

EIGHTH DAY

Friday 6 September 2019

DRAFT HANSARD

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EIGHTH DAY

Friday 6 September 2019

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 Chair at 10.45 a.m., and invited the Member for Kokopo and Minister for Culture and Tourism, **Honourable Emil Tammur**, to say Prayers:

(No Audio)

QUESTIONS

Central Province GST Component

Mr SPEAKER – Honourable Governor of Central, we will have to wait until power comes back on properly.

Honourable Governor for Central, you may now ask your question.

Mr ROBERT AGAROBÉ – Thank you, Mr Speaker, I would like to direct my series of question to the Minister for Finance and I would also like the Minister for Treasury and the Honourable Prime Minister to take note.

02/08

Mr Speaker, before I ask my questions, the following is a brief of the sad facts regarding the questions I'm about to ask.

The Central Provincial Government has taken court action against the National Capital District Commission and the Internal Revenue Commission in 2010 for their failures to

comply with their mandatory duties under *section 33(1)* and *(2)(a)* respectively of the *National Capital District Commission Act 2001*.

In that court battle, the Central Provincial Government argued that *Section 33* of the *NCDC Act* obliges both NCDC and IRC to each pay CPG 10 per cent of all the Goods and Services Tax income due to NCD annually under the *Goods and Services Tax Revenue Distribution Act 2003* since 2004.

The reason is that on record, NCDC has been paying only five per cent whilst IRC has paid nothing at all to CPG to date.

In July 2013, the National Court had handed down a decision in favour of CPG ordering IRC to pay CPG backdated payment of GST income owed to the CPG from 2004 to 2010 which, according to our lawyer's calculation is a hundred million plus kina.

In clause two, part three of the Court Order reference N5262 the court ruled and I quote, 'IRC is obliged by *Section 33(2) (a)* of the *NCDC Act* to pay Central Provincial Government a minimum of 10 per cent of the GST due to the National Capital District Commission in each fiscal year in accordance with both the *Good and Services Tax Act 2003* and the *Inter-Government Relations Functions and Funding Act 2009*'.

IRC appealed the decision of the National Court at the Supreme Court, Court Decision SC1429 but the Supreme Court dismissed the IRC's appeal in 2018 in favour of Central Provincial Government on competency grounds.

As a result of that Supreme Court decision, reference SC1429 the National Court's decision stands and that IRC is now by law compelled to, (1) commence paying 10 per cent of GST collected in NCDC to the Central Provincial Government, and, (2) reimburse to the Central Provincial Government all outstanding and unpaid GST Income backdated to 2016 which in our lawyer's calculation stands at K328 million.

Mr Speaker, my questions are:

(1) Can your Ministry liaise with the Acting Commissioner General of IRC to comply with the court order by commencing payment of 10 per cent of GST Revenue collected in National Capital District to the Central Provincial Government immediately as it has not done so to date?,

(2) Can your Ministry through, IRC remit to Central Provincial Government all outstanding or unpaid GST revenue owed to the Central Provincial Government backdated to 2016 which stands in the excess of K328 million?,

(3) If the answer to both of these questions are in the affirmative, I would like a precise time frame as to when these payments are forthcoming to the Central Provincial Government?

(4) If however the answers to both are in the negative, can you give an explanation as to why the decision of the courts cannot be recognised and honoured before the Central Provincial Government can apply to the court again for enforcement of these court orders against the Internal Revenue Commission and the State?

Mr CHARLES ABEL – Thank you, Mr Speaker. I thank the Governor of Central for continuing to advocate this very important issue.

The principle stands that a lot of people from both Gulf and Central provinces conduct business activities within the National Capital District area and it is only proper that they are apportioned a share from the GST generated from here.

In my view, there are provisions in *GST Act* and may I also stated at this point in time that the IRC falls under the ambit of the Treasurer not Finance Ministry. But since I have been asked the question, I'll take the opportunity to answer since I have some background from Treasury.

Under the provisions of the *GST Act* the Central Provincial Government is entitled to 10 per cent of the GST collected in the NCDC area. And, as the Governor has explained, there's been quite a number of court actions going on to reinforce and enforce those provisions to make those payments.

03/08

The Internal Revenue Commission (IRC) collects that GST on behalf of the Government and they apportion the GST to respective provincial governments including NCDC. Those monies have been collected and are passed on and it is a joint obligation, but the money is passed on through NCDC.

To my understanding, NCDC is obliged to provide that 10 per cent to the Central Provincial Government, and of course, that applies to the Gulf Provincial Government as well.

The Governor rightly stated that the courts have upheld those provisions in the *GST Act* and Central Provincial Government is owed that money.

I believe there has been some liaison going on between the National Capital District Commission and the Central Provincial Government on how to resolve that issue and involve the IRC as well. When I was the Minister for Treasury, I was engaged in trying to facilitate that process.

I can assure the Governor that we will look back into it and see where that process is at. I do not think the issue is what is owed. The issue is just facilitating and organizing the payments in terms of backdated payments and of course, going forward, on how we can work with the NCDC to make sure that both the Gulf and Central provincial governments receive their fair share of the GST.

I must admit that I have lost track of it somewhat, but it is good that the Governor raised those points so that we can take it up with our new Treasurer. The Department of Finance will do whatever it can to ensure it happens and maybe this can be captured in some of the budget revisions that are also taking place as well under the new Government.

We are dealing with some of the arrears with the private sector and so forth. Some of these out standings need to be taken into account. If they are valid obligations of the Government, they need to be factored into the budget process and we make sure these commitments are met.

I would like to thank the Governor of Central. It is a very important issue and relates back to the fair distribution of revenue from business activities and individual activities that, originate within Gulf Province. Also another very important province is the Central Province within which NCDC sits. I hope that is an adequate response to the four questions from the Governor.

Thank you.

Mr SPEAKER – Before the Chair allows further questions, I would like to inform the members of the public in the public galleries and the honourable Members to put your cell phones on silent or switched off.

Since there is no Supplementary Question, Honourable Governor for East New Britain, you can go ahead with your question.

ENB – K5 million Dishonoured Cheque

Mr NAKIKUS KONGA – Thank you.

Mr Speaker, I would like to direct my question to the Minister for Treasury but apparently, he is not present so I will ask the Finance Minister.

I am forced to raise this serious concern a second time in this honourable House. A serious breach of adherence to command structure as this has resulted in a dishonoured cheque – a payment of K5 million for disaster and emergency programs in my province.

Mr Speaker, in March this year, monsoonal rains and flash flooding caused a lot of damages to all lifelines structure in East New Britain. Bridges, power lines, roads, education, health institutions and food gardens were affected.

A provincial submission for government support was endorsed by my PEC and subsequently submitted. During the change of Government, a cheque drawn by Bank of Papua New Guinea to East New Britain was dishonored and after months of following up, there was no positive result received from either the Department of Treasury or the Bank of Papua New Guinea.

04/08

There has been no explanation given to my province for this dishonored cheque and we are still waiting for this cheque payment. This is despite all the system process, verifications and confirmations.

Mr Speaker, National Disaster and Emergency Service Officers were in the province to verify the extent of damage as per our request for disaster funds and our request was approved hence the payment of K5 million which we are yet to receive.

Contractors and service providers were engaged immediately following the flooding disaster in the relocation, resettlement and rehabilitation of our distressed population. To date our contractors and service providers are still owed pending the availability of our promised disaster funds.

My series of questions are directed to the Minister for Finance and the Minister for Inter-Government Relations to take note.

(1) Is the Minister aware of this dishonored cheque?

(2) If you are, when will my people of East New Britain be accorded the assistance in respect to our submission for the disaster and emergency of K17.8 million, of which K5 million was initially approved and a cheque was drawn and the cheques no; 014161 dated 20 May 2019 for K5 million?

(3) Can the Minister inform the people of East New Britain that if the K17.8 million will still be paid as approved and if the K5 million initially approved before redrawn?

(4) Can the Minister inform the people of East New Britain, when this dishonored cheque of K5 million can be redrawn and presented to East New Britain for the intended purposes?

I think the current Minister is well aware because he was a former Minister for Treasury.

Mr CHARLES ABEL – Thank you, Mr Speaker. I thank and also the Governor of East New Britain for your questions.

