

SECOND DAY

Wednesday 12 February 2020

DRAFT HANSARD

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SECOND DAY

Wednesday 12 February 2020

The Acting Speaker, (**Mr Jeffery Komal**) took the chair at 10 am.

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 10:55 am, and invited the Member for Nawae, **Honourable Kennedy Wenge** to say prayers.

‘Papa long Heven, nem bilong Yu istap Holy oltaim. Dispela moning yu bungim lida ikam pinis long hia long bung blong ol man na ol kam yet sa stap na mekim Holy. So disla moning mi askim Yu Holy Spirit bai itok tru istap insait long displa Parliament. Givim stia long ol Ministers, Prime Minister, Opposition Leader na ol Member blong Parliament. Displa moning na mipla bai toktok na passim dispela toktok long lukautim displa kantri blong yumi, naispla kantri Papua Niugini long stia blong yu tasol. Skulim na em i tok olsem long ol lain blong pikini blong mipla nau ol go lon displa skul. Ol tu future blong kantri lida tu. Helpim ol tisa na helpim ol lon skul blo ol lon displa monin, wankain osem tu ol lidas blo mipla tu I stap lon haus sik mipla I no save sampla blon ol na pipol blo Papua Niu Gini I stap lon bikpla ol haus sik na ol liklik haus sik tu, givim stia na marasin. Yu blesim han blo sista nes na ol dokta lon dipla monin. Displa mipla beten lon dipla monin lon Parliament lon nem blon Jisas pikinini blon yu na bikpla blon mipla na mipla nau laik surukim prayer yu yet yu lainim ol disaipol blon yu na nau mipla laik mekim displa prayer’

DEATH OF FORMER MEMBER (Mr Epineri Titimur) – STATEMENT BY THE ACTING SPEAKER

Mr ACTING SPEAKER - Honourable Members, I have to inform the Parliament of the death on 17 January, 2020 of Mr Epineri Titimur, a former Member for Rabaul Open Electorate. He was a Member of the Second House of Assembly from 1968 to 1972.

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

All Members present stood in their places as a mark of respect to the memory of the late gentleman.

02/02

QUESTIONS

Eastern Papua Institute of Agriculture

Mr GARRY JUFFA – Mr Speaker, my questions are directed to the Minister for Higher Education. And they are in relation to an issue that is very perplexing to the people of Oro regarding an educational institution in the province, which has been closed since July 2014 when the NEC decided to establish six new higher education institutions.

One of those institutions was named the Eastern Papua Institute of Agriculture and Technology. Prior to that, it was known as the University of Natural Resources and Environment, Oro Campus. This institution is an old institution that produced many agriculturalists; not only in the country but in the Pacific as well. Today that institution remained closed, despite the NEC decision of 2014. Its staff are still being paid for the last 4-5 years, yet there are no enrolments and there is no activity there.

We have only been informed of Fly in-fly out consultants who come in and engage in basic maintenance of some of the structures there. The university has almost three or four oil palm blocks and we do not know where all the revenue is going to. We want to know from the department;

(1) What is the plan for this institution?

(2) Is there any undertaking of an effort going to be made for this institution to be revived so that it can provide the education service that it has been providing for the people of Oro and Papua New Guinea?

Mr NICK KUMAN – Thank you Mr Speaker, and I also extend my thanks to the Governor for Oro. The UNRE campus in Oro was formerly the Popondetta Agricultural College. And through the decision of the Cabinet in 2014, which I am fully aware of, on the intention of the Government at that time to set up a campus that could be able to absorb as part of the on-going university program in particular the agriculture sector. This was because of the amount of the agricultural commodities that are being developed in the province.

I am a bit disappointed when I took up the office to realize that the facility at that particular institution is way below par for us to open up the campus to enroll students. Because of the NEC decision the institution was taken away from the Agricultural Department and the

facilities are way below the requirements for use by students. Therefore, there were some rehabilitation work being done on the infrastructure and recapitalization of the programs offered at the institution, unfortunately we still can't continue to do the same work due to the level of funding that we receive.

It is not only to that institute but also to the other agricultural colleges that are affected as well, like the one in Hagen and in East Sepik. Those three are part of the ongoing programs and I am glad to inform the Parliament that the NEC on Monday this week, approved the amendment to enabling legislations following an NEC decision of 2017. And this was to group all the lower higher education institutions to one institution.

03/02

During the course of this sitting or April sitting, I will be bringing amendments to the Parliament to pass the Bill. In that process I want to tell the Parliament that when the higher education institutions and the universities are all brought under one umbrella, we want them fully utilized to do a lot of work and that's including the UNRE and the two agriculture colleges. Given the importance the Marape/Steven Government places on agriculture, we need to train a lot more extension officers right throughout the country to ensure that the policy driven towards growing the economy at the provincial and district level must be supported, and this institution in particular is really important.

There were funds allocated in 2019 that I'm aware of. But unfortunately, they were not drawn down and we lost those monies. But this year we had some level of funding coming through and I'll make sure some of those monies are used to continue to rehabilitate the facility in Popondetta. But I will also ask the good Governor to help us, and if there is any way that I can find additional money I will try my best to rehabilitate that facility and open the doors for students in the 2021 academic year. Mr Speaker, this is the situation with our three agricultural colleges in the country.

UBS Commission of Inquiry

Dr ALLAN MARAT – Thank you, Mr Acting Speaker.

I have four questions without notice that are directed to the Prime Minister. My questions relate to the hugely expensive commission of enquiry established to enquire into the UBS loan. At last report the commission of enquiry was to cost K27 million and that has been increased by K1 million more, I'm told. My questions are and can the Prime Minister explain;

(1) Why an expensive commission of enquiry is necessary when we already have a report on the UBS loan by the Ombudsman Commission?

(2) Mr Acting Speaker, the Ombudsman Commission is a constitutional office. Its report has merit. A commission of enquiry is allowed for, only by an Act of parliament and it is only in existence for the purpose of one enquiry and it's then extinct. It cannot follow up its report as can the Ombudsman Commission. It is therefore the Ombudsman Commission's report that should be the more important. So, Mr Acting Speaker, why has this report not been tabled?

(3) What are the recommendations of the Ombudsman Commission report? Who is named in the report?

(4) Mr Deputy Speaker, will the commission of enquiry have new evidence to work on or review the Ombudsman Commission's work this would be duplication and a terribly expensive review at that. Thank you, Mr Deputy Speaker.

Mr JAMES MARAPE – Thank you Mr Acting Speaker.

Let me thank the Member for Rabaul and if I say correctly, the Deputy Opposition Leader as I see on the other side.

Mr Speaker, the question is very important to clear some ambiguities prevalent in the country.

04/02

The Ombudsman Commission report was tabled on the Floor and I made it business as Prime Minister at the first instance when the report was presented to me and, it was presented in the Cabinet. Cabinet cleared that and we tabled it on the floor of parliament.

So, Mr Speaker through you if I can respectfully ask the Deputy Opposition Leader to check that there was a report that was tabled in Parliament. As a consequence of tabling this report in Parliament, the nation or any party will be privy to this public document. What it means is that, Police or anyone for that matter can now pick up this report - it's a public document and can start or assist in the process of prosecution if anyone implicated in this report is found to have committed an offence.

