papua New Guineans that we as a State are custodians of who have illegally and unnecessarily been swept into consolidated revenue.

Mr JAMES MARAPE – I thank the Governor for Gulf for his question in view of the funds that are meant for royalties and timber earnings are being swept into the Waigani Public Accounts.

Let me assure the Governor that I will get the department to give me a status update on the exercise of shipping money into a holding account. On record all those moneys that were shipped into the *Public Money Regulation Act* has not been placed in Waigani Public Accounts but kept in a holding account for us to define as to what this accounts are for.

Let me assure the Governor and everyone that money that is meant for provinces are not touched and are not brought into the main Waigani Public Accounts for us at the National Government level. I will check as to what has happened to those funds.

As far as I know, instructions were passed that two months ago all funds after assessment must be go back to departments if it is meant for them. We have been working closely with the Forestry, Fisheries and many other State entities that were affected. We have slowly been able to ensure that they have the necessary funding needed to keep them running to complete operations this year. Funds that are meant for landowners or for royalties are not touched.

I will make sure that whatever funds need to be reverted will be done so for the benefit of our rightful landowners and provincial governments.

K10 million Road Allocation

Mr TONY WOUWOU – I direct my questions to the Minister for Works and Implementation and would like the Minister for National Planning to take note.

(1) Can the Minister confirm or deny that K10 million was allocated to the Works Department by the Department of National Planning for the missing link roads from Aitape to Vanimono?

To this date, I am still waiting for the money.

(2) Can the Minister tell the people of West Sepik and Parliament where the money is?

(3) Did he put the project on tender or award to a contractor?

The Minister was supposed to have given me the machinery that was promised after they were used in the Highlands. To date, I am still waiting for the machines.

(4) Can you tell the people of West Sepik and the Parliament where these machines are and when will they be returned to my people?

07/01

Mr MICHAEL NALI –I want to thank the Governor of Sandaun for his two questions. Firstly in 2017, I don't think there was any money in the Budget. This year there was K10 million allocated so I really do not have an answer for him now. This is because I was not expecting this question to be raised because we have already advertised the road project and it has been tendered. Once a project has been put on tender it is a normal process where we begin work once the tender has been won. The down payments are done and the contractor goes to work.

The money would still be in the system and there has been no misappropriation. The K10 million was allocated and the reason why this particular section of the road was tendered is to use the K10 million to start implementing the Sepik Coastal Highway project. On your question in relation to disaster equipment, I would like to apologise to the Governor because after I made that announcement about a month ago, I was unable to follow through. Since you have raised this question, I will go back to my department and find out where those equipment are and will be able to respond to you properly, either this afternoon or tomorrow morning.

Increase Police Budget

Mr SASINDRAN MUTHUVEL –Thank you, Mr Acting Speaker. My question is directed to the Minister for Police, and I would like the Deputy Prime Minister and Treasurer and the Minister for Correctional Services to take note.

On 28 October, 2018, a day after the Chief Justice's visit to our province, there was a mass jail break and almost 43 hard core criminals dashed for freedom, most are serving more than six-year sentences for various serious crimes. The breakout now has become the responsibility of the Police. And I am grateful to the Minister for Police. We have had the arrival of police mobile squad MS18 from Kokopo who are in town to assist in the recapture of these criminals.

The province gives its support to Police and CS in the form of recurrent expenses. What concerns me is that;

(1) Why is it that the Police do not have enough allocation from their own department to carry out their operations in a province?

From my records K55 000 was sent from the headquarters to the province as of June this year for operational costs.

(2) How can a province manage the operations of police with K10 000 -12 000 if we want to treat it as a national function?

(3) We provide our support through recurrent expenses but we are able to budget up to a minimum of K200 000 every year, can the national agency equate this as per our provincial support to our agencies?

Also for the first time it has come to my attention that the police in the province have requested the Provincial Government to buy them guns. Of course, the Minister would say it is not our responsibility but the practical difficulty is that a total of 17 weapons in the province are all dysfunctional in some way therefore are deemed useless. The police are unable to defend and protect themselves to carry out serious operations.