Yesterday, the Governor for Gulf raised a similar question on bounced cheques. That of course is regrettable, and I did give a response in general to that process, specifically the Gulf Governor's cheque.

I might repeat what I said yesterday but several years ago, if you recall, we had an issue with bounced cheques in the Government. We had to review the process on how cash management happens in the Government system. Which it resulted in the institution of a Budget Management Committee, chaired by the Chief Secretary. They meet on a weekly basis with all the relevant secretaries from the Departments of Finance and Planning.

They are being advised by a management committee that comprise of deputy secretaries and they liaise with the Bank of Papua New Guinea to ascertain what the cash is at the bank and what cash is coming in on a projection basis and advise the Budget Management Committee. The BMC then inputs all the obligations of the Government on the table. From these, the rations and portions are cashed and then authorize Finance to issue certain cheques and Treasury to issue certain warrants to authorize the issuance of those cheques.

It is done in this manner to make sure there are centralized processes around cash management. And we do not continue the process of departments and agencies issuing cheques when there is no cash available.

That process improved the system a lot and a lot of the bounced cheques issue was resolved. Unfortunately, we are starting to see some of this coming back again.

I note the comment made by the Governor that the cheque was issued during the time when we were having some sort of political impasse going on. And perhaps the system suffered due to some weaknesses at that time, which I am not sure of.

Once the banks dishonor the cheque, the bank's system swallows the cheque and you cannot get the cheque back, but they should give you a dishonored notice. And on the basis of that notice, you return the notice to the Department of Finance for our commitment. As you explained, the process has been followed and we will arrange for the re-issuance of that K5 million cheque.

05/08

The balance of the K17.8 million in your submission is subject to the approval process and the cash rationing exercise.

So, Governor, you raised this issue before, now that the system has settled down again, we will get back to work. Please bring that notice forward and I'll do my best to liaise with the Secretary for Finance who will then take it back to the Budget Management Committee and we will have the cheque replaced as soon as possible. Thank you, Mr Speaker.

Upgrade Village Councilors Allowance to Fortnightly Wage

Mr. RICHARD MASERE – Thank you, Mr Speaker. My question is directed to the Minister for Inter-Government Relation and I would like the Minister for Planning, Finance, and Treasury to also take note.

Mr Speaker, on this occasion, let me congratulate the National Government, the Department of Provincial and Local Level Government and the Electoral Commission for delivering another election regardless of the pre-election shivers, financial constraints, and the expected geographical and logistical challenges we encountered. This really enforces the proverb 'where there is a will, there is a way'.

Mr Speaker, my question to the Minister is in relation to a recent questionnaire we conducted within the districts due to concerns raised by the former councilors, the re-elected councilors, and the newly elected ward councillors in relation to the allowances paid.

Will their allowances be paid by the National Government through the Department of Provincial and Local Level Government?

Presently, councillors are being paid an allowance of K400 per month. On many occasions in the past, councillors were not paid on a timely manner, some were paid several months late. For example, the last payment was made in June 2019.

Mr Speaker, these councillors are elected leaders just like National Parliament Members and deserve to be treated in the same manner. Councillors must be put on wages

and not allowances and paid every fortnight. They can not be treated any different to the National Members of Parliament.

While many public servants choose not to work in the front-line rural areas, these councillors do. They are the front-line government representatives and leaders and on many occasions step into the shoes of public servants. During violence, law and order problems, ethnic clashes, and tribal wars, these councillors are the peace makers. During social, health and community issues, these councillors become community workers.

In some cases, they spend their own money to support people. These councillors fill in the gaps left vacant by leaders and public servants and they deserved to be treated better.

In light of this concern, I know the good Minister will understand because he has councillors as well.

(1) Can the Minister confirm that councilors will be paid in a timely manner?

(2) Can these allowances be paid fortnightly rather than monthly and called wages instead of allowances?

(3) Can these payments be captured in the 2020 Budget so councilors can be paid in a timely manner and paid fortnightly?

(4) Can their wages be increased from K400 per month to K1000 per fortnight?

Thank you, Mr Speaker.

Mr PILA NININGI – Thank you, Mr Speaker. I thank the Honorable Member. Before I answer the question, I would like to thank the Electoral Commission and Members of Parliament for assisting us to conduct the Council President Elections.

Firstly, I want to thank the Prime Minister and the Government for providing the funds. Though we had a limited funds, the system was already in place so we delivered the election successfully.

06/08

The 98 percent success rate by any standard is considered a success. I wanted to thank all Members of Parliament for the assistance that you have given and it's worth noting it.

Again the Electoral Commission did a marvelous job with the limited funding. They asked for K200 million but we have gave them K30 million and my direction was to stay within the budget and they delivered.

Also we have recorders in each wards who assisted us and we can use them in future for the National General Election. I want to thank all those people who assisted us.

Now for the series of questions, many councilors throughout the country want to know the status of their allowance. In the past, we said that there was no money. If funding was available, we will register them on a proper payroll. All councillors and village court magistrates want money but we are have run short of money.

We understand that councilors are doing a great job, they stand in as policemen, as magistrates and even as a teacher, indeed they do a great job but it is our responsibility. You may think that K400 is a small amount of money but when you multiply it with 6000 plus councillors, the result is a huge amount. It is K200 a fortnight.

Most councillors live their ordinary village lives and they only step in when there are issues that need to be addressed. Likewise, village court magistrates have scheduled time for court sittings.

Thank you, Honorable Member. Your concern is my concern and the government's concern as well. If the financial position of the country improves, we will certainly take it on board but at this point in time the financial situation does not warrant it so I don't want to give you false hope. But, it is a certainly something we can look into.

For the question regarding putting councillors on payrolls or fortnightly wages, we would like to do it but again it falls back on the funds. When the funds are available, we pay them.

For 2018, we have paid all the money. I checked yesterday after the Member for Markham raised a question asking if the Department owed any money to the councillors. I was told that they were fully paid.

Sometimes the councillors have a misunderstanding. As far as the allowance is concerned, we paid them all.

My Department has been involved in data collections to review whether the LLG Election was conducted properly or not, and whether preferential voting system is the proper one to be used.

Based on these findings, we will bring a submission to a NEC before bringing it to the Parliament. This is because the voting system is becoming expensive as a lot of money is spent on election petitions in court.

Currently in my electorate they are lobbying for the Council President seat and it is very intense because next week Tuesday they will go to elections.

So these are some of the challenges we are encountering.

07/08

I will take it to the NEC so that NEC can endorse it for me to bring it into Parliament for us to discuss and make some changes.

In addition, the Department is also reviewing both the Limited Preferential Voting system and the First Past the Post system to establish the most appropriate voting system.

In the urban areas, there are well-educated people who understand the election process but in the village, people are less aware and do not understand the election process.

They can easily be misled and this is one of the reasons for bringing the submission to NEC again so that the Department can decide whether to go for the Preferential Voting system or First Past the Post Voting system.

In my view, I think we should go for the 'First Past the Post Voting System'.

(Laughter in the Chamber)

Mr William Powi – Point of Order! Mr Speaker, I don't like Ministers speculating and giving pre-emptive views on major government policies. He needs to go and do a Ministerial Statement and advise the country on the outcome of the LLG Elections and other matters. It's not a joke. Thank you, Mr Speaker.

Mr SPEAKER – Honorable Minister, the Point of Order is in Order. You will answer only the questions raised by the Member for Ijivitari. Any other statements matters you would like to speak on can be presented as a Ministerial Statement on the Floor.

Mr PILA NININGI – Thank you Governor, I fully note that. These are important issues and I will bring it up at a proper time so that it can be debated. Thank you very much.

Supplementary Question

Markham Ward Councillors Not Paid

Mr KONI IGUAN – Thank you, Mr Speaker. My question is related to the response by Minister regarding my question raised yesterday to the Minister for Finance.

The Minister stated that his records show that all the councillors in Markham have been fully paid.

Mr Speaker, I want to inform the Minister that I have 12 members who have not been paid for the last full five years in office. I have directed them to get their records with their council managers and attach statutory declarations regarding their claims.

Since the Minister states that the councillors of Markham have been fully paid as per the records.

