

SIXTH DAY

Wednesday 4 September 2019

DRAFT HANSARD

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SIXTH DAY

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The Speaker (**Mr Job Pomat**) took the Chair at 10.00 a.m..

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

Sitting suspended.

The Speaker again took the at Chair 11.00 a.m., and invited the Member for Rabaul, Honourable **Dr Allan Marat**, to say Prayers:

‘Father your other name is omnipresent. You are present with us this morning. We say thank you because we were with you in the very beginning in your mind. You conceived us as Members of Parliament and every human being on planet Earth in your mind. Since that time until today we have been harvesting your blessings. So we praise you and thank you for our existence. Thank you for the roles that you have given to us and you have blessed us in order to serve your people in this country. Father this morning we are ready. Bless the Speaker, the Deputy Speaker, the Prime Minister, Deputy Prime Minister, the Opposition Leader and his Deputy and every Member of this Parliament. As we part-take in this discussions in the hope and trust that there will be some benefit trickling down to our people in this country. In Jesus Name. Amen’

DEATH OF FORMER MEMBER – Mr DAMIEN KEREKU – STATEMENT BY Mr SPEAKER

Mr SPEAKER – Honourable Members, I have to inform the Parliament of the death of Mr Damien Kereku on 22 July 2019. He was a former Member for East New Britain Provincial Seat. He was first elected to the Third House of Assembly and First National Parliament from 1972 to 1977 and re-elected to the same Seat to the Second National Parliament from 1977 to 1982.

During these terms, he had served as Member of the Public Works Committee between 1972 and 1977, Member of the Standing Orders Committee and Chairman of the Appointments Committee between 1977 and 1982.

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

(All Members present stood in their places)

BRIEFING ON THE BOUGAINVILLE PEACE AGREEMENT AND BOUGAINVILLE REFERENDUM –STATEMENT BY Mr SPEAKER

Mr SPEAKER – Honourable Members, I wish to inform all Members of Parliament that a briefing on the Bougainville Peace Agreement and the Bougainville Referendum organised by the Parliamentary Committee Secretariat will be held today, Wednesday, 04 September, 2019, from 12.00 noon to 1.30 p.m., in the State Function Room, Parliament House.

The briefing will be made by the NRI Bougainville Referendum Commission and the National Coordination Office on Bougainville Affairs.

Program of the meeting will be circulated to all Members in the Chamber.

QUESTIONS

West Papua Uprising – Effect on PNG

Dr ALLAN MARAT – Mr Speaker, I direct my questions once again to the Minister for Foreign Affairs.

Mr Speaker, the unrest in West Papua has resulted in the shooting dead of West Papua Melanesians including a child. These kinds of human atrocities will continue.

West Papuan Melanesians are now fleeing across the border into Papua New Guinea for safety with their Papua New Guinean Melanesian blood relatives.

Whilst fleeing they are being pursued by Indonesian soldiers and shot dead in the Papua New Guinea side of the border and are buried and unaccounted for, as has happened in the past. The pressure on our Government is now on.

My questions are as follows:-

(1) Apart from the obvious unresolved problems I have alluded to, has our Government being able to identify other problems for Papua New Guinea arising from this current West Papua uprising?

02/06

(2) If the problems have been identified, has Papua New Guinea defined its desired outcomes?

(3) As the Minister responsible, have you communicated these desired outcomes to the Indonesian Embassy in Port Moresby?

(4) Has our Government evaluated the consequences of potential policy choices in Papua New Guinea's relations with Indonesia, and more particularly with the United Nations on the current uprisings in West Papua?

There has been constant unrest in West Papua because something was not done right and therefore not transparent and is still not right.

Mr SOROI EOE – Mr Speaker, I thank the honourable Member for Rabaul for these very important questions.

Since your question yesterday, this issue was again raised in the government caucus this morning for discussion for a way forward as to how we can address this issue.

The issue is very critical. Atrocities and killing of our people on the other side is obviously not something that we can just let go. But having said that, the Prime Minister made his comments on the atrocities on the other side.

I think the important thing is we need to maintain our official position and that position is, West Papua is Indonesia's internal issue. This has been successive government's official position since Independence. And this is a position that we cannot grow away from, especially in view of the fact that this position was established by our forefathers looking at the security reasons and issues that are pertinent to our foreign policies, particularly with our sharing the border with West Papua. So, it's a security issue that has been the most important part.

In regard to the atrocities and killing that have taken place, the Prime Minister has made a point in condemning these acts that have taken place. He is the first prime minister to make that point after many years of similar situations where previous prime ministers had not made their positions clear.

