

FIFTH DAY

Wednesday 4 December 2019

DRAFT HANSARD

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PARLIAMENTARY DEBATES
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The Draft Hansard is uncorrected. It is also privileged. Members have one week from the date of this issue of Draft Hansard in which to make corrections to their speeches. Until the expiration of this one week period, Draft Hansard must not be quoted as final and accurate report of the debates of the National Parliament.

Corrections maybe marked on a photocopy of the Daily Draft Hansard and lodged at the Office of the Principal Parliamentary Reporter, A1 - 23 (next to the Security Control Room).

Corrections should be authorised by signature and contain the name, office and telephone number of the person transmitting/making corrections.

Amendments cannot be accepted over the phone.

Corrections should relate only to inaccuracies. New matters may not be introduced.



HARRY MOMOS

Acting Principal Parliamentary Reporter

FIFTH DAY

Wednesday 4 December 2019

The Acting Speaker (**Mr Jeffery Komal**) took the Chair at 10 a.m.

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

Sitting suspended.

The Acting Speaker again took the Chair at 11.10 a.m., and invited the Member for Okapa and Minister for Defence, **Honourable Saki Soloma**, to say Prayers:

‘Tenk yu Papa God mipela olgeta stap long hia long dispela dei na diklerim olsem yu God blo dispela Palamen, na tu tudei mipela diklerim yu olsem yu God bilong Papua New Guinea. Mipela kam ananit long lek bilong yu long dispela taim na mipela tok tenk yu long givim dispela privilege lo kam sindaun long hia long dispela Palamen na toktok long hevi bilong ol pipol bilong mipela. Papa God mipela askim yu long givim mipela wisdom wantaim understanding, na askim long givim heart lo mekim ol selfless disison bilong sevim ol pipol bilong yu na bringim dispela kantri igo fowad. Long Nem bilong Jisas mi prei Amen.

QUESTIONS

Public Service Health Insurance Cover

Mr ELIAS KAPAVORE – Mr Acting Speaker, I direct my questions to the Prime Minister, and will ask that the Ministers for Public Service, Treasury, Health, Lands and Physical Planning and Housing to take note.

Most of our public servants strive to deliver service under very challenging conditions. As a Government, we demand that our public servants must perform according to our demands.

While we emphasise on performance it is also equally important that we must also address their health and well-being. We know that such problems affect their performances as well.

Mr Acting Speaker, we have up to 116 000 public servants who contribute on a fortnightly basis 14.4 percent to *Nambawan Super Limited* that is six to four per cent as their contributions and eight percent contributed by the State.

It is also noted that those who receive an annual income between K12 500 to K250 000 are taxed from 22 percent to above 42 per cent respectively.

Mr Acting Speaker, most of the public servants are not covered under any health insurance program. Their contributions to *Nambawan Super Limited* can only be accessed after they have retired under which unfortunately most of them do not live to benefit.

Mr Acting Speaker, as I speak today many of our public servants are on various sick leave. Some are on hospital beds but continue to contribute every fortnight to *Nambawan Super Limited* because they are not covered under any health insurance program in the country.

Many have unfortunately succumbed to various illnesses and the trend is worsening considering lifestyle diseases affecting our working population.

02/05

Mr Acting Speaker, my questions are as follows:

(1) Can the Government consider making an amendment to the *Superannuation Act* of 2000 so that we can subtract at least 2 per cent to 3 per cent from what is already contributed to *Nambawan Super* and make it a compulsory contribution to health and insurance for our public servants in the country?

Reduce Income Tax

(2) Can the Government consider a personal income tax reduction strategy in the medium term for our public servants? This strategy should also include reducing the tax or consider tax exemption on the retirement benefits.

Housing – Implement DPM Corporate Plan

As former Minister for Public Service, it was my intention to incorporate Public Service housing in the Department of Personnel Management (DPM) Corporate Plan that was endorsed towards the end of 2018. According to the Public Service General Orders, housing is not a condition of employment. If we are to see efficiency and effectiveness in public service then we must address this status quo and make a difference.

(3) Can the Prime Minister and this Government make a commitment to support the implementation of the DPM's Corporate Plan, and for the Ministers for Lands, Housing and

Public Service to define a strategy to ensure decent and affordable housing for our public servants? Housing must also become a condition of employment.