Can the Minister allow my 12 councillors to furnish evidence of their claims of non-payment to his office?

Thank you.

Mr PILA NININGI – The Simple answer is, if they are not paid, I can assure you that I will certainly find money to pay them.

Please provide me all the reports of those councillors and then we can attend to it.

Thank you.

Supplementary Question

LLG Councillors Term

Mr KOBBY BOMOREO – Mr Speaker, I want to direct my question to the Minister for Provincial and Local Level Affairs regarding two things. The ward councilors and LLG presidents were elected last month.

(1) How many years are they supposed to serve, is it two or five years?

(2) If it is five years, then is it a breach of the Organic Law on Provincial Local-level Governments regarding elections?

Mr PILA NININGI – This is a problem where the government has failed to conduct elections on time.

08/08

So, now the department is putting up a policy that will be presented to National Executive Council and we are contemplating a five year term for the councillors.

So, I ask all members to assist me in passing the amendments to give them a five-year term.

Thank you, Mr Speaker.

Supplementary Question

LLG Elections

Mr WESLEY RAMINAI – Thank you, Mr Speaker. My question is directed to the Minister for Inter-Government Relations.

I heard that we had a successful LLG Election but that is not the case in my electorate. In one of my LLG's, the ARO sent the presiding officer three times. The presiding officer was sent the first time with the papers and the voter's destroyed them, then on the next day the same presiding officer was sent again and a similar incident occurred and reoccurred on the third day as well.

So, no LLG Councillor was elected but in Mendi where the swearing-in ceremony was held, the ARO was present but they didn't allow any one from that particular council ward to have a representative. Then, upon the advice of one of the legal officers who was present, they allowed one of the nominees to go in and vote for the president. I am sure your office has already received this report. This particular councillor was sworn in under special circumstances.

(1) Is he going to be receiving the similar privileges like the other councillors?

(2) And if not, when will the LLG Elections be conducted again? Thank you.

Mr PILA NININGA – Thank you, Mr Speaker. We have discussed this particular matter yesterday so, I will look into it.

Shortly, we will gazette all the councillors who won in different wards so we will know exactly which ones are the legitimate ones, who won the elections and if not they will not be included and we will certainly reverse it.

I have not come to that yet so, I can't comment further. My Department is looking into it and we will advise you in writing.

Thank you.

Nadzab –Bulolo Road Update

Mr GINSON SAONU – Thank you, Mr Speaker. I would like to direct my series of questions to the Minister for Works and I would like the Minister for National Planning to take note.

My question is regarding roads between Bulolo turnoff to Nadzab.

My questions are as follows:

(1) Why did the contracted Chinese Railway International Limited, on the Lae to the Nadzab Project stop construction work just after it started in April, this year? I am told that the constructor is owed about K30 million by the State and these are progressive claims duly certified for payments.

09/08

(2) Why are they not paid so that work should progress unhindered?

(3) Why are the landowners and property owners not being paid and the properties not removed from the project limits?

(4) Why did your Department and National Planning Department falsely appropriate K20 million in the 2019 Budget on the same project as agreed to be funded through a loan agreement between the Independent State of Papua New Guinea and the Exim Bank of the People's Republic of China?

(5) Can you investigate the K10 million that was stolen from the Lae-Nadzab budget appropriation in 2019 and return it back to Lae-Nadzab Project?

(6) Can you re-appropriate K20million to the project to cover the budget figure that your Department and National Planning Department misled and falsely lied to take up budget appropriation spacing for the important project?

Mr MICHAEL NALI – Thank you, Mr Speaker. I thank the Governor of Morobe for asking those questions regarding the road from Wau-Bulolo Turnoff all the way up to Yalu and on to Nadzab Airport.

From Nadzab to Kagamuga, the ADB loan has taken care of that portion but this also section that the government of PNG is funding slowly.

Mr Speaker, the contractor in this project is the China Railway International. The first question is regarding the rumours that the PNG Government owed this company a lot of money.

Mr Speaker, we owe that company a lot of money but over time we have been paying it up slowly for the work done at Bugandi Secondary School up to Nine Mile-Bulolo Turnoff.

Mr Speaker, the amount of money that we are paying to this contractor is not enough because what we get through the normal budgetary appropriation is split amongst many other contractors whom we owe money to.

As I speak, Mr Speaker, we owe that contractor close to over K600 million and we have 285 contracts still running. The danger of not paying up means that we will terminate all those contractors and that can bring up huge lawsuits between the contractors and the government.

But, Mr Speaker, I must commend all the contractors who are working in the country. Our problem now is that a lot of these big contractors like Covec, China Railway, Dekenai and others use their own money to continue working in the country. We owe them a lot of money.

I thank our Prime Minister and the government for making a commitment to pay some of them off.

The answer to the first question is, yes, we owe them a lot of money but we have paid a lot of what we owed and it is slowly coming down. But we still owe them quite a fair bit.

Why are they not being paid? As I have already said, it is because of lack of funds.

10/08

Mr Speaker, the road it is still under construction. There has been some allocation in the budget, so NEC has already made a decision in the last Government to secure some funds from the Exim Bank.

In the past, Exim Bank was supposed to fund that section of the road as well, but ADB intervened to take up certain sections. As a result, the Exim Bank stopped funding some parts of the roads, but the NEC decision was already made.

The decision is now up to the Treasury, the Chinese Embassy and the Exim Bank. Once the decision is made that project can start. In the meantime, while waiting, we are providing funding to ensure the road construction continues.

Mr Speaker, on the issue of displacement of landowners living along the roads due to the improvements. As we know, this is an existing national highways which needs improvement. From the center of the highway and 20 metres each way, it falls under the category of State land. The State has the right to acquire land for public purposes because it is an existing road. Any development that may have come in within that road corridor is a Government matter.

Through Department of Works, we will identify legitimate landowners who are eligible to receive compensation.

Mr Speaker, we have not turned a blind eye on that. We have people working on it to make sure that such evaluations are carried out. I am pretty sure that no one will miss out when it comes to getting some form of compensation especially on the improvements.

Mr Speaker, on the issue of the K10 million which was allocated and has gone missing, I have no answer to that as yet. I do not know which K10 million the Governor is referring to or who stole that money. I can provide an answer to him in writing and as far as I am aware, no money has been stolen.

Mr Speaker, to conclude, the contractor is doing some work on it, but very slow, until some good funds come in and we can take up that section.

For everyone's benefit, as I have said from Nadzab to Kagamuga, that section has been already been allocated for ADB funding

For the section between Nadzab to Wau-Bulolo turn-off, it is a project that we must carry out.

Mr Speaker, on the issue of the cost, the road that has been built from Bugandi Secondary School up to nine mile was quite high, as we all know. The nine mile turn-off going up to Yalu and Nadzab will be a four-lane road. It is a water-log area and a lot of culverts will go through that as well.

After extensive studies, we have reduced the cost from K7 million per kilometer etcetera.

Mr Speaker, we are on track with this project, but because of funding, this project has yet to progress.

Thank you.

SUSPENSION OF STANDING ORDERS – EXTENDED TIME FOR QUESTIONS

Motion (by **Mr Douglas Tomuriesa**) put –

That so much of *Standing Orders* be suspended as would prevent time for questions this day being extended by 20 minutes.

There being no absolute majority, motion negatived.

11/08

Supplementary Question
Funds for Kiriwina Ring Road

Mr DOUGLAS TOMURIESA – My question is directed to the Minister for Works. Minister through the Chair.

In between the 2013 to 2017 Budget, we had allocated the Kiriwina ring road a funding of K6 Million. And I would like to thank the former Minister for National Planning who released a warrant to the Department of Works in March 2018.

The funds have been confirmed by the Secretary via a phone call to me as well as through my visit to the Department. I was given the account number and the vote holding the K5 million for the Kiriwina ring road.

The funds were released by the former National Planning Minister in 2016 but were diverted to other projects. Again, in March this year, a sum of K5 million was released to the Department of works and having confirmed the vote and the account number that is holding the money for the last 6 months.

The funds are yet to be released to the Milne Bay Provincial Government or the Kiriwina Good Enough account. We have completed the project documentation that has gone through the Department of Works with the contractor nominated. And again, the funds are yet to be released.