On the issue of identifying the problems, I made mention yesterday of a regional body that has also raised concerns, and that is the Pacific Islands Forum (PIF) which was recently held in Tuvalu. Their position was to encourage Human Rights Commission to move in from UN to make an independent assessment. It was unanimously agreed to send in this group to go into West Papua to assess and make reports to the PIF meeting to be held in Vanuatu in July next year, so as to indicate or verify an independent report on what's happening.

But having said that, it is quite obvious that what is happening is of concern to us and it is something that the Government has to look at. This is the reason why I raised it in the government caucus this morning. There is a need for a collective government approach to this issue, not only because of what's happening out there but also the likelihood of the spill over effects. Obviously, our people will be coming over the border. So how do we deal with these people coming across?

Mr Speaker, that is basically where it is. I have also requested in the government caucus that we need to start looking at this issue seriously and critically. I have suggested that we need to look at an urgent Cabinet meeting to look at this issue and establish the very issues that you are talking about.

03/06

We need to establish if there are confidential reports either from Defence Force or NIO, which should give us indication of what is going on the other side, in order to guide the Government in its decision-making process.

Thank you, Mr Speaker.

Supplementary Question

Concerns for Vanimo-Green River Electorate

Mr BELDEN NAMAHAH – Mr Speaker, this is a very sensitive international issue and this affects the security of the livelihood of Papua New Guineans living along the border. My electorate is located on the border and is going to be heavily affected by this.

My questions are;

(1) Can the Minister give assurance to my people that his government and the Prime Minister have an immediate counter action plan in place?

(2) Are the Police and Defence Force prepared to address the spill-over effects from the current crisis in West Papua to protect our citizens who are living on the border?

Mr SOROI EOE –Mr Speaker, I thank the Member for Vanimo-Green River.

It is very important, as I have already mentioned, that as a government, we need to immediately call urgent an cabinet meeting to assess the issue and find the way forward in taking measures, not only for people who are crossing but also to protect our people on this side of the border.

Audits on Land Compensation Claims

Mr ROBERT NAGURI – Mr Speaker, my question goes to the Minister for Lands. This is in regards to land occupied in government outstations and district headquarters and others.

Mr Speaker, I have an issue currently in my district headquarters, where every time I try to put up a new infrastructure development, I am approached by landowners demanding payments.

Mr Speaker, under the O'Neill-Abel government, the former Lands Minister, in February last year, put out a full-page advertisement telling us that there will be audits. Inspectors would be going around every district headquarter to audit all the land owned by the Government to make sure that the claims are genuine. There are millions of kinas worth of compensation claims with the Lands Department. They were supposed to carry out these audits to verify these claims.

My Speaker, my questions to the Minister are as follows;

(1) Will the current Minister and his department ensure audits will be conducted?

(2) And if so, when will the audit work commence?

I would like the Minister to make Bogia proud because I am currently having problems at my district headquarters, which is situated on land in Bogia Township.

Mr JOHN ROSSO – Mr Speaker, I would like to thank the Member for Bogia for his very important questions.

The Lands Department made an announcement last year regarding all these issues. It is not just station land, a lot of cities and towns are also affected and some are plantation land.

The Lands Department was trying to do that last year but I understand due to funding constraints, they could not make that possible. We have included that in our budget for next

year and I will make Bogia a priority. It is a very serious issue, which it is not only in Bogia, but it is in a lot of stations and suburban stations around the country.

As per directives from the Cabinet, through the Prime Minister, I have been directed to ensure that the Lands Department does a comprehensive stock-take of all our lands and redefine the boundaries for our stations and lands in Papua New Guinea.

If you would like to, I would personally like to discuss this with you and if you are able to allocate some funds through your DSIP, we could address your issues immediately with the officers from the Lands Department.

Delayed Feasibility Study Report

Mr THOMAS PELIKA – Mr Speaker, I gave my support yesterday to the Prime Minister for prioritising agriculture in this country, in terms of funding.

My question is to the Prime Minister since he is the Acting Minister for Agriculture.

There are so many Papua New Guineans on the streets who are unemployed despite the opportunity we have in our villages to work the vast land that is available.

Again, I commend the Prime Minister on his statement yesterday on improving the Agriculture sector.

04/06

I recall last week when a minister commented that it was not my money that I used to help the Police Force. I know it is not my money but I was the Minister at that time and I had to make tough decisions. I do not mess around and send text messages here and there.

Mr Speaker, I initiated a project some years back for the good of all the people of this country. Morobe can produce the best organic coffee and the best organic honey, but the only problem is lack of roads.

I have an oil palm project on the border but there is no road linking the project site. Funds have been spent but Agriculture officers have not done anything. They have just given us papers to fill but nothing is done and there are no reports on hand.