I am assured in the *Hansard* just to ensure that there's no mis-information in the public space.

Government Business No. 130 on the Notice Paper, you will see that the Ombudsman Commission report on UBS was tabled.

I have huge respect for the Senior, so I will be very polite. But I want to point out that those reports have already been tabled. Maybe he was missing in Parliament on that event or occasion or maybe he is alluding to a different report that I am not aware of.

But as far as I am concern, a UBS report that was done by the Ombudsman was tabled and because of the tabling of this report, we felt as government that a specific enquiry need to be established to ascertain and to bring into the radar for scrutiny, a greater number of people who were involved in the entire UBS Saga including UBS itself and including those who are beneficiaries to the transaction that took place as a result of that UBS transaction or UBS funding.

This involved 1.23 billion Aussie or US dollars which is over K3 billion, amount of money that was transacted from UBS to beneficiaries of the transaction.

Those are clearly detailed in an Ombudsman report that I agree the Deputy Opposition Leader clearly on this matter.

The Opposition is doing the country great favour by continually asking this question. It is important that we get to the bottom of this and remove any ambiguities and dark spaces.

I stand here in total support No1; the Ombudsman commission report, I as someone named in the report didn't stand in the way as prime minister from stopping the report from progressing and I place on record that I was a willing leader to allow this report to come through Cabinet in which I checked and come into parliament that I lead as the leader of the government to ensure that this report is tabled knowing fully well that my name is also found by the Ombudsman to have played a part in the UBS transaction as Finance Minister.

I take my mandate and cue from Cabinet when I subscribed to Cabinet direction and in the two instances that I was involved in the entire UBS transactions after Cabinets' approval.

But I can't dwell further on because I will present my case before the enquiry that is also on foot.

05/02

The opposition leader asked why again waste K28 million for an enquiry that will be concluded, that is not linked elsewhere. I have that same question but I see it in a bigger context. Twenty-eight-million -kina in the context of misapplication of people of Papua New Guinea's money to the tune of K3 billion. What is K28 million against K3 billion? The case in point that UBS Commission Inquiry will establish as part of the terms that we have assisted the Commission's set up, is to look at the entire chain from the moment the fund was procured and

what were the circumstances that gave rise to the procurement of the funds from UBS up until the final conclusion where the last toea went.

The Ombudsman Commission Report, mind you Mr Acting Speaker, through you to the Deputy Opposition Leader, the Ombudsman Commission Report centres principally around and against leaders, for leadership breach subscribing to the *Leadership Code*. It doesn't look beyond criminality of the transaction: it doesn't look beyond procedural and legal default of the entire transaction. It just centres on whether leaders were in breach of *Leadership Code* or otherwise.

And as I speak today, any one of you can go down to the Ombudsman Commission today and any one of our citizens who are interested or stakeholders. The inquiry that is running today, does not stop the Ombudsman Commission from pursuing individual leadership files on those of us who are implicated. That track is a track that is a constitutional right of the Ombudsman Commission. And as I speak - and they are hearing today, they are entitled to run a file against leaders who were named as implicated in the UBS transaction. So, that track is open to be run. The Ombudsman Commission has made a finding on us. I encouraged them and I'm encouraging them now, to establish individual tracks for leaders who were being implicated, including myself and the former prime minister whose names were on the report.

The Ombudsman functions and work is strictly confined to leadership breaches. Today in government caucus, Mr Speaker there is a discussion - a heavy and serious discussion on ICAC and what role ICAC will play as this Parliament and this Government's agenda number one or one of our key priorities. Again, on this issue were Ombudsman only pick on leaders but those assisting leaders or those who were part of the scheme and the chain of events are totally isolated from scrutiny or prosecution, because they do not come within the ambit of the Ombudsman Commission's functions. And so the inquiry goes to ascertain and establish a prima facie case to those who have possible criminal link to the entire UBS transaction. I'm not saying there is a criminal link today. That is not my business. It is the work of the inquiry to ascertain and looks beyond those leaders and looks at every player in the chain of events.

From UBS, including Oil Search as a greater benefactor to the entire transaction at corporate level and also at personal and individual level. Those named players along every chain of events. But for the benefit of fairness and totality, we have allowed for the extension of the TOR (Terms of Reference) to go beyond the time in which, I picked transaction took place in the procurement of fund for the finance of the first PNG Government share in the first PNG LNG Project because that is a current bridge or link between those two transactions to see whether O'Neill Government had choice or otherwise to enter into UBS transaction. Those

critical questions need to be answered. There is some shade in which the Ombudsman Commission fell short in the fact that they just centred on leadership and didn't venture out to establish those other players.

06/02

So the inquiry looks into everything in totality and brings everyone who are named in the Ombudsman Report and even those you might not be named in the Ombudsman Report.

Mr Acting Speaker, that transaction is much, much deeper than what the Ombudsman Commission may indicate.

I stand here today and I give assurance to this House, I will not play a part to stop the Ombudsman Commission's Report from further progressing beyond their level of presentation today.

The Ombudsman Commission must, in the name of fairness and justice, run individual files on every one of us implicated, those of us who hold public offices. And we will all go and subscribe to what role we played in the Ombudsman Commission Report.

But, it goes far beyond this, Mr Acting Speaker, this country has forever been used as a rubber stamp by people concocting public policies outside of the government process and system. That's why the inquiry is set up. What is the K28 million in the backdrop of PNG losing K3 billion in the process. That money was lost and I apologise to the nation. At that time I was quite an advocate for the procurement.

The story concocted was so glamorous. The price of Oil Search shares will appreciate. We must participate in this PNG Blue Chip Company that will add value to the 19 per cent share we already have in PNG LNG because of such and such.

Well that was the hypothesis at that time. Today the inquiry will establish if those proponents of the UBS transaction came to the table with clean hands.

So, Mr Acting Speaker, to satisfy a very learned Member of Parliament we are privileged to have here amongst us and I appreciate the question. It's a good question. It brings clarity to the picture. I can't give beyond total information on what I will present at the inquiry. I have my details. I can give you one clue.

Mr Acting Speaker, who were the beneficiaries of PAC LNG? I have my clues. I have been around. I walked away from a government I was a part of because decisions, I felt were not in the best interest of the country.

Once is okay, twice is okay but in the total picture, consistently going against the grain of public interest is not right. And against personal reputation because I am also implicated by

the UBS Report, I am willing to testify what role I played in the context of greater scheme of things and what cause Papua New Guinea citizens to lose K3 billion, money that is meant to impact now. In fact this is the same type of money we are looking for to pay our way into the Papua LNG today.

Yet, Oil Search didn't pay their way into Papua LNG. They used that money to have access into Papua LNG. That's another clue I 'm giving you. I have more up my sleeve, Mr Acting Speaker, and I want this. I give total support to this inquiry to be completed.

And the K28 million is not for Justice Sir Salamo Injia alone. We want to recruit the best forensic auditors; the best investigator, in Australia, Singapore and elsewhere to establish whether that transaction was above board and there is no Papua New Guinean beneficiaries, individual or corporate, there is no conglomerate beneficiaries circumventing the process of government for their own gain. So this thing goes beyond what you and I see.