Mr JAMES MARAPE – I thank the Member for Pomio for asking these very important questions in relation to our public servants who serve our people in various capacities. These are matters that are very important and close to their hearts.

In summary, let me assure the Member for Pomio and all public servants that we are looking into their welfare in the positive in as far as our Government's intention is concerned.

You would note in the Budget that is tabled before Parliament that for the first time our Government is now picking up legacy issues that have been left unresolved.

There are close to over K1 billion worth of legacy issues over the last few years which we are clearing up in next year's Budget. This goes to show our seriousness in ensuring that our public servants are given the right remedial treatment in as far as some of those issues are concerned.

It is nice to see the way the Member asked his questions by linking the present work conditions to superfund contributions which is about 14 percent in all. It is good to ask how some of these contributions can be linked to benefits whilst they are currently in active service. This requires government policy instruments to be corrected and put in place. We will work the balance of December and January of next year to consider and work on these policies. We will discuss with Nambawan Super to see how their contributions and government contributions can best help our active and serving public servants to cater for their health and housing concerns.

We will look in totality and respond, through you, Mr Acting Speaker, to the Member and the public servants of our country early next year. There will be an announcement as to how best we can assist our public servants. Let me also state here that those review to assist public servants, in terms of housing or health insurance, will be strictly tied to a performance based system. So we are looking at it in totality rather than taking a piecemeal approach as we venture into 2020.

03/05

Our policy on Public Service will be done in totality and I adhere to a reference made to the Department of Personnel Management Corporate Plan. If those are encapsulated in the corporate plan then we will subscribe to it, but if there is room for improvement in the corporate plan as I said, we stand to improve Public Service performance and give them incentives but

tie it down to a performance base system. So those who are performing out there who need the housing intervention the most and health insurance can link to their own superfund savings to a performance-based system that we might be setting up as a government geared towards improving performance of public servants into the future.

Mr Acting Speaker, whilst they serve our country the most, lest we forget, 70 per cent of the total Budget in any fiscal year retrospectively up to next year's National Budget that we have tabled has always been going towards paying public servants including all of us here, and supporting public servants running and serving the country in the dispensation of goods and services through the recurrent component of the Budget.

So the 30 per cent PIP that is left is the fund that we are all competing for the bridges, roads, ports, hospitals, schools and infrastructure. And whilst discussing additional benefit in housing or welfare pay for the Public Service, all public servants including MPs, must know that we consume 70 per cent of the Budget or any fiscal space, or any money available in any Budget or financial year up till today. Now, that is a huge allocation to ensure that Public Service salary and recurrent expenditure is met.

So whilst we do our best to ensure that their health, house and welfare is given that incremental increase consistent with the economic conditions of a time, it is really incumbent for every public servant, starting with politicians all the way down and right across the entire spectrum of the public sector, to ensure that we lift our game in as far as performance is concerned.

I want to sit at a table and talk about Public Service housing. Not possibly through direct intervention but how best to assist such as using their own savings coupled with government collateral to embark on a housing program. I want to look at health insurance as well but public servants must respond through improving their performance. Their contracts or engagement in the Public Service must be linked to a performance base contract. This is something that we want to embark on. We are not here to hand out sweets and expect everyone to go out on a free-reign operation, *modus operandi*, which we have been doing in the last 44 years.

A huge cost has gone towards maintaining Public Service up till today and continually. In the medium term, maintaining Public Service must translate to actual delivery of performance, isolating corruption, complacency and wastage. Those must be the type of Public Service we look for to operate in a smart modern PNG.

Mr Acting Speaker, next year, I give you my assurance that we will pick up the DPM's Corporate Plan through our Deputy Prime Minister and look at health insurance, housing, superfund and current pay structure issues comparing to the cost of living in our country. But

they can only be looked at in the context of signing an agreement with Public Service and the unions that firstly, their performance must improve. Secondly, they must be paid based on performance. Thirdly, as a matter of principle and I am announcing today, a transfer and shift of public servants away from Waigani to the provincial headquarters and districts must start to take place.

04/05

Waigani will no longer be centered with heavy Public Service. If you are a planner sitting in the Planning Department prepare to migrate to a province or district. If you are a Works engineer sitting in Works in Port Moresby prepare to migrate to a province or district. If you are an Education officer sitting down in Fincorp Haus prepare to migrate to a province or district.