When I was a young policeman, there was a cattle ranch at Josephstaal in Madang. There was also another cattle ranch in Markham known as Dumpu. And there was one at Sogeri.

Can the Minister ensure that these officers from the Department of Agriculture are terminated? I have spent so much on this project and not even the Morobe Government has come to my aid

I am raising this concern for the people of Kaintiba, Marawaka and Menyama. We are the last people because we are located so far out and no one even knows about us, not even you guys from Waigani. So much money has been spent on feasibility studies and nothing has come out from this. The former Member had also spent so much to have these studies done, therefore, these officers from the department should be sacked. I allocated funds in February of last year for the report to be done but I am still waiting. I need to capture this report in my budget so it is implemented in your budget as well.

Mr JAMES MARAPE - I thank the Member for Menyamaya for his question.

Mr Speaker, there is great potential for agriculture in this country including the Morobe Province.

Just the other day we were at the launching of the road network and I said that there must be road links to areas where there are agricultural commodities and economic activities. And in that same discussion, I mentioned that we could drive down all the way from Lae, through to Kerema and down to Port Moresby. This is the commitment that we have given to open the missing link, this is the priority where you can drive from the north side to the south side of the country.

And hopefully in the process those places such as Kaintiba and Menyamya when the road comes through, we must not rely too much on betel nut, we must concentrate on agricultural commodities. And we make use of those roads by ensuring that the agricultural industries are grown out of those roads that we construct. I hope I satisfy one part of your question with this reply and we look forward to give a smile to our people in the hinterlands of Marawaka, Menyamya,, Wau, Bulolo, Garaina and linking them to Lae and finally to Port Moresby. And we intend to open that road before we celebrate 50 years of Independence, as a landmark to this crop of leaders present in this Parliament.

05/06

Before I respond to your other question on your investment, I would like to thank you for the money you have invested as the Chairman of your DDA with the Agriculture Department to come up with a blue print.

I want to also announce to the country that the National Department of Agriculture and the National Government will work in partnership to have a clear map of the entire country in the agriculture potentials we have. This is so that our industries, investors - local investors as

well as external investors - can know exactly which part of our country has potential for which agricultural produce.

So, we will be soliciting some funding to ensure we have a clear map that will be out in the public domain so investors and everyone knows which part of the country has potential for a certain agricultural produce or livestock activity.

Whilst speaking on agriculture, I also wish to make known the fact that by 2025 we want to be rice-sufficient and beef-sufficient. At the moment, these two expenditures allow for over K3 billion capital flight out of our country every year. And this is an agricultural product we can grow and livestock we can raise in our country. So, we are gaining towards ensuring that some big plains we have in our country such as Sepik Plains, Markham, Ramu, Waghi and Baiyer valleys become areas of investment for agriculture industries.

Mr Speaker, to answer the question, I will check with the Agriculture Department on the use of the money that was given from your district funds.

We will ensure that they report back to you for your district, but I will get the Agriculture Department to have a clear holistic matter as to what our agriculture potentials makes for our country so that we can seek partners to work agriculture as a business for our country. Thank you.

Supplementary Question

Paper Farmers

Mr GARRY JUFFA –Mr Speaker, my question is on the same issue but most specifically to a report that was tabled in Parliament in the last term where a significant amount of money was misused by what was termed as ‘paper farmers’.

In the previous term there was a revelation based on the 2011 Auditor General’s report where significant amount of monies allocated for Agriculture sector were misused in the tune of, I believe, about K750 million.

I recall that the current Prime Minister raised concerns about this because he had an experience in his electorate.

We want to know whether those issues have being resolved in such a way that we now have a fraud control methodology in place to prevent the repeat of this because those paper farmers are still around at large, salivating and rubbing their hands and waiting to get hold of the next amount of money that they can.

Thank you.

Mr JAMES MARAPE – Mr Speaker, I give my commitment to the Governor that we will try to ask for the report of that funds that were made available for Agriculture. This Parliament needs to have a clear view of what has happened to the entire Agriculture funds that was allocated in 2010 or 2011 where there was a huge supplementary budget because of excess revenue around that time.

06/06

On the issue of allocations going forward, Mr Speaker, I wish to inform this Parliament that we don't intend to repeat past mistakes. Instead of parking money at the National Planning Department, Finance, Treasury or Agriculture Department, we would rather put the money in financial institutions. Our proposed investment in agriculture will be geared towards partnering financial institutions, especially our commercial banks or the National Development Bank, if they have they capacity and if they are ready to step up. These institutions can make sure that only qualified and genuine farmers and those who want to invest in the agricultural sector can submit their business proposals

Our funding will offer a softer loan facility at 3 or 4 per cent with a loan repayment period of about 30 or 40 years. A combination of policies such as this will be put in place. We will partner with the banks and involve real farmers, plantation holders and real people who want to involve in the agricultural sector to get into these businesses instead of entertaining paper farmers out of Port Moresby and money isn't put to good use.