We have all been around for some time and I sat in the front row of Cabinet decisions for a long period of time and I have some fair memories to assist the inquiry so that never, ever again outside interests use Cabinet for their gain at the expense of the people of Papua New Guinea.

Thank you.

07/02

Supplementary Question

UBS Loan Report

Mr CHRIS HAIVETA – Thank you, Mr Acting Speaker.

The Report is on the Notice Paper and it is like Parliament has not discharged its responsibilities on these Paper.

My question is directed to the Prime Minister on when he will bring this Paper so that as Parliament, we can discharge our responsibilities and refer it the authorities which are recommended to carry out their jobs.

Thank you, Mr Acting Speaker.

Mr JAMES MARAPE – Mr Acting Speaker, I did not have my ear piece properly so can I ask through you which Report is he alluding to?

Mr CHRIS HAIVETA – Mr Prime Minister, I am talking about the Ombudsman Report which is still on the Notice Paper and this is in reference to the UBS Loan. The Ombudsman has given us a Report and it has been tabled and ready for us to debate. The former Minister moved to have debates deferred and it has been seen on the Notice paper but the only way that the Ombudsman or any other authority can take charge is when Parliament discharges its responsibilities.

Either, we adopt it and refer it back to the authorities to take appropriate action?

Thank you, Mr Acting Speaker.

Mr JAMES MARAPE – Alright, thank you, Mr Acting Speaker, for that clarity.

Parliament at the earliest, even today, can initiate the proceedings to dispense with the matter on Government Notice and as soon as it is retired, as I said it has already been tabulated and the public and anyone interested will have access to it and initiate their own proceedings as private citizens or as institutions.

I missed something earlier on the Police. The Ombudsman Commission can run their own tracking and the enquiry can go ahead while the Police and Ombudsman Commission carry out their duties. So, it is proper we dispense with these Government Business and let the proper authorities pick the Report and do what is required of them.

Thank you, Mr Acting Speaker.

SME: Funding and Competition

Mr KEVIN ISIFU – Thank you, Mr Acting Speaker, for giving me the opportunity to ask my series of questions. My questions are directed to the Minister for Commerce and Trade and I would also like the Ministers for Labour and Immigration to take note.

Mr Acting Speaker, I would like to applaud the Marape-Steven Government for recognising the SME Sector in this country and for committing in the 2020 Budget, a funding of K200 million to the SME's in Papua New Guinea. The Prime Minister committed that the K200 million will be parked with the National Development Bank and other banks who are tasked to develop the SME friendly loan products for people at low interest and long repayment period, which is a step in the right direction for the SME Sector in this country.

Mr Acting Speaker, while our Government has committed to fund the SME sector, I am concerned that most of our SME's will never grow or prosper because of the stiff competition posed by foreign owned SMEs.

08/02

While we recognize that some foreign businesses are good, most of them should not be allowed to run businesses like tucker-boxes, canteens, and kai-bars which Papua New Guinean citizens can run.

Mr Speaker, *Section 27 of the Investment Promotion Act of 1992* specifies clearly a list of reserve business activities list for our citizens. The original regulation of this *Act* in 1992 clearly specifies that tucker-boxes with small retail outlets were to be reserved for our Papua New Guinean citizens only.

It was under this regulation that the “stret pasin stoa” scheme thrived and expanded with many of our citizens and businesses becoming millionaires and had created a lot of job opportunities for our people.

Sadly, Mr Acting Speaker, these regulations were removed in 2005 and our people lost their protection.

A new reserve activity list was proposed under the SME policy of 2016 and would have been approved by Parliament last year but this is on hold because of so much interference from the foreign business community in this country.

Mr Acting Speaker, so far in 2020 we have seen raids by our law enforcement agencies in Port Moresby into legal and illegal non-compliance retail operations in PNG.

The biggest offenders are the Bangladeshis who are not only violating migration laws, visa and employment requirements with breaches in work permits and business visa. They are also part of a criminal network in counterfeiting PNG products like our corned beef and tinned fish and importing them back into PNG to sell to our people.

To make matters worse, Mr Deputy Speaker, there are numerous reports of Asian shops operating all over this country who are understating their daily revenues to reduce tax they pay to the PNG government. For instance, when you use an eftpos machine to purchase a one-hundred-kina item, they will register the sale as ten kina and ninety-kina cash back.

Mr Acting Speaker, most of us have been purchasing from these retail outlets without checking those receipts. This practice deprives the IRC of much needed GST revenue. How many of these shops are paying taxes at all, Mr Acting Speaker.

The majority of our SME operators are good people. They are not part of the criminal syndicates. They are not involved in counterfeiting products and they do not breach our laws.

When they are late in paying taxes to the IRC, it quickly freezes the bank account first. They don't go around chasing the Bangladeshis and foreign tucker-box owners.

Mr Acting Speaker, these foreign owned retail operations, just arrived in PNG less than 10 years ago are now mushrooming all over the country.

09/02

Mr Sam Akoitai – Point of Order! With due respect to the Member, he should be asking questions instead of making statements.

Mr ACTING SPEAKER – The Point of Order is in order. Honourable Member, please ask your questions.

Mr KEVIN ISIFU – Thank you, Mr Acting Speaker. This is a sensitive issue so I wanted to explain it carefully. I want leaders to know what is going on. The people of this country need to know what is going on in the SME Sector. The awarding of K200 million to the SMEs will not help them if we do not protect our SME sector.

My question is directed to the Minister for Commerce and the Prime Minister also can take note.

When will the reserve activity listing be tabled in Parliament? According to the IPA Website, they completed all the consultations in April 2019 and by now we should have a new list and regulations in place so that we can enforce the SME Policy of this country to protect our citizen. And also, what penalties are in place for foreign visitors who break our laws regarding counterfeiting, tax evasion visa and work permit violations.

Are these penalties adequate and firm enough to deter them from breaking our laws? Thank you, Mr Acting Speaker.

Mr WILLIAM DUMA – Thank you Mr Acting Speaker, I thank the Member for Wewak for these important questions. Firstly, in relation to the announcement of the K200 million assistance to our people, I like to commend the Prime Minister for having the wisdom to make that very important decision to help struggling nationally owned businesses.

Mr Acting Speaker, most of you will recall in the past governments, under one government there was an announcement of a green revolution and a lot of money was allocated to that particular sector, the agriculture sector and the benefits or the effects of that allocation of lots of money, in some parts of the country have been felt and others haven't.

The allocation of K200 million by this government can turn out to be a curse or blessing if we do not make sure that the people who we are supposed to help and targeting don't exactly

received that funding. So it is not really, Mr Acting Speaker, a straight forward issue of simply allocating the money and giving it to any Tom, Dick and Harry” to use this term, to anyone who claims to be needing our assistance.

The challenge for this government and for all of us is to make sure that we come up with the right formula so that all of our people who exactly need the money, at least received the money and it works and we have standards so that we measure the implication of the funding or the effect of the funding.