We will start that migration process so Waigani will become thin. It will become a more centralised planning base operation. Monitoring and implementation activities take place in the provinces and districts, therefore, that shift will take place. Those calls will be placed on Public Service while we work to give best endeavor to ensure that your health insurance, housing policy program and your salary adjustments are looked at in consistent with the cost of rising CPI adjustments. You must reciprocate by trying your best to serve our country well, especially in the provinces and districts where 80 per cent or 90 per cent of our people live.

The ratio must be proportionate, therefore, Waigani must have under 10 percent or so and the rest must be shifted back to our provinces and districts. So, those will be look at in totality and next year we hope to have an approach as we come together to start a new year.

Those concepts can be clearly spelt out for the nation to see and we all work to ensure our public servants are given the right incentive, but at the same time reciprocate by serving our people better, especially people in the provinces and in the districts.

This is where Marape-Steven government and the government we are part of comes in - pro provinces and districts and not pro Port Moresby.

Thankyou.

Supplementary Question

Reduce Tax on Retirement Benefits

Mr JAMES DONALD – Mr Acting Speaker, while we are on the subject of looking after our public servants, we must appreciate that many of them have good work records and have served for many years in the rural areas, such as teachers and health workers.

I understand that the 2020 Budget includes retirement benefits for public servants. Let us also appreciate that this is one of the legacy issues that the current government is addressing.

Mr Acting Speaker, my question is in relation to tax paid on these benefits. These public servants have worked for many years, yet their retirement benefits are taxed heavily and so their take-home pay is drastically reduced. They have been paying tax every fortnight for many years and when they retire, their final benefits are again taxed. Let us show some empathy for them. It does not only affect those in the Public Service but others in the workforce as well.

Can the current Government consider reducing the tax paid on final retirement salary benefits for public servants?

Thank you.

Mr JAMES MARAPE –Mr Acting Speaker, this is a very good question. In fact, the Member for Pomio did raise it in his questions and I apologise for missing it during my reply.

Mr Acting Speaker, we can look into the taxes paid on final payments and superfund contributions. As I mentioned, we will give a comprehensive report in totality in as far as our policy is concerned. This will happen early next year.

Those issues will be looked at and again, as I said, I don't believe in free handouts. There must be give and take. Performance based contracts that are linked to all these incentives is something that we can tidy up very well.

05/05

Corrupt practices or damaging government property such as frequently getting into accidents in government vehicles and other disciplinary issues within the Public Sector will be tidied up in order to establish a reward system for public servants based on their performance.

This incentive is one area which I totally believe in. Starting next year, we will all contribute ideas on how to compensate our public servants. Those good public servants who have spent their entire lives in serving different departments with integrity will be compensated accordingly. I subscribe to this view about giving them their final entitlements with no tax, and that can be done politically. I will engage the Treasury team to model what laws we are looking at.

In the meantime, I personally was holding back an announcement that we want to define a reward that is based on performance. This means that once you have reached your retirement age there will be a golden handshake for you. We will thank you first then you retire. Along the way, if you have caused damage to a government vehicle, government meets the cost of

your ill-discipline, for instance. If you have a bad record during your service, how does the government and the tax payers compensate you again? The fairest way of re-compensation takes place in the tax collection system. So we will look into finding that balance and also give incentives to all our public servants throughout the country.

I have already signalled to both our disciplinary forces that they will have something similar. This policy will not only apply to our teachers but all public servants across the country such as disciplinary forces.

When we talk about reward incentives it will cost us millions, and I don't mind giving millions to my fellow Papua New Guineans, who have served faithfully but they must reciprocate with good value service to the country and finding the right balance is something we must do.

The reward elements also rest in the retirement package, which means that if you work well there is a better retirement. And if there is not much distinction of service then there is a deduction in tax. But we will tidy all these loose ends and ensure that we come up with the fairest proposal for our public servants. When we start implementing this policy then public servants will always have in their mind that if they work well then their country will look after them when they exit.

The Honourable Member has alluded to correctly that for the first time our government is cleaning up legacy issues that have been long outstanding in the Public Service. For instance, the CPI adjustment have never been sorted out, yet it was secured some three to four years ago because the previous governments never fully ventured to honour it. But now in this Budget we are honouring the CPI adjustments.

For the first time now we have allocated almost K500 million towards paying public servants who have reached their retirement age. All public servants should be assured that we will look after the need of our public servants. But this will be done in the context of our budget affordability and in the context of ensuring that they too reciprocate back to us in their performance.