The money that we will try to secure in 2020 Budget for agriculture will be parked in financial institutions and banks, and real business men and women who want to involve in the agricultural sector can go and borrow. We will just give indication that there'll be a very soft loan scheme to motivate and encourage investment for Papua New Guineans to go into agriculture with a loan repayment period of 30 or 40 years.

We looking at inter-generation loan business program where parents who are getting into business today can start on agriculture business that children can continue on reinvesting so it becomes a family-oriented business for a long period of time so that a generation is not burdened to repay quickly but as a spread over many years.

That program will be partnered with our financial institutions and banks so if anyone thinks that there is a paper farmer opportunity, you will be now dealing with banks so to speak so you have to qualify and go along with the qualification requirements that banks will impose.

Our team and Treasury will work in partnership with the banks to ensure that qualifications are not harsh but easier.

At the same time, we need to have a check and balance mechanism in place to isolate paper farmers from real farmers.

Thank you, Mr Speaker.

Papua LNG Project Agreement

Mr PATRICK PRUAITCH – Thank you, Mr Speaker. My two questions are directed to the Minister for Petroleum.

Before I ask my questions, I wish to acknowledge the leadership role the Minister has played in this very important sector.

My first question is in relation to the Total-led Papua LNG Project. Only two weeks ago we heard that the Minister led a team state to Singapore to re-negotiate the project agreement that was signed in the previous government.

Only yesterday there was a news item about commencement of that project.

(1) Can the Minister confirm to this Parliament and to the country that this project is a goer rather than something that will be shelved for a while?

Appointment of Permanent Secretary

Mr Speaker, since the last government we have been having an acting Petroleum Secretary. This is a very important resource sector for our country that needs a permanent Secretary to provide that leadership in the administration and discharge of its function, particularly in government efforts to tap into resource development. In oil and gas we have Papua LNG and a number of gas projects that are in the pipeline. I, therefore, think it's very important for a permanent Secretary in the petroleum department to be appointed.

(2) When will a new permanent Secretary for Petroleum be appointed?

Thank you, Mr Speaker.

Mr KERENGA KUA – Thank you, Mr Speaker. This is a good question that been raised by the Leader of Opposition touching the important subject matter of National interest of Papua New Guinea.

As a short answer to his question, the Prime Minister made an announcement yesterday that this project will proceed.

Mr Speaker, there was a misunderstanding that occurred. The Honorable James Marape was voted as the Prime Minister on 30 May, 2019. And we know that the contract was signed on 19 April 2019 and exactly 41 days later, the Government had changed leadership.

07/06

Upon forming a new Government the Prime Minister mentioned that he would like to review that contract.

Mr Speaker, I would like to make clear to the Members of Parliament and the people of this country that there has never been a time that the Prime Minister mentioned that he would revoke this agreement. There was a lot of distorted ideas that came along with this misunderstanding. But, as a new Government, the Prime Minister has a duty of care towards the people of this country to make sure that whatever contract that is inherited should reflect the aspirations and dreams for the people of this country.

So, before he starts implementing in full steam ahead he must make certain that there is clear understanding and everything in the contract is in order. If the Prime Minister has not done this due diligence and he does not certify it, we will meet problems later down the track. Our Government has a duty of care to the people of this country to go through that process and try to review it thoroughly again to see if this contract really fulfils the aspirations and the dreams of the people of this country. In that spirit the Cabinet approved it and that, yes, we owe it to the people for our own internal purposes.

Firstly, we see that it satisfies us as a Government. So this does not involve the other parties of the contract, it is an internal process and the Government itself conducts its own review which took about eight to nine weeks.

But, Mr Speaker, during that period the Cabinet identified five areas where it felt that it was necessary to bring back to the attention of our project partners for another discussion. There was a long list but it was narrowed down to five important points that they saw was necessary to revisit.

(1) The ships that are going to export these products to the international market. If it would be possible for the people of Kikori, Kerema and other landowner groups with the help of this Government to come to an agreement where they can purchase a cargo ship gas tanker to export the products to the international market so it will be able to open up additional

opportunity for Papua New Guinea to create additional commercial advantage to create business opportunities to generate income.

(2) The pipeline that extracts the resource from inland and is sent down to the processing facility before it is put on the ship to be exported - is there a possibility that the Government can own this pipeline and can charge rent of the volume of oil and gas passing through this pipeline.

If the developers agree, the people of Kikori can own this pipeline as they have been forgotten. And if the other provinces of Papua New Guinea want to participate with the Gulf Province they can be most welcomed.