Mr Acting Speaker, I can announce that, my department as well as all the other stake holders involved, have been going through the process trying to come up with the right formula to make sure that this money trickles down to our people right across the country including our very important province of Bougainville.

The Prime Minister has emphasized that we need to give special concentration to our people in Bougainville together without womenfolk so the guidelines will be introduced to our people once the Prime Minister and the Cabinet approved the guidelines.

Mr Acting Speaker, moving on to the second question of the reserved list, I agree with the Honourable Member for Wewak for raising this important question. We have listened to the cries of our people for years. This is nothing new and they have always said that, they have been pushed out of the important sector economy in their own country and there is a challenge for all of us leaders in this Parliament to make sure that we listen to the cries of our people.

Yes, the reserved list was renewed in 2016, but it has lapsed so it is incumbent on us to make sure that it is introduced and that some of you will be aware, I was appointed Minister in November last year so I have been in office for only two months. I have been going through that list and I can say that in the next course of the months, that list will then be reviewed and will be circulated and presented to Parliament so that our people will again be helped by us to be involved in those activities.

10/02

My personal view is that, we should also allow our people to be involved in the large-scale retail activities instead of the small ones.

Mr Acting Speaker, we’ve come of age in this country. If we look at the LNG industry, the only area where we are not experience in is the constructions of LNG liquid-phasing and conditional plants or the LNG wharf areas. Our people have provided services to the industry in terms of various moving, construction of camp sites so we cannot simply say that our people can only be involved in the small sectors, we must encourage them to move out and move on

to the next one, we have come to agencies sectors. Once again, I commend our good member and I again say that we will do everything we can to make sure we empower our people and make them go to the next level. Thank you, Mr Acting Speaker.

LLG Funding and Elections Time Frame

Mr PETER ISOAIMO – Thank you Mr Acting Speaker, I have three questions without notice to the Minister for DPLLG,

1. At what phase or stage is your Ministry and your Department managing or handling the LLG funding of K10 thousand per ward for all wards in this country, because currently many of our MPs for DDAs are carrying the Local Government operations?

2. Has your Ministry and your Department ratified the time frame of the elections for the Ward Councillors, the members including Presidents to run concurrently with the National Elections in 2022, or bring about the Amendment to the law as required legally to conduct LLG elections midway after 2022 National Elections or on about 2024?

3. What progress has your Ministry and your Department achieved to date in regard to the World Bank funded ward roll-out programs administered by the department and the Ministry to various LLG wards?

Whilst I asked you this question, I also want to thank you and the department for I am being grateful as a recipient in many of the water supply projects in my Electorate. Thank you.

Mr PILA NININGA – Thank you for the question, The K10 thousand allocation, will be distributed out to each councillor ward. What the government intended to make sure the councillors are affectively funded and functioning in giving K10 thousand in a small way and as we progress and if money becomes available, we may increase up to K50 thousand. Remember that there is no money for ward recorders and this money is to help in little projects in the villages.

Wards recorders had received no payments at all, or sometimes people want to go to the hospital and they have a little bit of money to refuel the vehicle such as ambulances. This would help them so, that's why the government is trying to make some funds available. In the meantime, what we are doing now is that, the department is going out to each ward, and opening accounts to make sure that we can channel this fund to different Councillors Wards.

The next question is the election term. We have conducted the Elections last year in July, which is two and a half years ago. I am preparing a submission to NEC and eventually it will

come to Parliament that we wanted to give them rather than two and a half year terms, we will give them five year terms.

11/02

We will give them a five-year term and that is my policy submission which I will bring to the National Executive Council so that the NEC can deliberate on it favourably to allow me table it in the next Parliament Meeting.

Mr Acting Speaker, in regards to the World Bank funding, we are slowly pulling through and not all the provinces but a couple of the provinces are on embarking on it and your electorate is one of them. We are hoping that we will spread to all the other electorates and I must say that it is progressing well and we have to encourage this program.

Supplementary Question

Ambunti-Dreikikir: LLG Funding

Mr JOHNSON WAPUNAI – Mr Acting Speaker, in 2018 the government budgeted K64 million which was distributed amongst all the wards in Papua New Guinea and I want to ask how soon those funds will be distributed through those LLGs.

In 2018 -2019 my electorate never received any funding. Now he is assuring that he will be disseminating these funds. How soon will that be?

Mr PILA NININGI – Mr Acting Speaker, I will give an undertaking to check why the good Member's electorate has not received any funds. But I assure him that the monies will be made available as soon as we open up an account and soon funds will be channelled accordingly.

I remind the good Member that this is only February and we have not moved into the year yet. I am appealing to the good Member to not put me in the spot light as yet because the funds are coming.

(Laughter in the Chamber)

Mr PILA NININGI – We will be making funds available to our Council Wards. They are our people and they are doing a lot of work and they have a lot of input in the local communities. So in a little way we will make sure to recognise the councillors.

SUSPENSION OF STANDING ORDERS – EXTENSION OF QUESTION TIME

Motion (by **Mr Sam Akoitai**) – agreed to

That so much of the Standing Orders be suspended as would prevent Question time this day being extended by a further 20 minutes.

Panguna Mine Tailings: Landowner Assistance

Mr SAM AKOITAI – Mr Acting Speaker, I direct my questions to the Honourable Prime Minister and I ask the Minister for Bougainville Affairs and the Mining Minister to take note and perhaps the Minister for Provincial Affairs also to take note.

Mr Acting Speaker, my question is in relation to what was then a mine called the Panguna Mine. Before I ask my questions, yesterday during my speech I failed to acknowledge the Governors who accompanied the Prime Minister to visit Bougainville to meet my people. East Sepik Governor Honourable Allan Bird, The Norther Province Governor Honourable Garry Juffa, Enga Governor Grand Chief Sir Peter Ipatas and those ministers who were part of the delegation.

12/02

Mr Acting Speaker, my question is in relation to the landowners of the Panguna Mine. We all know that the Panguna Mine provided revenue for this country when there were no other mines. Since then other mines have opened but I can still recall that US\$ 1 was worth about K1.50. Panguna was the first mine that was rushed by the Australian administration because Papua New Guinea was trying to become an independent state.

The Bougainville Copper Agreement was an agreement between the State and the developer and not the Provincial Government nor the landowners. It is completely a different arrangement compared to what we have today where most agreements cater for landowners.

Mr Acting Speaker, I spent some time with our people in Panguna and it is really sad to see our landowners who suffered and faced all the problems whilst we benefited from the mine. The partners of the mine were Rio Tinto through BCL and the State. What happened was that the people of Boroni and Dapera in the mine tailings area were misplaced by those two partners from their very own land. In fact, the Dapera people were relocated three times within the mine site itself. A sad case with Panguna Landowners is that they are living on the dump. They

couldn't make gardens because at the back of where they were living is a very huge mountain. It takes them about 4 to 5 hours to dig up soil in order to bury their dead because the land was merely a dump. I am sorry I am talking too much but this are some of the legacy issues faced by our people in Panguna and I beg this Parliament to address.

My questions are as follows:

(1) Can the State and BCL help me relocate my people? They can't make gardens and they rely on money they earned from panning gold, about K30 daily, to buy food from Arawa to feed their families.