With that, I thank the Member for North Fly for his good question that will benefit many of our hard working and long serving public servants. And I look forward to some of these good policies that will emanate and benefit many of our rural base teachers, doctors, policemen and other public servants who are serving in the far areas of our country. God bless.

Mr TOMAIT KAPILI – Mr Acting Speaker, I direct my questions to the Prime Minister, and ask Ministers responsible to take note.

My first question is in regard to the Porgera mine.

Mr Acting Speaker, the Prime Minister and the Minister responsible are both aware of the negotiations taking place by the State negotiation team.

Conduct Negotiations in Porgera

(1) As the Member for the host electorate, can the Government through the stewardship of the good Prime Minister allow all the negotiations including anything to do with Porgera mine to take place in Porgera?

Negotiations on renewing of the license and any other decision from the government has to take place in Porgera valley. There are a lot of issues regarding this arrangement. All these negotiations need to be made there so the negotiation team, security forces and others have to go there. This will also curb the law and order situation up there.

Since the expiry of the SML, hundreds and thousands of people are coming from outside of the Porgera valley claiming that the extension of the mining lease is not in order, whilst negotiations are still underway. They claim that since there is illegal mining going on, they too can do that. So it seems that there are two groups of miners, and the Police Minister can vouch for that as he was also present.

Mr Acting Speaker, there is a serious law and order problem there and it is caused by the outsiders and not by those living within the Porgera valley. There is also lack of leadership from landowner leaders there. They are all scattered and knocking on the doors of all the Ministers in here including our good Prime Minister. I do not think they are the landowners because the genuine ones are on the ground in Porgera.

Mr Acting Speaker, again, I request the government through the stewardship of the Prime Minister to hold the negotiations in Porgera. By doing this, you will know who the genuine landowners are.

Mr Acting Speaker, my next question is in relation to public servants.

GST Exemptions

(2) Can the Prime Minister reward all employees of this country in the private and public sector by exempting them from paying Goods and Services Tax (GST)?

They are already paying income tax – the pay as you earn tax – which is automatically deducted from their fortnightly salary. They then go to the shops with their net pay and again pay GST for the goods they purchase. We are double taxing our civil servants and the employees of private companies.

(2) Can we issue identification cards to all the employees who pay income tax to differentiate them from others so they are exempted from paying GST?

Thank you.

Mr JAMES MARAPE- Mr Acting Speaker, thank you very much. Thank you for keeping me busy this morning. I am earning my salary and I am happy.

Mr Acting Speaker, in relation to Porgera, the recommendation that all negotiations and discussions be transferred back to Porgera is one that I take seriously. For the benefit of the Parliament and the country to take note, the lease on Porgera did expire on 16 August, 2019.

07/05

But presently, Barrick and the partners are still in operation pending the outcome of the discussions that we are having with them and the consultations with important stakeholders such as the landowners, Enga Provincial Government and other affected areas with water systems that run all the way to the Fly River. So, those discussions are taking place.

By the end of this year, the formal state discussions will take place amongst ourselves as to our policy intent, based on consultation with the landowners and with the provincial government.

There is a view emerging that is strongly pushed by our landowners to not renew the lease. Well over 90 percent of the landowners have written and spoken to us conveying similar sentiments. But we are mindful that our present partners are currently operating the mine and they have their assets up there in the mine itself, so those discussions will be concluded once we consult everyone.

Next year I intend to make an announcement in regard to the status and what will happen in Porgera. The Mining Department, MRA, myself and Enga provincial government and few of those landowners who have been making contact were able to send them a positive signal, and that they must maintain composure as we conclude our discussions with the present operators of the mine.

Let me assure the Member that I look into considering his recommendations in the positive for all major discussions on Porgera Mine to be held in the Porgera valley up in the Enga Province. So, that recommendation is taken onboard.

Mr Acting Speaker, in regard to the question on GST, I don't have the luxury of power with me right now to make a universal reply on removing the GST component for employees. Let us also be conscious that we need to collect revenue. The collection of revenue relies on

GST component. Our government has made no increase. Although, there were recommendations to make an increase in GST, we still maintain GST at ten percent.

The other major component of the state revenue is the personal income tax. So, as our economy improves into the future, we can always look at giving incentives to our people or reducing the tax burden.

