

## **FIFTH DAY**

**Tuesday 9 June 2020**

### **DRAFT HANSARD**

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## PARLIAMENTARY DEBATES CORRECTIONS TO DAILY DRAFT HANSARD

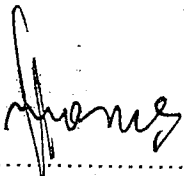
The Draft Hansard is uncorrected. It is also privileged. Members have one week from the date of this issue of Draft Hansard in which to make corrections to their speeches. Until the expiration of this one week period, Draft Hansard must not be quoted as final and accurate report of the debates of the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

Corrections may be marked on a photocopy of the Daily Draft Hansard and lodged at the Office of the Principal Parliamentary Reporter, A123 (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 the corrections.

Amendments cannot be accepted over the phone.

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



.....  
Mr Harry Momos

Acting Principal Parliamentary Reporter

## FIFTH DAY

**Tuesday 9 May 2020**

The Speaker, **Mr Job Pomat**, took the Chair at 10.a.m,

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

Sitting suspended

The Speaker, took the Chair at 11.05 a.m. and invited the Member for South Bougainville and the Minister for Communication, Honourable **Timothy Masiu**, to say Prayers;

‘Oh Lord blo Heven, yu siadaun lo siaking blo yu lo Heven na u lukluk kam daun lo mipla. Papa mipla tok tenk yu lo displa laif yu continue lo prisevim mipla na tenk yu lo marimari na grace blo yu lo yu wer mipla i stap antap lo em. Tenk yu blo displa kantri blo yu Papa, wer yu yet yu het man na God were yu lukautim displa kantri.

Papa, mipla bai nonap mekim olgeta sumting wantaim yu olsem na mipla putim yu go pas bifo lo bai yumi ken sidaun na toktok namel lo mipla lidas lo wantem ol issues em I affectim ol pipol blo mipla.

Papa yu blessim Prime Minister blo mipla, deputy Prime Minister na olgeta memba’s blo mipla insait lo displa Parliament, Speaker wantaim, Deputy Speaker na tu ol narapla hetman blo displa kantri. Papa mipla tok tenk yu tumas lo yu karim mipla kam lo displa haus we olgeta important toktok i sa kamap. Mipla prei lo ol pipol blo mipla stap lo wanem hap na harim wanem ol bigpla totok bai kamap.

Papa givim mipla displa bel lo toktok lo ol trupla samtin na mipla noken haitim ol samtin lo wanem Papa mipla nonap hait lo yu. Mipla tok tenk yu tumas lo displa gutpla blo yu lo laif blo mipla olgeta taim. Amen!

## QUESTIONS

**Mr ELIAS KAPAVORE** – Thank you, Mr Speaker. My question is directed to the Minister for Works but he has gone out.

**Mr SPEAKER** – Okay, I will reserve it for later.

### **Tourism Support Concessional Loan Update**

**Mr CHARLES ABEL** – Thank you, Mr Speaker. My question is directed to the Minister for Tourism and it relates to Papua New Guinea's first ever tourism support concessional loan that was approved by the Board of the Royal Bank in June 2017, for an amount of US\$20 million and it was called the Papua New Guinean Tourism Sector Development Project. It was designed to support infrastructure development, training and promotional development and also SME Integration into the Tourism Sector Economy to be managed under the Tourism Promotion Management Authority. It was to be piloted in the two provinces; East New Britain and Milne Bay.

**02/05**

Mr Speaker, there has been numerous meetings and three years had lapsed.

My questions are;

(1) Can the Minister give an update on the progress of this project to this House and of course the people of these two relevant provinces?

(2) What steps is the Minister taking to make sure that this loan and opportunity is not lost to the people of Papua New Guinea?

Thank you, Mr Speaker.

**Mr EMIL TAMMUR** – Thank you for the good question from the Member for Alotau. The loans from the World Bank which amounts to US\$20 million when converted will be around K64 million; so K30 million should have gone to each pilot province.

I want to inform the House and put on record that the two pilot province were chosen by the previous government. I had influence over this as I was not the Minister for Tourism then. The two provinces have a high intake of cruise ships and a variety attractions that is why they were selected.

But, in regard to the questions by the Member for Alotau, yes, numerous meetings have occurred since 9 June, 2017 to be exact. I will have to get back to the Department to answer your questions but from my own knowledge there has been progress in East New Britain because there is a good working relationship between the provincial government and the stakeholders.

We are still working with our people in Alotau on how we are going to distribute the projects throughout the province.

But, with the current issue on hand, I would like the Member for Alotau to meet with me so that we can discuss a way forward to utilise these funds in Milne Bay Province.

Thank you, Mr Speaker.

#### **Freight Surety Program**

**Mr JONNY ALONK** – Thank you, Mr Speaker. My question is directed to the Minister for Agriculture and Livestock. It is in relation to the CIC Operations in especially the highlands areas and some coastal areas too.

As far as I am concerned, these operations have been going on since 2016 and we have been using that portion of the freight surety system which has been introduced by CIC Division to help us to transport coffee out from the remote areas in the country. So, up until today I have not seen anything happening because I have been in the district throughout this lockdown.