Right now there are so many issues concerning police personnel around the country. And so how well can we address these issues.

08/01

Mr JELTA WONG – Mr Acting Speaker, I thank the Governor of West New Britain for raising these questions concerning his province regarding escapees and the budget for the police personnel in his province.

The issue on budget allocation is with the Police Commissioner but I take note of your questions and I will raise it with the Commissioner and whatever the outcome I will report back to you in Parliament.

The other issue that you mentioned regarding police officers requesting you to buy guns for them in the province is totally unacceptable and such practice is not allowed. So Governor please take note and don't buy guns for the police officers.

The purchasing of guns is done here at the Police Headquarters in Konedobu. I urge all the members of Parliament to take note and don't purchase weapons for police unless it goes through the right process and it's only done here at PHQ.

Supplementary Questions

Police Allowance

Mr KONI IGUAN – Mr Acting Speaker, my supplementary question is in relation to certain call out for police personnel to assist when there is a major problem in certain electorates. One good example is the question raised by the Governor of West New Britain.

(1) Mr Minister, can you clarify to members of Parliament on the call out of police and their allowances paid to these police personnel when they attend to certain incidents in our districts.

(2) Are these call out or engagement allowances covered in their fortnightly pay?

(3) If not, is there a fixed rate set that they can bill us when they are on call out duty?

This issue of allowance for the engagement of police is really affecting each of our districts. For instances, when problems arise and when we call for police assistance they will in turn ask us to pay their allowances first. When their allowances are paid then they will carry out their duties.

Therefore, Mr Minister, can you clarify on this issue. Who takes care of their allowances? If we are going to pay then what is the fixed rate set by the department that we must pay?

I ask this because the police also dictate their own rates for us to pay.

Mr JELTA WONG – Mr Acting Speaker, I thank the Member for Markham for his questions. As I mentioned before no Member of Parliament should be paying allowances to the police. Its not their job to pay allowances to police, their allowances are taken care of by the PHQ under the leadership of the Police Commissioner to instruct his officers to be paid their allowances. With that I urge all members not to pay allowances unless the Commissioner specifically requesting you in writing for you to pay because of budget constraints and so forth.

Online Tertiary Application

Mr GINSON SAONU – Mr Acting Speaker, I direct my question to the Minister for Higher Education.

Mr Minister, it's nearing Christmas and all the school children have few weeks left for Christmas break. And those that will complete Grade 12 will apply for spaces in the higher institutions. Therefore just recently, and if I may recall, you have advertised in the two daily newspapers that those students who are in Grade 12 must submit their application online to secure their spaces at universities and colleges.

But most of the children schooling in remote places will have hard time to apply online because of accessibility and also they are not familiar with this process.

09/01

I must say that many of the Members of Parliament that represent remote electorates are not too well versed with the online applications for students.

Can the Minister explain and inform Parliament and the remotest electorates on how we should go about informing our people on the online applications because of inadequate accessibility and also this process is not too familiar out there. When and how will this process capture all the schools throughout the country?

Mr PILA NININGI – Mr Acting Speaker, I thank the Governor of Morobe for his very important question.

We had over 26 000 school leavers applying to University Institutions throughout the country and previous years was 24 000 school leavers.

And to manually and handpick amongst the 24 000 school leavers is pretty difficult and many a times, there is bribery and corruption and also members of Parliament are also involved in this and as a result, the standard of entering University Institutions has dropped tremendously.

So, we have devised the online applications where they apply through the computer and they will be screened, and just yesterday when we checked so far, 99 percent of Grade 12 students have applied.

Mr Acting Speaker, this is not very complicated. This process is a simple process. Before they manually applied you, had only the school gradings but now when they apply

online, you have the Grade 12 examination results with it and if they have not performed to expectation, there is room to change all that.

Mr Acting Speaker, the Department Secretary and I as Minister have been summoned to the Courts for this online process and I have instructed the Vice Chancellor and the Department Secretary to fix this and they have agreed to work together and come to an understanding. Now the online process is a good process where the University has identified where it has gone wrong.