Right now, the economy threshold hasn't improved. We need to work to improve our economy and at this point in time, it will not be prudent of me to say we will look at GST and make a reduction in the space.

Mr Tomait Kapili – Point Of Order! Mr Acting Speaker, civil servants including the employees of private companies in the country are being double-taxed.

My question is; since they are already paying income tax, can these employees be exempted from paying GST? Thank you.

Mr JAMES MARAPE – Mr Acting Speaker, thank you for those interventions again, but taxation is a matter that any government of the day imposes to collect revenue from any citizen or any stakeholder that operates in an economy.

At this point in time, there will not be any discussion on giving concessions or to exempt public service employees from paying GST. That is government revenue.

Now if any public servants feel there is a burden on them, they have every right to step out of public service and not pay the double tax.

So, it will be really imprudent of me to make an announcement that we will look at removing GST component from our public service.

08/05

You are slicing a substantial revenue for the state to go towards serving our country. The personal income tax that we collect from any employee within our country, whether in the public service or the private sector remains. And we are looking into the future when the economy booms for us to lessen the burden in that space.

And GST, in my view, is the fairest way in which everyone who is accessing goods and services in our country and pay their fair share towards accessing those goods and services. But again, these are contestable and debatable policy options into the future.

But right now our economy doesn't have the luxury of financial space for us to enter into those discussions.

Every one of you come with a heavy shopping list and I can understand the Member for Lagaip-Porgera has featured very strongly in asking for a special request. He has every right to ask his questions and every other one of you representing your people has asked for a special road or special hospital or special bridge somewhere. How do we finance them? We need to collect revenue from within.

Unfortunately our employees are carrying a bigger burden in carrying this load. We acknowledge this one and maybe a better response to them would be that we would come back next year in line with the question that the Member for Pomio asked and the one that the Member for North Fly asked.

How do we give them better incentives? They are the ones paying our taxes and big tax. How do you look at their retirements going out with no tax at all if they have worked very well serving the State?

So those conversations can take place. They are more realistic conversations but right now it would be imprudent of me to say we can look at removing GST for them.

Thank you, Mr Acting Speaker.

Mr ALFRED MANASE –Mr Acting Speaker, I rise to ask a few questions to the Minister for Lands.

I have observed in Port Moresby and other towns and cities, more particularly in Port Moresby, where the hills in the city are being developed. And as a consequence of those developments, sediments and soil are being runoff into the waterways and thereby clogging the system and causing flooding in the city.

Mr Acting Speaker, we don't seem to have a land use policy where buildings are not built over a certain height of the hills to preserve erosion and consequently affecting the houses and properties below the hillside. And similarly, buildings are coming up, commercial centres are built in residential areas, workshops are being built amongst residential areas, supermarkets are built in residential areas and so where will our people have peace to sleep in the night and come to work in the morning.

Therefore, my series of questions in that regard are:-

- (1) Do we have a proper land use policy in terms of development of the land in the cities and towns? If so, how are they being policed by your department? If not, why not?

Mr Acting Speaker, my second series of questions is in relation to Urban Development Lease.

There are a lot of land being developed by applicants of urban development leases who themselves appear not to have capacity to develop those lands. What is happening, Mr Acting Speaker, is that land is given to individuals and companies to develop, but after two or three years, without running the water pipes, without running the electricity, without sealing the road to service the allotments they are given individual titles. And then the responsibility to build the road and run the power lines is then left to the poor purchaser of that allotment. I understand that this is in breach of the lease covenant under the urban development lease.

09/04

Review Urban Development Leases

My questions are:-

(2) Why are individual titles issued without proper utilities being put into place for those urban development leases?

(3) Is there a policy in your department at present to deal with those breaches of urban development lease covenants?

Mr JOHN ROSSO – Mr Acting Speaker, I thank the good Member for Kandep for his very important and pertinent questions

Mr Acting Speaker in regards to soils and sediments especially in Port Moresby and all other development land, the question should be directed to the NCDC Physical Planning Board and does not come under my department. All the physical approvals on planning and zoning regarding building structures all go through the NCDC Physical Planning Board.

Mr Alfred Manaseh – Point of Order! Mr Acting Speaker, under the law, the *Physical Planning Act* is managed by the Minister for Lands and Physical Planning and I understand you have the authority under that legislation to deal with that. The NCDC Physical Planning exercises delegated functions. Therefore, in my view, it is the responsibility of the Minister for Lands and Physical Planning, not NCDC.