My district has been harvesting a lot of coffee and we are unable to bring them into the town so my questions are;

- (1) Is the Freight Surety System in place?
- (2) Does this system have the funding to support it?

**03/05**

We used the system to bring in the production from the remote areas in our districts to places like Mt Hagen and Goroka because these are the trading centers.

I just want to ask if he can be able to give us an update so that we know where we are now and what's happening with this program. Thank you.

**Mr JOHN SIMON** – Thank you, Mr Speaker, I also thank the Member for Middle Ramu for his good question and at the same time it is the first question I will answer since becoming the Minister. Thank you, and please ask a lot of questions.

To answer the question for the Member for Middle Ramu, yes, your District is very isolated in terms of roads and transportations of cash crops especially coffee and cocoa out to the market. Actually, some people from your district came to my office and they told me the sad story some time ago.

It takes about six to eight hours to travel from Madang to Ramu River, and then another eight hours by boat or canoe down Ramu River.

Similarly, I travelled to West New Britain over the weekend and I realized that many parts of West New Britain have no road access. Many people can produce coffee and cocoa but the roads are not reaching them. So, before I answer the question, I also appeal to the Minister for Works we talk about connecting PNG lets also connect those places which are truly producing cash crops and bring them out. They are struggling and since agriculture is one of the priorities of this government, we must do this.

There are many similar places facing these same challenges. We talk a lot about different commodities like coffee and even cocoa to meet certain target to improve production but the people are giving up because there is no road connection. We need to look at these areas, while we are connecting many roads in Port Moresby and other places. Let's connect the people where there are real farmers producing cash crops but having difficulties in accessing the markets due to no roads.

I will answer the question, this is my first question, allow me to answer it properly.

In relation to the Honorable Member's question on freight subsidy, in the 2020 Budget I checked but there is no allocation for freight subsidy. But, I had conversation with Minister for National Planning and have discussed with him if there is a supplementary budget, they must consider freight subsidy.

Because, this is the program which assisted our farmers in the past before 2020 Budget. In 2019 and 2018, there was a freight subsidy that was parked with each commodity like with cocoa and coffee. That is why they were able to bring out the cash crop to the market because of subsidized freight.

But in 2020 Budget, there was no money allocated with respective commodity boards to support and assist the farmers.

But CIC is there to assist, I have discussed with the CIC management and we will look into the plight of your district and many other districts. We will try our best to assist as much as we can. I have already started my communication with Minister for National Planning on how we can help those districts and other areas as well to support and assist them in bringing out the cash crops to market

Thank you.

**Mr ELIAS KAPAVORE** – Thank you, Mr Speaker. My question is directed to the Minister for Works, and I ask the Ministers for Transport and Planning to take note please.

04/05

### **South Coast Economic Corridor**

The Minister when responding to questions last week, made mention of the Connect PNG road network program and I commend the current Government for this important initiative. Among the Connect PNG Road Network Program, he mentioned about the New Britain Highway as one of the important roads that will be part of this arrangement. When discussing this highway, there are two routes. This has to be made clear, the first route begins from Kokopo Secondary School channeling through Gazelle District and connects four wards of central inland Pomio to north and Talasea Open electorate in the West New Britain Province.

The second route begins from Simpson Harbor in Rabaul District through Kokopo Secondary in Kokopo District, Waragoi, Sinivit LLG in Pomio district and connects the five LLGs of Pomio District towards the Kandrian-Gloucester District and the Amio road in Kimbe, West New Britain. That is also considered as the south coast economic corridor under the PNG Development Static Plan 2010-2030. This is an important corridor. And it is also a disaster-prone area, that is between Kokopo and Rabaul. Almost 96 per cent of people along this area are producing cash crops and there is also logging taking place. And these are to be supported.

My questions are as follows;

1) Can the Minister give an undertaking when considering the Connect PNG Program this particular corridor will be prioritized?

2) Can the Department of Works use some of the funds currently made available now in the 2020 Budget for the Kokopo to Pomio Road. And if some of the funds can be made available for the full feasibility of this particular road. So that we can come up with a full design and scope, that includes about 30 bridges along this area.?

This year marks almost 10 years since the implementation of the PNG Development Strategic Plan.

3) Is the Department doing analysis on the implementation and performance of the 10 economic corridors that were specified in the PNG DSP 2013?

**Mr MICHAEL NALI** – I want to thank the Member of Pomio for his important questions. These questions have been asked by most of our leaders. This morning I was in the company of the Governor for West New Britain and we were discussing the same issue.

These roads are very important and the department is aware that there is a policy already approved and is in place. And we will look at the importance of the road, in accordance with the population and economic factors such as agriculture, forestry, before consideration can be made. We will also speak with the concerned leaders, whose electorates will be affected before we can proceed further. We may also realign those roads because we must build these roads to where our people are. We are not going to build roads for the sake of building roads. I wish to have an audience with the Member, either this afternoon or tomorrow morning so we can discuss this together with my Department Secretary. This invitation is also to the Governors of East and West New Britain, if you are able come for breakfast tomorrow at 8 O'clock at *Airways* or another venue to discuss.