(1) When will the Department of Works release the funds to the district, the province or the contractor?

(2) Are the funds in that nominated account safe?

Mr MICHAEL NALI – I thank the Member for his questions.

First of all, I will assure him that I will speak with my Departmental head and find out what has happened to that money and I will respond to him in writing so at least he knows what has happened.

I do not know what has happened in the past but during my time, a lot of money was appropriated in the budget and then the warrants were released. My Department's function is to implement projects. When the warrant is released to us, the right thing to do is for the

department or any provincial government under the DDA to discuss and go through the process, whether it be CSTB or PSTB.

We award and engage that contract to a contractor, and the Department of Works will manage it and pay the contractor.

No money will be paid to the provincial governments or to the districts.

12/08

Secondly, we have had some experiences lately where the warrants were released from National Planning (like in the new PIP) to Department of Works who liaises with the Department of Finance to prepare the cheques. When the cheques are printed, the cheques are then given back to the Finance Department to approve and release upon the availability of cash.

Mr Speaker that is why many a time, the honorable Members will notice that for some of your projects, we will raise cheques and send it to the Department of Finance, but you won't get the funds. The contractor will not get the funds because the cheques will be with the Department of Finance awaiting the availability of cash.

That is why sometimes when you pick up a cheque and immediately try to deposit it, they bounce back due to the unavailability of cash.

Mr Speaker, I will get to the Department and investigate it and will give the Honourable Member a response in writing about what has happened in between 2013 and 2017, and even up to 2018. Thank you.

GRIEVANCE DEBATE

Question proposed –

That Grievances be noted.

Mr ALLAN BIRD (East Sepik) – Thank you, Mr Speaker. My grievance this morning is in relation to the system that we have between national and sub-national government.

During question time this week, I noted that there were some issues raised by certain Members that actually impinge on this issue, I note also what's going to happen in

Bougainville, again it hinges on this issue of power-sharing and relationship between national and sub-national governments.

To start off the discussion, Mr Speaker, when the current system was designed some 40 years ago, when we had a population of about two million people. It was designed when our Budget was less than a billion kina. It was designed when we didn't have the law and order problems that we have today.

So, I think that, what used to exist before may have done its job back then, but you fast forward it to today, its not working. For example, Mr Speaker, take law and order, the appointment of the PPC is done here at the discretions of the Police Commissioner. He does not need to consult with any one down at the provincial level, he simply imposes.

After he sends the PPC down, they forget about him. The PPC hardly receives any money to run the Police Force and when there are issues in law and order, the population come running to the Governor or they run to the Open Member.

Whereas, in actual fact, we don't have any say over what happens to the Provincial Police Commander. We don't determine the Police Commander. We don't determine his performance level. All of those things are done here in Waigani.

The budget for the Police goes to the Police Head Office in Konedobu. For instance, East Sepik Provincial policing budget, we don't know the details, that is handled entirely by Konedobu.

However, when the PPC needs to do a job, they will come to the Governor and the Administrator asking for money to do their job when unsuccessful, they start asking the business houses to give them money.

So, Mr Speaker, we need to change that system and I am giving one specific example based on.

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Mr Speaker, we need to change the system and I've just given one specific example based on the police. I can do the same thing for PNG Power and I can do the same thing for the people that supply water in my province. So, you can go through and take a look at every single service that is provided at the sub-national level, all of which is controlled here in Waigani.

I'll give you another example. When the pump at the Water Board at Wewak collapsed we had to wait four weeks while Wewak had no water. We had to wait four weeks for them

to buy a pump down here at Port Moresby and fly it in from somewhere. The business houses and the East Sepik Provincial Government got together with the Water Board manager and said, 'look, we will buy you a pump.' He said, 'wait, let me first talk to those in Port Moresby.' The response from Port Moresby after four weeks still never came.

Mr Speaker, I say these things because I can see that the way we are functioning is ineffective. It is totally ineffective because we are not managing right where the issues are occurring. We are managing from remote control from somewhere and the remote control is also not working well and as I said, it probably worked well 40 years ago, but it's not working now. We need to overhaul the system and that, I think, is the responsibility of this House

I see a lot of questions that Members are raising, and these questions go to the core of the issue that I'm raising now. If you change the system and if are able to respond much quicker - I know that the DDA was set to respond much quicker but it is also bypassing an important mechanism. I have 600 public servants who work for the provincial government, I am not counting the teachers and everybody else, but if you bypass the teachers, the question is, who becomes responsible?

I just note what the Minister for Works is talking about right now in relation to Kiriwina, it is again the same issue. Why would you send the money for Kiriwina to fix the roads there to Works Department? Why are we doing that? If Works Department has the expertise then why can't they just supervise? Why do they have to go and do the job? Whether it be Kiriwina or Buin or somewhere in East Sepik is the same issue.

We have people on the ground, most times probably duplicating. With duplicating, I see National Department flying into Wewak to come and do jobs that we can do. Where is the cut-off line? I see National Departments doing jobs in my province that cost K1 million. I think other Governors are well aware of this. Works implement projects costing K1 million to K1 billion. Why cannot you keep the big projects at the National level and leave the small ones for us to do? Let's cut out all of these nonsense in between, Mr Speaker.

Mr Michael Nali – Point of Order! Mr Speaker, I wish to correct the Governor that the Department of Works doesn't say we are going to go and do those projects; you have contractors on the ground in the provinces or districts that do that. Our job is to make sure that standards are met by supervising those jobs. After we identify the contractor, you can

work together with them in your provinces and districts, but we will do the payments after the certification from the Department of Works. Thank you.

Mr ALLAN BIRD – Mr Speaker, I am trying to illustrate the point and the point being that, there are difficulties in operation. We are not short of money or skilled people; we have skilled people everywhere. It is the arrangements that are making it cumbersome and difficult. That is the problem. I will give you an example. We got a quote from Works - and my good friend Minister is well aware of this - that it will cost K10 million to seal the Wewak Town road. The money somehow went missing here in Waigani and I asked about constantly until I gave up.

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But the fact is, we ended up fixing our own road using internal revenue. It cost us less than a million kina to seal our road, however, the quotation from Works was K10 million.

Mr Speaker, we need a more effective system that we can manage on the ground so that we can get better value for money. What will cost the National Government K10 million to do, we can do it for K1 million. We have proven it.

Mr Speaker, I am interested in the Prime Minister's concept of creating 22 economies. However, we need to facilitate changes to the system so it becomes more conducive to achieving that.

Mr Speaker, funding must go straight to where the function is. You cannot keep the funding in Waigani when the function is in Lae or Goroka. Funding must go with the function.

Law and order is a very serious issue. We all have been raising concerns to the Police Minister since last week. We need to rearrange the way things are done. We need to have the police commanders who are more accountable to the people and not the Commissioner. How do we ensure that they are accountable?

Mr Speaker, in Sepik we have to find a way to talk to the PPC. If he is good he will talk to you and if he is not he will say, I will not answer to you, I answer to the commissioner. And I understand that you answer to the Commissioner, but you have a responsibility to the people of East Sepik. Some of them don't understand these things but those that do, do well.

We in East Sepik have agreed to fund the community police. The Finance Minister advised me that money for policing in East Sepik is actually given to Konedobu. Why?

When there are issues, the people come and talk to me. They don't go out looking for the Commissioner or Police Minister.

Mr Speaker, we need to respond quickly. When we delay service delivery, we are failing in our responsibilities. It has been 25 years since the implementation of the *Organic Law on Provincial and Local Level Governments* and it is now time for a review to fix the relationship between the national and sub-national levels so that these things can flow a lot smoother.

Ramu-Nickel Mine Spillage

Mr PETER YAMA (Madang) – Mr Speaker, firstly, my grievance is in two parts relating to issues in my province.

Mr Speaker, I would like to raise these concerns to the Prime Minister and for the Ministers for Mining and environment to take note.

These are very serious concerns and are in the interest of the people of Madang Province and Madang town, and it is important that the Government take note as well.

Mr Speaker, I condemn the incident that happened at the Ramu Nickel Mine in Madang. The slurry spillage containing toxic waste has caused major environmental damage in Basamuk Bay and nearby coastal areas.