Another issue is that the landowners have engaged a lawyer on several cases and now that they do not have money to pay him and he has taken the matter to court and the court has made the decision for him to take possession of all the assets of the landowners.

(2) Can the Prime Minister and the Government help me settle the amounts owed to the lawyer so that he does not take ownership of the people's assets?

13/02

Mr JAMES MARAPE – Thank you, Mr Acting Speaker. I would like to say thank you to the Member for Central Bougainville for asking a good question that goes to paying respect to our traditional landowners of the Panguna Mine and Pit area.

Bougainville is now under the jurisdiction of the special Autonomous Government; I will take this matter up whilst we are progressive as a Government at the national level to look at re-location and to ensure that our people there are given their due respect, especially matters pertaining to something that the Member feels the PNG Government and BCL has some obligation to ensure that his people are given their due respect in as far as re-locating is concerned. I asked the Member to write me a letter in this regard, and I will send it through appropriate authorities in the government system to look at it.

As far as when we go to the JSB on the 6th of March 2020 in Arawa, this and other such issues can be issues that we will put on the table and to understand the role of the National Government to play in those sort of issues and what is the role of the Government on the ground to handle this sort of matters, going forward. This is another case in point indicating to us that the National Government and the people of this country continued to live with the legacy and trust of this sort of projects way after the Mine was closed. That is why it is important to us to strike better deals going into the future but in this instance, I will give response to them in the affirmative and I will get our system of government to process this. I am asking the Member

to write to us and we will try to work it through in dialogue and in partnership with the present Government on the ground in Bougainville.

On the matter of our people I noted from his question that, they do not have land for gardening. Most of them are now sitting on what was already an area affected by what it used to be the Mining operation. Of that K200 million which we are parking aside for SME, by policy intervention we've already made 10 per cent of that and it is quarantined for businesses in Bougainville. When the Commerce & Industry Minister brings his paper into cabinet and we will approve the finer details of this paper. What is meant for SME's in Bougainville, we will pass it so that this kind of people are given prominence to participate in the business and the SME resuscitation program in Bougainville as we will do through our country. Thank you, Mr Acting Speaker.

Middle-Ramu: Communication issues

Mr JONNY ALONK – Thank you, Mr Acting Speaker for allowing me to speak. Mr Acting Speaker, my question is directed to the Minister for Communication and the Minister for Public Enterprise to take note.

We in PNG really appreciate the communication network happening in our country and society. The communication system used to be in the towns and cities alone some years ago but, now it is going into the remote areas. Not all those remote areas are having this benefit or services. For instance, in Middle Ramu we do not have those communication going out there. For that matter, I would like to ask him for the information I got from the communication company. We have so many communication companies operating here in the country; more than three to five companies, I assume.

I have visited those communication companies and some are giving me negative response and others are giving me positive response. I would like to emphasize on the negative side of it but, they said that they will leave out the country or something of that nature. What I am not happy with is that, I have visited the communication companies and they have been asking me if I can buy materials for the tower for them to install their equipment. I do not feel that is good for me.

14/02

This is because setting up the tower to provide communication and in order for us to utilize that service, the money is going back to the communication company, who in the first

instance should provide the service that we should be paying to use; not paying to set up and paying to use. For that matter I am asking the Minister;

What is the purpose of the communication companies coming into the country or are they trying to serve the community that they are allowed to operate in or they are trying to make their own way to gain those things? I wish to be enlightened on this matter, because I have spoken to communication companies and they have given me many prospective.

One particular company that does not want to help my district in ways such as counter funding to subsidies and they can come in and build the tower that is why I want to know why they are not assisting so that we can enable communication in my district. To be more specific, I asked Digicel to do that and they did not want. They wanted me to pay for the building of the tower and they will just set up the equipment. They also did not want other service providers to amalgamate and provide the service.

What is the purpose of Digicel Company to be allowed to provide communication in the country and then ask me to do these things for them, for their own benefit?

Mr TIMOTHY MASIU –Thank you Mr Acting Speaker and the Member for Middle Ramu, for your question. Your question is in a lot of bits and pieces but I wish to say this. The companies that we get into the country to provide communication are here on business terms. They provide business opportunities as well as services and as such we must pay for these services. This is the way they operate in the country.

In some of our areas, these companies before setting up, do a survey. If they find out it is not economical, they will not go in quick with their services. In relation to your query, Digicel Company will continue to maintain and build its network coverage in rural Papua New Guinea. This is to make sure that the country must be connected digitally through the mobile network service. This is their work in progress but at the same time; all Members in this Parliament who have taken their own initiative to provide such services to your reach your people.

Thank you to those Members like the Member for Tewai-Siassi who has already set up three towers and also the Member for Alotau. It is important that we should work together in partnership. I do not know why, according to the Honourable Member, the company is giving him a negative feed back but maybe they need more dialogue as to how they can work together to build these towers and get communication up and running.

To date Digicel boasts over one thousand towers in the country and they are operating in most major provincial centers in the country. They are focused to build and grow the communication market in rural PNG.

15/02

I am asking the Member to go back and meet with them and come up with some partnership agreement to utilize DSIP and PSIP funds to build towers. There is a need to be connected inside our country.

Service providers such as Digicel, Bmobile and Telikom are working on this issue and together with my ministry, we are making sure that we have towers throughout the country especially in the rural areas.

So, I believe that the Member can negotiate with Digicel and come up with an agreement regarding your query, because I have already met with them regarding that same issue. Thank you.

Supplementary Question

Establish Rural Communications Program

Mr JOE SUNGI – Thank you, Mr Acting Speaker.

My question is directed to the Minister for Communication.

Communication right now is one of the most confusing service being provided to our people.

(1) Can this ministry and all those responsible like NICTA have a technically accepted system in place that all of us can access at our districts?

I'm not focused on provinces. I'm basing my question on rural districts in this country. We must have one technically accepted system provided; it must be available for us to access our people.

Right now, we have Digicel, Telikom and the FM radio services. Everything has all been mixed together. Members of Parliament are engaging private companies which is costly. We spend a lot of money just to design a system to receive all networks.

Everyone is competing.

(2) Can the Minister assure this country to establish a rural communication program which will be technically verified and accessible?

Thank you, Mr Acting Speaker.

Mr TIMOTHY MASIU – Thank you, Mr Acting Speaker and Deputy Speaker too. I also thank the Member for Nuku for the Supplementary Question.

As per your query on the Ministry and Department, we are working to revive this Department. It has been sleeping for many years.

Previously, other Governments have overlooked this important Department. It's important because it's concerned with Information and Communication Technology inside the country.

The current Acting Secretary and I are looking at amalgamating all these communication partners and from there we, we can look at ways of getting into rural areas. It's been all over the place.

I will be presenting a ministerial statement very soon. I am happy that the Leader of Government Business has spoken to ministers to come with their statements. That will be expressed in that ministerial statement.

I can assure the Members of this Honorable House that my Department is now capturing all these missing links in the Department. We are working hard to make sure that things like rural communication are being looked into as well. Anybody that breaches the telecommunication laws of the country will need to be towed into line. Thank you.