Mr JOHN ROSSO – Mr Acting Speaker, I would like to clarify again that Physical Planning comes through Lands but we have decentralized the authority to NCDC Physical Planning Board who does all the physical planning for that. It does not come through our office to decide on what sort of buildings are built in the city of Port Moresby.

On the UDL's they have covenants and in my term in the last six months of being the Lands Minister we have not issued one UDL as yet because we have not had a Board sitting.

We have had one Board sitting which was last week because I share the same sentiments and concerns on why we are issuing UDL's on huge tracts of land to people who do not have the authority or the capacity to build these things.

In my term now as the Lands Minister we have tried to put a stop to it to ensure that when the Land Board issues an UDL, people who do apply and make use of UDLs must have the financial capacity. We have also tried to reduce the footprint of having 80 -100 hectares of UDL to 10-20 hectares, and instead of 4 or 5 of the same people - and all foreigners are supposedly the same people - getting land willy-nilly throughout the country.

I have been trying to regiment that and I will be bringing some form of legislation to Parliament to correct these.

We are also working closely with the Governor for NCDC and we are trying to recover a lot of land, especially our parks like the Kone Tigers Oval which we have successfully managed to sort out under a deed of agreement. The Kone Tigers Oval goes back to Kone Tigers Management under a deed of settlement which we have managed to sort out. So the issue concerning the controversial Kone Tigers Oval which has seen some people go to prison is now being rectified. We have briefed the Governor of NCDC and we are working on advising the Kone Tigers Management.

There also couple of other lands that have been acquired dubiously in Lae and Port Moresby. Public fields are for citizens and residents. I have issued a notice to show cause and instigated for future proceedings against them. We will bring back those parks and entrust them to the Governor for our people in NCD.

10/05

Mr Acting Speaker, UDLs have a five-year limit on them once they are issued. As I stressed previously in Parliament, we are now identifying UDLs that have not been utilised properly. These will be forfeited and we will re-tender and everyone can apply for tenders.

Bougainville Referendum

Mr HENRY LEONARD – Mr Acting Speaker, I direct my series of questions to the Minister for Bougainville Affairs and ask the Prime Minister to take note.

Mr Acting Speaker, in March and April, 2019, the Parliamentary Bipartisan Committee on Bougainville Matters conducted extensive public hearings in the Bougainville Region and the four regional centres of PNG on the impending constitutional guaranteed Bougainville Referendum.

On Thursday, 5 September, 2019, the report of the Committee's findings was tabled in Parliament by the Chairman, Honourable Joe Lera.

The report titled Status Implementation of Bougainville Peace Agreement and Referendum contained 16 recommendations with accompanying instructions for implementation.

In the past week as we speak, the referendum has been conducted peacefully in the Bougainville Region and main provincial centres of Papua New Guinea and overseas. After the Return of Writs by the Governor-General, we should know the results of the referendum in several weeks' time before this year concludes.

Mr Acting Speaker, I now ask my series of questions in relation to the implementation of the Bougainville Peace Agreement and the roadmap it constitutes which are autonomy arrangements, constitutionally guaranteed referendum and weapons disposal.

My questions are as follows:

(1) Can the Minister tell the honourable Parliament the status of implementation of all the 16 major recommendations and instructions stipulated there in the report?

(2) In his power as the Minister for Bougainville Affairs, have he taken any action on the 16 recommendations and instructions given therein either through the joint supervisory body and/or the ministerial body responsible for post referendum actions and plans?

The outcome of the referendum shall be made known in several weeks' time.

(3) What transitional arrangements have the two governments come up with? The preparation for the Autonomous Bougainville Government Election for June 2020 will commence in the New Year, what options should these elections be conducted under?

Mr ACTING SPEAKER – Honourable Member for Samarai-Murua, I believe the questions you are asking are on notice, therefore, I will rule them out.

Manus Detention Centre – Awarding of Contract

Mr CHARLIE BENJAMIN – Mr Acting Speaker, I direct my questions to the Minister for Immigration and Border Security.

Mr Acting Speaker, my questions are in relation to a detention centre that was built to accommodate asylum seekers in East Lorengau, Manus Province. Landowners of this site, some of whom had worked at the detention centre, have barred the use of this building demanding an explanation as to how the security contract was awarded.