(3) In the national content we know that this project will cost about US\$13 billion, and if you multiply that by three you will get the cost in PNG kina. So it will cost a lot of money - almost K40 billion – for the construction phase which will take about four years.

08/06

(4) As an important part of the expenditure, it is the wish of the Government to fence it off and give this back to the landowners, or the business arm company of the provincial government. The Honourable Chris Haiveta needs to make some money too so the people of Gulf can benefit also. This will enable other provinces throughout the country to come and support Gulf Province. The spin-off contracts will add revenue to their provincial budgets. That we enable the economy to be spread across Papua New Guinea only and not going overseas.

(5) Foreign exchange control. It would be fitting for the developer Total to have a dialogue with the Bank of Papua New Guinea and the BPNG because they have the jurisdiction and expertise which the Cabinet does not have. The negotiations are now focused on that. They told us Singapore talks was a total failure but that was simply work in progress. The discussion were still been held and the work was continuing.

We have finally come to a conclusion and the outcomes of the negotiation were made public by the Honourable Prime Minister and myself.

Today I am stating here in Parliament the simple outlines of those five points in the negotiations as follows:

(1) Total agreed to look at the commerciality to make sure that landowners especially the people of Kikori, Kerema, Gulf Province and the Provincial Government to own a ship, a gas tanker, not a an ordinary cargo ship.

These are specialised vehicles of high capital value where you have to spend huge amounts of money to own one. That door in the negotiations was opened so who in the midst

of us will object to this idea? This is an opportunity that has arrived at our door steps and when this big gas tanker will ferry the international waters with the Gulf Province name on it, it will bring pride to us as a nation. If we didn't try this, the opportunity would not have been around for the taking.

(2) In regards to the pipeline the agreement is very quiet. But out of these negotiations they agreed that as the loaner pays down the construction loan, we can enter into negotiations with the State.

So that yet again, the people of Kikori and Kerema Gulf and Central can negotiate buying the pipeline. We must be clear that this pipeline is a very strategic economic infrastructure. Whether the lifespan of this project will last 25 years or more if they discover more resources along the corridor its potential and hidden value is right there before us. But securing this opportunity in this point in time let us create a business opportunity for our own grassroots people. This is a strategic game and we all must be delighted in this.

(3) In regards to national content Total has stated that they understand the PNG Governments position and they support fully to maximise local content.

They will help to the fullest extent possible where we can be able to produce locally in our own pace. In Singapore we demanded minimum of 35 per cent of the total spent but they never made a commitment on that.

09/06

But, in principle they have agreed that yes, we will look at making sure that opportunities will be created so that a major portion of the shares can be in Papua New Guinea too.

And in this negotiation I said, whether the landowner company or provincial government company have start-up capital or not, whether it has skills or not, it must get the major contract. And you as the operator can assist by looking for a sub-contractor with money and expertise. You can contribute as a subcontractor but the main contractor must be the people from the land itself.

They have agreed to further look into the negotiation. It is not game over yet. We still have a lot of work to do. But again we have to expect that it is a complicated technical stuff. We will gain where we can gain but at the same time we must be realistic about things which we cannot possibly do despite our political ambition, these must be left to the project operator.

However, I can assure you that we as the Ministry responsible for this project and the national content issue, our hearts are with the people. We will fight hard to maximise national content back to Papua New Guineans.

In foreign exchange, they have agreed to talk and in fact the talks have already started, so that was an easy concession.

The only place where we did not agree was where we demanded two per cent additional domestic market provisioning out of Papua. We hit a brick wall with that. That's the fifth point. The reason is that all the fiscal arrangements have been made out of the allocations. So it will be difficult to re-awake it.

But they did not stop there. They said there maybe another opportunities where they can fulfil by giving additional quota to Papua New Guinea to fill the domestic demand. However, we told them we did not wish to discuss it. Do not bring it up. Other projects and potential areas should not be brought up. They are for future discussions.

So the fifth point is the only area where we did not reach an agreement but we were not upset because what quarter we were able to get, we got. Where we cannot, leave it.

But, Mr Speaker, I want to emphasise this point. By going through that process, we have learnt a lot. We have absorbed many lessons out of this process of review. We learnt how these developers think. How they approach ideas and issues and how they develop their commercial strategies. All of these ideas have now become clear to us, especially the state negotiating team headed by the Chief Secretary Isaac Lupari who worked with us in that review. We now know what to do. We have learnt a lot of lessons.