2020 National Census

Mr WESLEY RAMINAI – Thank you, Mr Acting Speaker for recognizing my people of Kagua – Erave. I'd like to direct my question to the Prime Minister and the National Planning Minister can take note.

This year is the national census year, 2020. My question is, will we be using the national census data or the NID data for the 2022 elections.

In reference to the national census, I think there are some credibility issues surrounding it. For example, most of the people living in Port Moresby have our names registered here in NCD and at the same time, we know that we will still go back for the elections, so we have our names registered in our Council Wards as well.

16/02

So we have our names registered in our village council wards as well. In terms of the numbers and the figures there is no accuracy in it. Our government's intention is to take back PNG, one way we could do that is to make sure that real people are voting come 2022 elections.

So again my question is simple, are we going to use NID system which is close to accuracy or are we going to use the national census data and which we have been using before. Thank you, very much.

JAMES MARAPE – Thank you, let me thank the vice Minister and Member for Kagaw-Erave for asking a simple but in my view it is one of the very important questions that need to be asked at this time.

We are here in 2020, the year of national census. This year we intend to deliver National Census of the highest standard with the highest integrity of the data that we secured in the census process.

Having a good population data will give government the necessary tools to plan better for budgets and other events that will unfold, including events like NID, and positioning our country with better data that can be migrated into election data's.

So I want to ask public service officers in the gallery to take note of few of the statements that I'll be making and it's cognisant, the effort the Planning Minister is putting into ensuring that we arrive at the good population head count and census in 2020.

We've attempted our national ID program couple of years in a row and to some level of success but the greater level of dismay amongst us because evidently huge money was pumped into those event and the result if far from being completed.

There all interlinked but we have a tenancy of running isolated programs that is almost parallel and similar to each other.

So I like to make an impression here through this question, that in my view, 2020 census takes precedence.

A good 2020 census and a stocktake of our population will give us a secure platform for us to have a nice NID program rollout, and also a secure basis for a good data base to migrate into the electoral roll in 2022 election.

In the past, retrospectively, what we did was, run an isolated national census that is totally isolated from the electoral roll updates. So there were two government agencies running very expensive population update programs yet don't communicate or share data with each other.

They both deals with same people same population excluding the ghost figures of population that exist in both data bases.

So we'd like our National Statistical Office to be life collector of population data's and other data's in our country that will give a correct basis in which we can extrapolate our planning as we go into the future, whether planning for budget, planning to save our country, planning to issue everyone an NID or planning for a national election.

As we see today, we are only one year away from 2022 National Elections.

However, the National Census 2020 takes precedence and a good data collection will help. We would like to make it simple, instead of us here in Waigani caring around a big rucksack and big cargo of equipment and running to the villages and districts trying to collect names.

We already have district officers on the ground, there are provincial public servants on the ground. At the national planning and national statistic level we just set the preambles and the structure and policy intent, the outcome intent. We allow for provinces and districts, and LLGs because they are closest to our population for us to collate actual population data.

The planning Minister has embarked on something that will outlive the 2020 Census. He is doing it correctly. He wants population data to be a fixture of the functions at the ward level were everyday there is update.

If a death has occurred, it must be registered and so as a birth. So that ten years from now when it come to a 2030 census program, we not stumbling to burn in massive money again but we have had every event registered in the 10-year period leading up to neater better population registry that is progressive into the future.

17/02

What we had in the past is ad hoc and event-based census that took place in 2010 or 2011 thereabout and is forgotten. It is not linked to the data in 2020 now or even that which took place in 1980 is now forgotten. And so we would like to look into National Statistical Office to ensure that their capacity is ramped up. They supervise the standards and compliance and the policy aspect but we allow and we connect to the districts. There are only 89 districts right across the country.

The districts can be a point of input for data collection and input. And we must ensure that we clean up the entire process to ensure that the data is of the highest standard with full integrity, and that input that we make in 2020 census will be live raw data in which NID is secured. NID will be made compulsory into the future. Every citizen will need NID to do business, SME, banking, school, medical care and everything else.

The fundamental foundational basis is very good census that we will do this year. The Planning Minister knows what he is doing. We will partner all our districts to ensure we deliver a good highest standard population census that we will secure today and we will get NID to piggyback on this data. We will get Electoral Commission to piggyback this data.

We do not need to spend another K200 million to run another population event in 2022 for the purpose of having a common roll update that can be easily interfaced within our data's

we have at National Statistic and the data requirements of Electoral Commission. We will tidy those policy realignments, legislative amendments to ensure that legislations are in congruence and in harmony and to ensure that our 2020 census is delivered to the highest standards and as a basis in which every other data is linked in our country.

We want this data to stand into the future and so I give assurance to the country that the Planning Minister is working closely with the entire government to ensure that the 2020 National Census is given top priority for us to secure this data and anchor this data as the basis of other planning of population-related work to the future.

As for the Vice- Minister's question alluding to the possibility of electronic voting system in 2022, I subscribe to this. It will cost some money but will be work in progress. As I said, the foundation fundamental input will be the data we secure in the 2020 National Census.

If we can in 2021 look into possibility of electronic voting and electronic population data that is linked to NID and the voting process, we will tidy and help the country in a big way. Tidy the process of knowing population and population engagement in civic activities like voting also.

It is a work in progress for every district to ready your public servants to participate in this number one national event this year and that is the national census that the Planning Department will lead through the National Statistical Office. Thank you.

Sitting suspended from 12.24 p.m.

18/02

MOTION BY LEAVE

Mr RAINBO PAITA (Finschaffen – Minister for Finance) – I ask 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 the *Standing Orders* be suspended as would prevent Order of the Day No. 130 Government Business being called on forthwith.

**OMBUDSMAN COMMISSION OF PAPUA NEW GUINEA – FINAL REPORT ON
AN INVESTIGATION INTO ALLEGED IMPROPER BORROWING OF AU\$1.239
BILLION LOAN FROM THE UNION BANK OF SWITZERLAND
AKTIENGESELLSCHAFT (AUSTRALIA BRANCH) TO PURCHASE 149, 390, 244
SHARES IN OIL SEARCH LIMITED AND IMPROPER TENDER AND
PROCUREMENT OF CONSULTANTS IN RELATION TO THE BORROWING –
PAPER – PAPER ADOPTED**

Debate resumed from 26 June 2019 (See page.....)

Mr CHRIS HAIVETA (Gulf) – Thank you, Mr Acting Speaker.

Mr Acting Speaker, I rise to offer my views in the resumption of this debate and in doing so, Mr Acting Speaker, I want to thank the Prime Minister for allowing us through the Leader of Government Business to bring this matter forward.

We already have a report before us and it is only fair that we debate it properly and discharge our responsibilities so that we can have closure and allow authorities that are charged with the responsibility of following up the leads in this report to do so because only through adoption of this report can Parliament not only set itself free, but allow those who are implicated either adversely or otherwise to also clear themselves with the various appropriate authorities that are mentioned.

Mr Acting Speaker, this report is one of a series of reports on controversies on improper dealings or alleged improper dealings in this country over its long period or short period of history.