11/05

Early yesterday morning, gunshots were heard. A team of police officers from Port Moresby who flew in from Port Moresby had aggressively handled the people who were protesting the nature in which the contract was awarded.

Mr Minister, as you aware, after the asylum seekers vacated this detention centre, the Manus Provincial Government has expressed many times to the Australian Government to hand over this centre back to the Manus Government so we can convert it into a technical college. I believe the Prime Minister and the Australian High Commissioner are aware of the intentions of the Manus Provincial Government.

My questions are:

(1) Can the Minister explain how this contract was awarded, without firstly giving due consideration to those already there on the island to provide the service needed?

Mr Acting Speaker, when you prepare to plant a garden, you will need to cut down the trees. People will not offer to help you cut down the trees. They will not offer to help clean the area. And when you begin planting, they will tell you that the ground is not suitable for planting. But when you start harvesting, these people will be the first to collect their share from your harvest. This has been the case with the work in Manus.

Mr Acting Speaker, I am not supporting the landowners, but I believe it would be wise for the Government of Papua New Guinea to settle them properly so that work can go forth. But at the same time, I believe that the people who were looking after this site must be given priority.

(2) Can the Government of Papua New Guinea give this detention centre, which is worth around K200 million to the Manus Government?

(3) Instead of spending money on security contracts, can those funds be used to assist us to build our college?

Mr Acting Speaker, I have raised my concerns because ever since the arrival of asylum seekers, my people have been missing out on a lot of opportunities. There have been so many things done by Immigration department and ministry that have not been in the best interest of Manus.

(4) Can the Immigration Minister find out why the police were sent to Manus?
Manus people are not destructive people and the police officers should not have treated the situation with such aggressiveness.

Thank you, Mr Acting Speaker.

Mr WESTLY NUKUNDJ – Mr Acting Speaker, I thank the Governor of Manus for asking these important questions.

Mr Acting Speaker, the Marape-Steven government has already given an instruction for Paladin to leave the country and my department has effected that position at the end of October.

12/05

There are few other engagement contracts for Paladin but over a period of time, those engagements will cease and they will no longer be here

This facility had cost almost K200 million. In the wisdom of Marape-Steven government, this facility will be converted into a technical vocational center and will come under the Office of Higher Education. The Government will work closely with the people of Manus through the Office of the Governor to make this happen. That is the position of the Government.

In regard to my department sending policemen to Manus, I am not clear on that issue but I will investigate. I have only being in office for six weeks and have been addressing many other issues as well. But let me say, there is no need to panic when police go in and do –

Mr ACTING SPEAKER – Honourable Minister, please address the Chair.

Mr WESTLY NUKUNDJ – My apologies, Mr Acting Speaker.

Mr Acting Speaker, I am sorry if the presence of police had caused some tension but I am not privy to the arrangements concerning the engagement of the police during the protest. However, any property of government such as this facility must be protected at all cost. In one way or another, the police were there to protect the facility. But I will find out further the reasons behind their engagement despite having a mobile squad already in place there to protect this property and maintain law and order. I will investigate and inform Parliament at a later date.

Mr Acting Speaker, in reference to the garden parable, Government has already identified the landowners who are there on the ground, working and looking after the area.

That's the position of the government and I also issued instructions effective as of last week. Any other arrangement the government or any other officials of the department enter into with any other group is not recognized.

Mr Acting Speaker, the instruction or position of the government is in force. My department will only recognize and engage with whoever is employed there already to provide security or look after the property. Any other arrangement will not be recognized by the Government.

Mr Acting Speaker, I am actually scheduled to go to Manus today to talk with the landowners on the ground but because of the Sitting I decided to attend and anticipated questions being raised on this issue. Just as well the Governor asked those questions.

(Laughter in the Chamber)

Mr WESTLY NUKUNDJ - Mr Acting Speaker, this property or asset will eventually be passed on to the Office of Higher Education and the Manus Provincial Government for the establishment of the technical vocational school. This will be a whole other issue but for now, I have basically answered the question of the Honourable Manus Governor and I ask that he see me personally to discuss further.

Thankyou, Mr Acting Speaking.