The Government must be scrupulous when engaging companies to operate in this country. The company in Madang has not complied with the *Environmental Act* and the regulations on waste management. I don't think the company has cooperated with the Conservation and Environment Protection Authority (CEPA). In fact, I believe CEPA has not inspected the site in a very long time.

Mr Speaker, I have found out that this toxic spillage has happened three other times. The recent spillage was 200 000 litres, and this is enough to destroy all the marine life in Madang and in the Bismark Sea.

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An environmental study has been done in this area by a Scientist from Switzerland and he has produced a 1500-page report.

Mr Speaker, for the benefit of the Madang people, I urge the Prime Minister and both the Ministers for Mining and Environment to pay a visit to Madang and take a tour of the areas that are affected.

Mr, Speaker, kaukau, banana and other vegetable gardens have died out. I would appreciate if the Prime Minister can come to Madang and I will personally show him around the affected areas of Rai Coast. The sea and our shores have been damaged by toxic waste and the marine life has also been threatened.

I received news yesterday from a doctor in Madang that a woman gave birth to a deformed baby with four legs and four arms. I am sure this news will be all over *Facebook*.

This is a very serious issue, Mr Prime Minister, and I reiterate that the Government must take note of this very seriously.

Mr Speaker, during my term as the Member for Usino-Bundi in 2003, I opposed the Ramu-Nico agreement because I knew that the impact of environmental damage would be immense.

The joint venture agreement was made between the company, the Government and Highlands Pacific. From the shares acquired by Ramu-Nico Management (MCC) Limited, a K500 million dam was to be built in Usino as well as 6000 houses. Furthermore, the operations would create opportunity to create 6000 jobs. However, the dam was not built in the interest of saving costs. Instead, they built a K100 million pipeline to Basamuk and saved K400 million. And this was an economic decision but it was not in the interest of the people of Papua New Guinea and my people of Usino-Bundi at that time when I was a Member.

I refused to go to China to sign the agreement when Somare went with Alois Kingsley, who was the Member at that time, and James Yali as the Governor. You all can check the records today. You will not see my signature on the agreements, although I was the then Member for Usino-Bundi and a landowner. It has been over 20 years and no one thought I would return, but the old man has returned as the Governor of Madang Province.

Mr Speaker, this is not good for the people of Papua New Guinea. If this Government wants to take back Papua New Guinea, you must start with Ramu Nickel.

The agreement has already expired for Ramu-Nickel so it is time to sign the MOA which must be a win-win for both parties. If you say there is no level playing field then what's the purpose for having Ramu Nickel?

Mr Speaker, a total of K27 billion worth of mining resources has already being exported out of this country. They get the Copper and Nickel as stated on the agreement but outside of the agreement they are also taking the limestone and cobalt and selling it in Lae. They avoid coming to Madang where the Governor is and are using the backdoors. I am

missing out on tax. All the big company trucks are transporting these things over to Lae, and my people are sitting idle.

When will the people of Usino-Bundi become millionaires? The condition of the houses and their markets are in very poor state. There are no proper roads so only 4-wheel-drive vehicles can be used there. We are unlike other mining areas such as Lihir, Pogera and Ok Tedi who receive development. I get frustrated when I know you are making billions and there is nothing for Usino-Bundi.

The poor Governor of beautiful Madang has no money in the account and you expect me to keep my mouth shut like this? No! None of the money has been in my account.

I had shares with Ramu Nickel mine but no money came to my account. The company employed the best scientists and the best from other professions but it doesn't have any money, so I had to close down the company last month. What can I do? There are no stabilization funds or such funds like K2 billion from Singapore for Ok Tedi. You look at Enga or IPI for Pogera; this is a company that was established for the people to benefit. In addition, there is a children's foundation with OK Tedi. Talk about the K500 million you mentioned for the close up of accounts in Papua New Guinea. In addition, K2 billion is overseas. Landowner companies with Lihir own some very big houses abroad and in Papua New Guinea. The MR Capital and Anitua Group of Companies own high-rise buildings in Australia and in Port Moresby. They have more money but look at my people. Ramu Nickel is a world-class gold mine yet there is nothing to show for the people of Madang.

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The only thing you can give me is the red sea of Nile River of Egypt that has polluted my people. Is this what you call world class?

Mr Speaker, I am in a very depressed state. They have said that a mother had given birth to a deformed baby with four hands and this is only the first for more to come. We will become like one of the small islands in Palawan in Manila in the Philippines when they packed up all the things and ran away to China.

I can't allow it to happen in Madang, Madang is so beautiful that one day my people must not blame me and my children that I have done injustices to them. I can't be unjust to them because I was then the Governor. I have 17 sons and I don't want to be blamed by them and their children for not speaking up for the people of Madang.

Mr Speaker, I take this privilege to tell this Parliament there is no other way for the interest of this country and Madang people. We have not received one GST and no money. I went to the former Minister for Treasury, Honourable Abel, and at that time he was the then Planning Minister. He promised to give me K3 million but that money never came. They owe us almost about K54 million in GST as agreed and signed by the National Government and Madang Provincial Government. It should have been K3 million multiplied by eighteen years which will equate to about K54 million for Madang.

It was only last year that they gave me only K5 million for administration purposes. I find that money to be a bribe money. There is no show of cause or good reason to give me that money. It is only a bribery money and that money cannot be utilised for any purpose.

Last year they declared a profit of K11. 8 billion. In 2017, they made K7 billion. In their books it showed that they are losing money but in actual fact, they make a huge profit. They sell the money back to their own parent company in China and that is a transfer of price.

I have been a businessman for 38 years so they can deceive somebody else but not me. I have all the information from IRC and tax debut so I know what has been exactly exported out.

The Marape-Davis government and all Ministers have seen it in the media. If Prime Minister and Ministers want to prove beyond reasonable doubt then please I am willing to welcome you to Madang. I'll fly you there and you will see for yourself the deformed baby, you see the land, you see the sea and all the people out there.

It is in our interest that we have to close the mine and then we can talk about MOA and get all these agreements signed and whatever can be done later. We can do all these things but in the meantime in the interest of this country and our people we can't allow big corporate client companies to come and dictate and steal all our mineral resources of this country without paying tax for the last ten years and then continue to another eight years again making profit yet they say they cannot do anything when there is no tax credit scheme and nothing whatsoever.

Mr Speaker, the Madang Government received no money and there are no millionaires in Madang. You come to Bundi and you come to Rai Coast you see the roads that only 4-wheel drive vehicles can use, there are eight bridges not built, no school, only one market and no recreation centre.

Mr Speaker, the Minister for Environment and I went into a run-down house with no tables and chairs to sit on. We had to look for a chair for the Minister to sit. I struggled to sit on a drum and all the people were on the floor and the Chinese were standing and watching us. He tried to open the door but he couldn't so he used force to open the door with a bush knife. What a crazy place to be. We can't allow this type of management or company to come and dictate to this country.

Mr Speaker, with the greatest respect, in the interest of this country, we have to close down this company and its operations. If you don't close it, sorry, you leave me now because I am going my way and I will die with my people.

Mr Speaker, I think my time is up and I hope my message has been understood clearly by the Prime Minister and the two Ministers.

Thank you, Mr Speaker.

17/08

Mining Laws

Mr WILLIAM TONGAM (Jiwaka) – Mr Speaker, our Governor expressed his grievances with a lot of emotion.

Mr Speaker, I wish to talk about mining pollution and mining laws in relation environment damage.

Firstly, I want to acknowledge the issues raised by the Member for Rai Coast during Question Time. He hails from the area where the nickel mine is located. Now we have just heard an emotional debate from the Governor of Madang Honourable Peter Yama. And I also acknowledge the response from the two Ministers responsible for environment and mining.

My comments are specifically on the mine in Basamuk Bay and other mines around the country. We have operated quite a lot of mines around the country where some have already closed down while others are still operating or starting up. Let us not forget that the waste from all these mines are pumped out to the sea through our river systems. As we speak, OK Tedi is pumping waste out to the sea including Pogera, Lihir, Sinivit and Ramu mines.

All these major companies are issued concessions and sign up contract agreements to extract our resources, therefore, they must be very cautious in their operations. Even the smallest spillage must be taken seriously and they must work with groups such as MRA.