Mr Acting Speaker, in this particular case, let me remind this honourable House that the shares in Oil Search that we are talking about, that were mortgaged in IPIC and formed the

basis of which new acquisitions were made by the previous government, is the hard work of Sir Julius Chan and my Government, Mr Acting Speaker.

Mr Acting Speaker, we floated the government's shares and equities in mining and petroleum projects that were in existence at that time. We went through a proper process. With due diligence everything was done and we listed our shares on the Australian Stock Exchange. And the publicly listed company was oversubscribed about 20 times and the shares traded very well, Mr Acting Speaker.

19/02

Mr Acting Speaker, with a change of government, the Government and the Prime Minister then saw fit to sell or dispose of Orogen Minerals owned by the people of Papua New Guinea through a merger which was two to three times the size of Oil Search.

Mr Acting Speaker, if questions have to be asked, we do not need to go back to the OPIC Deal alone, instead we must go back all the way to the manner in which Orogen Minerals was sold to Oil Search for a pittance.

Mr Acting Speaker, these are commercial deals of state assets. For those of us who are in positions of responsibility, we must accept that in making these deals, we do it for the interest of our people.

In my view, Orogen Minerals sale, the OPIC Deal, and this acquisition does not fit the bill. The ultimate authority for all these deals is Parliament and if they need to be budgeted for it has to be done through an appropriation of this Parliament.

It is our responsibility to ask if the UBS Loan ever came before this Floor for ratification. If you follow the trail of evidence that is laid out by the commission and it becomes very clear.

Mr Acting Speaker, NEC, ministers and even the public servants were cornered, directed, coerced and sold a deal that really in my view has no relationship with the OPIC Deal.

For the OPIC Deal, if we made a mistake that is a commercial mistake and it has no relationship with us purchasing new shares with Oil Search. For what reason did we acquire those shares if the value of Orogen Minerals was taken up to the OPIC Deal to acquire our shares in the PNG LNG. In my view, the value was transferred to PNG LNG and it stops there. To enter into a new deal to purchase Oil Search Shares as this report indicates is not directly related to this deal.

Therefore, it must be properly tested and we must hear the full story.

20/02

Mr Acting Speaker, I welcome the Commission of Inquiry that the Prime Minister has set up rightfully because that will go right behind and lay out for us all. I'm sure once that is concluded, we will have another look at this. I fully support this first report and its recommendations and I believe that its only by us disposing of it quickly can also be taken up by the Commission of Inquiry as one of the source documents. Thank you, Mr Acting Speaker.

Mr ALLAN BIRD (East Sepik) – Thank you, Mr Acting Speaker.

I rise to contribute to the debate and I note the comments contributed by the Prime Minister and of course by my colleague Governor of Gulf province.

Mr Acting Speaker, the issue of UBS shares has been raised by many of us on the Floor of Parliament. We are on record in the Hansard, raising questions about it.

In essence, it is one of the reasons we changed the government.

Mr Acting Speaker, it is very serious and I think it goes beyond being just about the UBS deal. It goes to the very core of us here in this House asking the question.

Should our government be involved at all in business transactions? Do we have the capacity individually, ourselves either as Ministers or as Members of Parliament? Or do we have the institutional capacity whether it be sitting in one of our state-owned enterprises to advise so that we can take such a large risk that according to what the Prime Minister said this morning amounts to K3 billion of public money.

Mr Acting Speaker, I'm told that the loan to fix the Highlands highway is K3 billion. So, the K3 billion that we threw away on the UBS deal could have gone to fixing the Highlands highway. It could have gone to fixing hospitals, schools, and many other things.

Instead, we took a gamble as a country, Mr Acting Speaker. Whether we were sitting in the NEC when we took the gamble, whether we were in Parliament or whether we were bystanders on the street.

Mr Acting Speaker, someone committed us to place a bet. It could have been a bet on a pokies machine or it could have been a bet in a horserace.

In this case, Mr Acting Speaker, it was a speculation buying some shares under the disguise of the fact that the share price might increase and when it increases, the people of Papua New Guinea will get a wind fall.

Mr Acting Speaker, I think that is totally irresponsible for any government to take the people's money and either bet it on a horserace, bet it on pokies, or bet it on a share markets.

Our role as government should never be speculators, should never be gamblers, it should be as custodians and protectors of the things that belong to our people, Mr Acting Speaker.

In this case, from my personnel perspective, Mr Acting Speaker, I think government failed its responsibility to protect assets that could have benefited its people. In its primary duty as the gate keeper, it opened the gate.

Mr Acting Speaker, how we get to the bottom of it and I note that question by the Deputy Opposition leader. We are now worried about how much it's going to cost. We are worried about so many things.

Are we going to catch the culprit or as is becoming very normal in Papua New Guinea, people who are guilty of perpetrating crimes against our people, they continue to run around scot-free.

21/02

They continue to cook up new schemes and come back again. They reinvent themselves and propose new proposal again. It's beyond just the UBS deal which is just one transaction. I think we need to take a lesson from this.

The Parliament in the future, 15 years from now should not be dealing with the similar UBS-type situation. When we face problem, we don't solve it but keep on going. I for one don't want to see it happen again.

I am of the firm view, Mr Acting Speaker, unless Cabinet decides otherwise or produces an argument in terms of a paper that can be present to this House, the Government should not be involved in businesses.

I think at the fundamental level, we need to resolve that question because that way, there is guidance at NEC and that guidance is coming from Parliament that we the government want to do business or we want to leave the business to the people, private sector, and those with demonstrated capabilities, capacity, and talent to do business, but not us.

We are supposed to be policy makers, yet we want to get involved in business and as a result, a very attractive proposal was presented to Cabinet. Many senior members were in Cabinet at that time when the agreement was made. Some argued against it while some resigned.

In any case, the people of Papua New Guinea still had to bet the grant of the K3 billion.

Mr Acting Speaker, if we decide that the government should be involved in business, then let's have some kind of policy around it. In what situation should we be involved in

business. Should we be involved in every business, or just in resources business? Should we go into the share market? Where is the limit?

These sort of things need to be couched in a policy that is cleared on this floor. That policy can then guide the executive government. The executive government should be answerable to this floor.

Mr Acting Speaker, the executive government should not take pursue its own interest without coming back to the Floor. As the Honorable Governor of Gulf stated, any time we want to make a financial commitment that is going to have impact on the Consolidated Revenue Fund, that decision has to be made on this Floor through an appropriation bill.

I honestly don't think Cabinet has the power to make a K3 billion commitment without bringing it to this Floor.

It is a very significant financial commitment. It should not rest on the shoulders of 30 or 25 members of the Cabinet. It should come back to this floor.

In relation to the second point, Mr Acting Speaker, we need to have complete transparency in all financial matters that involves public money. In this case, the UBS deal was kept a total secret even though in its reach it, it reached back into the public purse. Yet there was no scrutiny, there was no transparency in those transactions. I think those are hard and fast rules that all of us as Members of Parliament should protect public money. The decisions surrounding public money must be made publicly. They should be transmitted publicly and agreed to publicly. We cannot hide in bushes, meeting rooms or hotels and make decisions regarding public money.