Mr Acting Speaker, I am grateful and I must announce that the University of Papua New Guinea and my department are now working together to resolve these issues.

We will be doing selections for the online applications on 13 December. Paper applications is now the thing of the past.

The department has sent officers to most of the higher education schools and most of the teachers and lecturers are aware of this.

Mr Acting Speaker, though this process, we try to eliminate nepotism, bribery and corruption which really are the things of the past.

I want to thank the Government for the opportunity for creating this system.

There have been improvements made and we have come a long way. I thank the Member, if you have any further questions, my department is willing to help and talk to anybody who want answers for their questions. The date is December 13, that is when we will select the students.

10/01

Explain Teachers' Pay Cut

Mr MICHAEL BAGIA DUA – Thank you, Mr Acting Speaker. My questions are directed to the Minister for Education.

Just recently, there was a huge pay cut on all our teachers' salaries starting from elementary schools to TIVETT. These are our hardworking public servants, the backbone of our country. We are supposed to boost their moral through pay increase and motivate them to perform well, but this we have not done. Lately, the pay cut was huge. Teachers travelled from all over the country some from very remote areas to the nearest town to withdraw their salaries only to find this predicament. Some of them are still stranded. Why do we have to make these unnecessary pay cuts on their salaries in such difficult times?

Mr Deputy Speaker, my questions are:

(1) Can you explain to the teachers why we have made those pay cuts?

There should be a valid reason for these pay cuts because some of these teachers didn't deserve those cuts and what was the purpose of that pay cut?

(2) Can reimbursements be made to those unfortunate teachers who had their pay cut?

Mr NICK KUMAN – Thank you, Mr Acting Speaker. I want to thank the Governor of Chimbu, being a former teacher himself, I think he got the questions mixed up, not in the order of what was presented to the Department of Education. This came about as a result of a three per cent pay increase for the teachers that was approved in 2016 and includes 2017 and 2018. The three per cent pay increase is across the board for all public servants in the country but teachers are fortunate to have receive theirs ahead. The Government implemented this pay increase starting on June 10 and because of the cash flow situation in the country, NEC directed in one of its decisions this year that we would stretch this payment over six and a half pay periods commencing on pay 13 and ending on pay 19.

This complaint came about again from one of our senior journalist based in Morobe who reported that about 273 teachers from Morobe, particularly from one of the schools in Lae city. There were also complaints from Madang. I have heard no complaints from Chimbu and I'm not sure if teachers from the rest of the country are facing a similar situation. I want to assure all our teachers thought the country that the back pay of the three per cent increase that was approved in 2016 was paid over six and a half pays. It terminates on pay 19. Unfortunately, we had a problem with ALESCO pay roll system therefore it was not paid in pay 19, nevertheless the final payment was made on pay 20.

11/01

Mr Michael Bagia Dua – Point of Order! My point of order is they should be getting an increase, not a decrease. Some teachers are ending up with nothing. If we are giving them three per cent there should be an increase in their pay. But there is no increase; it has been negated to zero and some of them have not even gotten paid.

The upper grade are okay, we are talking about those at elementary level. They have gotten cuts and even went down to zero. They are looking after our babies out there.

Mr NICK KUMAN – Mr Acting Speaker, I am trying to explain that, Governor. You have a bit of patience and you will know exactly where I am going to end these questions with you and you will know. So have patience.

The three per cent pay is across the board for all teachers in the country from elementary all the way to secondary schools and even TVET. So the pay rise is a negotiation between the PNGTA, TSC and the Government, and as a result the Government approved the three per cent pay rise but we were not able to pay until June this year and it came into effect in September, pay 20.

There are no deductions that I am aware of. The only deduction that I am aware of, which is compulsory, is the statutory deductions which are government tax, superannuation and the one per cent tax that goes to the unions. Any other deductions that go into the teachers' pay is a result of teachers obtaining loans from finance companies right throughout the country. And so what is entitled to the teachers are paid through the pay roll system.