We have given them enough concessions. Tons of toxic waste from Lihir and other mines have been anchored in our waters, therefore, those companies have to abide by the legislations and the rules of this country. Any spillage must warrant immediate closure so they can work with the government agencies to rectify their mistakes.

The Ramu-Nickel project in Madang has been taken care of very well with tax-free concessions for 10 years and has made over K25 billion as opposed to other companies. And at no time has the Government shut down their operations for investigations to be carried, which is wrong. The MRA is controlled by the mining operators. They control the board of management so when MRA comes out and talks about toxic content and materials in the water, the mining companies know about this beforehand.

MRA must work closely with groups such as CEPA because they have the capacity and have trained people. The Department of Mineral Policy and Planning - when making policies on how to coordinate mining activities in relation to environment in our country - must seek consultation from knowledgeable individuals groups who have capacity.

My second point is on resource laws. The problem in our country is that we have two ways of coming up with our resource laws and contracts.

18/08

Certain places around the world use licensing techniques, some other parts use contracts, case by case for individual projects. The Minister has already told us that he will bring revised Acts sometime this year. When they bring such Acts we need to review how our environmental laws are tied with our mining Acts. The companies who are operating the mines and other resources must share what they take out from our country.

The companies must take full responsibility for damages that occur within their areas that they have mined or are mining from. We have already heard from the Minister that there have already been two or three other spillages, which we have not addressed. So, we need to send out a strong warning to companies to be responsible for their actions. We need the Minister to table a report on the mine inspector's in this case. We will know what really happened so we assist where we can. Thank you for the opportunity to debate and I wish you early independence greetings.

Rising Sea Level affecting PNG Islands

Mr TIMOTHY MASIU (South Bougainville) – Thank you, Mr Speaker. I wish to take this opportunity to wish the country and its people Happy Independence. I have only two issues that I wish to share.

Firstly, especially during this time where we in Bougainville are going through referendum, I have an issue that I wish to raise so that we look at ways to assist. The other challenge is in relation to climate change. Climate change is one thing that we are not in control of and in it is all in God's hands. He knows how it will affect our islands and our people.

During this time the rising sea levels is affecting our people, especially those on the islands and along our coastal regions. These islands are likely to disappear under the sea. We in the country have resettled the world's first climate change refugees, our people from the Carteret Islands of Bougainville. Can the Minister for Environment and the other concerned ministers acknowledge the fact that we have the world's first climate change refugees? Our people of the Carteret Islands are displaced and continue to resettle on the main parts of mainland Bougainville.

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We have witnessed the forced migration and relocation of the people of Carteret Islands due to climate change, which has had a traumatic effect on them. The rising sea level is not only affecting Carteret Islands but also many other smaller islands in parts of the country. These are islands of Milne Bay, West New Britain, New Ireland, Manus and Western Province Islands.

The people are facing a serious concern because the islands are slowly being submerged because of the rising sea level. Apart from Carteret Islands, those living on the atolls of Bougainville are also experiencing these changes.

The people of Carteret Islands have become the world's first refugees from climate change. We must clearly understand that when you relocate islanders to the mainland, we are impacting many changes on them and they will face difficulty adapting. Their lifestyle drastically changes and movement is restricted because of unfamiliar surroundings. They have depended on the sea for their livelihood for many generations and are sea farers and suddenly they find themselves surrounded by bush.

We need to consider these things before we resettle them in a new place. We also need to take into account how the rest of the community will react and how readily will they accept the new people settling in. So it can be a psychological issue as well.

Our country needs to seriously address this issue of climate change and the impact on our people. As political leaders, we have a big responsibility to help our people in those islands. This is because the social consequences and economical aspects could be immense for this nation.

We need to think about the impact of mass migration, the need for infrastructure development, provision of services such as education and health to those affected people.

We are going to create new employment opportunities for our displaced people. Furthermore, how can we keep them economical engaged when they are removed from their livelihood activities? How can we ensure that they do not lose their culture, language, and art forms? How do we ensure their resilience?

When we are thinking about these questions, let me reflect back to our people of Carteret Island. Can we as a government or as a parliament support the people in this process and answer some of those questions that I have asked so that we can give them some relief?

An NGO group, Tulele Peisa Incorporation, was formed to address these issues and it is led by a woman named Ursula Rakova. She is travelling to Japan next Monday to meet with people who are involving in looking at all these issues on climate change. They will discuss on ways to address the issues and she will share those experiences with her people.

This is one of the things I want us as a government to look at. We must use all these opportunities to address current challenges and establish mechanisms.

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Mr Speaker, the Minister and department responsible must take note and contribute ideas to advise the government on how best we can take care of our people. These are our people and we must not forget them. They have been part of this country, Papua New Guinea.

How are we going to respond to this country to ensure we are prepared for the future? As I said in my speech Bougainville continues to feel the pain and challenges from the Bougainville crisis. Let us learn from our past to minimize future hurt and pain of our people by putting plans in place now.

I understand that the Climate Change Development Authority is driving many of the initiatives to mitigate these problems. However, what practical outcomes have been achieved

so far? If there are none, what can we do as a government to drive and ensure that the respective departments are doing their jobs to implement mitigation strategies, engage stakeholders and ensure that our people are cared for?

Mr Speaker, I am coming to the end of my grievances and I thank you. I wish to propose that an environment tax be implemented for all extractive companies in commercial agriculture, fisheries, forestry, mining and oil and gas industry.

The purpose of these tax is to ensure adequate financial resources are available for climate change adaptation and mitigation and to support the migration and resettling of climate change refugees throughout Papua New Guinea.

As I have said, it is already impacting Bougainville today, tomorrow it could be Manus or West New Britain or Milne Bay or New Ireland or any part of the country where there are islands.

I ask our leaders to be proactive and establish a supporting legislative framework to sustain our people in the event that they are displaced by the rising sea level due to climate change such as those on Carteret Islands.

Thank you, Mr Speaker.

Legislate Against Corruption

Dr ALLAN MARAT (Rabaul) –Mr Speaker, I stand to express a concern, which is not new. It has been an ongoing concern for many years and today I've taken queue from the question raised by the Governor of Morobe and the grievances expressed by the Governors of East Sepik, Madang and Jiwaka.

I am beginning to think that we are being dishonest. We talk about delivery of goods and services to our people, which is the major reason why we are here in Parliament.

Now the Prime Minister has given us the theme 'Take Back Papua New Guinea' and so we need to take back Papua New Guinea from within ourselves and be accountable to our people. It begins with all the leaders in here and senior public servants following suit. But how can we take back Papua New Guinea as an individual and be accountable to our people? It is through these two legislations; the whistle-blowers legislation and the Independent Commission against Corruption (ICAC) legislation.

I don't know whether these two legislations have appeared on the Notice Paper. We have been making talking about tabling these legislations on the Floor of Parliament but we have not yet done so.

As a result, we will continue to complain about misappropriation. Even the Ministers for Works and Inter-government Relations have expressed their concern over the disappearance of K10 million and Honourable Douglas Tomuriesa has also expressed his concern on the money that has not reached his district account.

21/08

This is the problem; we talk about important legislations, yet we are not bringing them on the Floor of this Parliament. I speak with a lot of concern because I feel for my people because I live with them. When Parliament is sitting and I go home I stay with my people and I see the misery.

The majority of them in the ward level are wondering when they will see tangible Government development. They want to see some kind of monetary assistance or implementation of small projects for individual wards. But sorry, sometimes it takes forever, they don't see it.

My greater concern is for these two legislations where I have talked a lot about because I believe if these two pieces of legislations are passed on the Floor of this Parliament, accountability of leaders will prevail. We will begin to take back Papua New Guinea now because I believe we must take back Papua New Guinea from within ourselves first then from those around us and from foreign investors and that is how we are going to begin.

Mr Speaker, I urge the Minister for Justice and the Prime Minister to spearhead these two legislations and bring them to the Floor of Parliament so we can debate and pass them.

Thank you, Mr Speaker.

Climate Change

Mr POWES PARKOP (NCD) – Thank you, Mr Speaker, for giving me the chance to contribute through this debate. I have two main grievances I wish to express. I have a lot of grievances but I will concentrate on only two points.