13/05

ANSWERS TO PREVIOUS QUESTIONS – CENTRAL TEACHERS LEAVE FARES

Mr JOSEPH YOPYYOPY (Wosera-Gai – Minister for Education) – Mr Acting Speaker, I ask leave of the Parliament to answer questions asked previously by the Governor of Central Province.

Leave granted.

Mr JOSEPH YOPYYOPY – Mr Acting Speaker, I am in total support of the need to ensure that care and welfare of teachers are addressed properly. In this case, the Central Governor raised an issue on teachers leave fares.

Let me first advise Parliament that the teachers leave fares and service entitlements comes after two years of service.

I also want to confirm the statement I made last week that the teachers leave fares are no longer kept by the Education Department. All funds for leave fares are transferred directly to the provinces by the Treasury Department, and it's the responsibility of the provinces to ensure that all teachers receive their leave entitlements.

To date, Mr Acting Speaker, Treasury has received full warrant for 2019 Appropriation as per the IFMS Report. And for Central Province, the figures given by our Governor was not correct. On record, it states that K2 705 000 was released. The amount spent by Central Provincial Government based on IFMS Report is K1, 833 000 and they still have the balance of K873 000 remaining.

Mr Acting Speaker, the issues related to teachers leave fares are consequences of poor planning and management leave fares database by provinces.

Mr Acting Speaker, through you I would like to ask the good Governor to go back to his province and check with his officers to get the correct figures and check the teachers leave fares database in his province.

MOTION BY LEAVE

Mr RAINBO PAITA (Finschaffan – Minister for Finance and Rural Development) –
I see leave of Parliament to move a motion without notice.

Leave granted.

SUSPENSION OF STANDING ORDERS – REARRANGEMENT OF BUSINESS

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

That so much of *Standing Orders* be suspended as would prevent Notice No.170 of Government Business this day being called on forthwith.

14/05

OIL AND GAS (AMENDMENT) BILL 2019

First Reading

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

Second Reading

Leave granted to move the Second Reading forthwith.

Mr JAMES MARAPE (Tari – Prime Minister) – I move –

That the Bill be now read a second time.

Mr Acting Speaker, *the Oil and Gas Act 1998*, in *section 160(6)* provides for the payment of development levies into trust accounts for those provincial or local-level governments that are entitled to such levies.

Mr Acting Speaker, as the law is at present, the provincial governments and local-Level governments that are entitled to such levies cannot access these funds because *section 160(6)* of the Act only allows any expenditure out of the trust account if Parliament approves it in an *Appropriation Act (National Budget)*

Mr Acting Speaker, the purpose of this Amendment Bill is to allow for provincial governments and local-level governments that are entitled to development levies to access these funds that are held in accordance with a *Provincial Appropriation Law* of the concerned Province.

Mr Acting Speaker, I commend this Bill to this Honourable House.

Mr WILLIAM POWI (Southern Highlands) – Mr Acting Speaker, I would like to support this important amendment to the *Oil and Gas Act*. ..(Inaudible due to poor recording)... *Section 160(6)* of the *Oil and Gas Act* states and I quote ‘the development levies shall be paid to provincial governments and recipients of development levies in accordance with an

Appropriation Bill from Parliament'. That is what it reads at present in *section 160(6)* of the *Oil and Gas Act*.

Mr Acting Speaker, in practice, development levies are not appropriated through Parliament. It sits outside of the *Public Finance Management Act* through a trust account in Waigani. Thereby, in practice, it is contrary to current practice. The law is not consistent so this amendment is to correct that inconsistency in law. It is a very good amendment. The development levies that sit in that trust account will be paid in accordance with the current amendment that we are bringing into Parliament.

The inconsistency is being corrected, so thank you Members of Parliament for the support and I commend the Government for the correction to the law in the *Oil and Gas Act*.

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

That the question be now put.

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

Bill read a second time.

15/05

Third Reading

Leave granted to move the third reading forthwith.

Mr JAMES MARAPE (Tari – Prime Minister) – I move –

That the Bill be now read a third time.

Mr Acting Speaker, it is with great pleasure that I move that the Bill be read a third time, as this is a very important step in the right direction where the National Government is seeking to empower our provincial and sub-national government levels. Many other similar Bills will come to Parliament consistent with the view that sub-national government levels must be empowered.

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

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

Bill read a third time.

ADJOURNMENT

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

That the Parliament do now adjourn.

Parliament adjourned at 2:20 p.m.