So, even though in this kina terms, there may be limited value in what we have negotiated, I must say that a lot of the knowledge we have gained will be put to good use in future projects. Whatever is underground in both mining and petroleum is unknown to us but as it comes through, we will all hit the negotiating table amongst learned people because we have learnt. We have taught ourselves how to deal with these issues. So the negotiating table will be more balanced.

Out of all these exercises, Mr Speaker, the final point is, we saw that our legislative framework in both mining and petroleum were disadvantageous to ourselves. We have enacted laws that do not operate favourably to Papua New Guinea and its dreams.

I want to really thank the Prime Minister for his support and commitment throughout and the Cabinets' support on Monday that the whole of the *Oil and Gas Act* must be reviewed in its totality. They have already approved it.

In that same debate, the Minister for Mining, Honourable Johnson Tuke was there and revealed that review in his department on the *Mining Act* is at an advanced stage -

10/06

But he has made a commitment within the Cabinet that he will slow it down, to take a second look at the new *Mining Act*, to see whether it reflects the dreams of Papua New Guineans and his leadership at this point.

I am very happy with this approach and I want to put this on record. Together, the Minister for Mining, Honourable Johnson Tuke and I, with the support of the Cabinet, will reform the *Oil and Gas Act*. Hopefully, by March next year, we will be tabling a Bill on this Floor of Parliament.

Before I wind down, I want encourage us, let us not be afraid. This Bill won't kill the developer. It will help Papua New Guinea. That is the equation we are looking at. The details will be provided when we present the form and content of the Bill on this Floor of Parliament.

There are few significant gains from this exercise especially for our people of Gulf Province and no matter what other people might say, Mr Speaker, I am proud of those few things because, previously they would have gotten it if we had not chosen this path way.

Thank you, Mr Speaker.

Mr Patrick Pruaitch – Point of Order! My second question in relation to the permanent appointment of his Departmental Head.

Thank you.

Mr SPEAKER – Point of Order, in order.

Mr KERENGA KUA – My apologies. That is an important issue. We had a number of acting secretaries over the last few years. I think there was a reason why they could not move to a substantive up until now, but the positions were advertised during the term of the former government before I became the Minister.

I am in contact with the Public Service Minister and I told him that I would not interfere in the process. There will be a short list which has to be approved by the Public Service Commission. Then three names will be brought forward to the Cabinet where we will have to make a decision based on the recommendations.

We must all remember that many of the applicants including the incumbent Secretary have been committed to the Department. They have come through the rank and file, so it is

unfair for me to interfere with the process of the Minister for Public Service, Honourable Westly Nukundj.

Mr Speaker, I would to assure the Leader of Opposition that I have been in contact with the Minister for Public Service for almost daily in the last one week. This morning, when we were in Government Caucus, he told me that the process is at a very advanced stage.

So, maybe, in another week or so, he will forward the shortlist to the Cabinet and the decision will be made. I am happy to work with anyone and I have got no preferences. As long as the applicant goes through the proper process and procedure and is brought towards the Cabinet and appointed, I will work with that person.

Thank you, Mr Speaker.

Demarcation of Responsibilities for Roads Projects

Mr ROBERT AGAROBÉ – Thank you, Mr Speaker. I would like to direct my question to the Minister for Works.

As per our Prime Minister's statement, we have to start building the economy of our 22 provinces and in doing so, Central Province is no exception. The other Provinces are also working tirelessly to build their economies and we would like to do the same.

11/06

For the last two years the provincial team has been working tirelessly to drive our economy in the sense that we want to start mobilizing the majority of our people who live in the rural areas. And also mobilize the 97 per cent of our land that is customary-owned.

In doing so we have done a lot of progress in the last two and a half years. And it all comes down to accessibility, on how do we access these areas of our province to start driving our economy.

Mr Speaker, I ask the good Minister for Lands and maybe the Minister for Treasury and Transport to take note.

Can the good Minister for Works explain to this House and the people of Papua New Guinea, on where our demarcations are?

The areas of responsibilities in terms of building new roads, sealing of roads and maintaining of existing roads and that goes down to the national highways, the provincial roads and the district roads.

I am very much confused on where my responsibility lies when it comes to roadworks. The Department of Works through the Central Provincial Works Branch, seem to be doing their own thing. I have no idea of what they are doing or how much money is coming through the province.

Can the good Minister please explain to our people our assigned responsibilities?

By that, I mean in terms of the Department of Works, the provincial government, the Open Member through their DDA, and Road Transport Authority, where they all come in.

Mr MICHAEL NALI -I want to thank the Governor of Central Province for his very important question.

As we all know, the responsibilities for roads and bridges falls directly under me. My responsibility also includes the national highways, the provincial roads most of which are economic roads, and the even some district roads. This is because my Department provides the standards and manage these roads.