Firstly, I want to take the cue from the Deputy Opposition Leader on climatic change. Through this week, Mr Speaker, I have tried but you did not give me chance of asking questions to the Forest Minister so I will just raise it as a form of a grievance.

We know that climatic change is for real but our mitigation is slow. Towards the end of this month the Prime Minister will be heading to New York for General Assembly Meeting.

They will be talking about lots of issues but at the same time will talk about the climatic change.

Mr Speaker, the Amazon area contains the largest rainforest in the world and contributes to climatic change. Mitigating policies on climate change sparked a lot of debate and has put PNG on the spotlight, especially on the islands of New Guinea. We have one third of world's rainforests. But our record is not good contributing to mitigating or protecting what we have.

Mr Speaker, the Category 5 cyclone from the Caribbean is also another factor. This Category 5 cyclone happens once in a hundred years but now it is almost happening every year.

It has struck almost every year in the last five years and caused catastrophic damage. It is not just in the Caribbean, now it happens in the Western Pacific including the East Pacific. Therefore, the signs of climatic change are emerging everywhere. We do have the Climate Change Office but I don't know its functions or whether it is funded.

There are lots of international conferences and resolutions but we do not implement it here in PNG. One agency which will contribute is Forestry.

I am happy that the Minister for the Forestry is present. I have already given you my question so perhaps you can respond through a ministerial statement you will present later.

(Power outage disrupts Parliament)

Mr POWES PARKOP – Mr Speaker, we can contribute through forestry. We own one-third of the world's rainforests. In total area, PNG has 30 million hectares of rainforest.

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But in 1991 we issued permits to almost 3 to 4 million hectares but by 1994 I think 3.5 million hectares of rainforest in Papua New Guinea were harvested as shown by the records of harvesting.

But Mr Speaker for conservation and contribution to carbon trading, I don't know whether National Forest Authority is doing some survey to protect the rainforest or survey to harvest only. I saw they are surveying to harvest only, I haven't heard, since the agreement of carbon trading, was signed, the National Forest Authority has not gone out to surveys areas and reserve them for conservation and carbon trading in which developed countries will give

us money in exchange for us conserving areas of virgin pristine rainforest for the benefit of Papua New Guinea the world. I haven't seen this happening.

Climate Change Office is not assisting us on this instead we are surveying only for harvesting. So this is one of the issue I want the Minister and National Forest Authority to take note.

Are they going to assist us to conserve and also assist us for carbon trading or not. Since commencement of loggings from the 1980's up until today NFA collects reforestation levy ranging from about K2.00 to K4.00 per cubic meter, this is big amount of money.

At one time when the Member for Vanimo Green was Minister, there was K40 million in the account raised from reforestation levy. They have already spent it but you know we haven't have any reforestation occurred, even in his electorate in Vanimo Green I saw they have harvested from Krissa to Bewani without any reforestation occurring and I've been there.

So this a problem which the National Forest Authority could be helping us to mitigate the impact of climatic change but they are not doing it, even here in Port Moresby we don't have logging so I don't want to deliberate more on that. So I ask the PNG Forest Authority to give me some seedlings now

In Port Moresby we have set the goals to plant trees to do our part in a small way to mitigate this climatic change which is a global problem. I am still waiting for them to give me the seedlings or not. I have already identified the area where we will plant the trees.

We are going to beat Singapore; Singapore got many trees than any other cities in the world so we need to beat them. So I need the Minister to advice his Department or Forest Authority to give us some seedlings. I see them cooperating with Department of Agriculture in the concept call Forest Clearance Authority.

We have an excuse for a major agriculture project that will occur so we must issue the permit under the Forest Clearance Authority.

Mr Speaker I see this as a false scheme. It is logging in disguise, uncontrolled, they go and say it is only this small portion for this track.

Mr Speaker you know it and I also saw it in Manus they made an excuse that there will be a rubber plantation occur in some of our high mountain in Manus and they were given Forest Clearance Authority and what are they doing, there is a massive logging occurring.

The Forest Authority is not controlling that and logging company is misusing this for any other scheme to access logging. This is what we have not agreed to. So logging we are agree but one thing former Forest Minister has said ‘will stop round export logging’ so now we must prepare for this it is a good to go down streaming but one thing.

23/08

But one thing the National Forest Authority has not prepared us to go into down streaming. We talk about 2018 or 2019 but we can’t go into down streaming by just a declaration.

We must have sawmills and veneer mills and we must be prepared to give some incentives to all those involved in the logging industry so that they can start to take down streaming seriously and stop exporting round logs.

There’s nothing happening. We are merely speaking. I see that as one of the excuses for being unprepared so we will extend another five years because the companies don’t have sawmills or veneer mill or there is no incentive for them to go into down streaming.

So we cannot say that we will stop the export of round log because we must give incentives by now preparing all the logging companies like RH or whoever. Let us go to where they are and ask, where is your sawmill or veneer mill? I give you two years to have it ready. You must start to do it now.

In the case of the board, I wanted to raise it in question time as the Minister knows the National Forest Association is made up of professionals. They were trained at University of Technology, University of Papua New Guinea or some university overseas.

They are there to ensure we strike a balance between logging and down streaming but former minister terminated. So the National Forest Association people or foresters must come back on the board. At least they can balance it and plan to harvest, mitigate for climatic change and logging of course, because logging is a big industry which brings a lot of revenue but the cost to us and the world must be balanced.

Those were my questions I wanted to raise during question time but maybe the minister can reply later when giving your policy statement.

I have some time left so Mr Speaker –

Mr SPEAKER – Honorable Governor your time is up.

Mr POWES PARKOP – I have recently started, thank you Mr Speaker later I'll talk on the other point.

Mr JOHN KAUPA (Moresby North-East) – Thankyou Mr Speaker for recognizing the landowners of Moresby Northeast.

Before I start I would like to support Honorable Dr Allan Marat for his discussion.

The 89 districts and all the provincial governors must understand that the people sent us to this Parliament to sit here. Right now many Members of Parliament are not here in the Chamber.

Mr Speaker, do you have a law in the Standing Orders that can ensure that all Members are present here and work must begin here to bring Papua New Guinea back, this is where it must begin.

I would like to join the Grievance Debate for two main points only, Limited Preferential Voting and First Past the Post.

Limited Preferential Voting, as the Prime Minister has said, though we are one country, we have 1000 ethnic groups, clans and tribes in this beautiful country of Papua New Guinea. I think the LPV is designed appropriately for the culture and design of our country, Papua New Guinea.

You are now saying First Past the Post and we that we should go that way. That's alright but if we want to go that way we must first ban guns. If not our people in the rural areas will encounter difficulties with their freedom of movement during the election period.

So, we are not here to change the law after law and to suit our needs here at Parliament we must think about our people at home during the election period.

This one vote will serve the interest of Papua New Guinea or these three votes have the freedom of movement of our people in the rural electorate.

So that's why I want to ask both side of this House of Parliament that we must recognize how the side effects of which of these laws will be suitable for our election in 2022.

Yesterday I went to the Boroko and they said 'hey Member, they said you have changed the law already that First Past the Post will come' and I said who told you.

24/08

We have already done the campaigns, we want to challenge you people". Sometimes we must speak the truth so that others must prepare for the 2022 National Election. I want to appeal to the both side of Parliament that the LPV System gives the majority the power to decide the win of those candidates contesting.

I appeal to you all to take into consideration our law. I think some of our boundaries will be changed. The Electoral Boundaries Commission is working on it. They are also working on the voting systems in our country. If we do adopt it, this is something for us to think about because many of our people are strongly bounded by our wantok systems, cultures and traditions which are peculiar to individual electorates creating cross cultural difficulties.

Mr Speaker, I want to encourage all Members of Parliament to attend Parliament meetings to discuss policies and laws for the benefit of our country and our people. You are not here in Port Moresby to do business. We must be punctual and attend this two to three-week meetings of Parliament. We must commit ourselves.

Thank you, Mr Speaker.

Mr CHRIS HAIVETA – (Gulf) – Thank you, Mr Speaker. I wish to debate on the way we as Members of Parliament ask questions that will have implications on the integrity of other Members of Parliament and whether the Chair realizes these issues and decide.