22/02

Mr Acting Speaker, And it goes even further, because this is involving funds supposedly to do, with a resource project or a purported resource project, my humble view reading it as a businessman is, Oil search needed money to buy into Elk Antelope, currently Papua LNG.

They had no money yet they manage to persuade the government into buying the shares. Those involved may have received their share or cuts from that deal. After they received the money, they bought 40 per cent of the current Papua LNG.

Today, we heard the Prime Minister speak on the Floor and he also spoke in the Caucus meeting about Oil Search and Exxon trying to interfere with Papuan LNG because they own 50 per cent of it. How did they obtain this 50 per cent? I analysed the issue and concluded that they used our tax payer's money to purchase the 50 per cent share within the resources of the people of Papua New Guinea, and now they are holding us ransom.

Mr Acting Speaker, how did it happen? How did we allow a foreign entity to come in here and manipulate us? We gave them the money which they used to purchase shares within our resources and now they have blocked us off.

Is there really no intelligent person in Papua New Guinea that can read this, and this is how I'm reading it.

Mr Acting Speaker, I'm really upset now that I see this. I think we need to get to the bottom of it. We could use the K3 Billion to buy Elk Antelope ourselves, instead we gave it to a foreign entity to buy our resource, that's what we did, honourable members. We gave our cheque book to a foreigner. And today this decision backfires on us.

Never again should such decisions be taken in the isolation of a board room. At least you come and subject it. We respect Executive Government's prerogative to make the decisions.

That's fine, but I urge you to temper your prerogative to make decisions by coming here and getting clearance from those that represent the people of Papua New Guinea.

We all represent the people of Papua New Guinea on this floor, and if the people of Papua New Guinea are going to be committed to repay money from their taxes, than its reasonable that their members must have a say in that decision. We cannot do it without any their approval. Thank you.

Mr DAVIS STEVEN (Esa'ala- Deputy Prime Minister and Minister for Justice & Attorney – General) – Mr Acting Speaker, I wish to contribute in the debate in respect to the Ombudsman Commission Report now before the House.

I acknowledge the statement made earlier by the Prime Minister this morning and of course the two speakers preceding me.

Firstly, let me commend the Ombudsman Commission for the report that it has produced.

Mr Acting Speaker, I would like to say also the Ombudsman Commission and other government agencies in our country will nearly always rely on reports by the leaders or citizens who are grieved by the decisions of the public authorities.

I want to put on record the bold steps taken back by our leaders and citizens who reported this matter to the Ombudsman and supported the investigation and the report has finally come to this House.

Mr Acting Speaker, I want to also place on records the boldness and the commitment of the current Prime Minister for bringing this report very quickly to the Honourable House to the Speaker and the processes

I say this because our history shows that this is not the first Ombudsman Commission report. This is one amongst many. This is not the first time that Ombudsman has investigated a transaction of some commercial nature. Similar reports have occurred in the past but the way the system is design requires leaders at different points to do their part and to be bold enough to allow the system to work. And that is why the Honourable current Prime Minister must be commended.

In his speech, when he introduced this report which obviously the learned people on the other side did not notice, he did say that it is this government's commitment to ensure that we go to the very bottom of the report.

The other speakers are more qualified to speak about the reasons why the Ombudsman Commission's focus on the leader's conduct, is not sufficient and not in the national interest while this Honourable House acknowledge that the commission of enquiry is looking at other issues more focused on the commercial transaction.

23/02

More focused on the commercial transaction that occurred. The players involved, both multi-national co-operations and our own officials are now covered by the Commission of Inquiry.

Mr Acting Speaker, it is not for me to pre-empt the findings of the Commission of Inquiry, because I am satisfied with the terms of reference. The Inquiry focuses on the TOR which covers the issues that are speculated here in this debate.

Mr Acting Speaker, the most important point I see from this report is that our government, our country and our *Constitution* is working. This is one instance in which checks and balances actually seem to be working; the Ombudsman Commission keeping an eye on us and on how government system is operating, and the office of the Speaker of Parliament working in conjunction with the NEC to make sure the report reaches this Parliament.

This is the expectation in our *Constitution*. In fact, the issue arouse this morning as to what further action ought to occur, and who should take this report further? The Government came to this house with a clear intention, that not only is the report going to be placed in the public domain but also to go a step further to make the inquiry so that we learn the necessary lessons and take down necessary actions.

The challenges we face now is in organising our legal frame work, our systems of government, the enforcement agencies, the government agencies to work towards achieving our Medium Term Development Plan priority under 6.1 which is to create a just peaceful law

abiding society. Corruption is not part of that outcome, it is one of the first obstacles we have to deal with.

The *Organic law* on Ombudsman Commission does not say at what point its report ought to be available for implementation by the different authorities that are tasked to give effect to the report. I was given legal advice that it is incumbent upon different constitutional office holders to take this report immediately upon presentation in this House and action it, and that is exactly what this Government stated in presenting the report in June last year.

Mr Acting Speaker, when we look at all the recommendations, different authorities, different agencies of government have been tasked to take certain actions.

I reiterate what the Prime Minister said this morning, that our Government is about ensuring that these systems work but more than that, we ask the question, why has this honourable House passed legislations like the Procedural Crimes Act which has not been actioned too often. This is the opportunity now.

When the commission of inquiry gives his report obviously it will lead and guide us to further action. We are ready and we are able and willing to take the necessary action to ensure the public interest is re-emphasised, protected or otherwise indicated.

Mr Acting Speaker, let me highlight two important points here;

(1) The checks and balance under the *Constitution* is clear, major transactions cannot be valid or validated outside this honourable House and its processes, the practices that developed over the years ignored that particular provision.

Mr Acting Speaker, this is not the first time. The good thing is the signal is going out now, that the unconstitutional practice must stop; it has to cease now.

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The unconstitutional practice must stop. It has to cease in this generation of leadership. The check and balance design within the *Constitution* is clear. Its also an additional issue, how was the NEC process weakened in order to ignore these important points?

Mr Acting Speaker, I stand here to say that the State Solicitors Office as shown in the report was not engaged sufficiently. It was not given the opportunity it requires to be able to give an informed proper legal opinion on this matter. If we go through the extent where we are debating the question of the Government's role in investment or engaging in matters that are of a commercial nature then the *Constitution* is quite explicit in that regard as well.

Mr Acting Speaker, my submission to this Honourable Parliament is that a new opportunity is now before us. It is an opportunity to make sure that the Ombudsman Commission reports are not ignored. This is the time and the beginning before us now.

I understand and appreciate the Deputy Leader of the Opposition's concerns about the costs involved. I would like to reiterate that the national interest cannot be quantified in kina terms.

Mr Acting Speaker, the cost of corruption and its effect on our people and our nation is known and before us. We know the effects and the costs of corruption. The beginning is now and this Government is committed to this process. Thank you.

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

Motion – That the Report and its recommendations be adopted – agreed to.

ADJOURNMENT

Motion (by **Mr Rainbo Paita**) agreed to –
That the Parliament do now adjourn.

The Parliament adjourned at 2.50 p.m.