In terms of funding for these roads, there is a shared responsibility. Our national highways consists of 8000 kilometers of road, provincial and district roads we have a total of 21, 000 kilometers, so it adds up to a total of 31,000 kilometers of roads in the country.

And when it comes to responsibilities, over the years there has been some shared responsibilities, where the national government tried to take responsibility over the national highways and the provincial roads were to go back to the national government. And the district roads were to go back the districts and LLGs.

While this intention seems genuine, we know for the fact that some of these provinces are better off, especially those who have good revenue flowing into their provinces due resources extractions going into some provinces. The provincial governments are able to get some payments from those resources. But there are other provinces who do no have that opportunity or the privilege to have the luxury of cash.

So that is why, on many occasions the national government has gone back to support the provincial roads.

So just the other day, the Prime Minister launched the National Roads Network Strategy. This indicates available roads and the kind of responsibilities that is available. The Department is doing its job by making sure that this responsibility is very clearly highlighted and shared. And it is also going through a major reform.

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We have made a decision in NEC last year to amalgamate National Roads Authority back into the Department. And under this reform, what we are doing now is to have one NEC, one Minister for Works, and one Secretary for Works and then we will have a structure with five Directors. Each director will be taking care of different responsibilities and functions of the Department of Works.

When I first came in 2017, I realized that there seemed to be three Department of Works operating within the country. They were duplicating responsibilities and many of the roads were neglected

For example, NRA went ahead and had done some work. They did not have the money to complete the work but the responsibility of looking after highways has gone to NRA. So, many complications exist.

We are now trying to shut down NRA down and merged it with the Department of Works although legislatively, we operate under one MOU.

So, to answer the question, when it comes roads, there are some provincial roads which are very important economic roads in the country, so National Government is responsible for provincial roads, national roads and even some of the district roads.

Although you may think that these district roads connect only within the district, they play a vital role. So, responsibility wise, National Government is responsible, Provincial Government is responsible and even the District or LLG is responsible.

When it comes to making sure that standards are maintained, the Department, is responsible.

For the status of these roads, Mr Speaker, Highlands Highway has been taken on board under a US\$1 billion major program. Contract for the phase one has been awarded already.

At the moment they are doing specific maintenance while at the same time getting equipment together and setting up their camps to do maintenance on the Highlands Highway.

We have the Hiritano and Magi highway. We also have the Momase Coastal Highway, the only international highway we have. This is one of the important roads but it cannot be maintained or can not be built with the internal revenue that we generate in our country.

Mr Speaker, it must come under a major program like the Highlands Highway because when we open up the Sepik plains, you know what the Sepik plain is like, we can achieve a lot in terms of Agriculture.

Mr Speaker, going down the Magi highway, it's the same thing, going all the way to Alotau and cross over to the Northern Province.

We also have this major road network that has always been talked about and financed by the Government, which is the Baiyer to Madang road.

The easiest question that we got today from the Member for Menyamya, the Prime Minister and the Government has given directive that, this must be the first one we will be looking at while concentrating on the Momase highway.

In response to the question by the Member for Menyamya, the Prime Minister and the Government has given directives that, this must be the first one we will be looking at while, concentrating on the Momase Highway. But when it comes to responsibilities, we are responsible for all the roads. When it comes to funding, the National Government, Provincial Government, and the District Government are all responsible to contribute and partner in their development.

While I have the opportunity, there was a question asked outside the lobby area by the Governor of East Sepik regarding the use equipment from the Department of Works. I'd like to say that the Department's equipment are available. Any district can use these equipment as long as you can pay for the fuel. This equipment is not for hiring, it is the government's equipment to carry out infrastructure development and to give services to the people.

If there is any contractor who has obtained a contract elsewhere and wants to use our equipment to run its private business, please report it quickly to me so that I can deal with the provincial works manager. Thank you.

Mr Speaker, I hope I have answered the Governor's question.

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BORDER DEVELOPMENT AUTHORITY (REPEAL) BILL 2018

First Reading

Bill presented by **Mr Petrus Thomas** and read a first time

Second Reading

Leave granted to move the second reading forthwith.

Mr PETRUS THOMAS (Koroba-Lake Kapiago – Minister for Immigration and Border Security) – I move –

That the Bill be now read a second time.

Mr Speaker, honourable Members, I present a Bill to repeal the *Border Development Authority Act 2018* and the abolishment of Border Development Authority.

Mr Speaker, as most of the honourable members of this House would be aware, the Border Development Authority was established in 2008 with good intentions to promote economic growth, investment and trade in our five border provinces.

Unfortunately, as you all will be aware, over the years the Authority has lost its focus and has not been able to carry out its mandated functions. Indeed, the Authority has been mismanaged and has become a liability to the Government and the people of this nation.