Mr Speaker, I raised this issue because yesterday, questions without notice to the Prime Minister from Member of Port Moresby North-West raised a series of questions on Mineral Resource Development Company.

Mr Speaker, the Prime Minister will give his response in due course as he has committed to do but I raise this issue because the Mineral Resources Development Company is the trustee company for landowners and provincial government's interest in mining and petroleum projects that are already operating in Papua New Guinea. As such, the Mineral Development Company, under the *Act* is majority controlled by State directors. It has a management company and under that, all the subsidiaries have major control by State directors including governors of provinces.

Mr Speaker, in this particular case, when questions were asked, the integrity of the governors of Southern Highlands Province, Hela Province, Western, Enga, Central, Madang as well as your Deputy Speaker who was in the Chair at that time were brought into question

because we all sit on the subsidiaries of MRDC Group of Companies and we look after the interest of our people as well as the provincial government.

Mr Speaker, when we are asking questions, we must get our facts right. We must make sure that the integrity of leaders, Members of Parliament, departmental heads and people who are not on this Floor and who can't protect themselves or answer questions are properly vetted and checked.

25/08

It doesn't hurt for Members who want to ask questions to check directly, the facts that they want to ask about with the department concerned, or with their colleague Ministers or the Members concerned. After you vet this fact then you can come and ask your questions on the Floor.

In this particular case, as you and I sit on the boards, we know that in relation to Gobe, the K10 million which was the case of a police investigation is not fraud. It was an inter-company loan. The occupancy rate of the Hilton Hotel that was mentioned at 20 or 25 per cent is also false. Hilton Hotel currently has over 50 per cent occupancy rate. The K100 million that is shared is part of the State's contribution that was distributed to companies in cash is also false.

The state has a 20 per cent equity in the Hilton Hotel Project. It is important that we check our facts before asking questions. And to also ensure that those questions, especially those given by people with political interests who are motivated to tarnish the names of other people, especially those that they are against on the Floor. We should check all facts before we ask questions.

Mr LEKWA GURE (Rigo-Minister for Civil Aviation) – Thank you, Mr Deputy Speaker, for the opportunity to contribute in this debate. The point I wish to discuss is a result of enquiries from a number of Members. And that is in relation to their rural airstrips. I have had many enquiries so I would like to take this opportunity to share the relevant information, as to how the Members can participate.

Going back to a bit of history and as we know, CASA PNG as a regulator, used to be called DCA or Office of Civil Aviation or Civil Aviation Authority and up to the year 2000 it was responsible for everything on the civil aviation system in the country. And of course, in

2000 the *Civil Aviation Act* was passed by this Parliament and subsequently in 2004, the Civil Aviation rules came into being. Between 2000 and 2008, it was a transition period and this was when all the rural airstrips were forgotten by everybody. When the National Airports Corporation was born in about 2008 or 2009 and as they do at this stage, they concentrate on the main 22 national airports and no one was responsible for rural airstrips.

And as a result, many of these rural airstrips closed or became disused and many of them are in that condition as we speak. The general aviation sector of the system became concerned that many of the airstrips were closing and nobody was really keeping an eye on them. So, in this period the government took notice and at the same time some of the operators were thinking of setting up a body that would be responsible for the rural airstrips.

26/08

As it turned out, Missionary Aviation Fellowships or MAF who are based in Mt Hagen were thinking of setting up a body. So, the Government then came on board with the then Minister for Civil Aviation, who is currently our Deputy Prime Minister and Minister for Justice, assisted with the creation of this body that we know today as Rural Airstrips Agency. So, credit must be given where it is due.

Just for the record and for the information of the Members, this body is a subsidiary of MAF. It's not a Government entity as such. They have taken on a task of helping to restore and maintain the rural airstrips in many parts of the country. Although, it is a subsidiary of MAF, it is important to know that it does receive some level of funding or grants from the Government in order to carry out this very important work that they are doing.

But, in order for them to continue expanding their operation, we are calling on the provincial governments and the DDAs to enter into a memorandum of agreement or MOA in order for them to assist with the funding so that they can help a lot of these airstrips that need to be restored and maintained.

Mr Deputy Speaker, as the Government is promoting the notion of creating 22 economies - I do know that some of the provinces have gone into MOA but I also do know that some of the DDAs or the districts have gone into MOAs with the rural airstrip agency. If there was a preference, it would be for the provinces which after all contains the districts to enter into MOA with the rural airstrip agency. In this way, the province and the districts can liaise and also cooperate in this area as well.

One of the important areas where they can liaise is for them to identify perhaps some of the more economically important airstrips and call them regional airstrips that can be considered under the Civil Aviation Development Investment Program (CADIP) phase 2. It is important for the provinces and the districts to work closely together and identify important airstrips in their provinces that can be classified as regional airstrips to be considered under CADIP Phase 2.

Mr Deputy Speaker, as I said earlier, the Rural Airstrips Agency is not a government entity at the moment although it does receive some funding assistance from the Government because of the importance of the work they do.

This is because we all know that all the districts and provinces, even the maritime provinces and districts, have one or two airstrips in their areas so, in many respects apart from the sea transport, and in many instances especially the land-locked provinces and districts where the terrain is rugged, building of roads will take many years and millions of kinas. This would be the easiest way to reach a lot of our population.

Mr Deputy Speaker, just to give you some indicative cost, in order for the Rural Airstrips Agency to put your airstrips on their restoration and maintenance program, the indicative cost is approximately K100 000 in order to restore an airstrip that has been closed and probably overgrown with vegetations so on and so forth. That is just the indicative cost but RAA will do the survey and the assessment and give the exact figure but that is the indicative cost to restore an airstrip. Once it is restored to an operational standard, then it will cost approximately K50 000 annually for its upkeep. And they will train the airstrip's maintenance officers or AMO as they call them. That's the indicative cost to get your airstrips on their restoration and maintenance program.

In the future, the plan is to convert the Rural Airstrips Agency into a government entity and call it the Rural Airstrips Authority.

27/08

Just a benefit for the Members and the Governors, I am encouraging those of you who want to have airstrips on this restoration maintenance program to enter into an MOA with Rural Airstrips Agency.

Mr Speaker, many questions I am getting are verbal so I am asking for those of you who would like to enter into this arrangement to put in your request in writing. But in any

case, if you want to go personal and visit RAA, their office is down at Ela Beach just up the road from the APEC House. With that, thank you, Mr Speaker.

Mr RAINBO PAITA (Finschhafen – Minister for Communication and Energy) - Mr Speaker, I want to thank the Parliament and the Ministers and Members on both sides of this House for their attendance in the last two weeks that we have been sitting. I note the level of discussion has more or less stimulated our interest to take on board some of these very difficult issues that we are facing now.

I take note of some of the issues raised. Our primary responsibility is to be physically present in Parliament and debate on issues as legislators, apart from some of the other functions that we all have as leaders.

Some of the debates that I've seen as the Leader of Government Business - I just want to remind us that Parliament Sittings takes precedence over any other business. I think that goes across to all our Ministers as well as Governors and Members unless it is a matter of national importance or may be it's an issue of emergency you need to attend to. Let us just ensure that we earn our pay by coming to Parliament Sittings so we can have those healthy debates

Once again, I thank both sides of this House for your attendance.

Mr Speaker, also as I have said, the issues that we have in our country are profound with the cash flow issues we are facing but these are issues we can deal with going forward. But the main issue that I have seen is putting aside our differences in preferences or politics, but as a House we must be united on issues that threaten the unity of our nation. We must come together.

Honourable Members, we all know that the forces outside of this House that are working against us are bigger than the forces we have internally to hold this House together. As the Prime Minister has been saying, it's a land of a thousand tribes and it's really a miracle that we have stayed together united in diversity. So, as Leaders of this House let's forget and put a side those differences and let's work together for the interest of our nation.

Motion – That Grievance be noted – agreed to.

SPECIAL ADJOURNMENT

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

That the Parliament at its rising be adjourned to Tuesday 8 October, 2019, at 2.00 p.m..

ADJOURNMENT

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

That the Parliament do now adjourn.

The Parliament adjourned at 1.00 p.m..