I'll just give an example so that the Governor will fully appreciate what we are doing as a government. A primary school teacher who graduated in 2017 and commenced teaching in 2017 receives K24 450 as an annual income, a gross fortnightly salary of about K937.38, minus the compulsory deductions of tax and superannuation. He or she has a take-home pay of about K739.00. That is not a small amount of money, Governor.

Mr Acting Speaker, the implementation of the 2017 Salaries and Services Allowances were spread out over six pays. Meaning that on pay 13 this teacher was paid K34.74 for a graduate in 2016. You add that, multiply it by 6.5 totalling K225.81 paid on every salary that a lump sum was paid on over six and a half pays.

So, his gross salary would then be K1163.00 paid over six pay days. So by the time we terminate or finish the payments in pay 20, he would have reverted back to his salary of K972.12. That's what he gets on a fortnightly basis.

So, there is no other deductions that I am aware of. The only deductions that I know are, the provinces where the functions are decentralised, you have the pay officers in the province, they are the ones that manage pay deduction where the teacher brings in a deduction form from a finance company which they have taken loans from and then they have agreed to a certain repayment rate. So that's exactly what happened.

So, for instance there is a teacher in Huonville Primary School in Lae who obtained six loans from six different finance companies and she ended up with K7.00 net pay on a pay day.

12/01

You see the point, Mr Acting Speaker? There are no deductions from the Department so why should we deduct from our teachers? Of course the Governor is right that we need to make sure that there must be some responsibility from our provinces particularly those provinces which are managing the Health system.

There is a flagging system that your officers have to follow but they are not following those systems which is 50 per cent of the gross and if the deductions go as far as that you cut it off and stop the deduction and they have not done that and that resulted in the cases of Morobe and Madang. We must make sure that there must be some responsibility somewhere. At Waigani and Fincorp Building we don't manage the paper work, the paper work goes straight to Finance and they manage it from the payroll system otherwise only when there is a HDA or a back pay then we must make sure that the Teachers Service Commission must have an oversight of it before it is processed and goes to Finance for processing. But apart from that you know that you manage the teachers' pay in the province and it goes straight from there to Finance for processing.

Mr Acting Speaker, there are no deductions at all and there are no deductions from the Government that I am aware of. It is simply because of the misunderstanding that teachers heard of a big payment that is going to come and they go and get additional loans so they have to increase their loan deductions and it becomes a problem for them.

There is a submission before Cabinet but I want to announce to the Nation that we will manage those deductions properly so that it can be manageable. The Finance Department will manage it. I am not a finance clerk or pay master for the teachers who does all the deductions to some finance company out there and they get all the money and teachers become the victims. We have got to find a way to try and stop all these problems. We had a similar situation in 2015 where all the finance companies got together and took us to Court. There is a court order in place and only yesterday I was served another court order to prevent us from not allowing the teachers to obtain loans. It is not about teachers having that right to go and obtain loans but it is about how it is being managed from the teachers accounts themselves.

We the Government are just paying but then compulsory deductions from statutory deduction checks, superannuation funds and other deductions in relation to their membership to Unions as such can be managed. But for any other deduction Cabinet will make a decision and the Ministers for Finance, Public Service and myself will make a joint statement to

inform our country of what our position is across the board and the entire Public Service will be affected by that NEC Decision.

Thank you, Mr Acting Speaker.

**AUDITOR-GENERAL OF PAPUA NEW GUINEA – PERFORMANCE AUDIT
REPORT – MANAGEMENT OF THE LOG EXPORT DEVELOPMENT LEVY,
2012 – 2015 – PAPER – MOTION TO TAKE NOTE OF PAPER.**

Mr ACTING SPEAKER – I present the following paper pursuant to statute:

*Auditor-General of Papua New Guinea – Performance Audit on the Log
Export Management Levy for the fiscal years 2012-2015.*

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

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

Debate adjourned.

ADJOURNMENT

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

That the Parliament be now adjourned.

The Parliament adjourned at 3.30 p.m..