Mr Speaker, it is undeniable that the Border Development Authority has lost its way and it is time for us to take decisive action.

Mr Speaker, the Bill will abolish the Authority. I take this opportunity to inform members of this House that we have taken appropriate steps to transfer all the functions relating to the border administration to the Department of Provincial and Local Level Government Affairs.

I am happy to inform honourable Members of this House that the Department of Finance has been directed by the Cabinet to conduct an audit of all Border Development Authority assets and liabilities including Papua New Guinea Maritime Limited.

Mr Speaker, the Papua New Guinea Maritime Limited is a subsidiary company established by the authority under the Company's Act where the Border Development Authority is the only sole shareholder. Cabinet has directed the Minister for Immigration and Border Security to immediately require the Border Development Authority Board to dissolve the subsidiary company under the *Company's Act*.

Mr Speaker, the Department of Personnel Management will be dealing with the Human Resource matters in relation to the BDA staff including the Head of the Agency.

The Cabinet has approved the retrenchment of all Border Development Authority staff and there will be no redeployment in the public service.

Mr Speaker, it is not possible to redeploy Authority staff within the National Public Service because the salary structure is different to the National Public Service salary structure.

Honourable members, to be fair to the civil servant of the abolished Authority. Cabinet has approved that the Border Development Authority staff who wishes to take up new employment within the public service following the retrenchment will only be eligible to those

who are subjected to substantive vacancy and application of the merit-based appointment process.

The standard five-year prohibition in the General Orders 16.7 on re-employment of retrenched public servants will no longer apply because there are some staff whose technical skills and knowledge may be required in the Department of Provincial and Local Level Government Affairs or other stakeholder agencies.

Mr Speaker, let me take this opportunity to request the support of all honourable members to provide support to the pass the repeal Bill. It will also enable relevant agencies to coordinate and facilitate the abolishment of Border Development Authority.

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Mr Speaker, I am confident that this new arrangement will ensure that our boarder provinces are once again appropriately supported and given the attention they deserve by the Government. It is imperative that we act now to ensure our boarder provinces are not forgotten.

Mr Speaker, I am sure all Members will agree with me that this Bill is important initiative and is worthy of the strong support of all Members of this House.

Mr Speaker, I commend the Bill to the House.

Mr JAMES MARAPE (Tari-Pori–Prime Minister) – I rise to give my statement in support of the proposed repeal Bill before us.

Mr Speaker, whilst the intention of the Boarder Development Authority establishment in the past was relevant maybe at the time, I stand to signal to this House and to our country that we are in the business of cost saving and we will look into our Public Service structures and all other agencies that we have to ensure that there is no duplication in terms of performance of duties. We will be realigning many other agencies similarly to what we are doing to the Boarder Development Authority and this is a case in point.

Some of the functions shared by Boarder Development Authority will be transferred to the local level governments, some to Defence Force for that matter. This proposed Bill before us is a signal of our Government to ensure we streamline and increase efficiency in the Public Service and various agencies that are mandated to run the business of Government and the State.

Let me also strengthen the call made by the Minister that the current audit and investigations that is going on foot by Finance Department must continue and report back to us, in as far as establishing where our total assets are.

I remember some ships were purchased by this agency but we do not know where they are and their status to date. . So the Finance Department was asked to conduct an investigation into total assets and liabilities of this organisation and the subsidiary company PNG Marine Time Limited.

We have tried to close this at the earliest and to ensure that some of the core programs that this organisation was running if there was any, is subsumed into the provincial local level government and in my view, a better place to tuck some of this intention is in the the PNG Defence Force.

The intention to have business or economic activities born out of this agency will also be subsumed in the special economic zones that we will be setting up to allow for the private sector to come in instead of the Government always stepping into run business.

So, I commend this Bill and I support the Minister for bringing it to the House and this is a reflection of what we will be doing moving forward.

We are asking all state-owned agency who are out there to show relevant existence and it must have some economic rational to it. There are opportunities to subsume some of them into main stream government agencies.

Our Government will stream line and create efficiency in the system and some of these agencies whose mandate can be run by other Government Departments as shown in this paper and will subsumed more like this so that we can save cost.

The Public Service wage salary continues to grow by the day as we speak and so we must increase efficiency in our Public Service by amalgamating agencies, transferring functions to provinces and district to allow Waigani to remain light at the top is the intention of our Government.

I think this indicates where we are going and I commend the Minister for bringing this Bill to the House.

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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

Bill, by leave read a third time.

ADJOURNMENT

Motion (by **Mr Rainbo Paita**) agreed to –

That the Parliament do now adjourn.

The Parliament adjourned at 12.20 p.m..