There is no time to waste, we need to discuss because when it comes to planning we might have some disagreements once the projects start. I hope to meet with you at 8a.m. tomorrow.

05/05

#### **Geo-Thermal Power Development Policy for PNG**

**Dr ALLAN MARAT** – Mr Speaker, my questions are directed to the Minister for Mining and I ask that the Minister for State Owned Enterprises take note.

Rabaul has enough geo-thermal resources to warrant the establishment of a geo-thermal power station that will supply the whole of East New Britain Province. Unfortunately our effort to bring in foreign investors was faltered by the fact that Papua New Guinea does not have a geo-thermal resources development policy. And I understand, Mr Speaker, that some two or three years ago, the New Zealand Government agreed to fund the drawing up of a geo-thermal power development policy for Papua New Guinea.

I am reliably informed that this policy is in draft form but I don't know why it hasn't seen the Floor of Parliament.

(1) When will this policy-the geo-thermal resource development policy be tabled in Parliament, to be tabled? Of course, it has to go first to the NEC but I believe an act will come with the policy, so when will that be?

(2) Can the Minister for Mining give us an estimate as to when the geo-thermal power bill will be presented to this Parliament?

Thank you.



**Mr JOHNSON TUKE** – Thank you, Mr Speaker. Thank you for the good question from the Member for Rabaul.

Mr Speaker, in 2016, the New Zealand Government funded this. It is a new policy that will be established in Papua New Guinea.

We have done it already. The draft is ready. I want to incorporate this in the new Mining Act but I have seen the necessity of this so in the August Meeting I will bring it in. It is ready.

#### **Village Court Officials**

**Mr ROBERT NAGURI** – Thank you Mr Speaker, my question goes to the Minister for Justice and Attorney-General who is also the Deputy Prime Minister.

Mr Speaker, in the August Meeting of Parliament in 2019, I asked this question on behalf of our village court magistrates, peace officers, village court clerks and land mediators.

Mr Speaker, the Minister assured me that as soon as I provide the list of candidates from my district who are not on the department's payroll, they will be taken care of.

Mr Speaker, to date my hardworking village court magistrates, peace officers, clerks and land mediators are still without pay. And I know this is the same in the other districts as well.

Can the Minister responsible please give us some information on what is happening in this regard?

**Mr DAVIES STEVEN** – Thank you, Mr Speaker and I thank the honourable Member for Bogia, my good friend for returning our attention to this very important part of our justice system.

The system that is closest to our people, the system that is on the frontline and always responds to the dispute resolution needs in our communities.

When I gave the assurance to the honourable Member Mr Speaker, I was concerned about the officials from Bogia because of the leader's interest and concern but I want to take the opportunity to –

**06/05**

And I want to take the opportunity on behalf of the Government to acknowledge 18,480 village court officials; that is magistrates, peace officers, recorders throughout the country who are servicing our people through the village court system. It is important to note that the village

court system is as old as our country, it was established in 1975 and since then initially it has been the responsibility of the National Government to manage the system for us.

But due to policy changes, especially the 1995 policy shift under the *Organic Law on Provincial and Local Level Governments*, which decentralized some of the important functions of the village courts to our provinces in the subnational level. And the problems began to surface mainly as to how we administer, resource and support them. But I want to fast forward to answer the Leader's question. And also assure the House that there will be a Ministerial statement made to address the issues that the village court system presents to us and how we intend to resolve them. So, that the Member is assured; we know that right now as a result of good work that has been done in my department and the provinces, we now know that out of the 18,480, Madang Province has 93 village courts established and formally gazetted. We also know that there are 1, 023 village court officials in Madang province. Of these, Bogia has 18 village courts recorded and a total of 198 officials.

Mr Speaker, at the time when I had discussions with the Honourable Leader, I did highlight that over the last ten years since NEC decided to do something about bringing back this important work to the Justice Department from the provinces, we were able to set out the data base and begin to work towards enlisting properly each village court official in the country. But in that process, we found out that there has been a budget shortfall for the last ten years. Every year there has not been sufficient funding to deal with the issue of outstanding village court officials' payments.

There was also the issue of not all eleven officials. In a village court there are eleven officials that ought to be on the government's payroll and we discovered that not all of them were on the payroll. As of 2019, a total of K54 million was outstanding and payable which we were able to determine. And the good news is that in the 2019-2020 Budget, this Government made a commitment to deal with outstanding arrears, including salaries that were payable to the officials. A total of K10 million has been allocated and that is still not enough, but we intend to approach this is through a phased payment of the debts and arrears that are outstanding. Of the K10 million we are able to deal with the first phase which is the payment of these officers per village court throughout the country.

Mr Speaker, I will be asking the Member for Bogia to have an audience with me and identify which of the officials, especially the Peace Officers, we can be able to target. Our approach will be that in the next two years with the commitment from Treasury we will be able to reduce or deal with paying off outstanding payments.

07/05

This is over and above those officials that we are now able, through our processes to recognise and put on the payroll. Thank you, Mr Speaker.

**Mr WALTER SCHNAUBELT** – I wish to direct my questions to the Minister for Defence and the Ministers for Finance and Police to take note.

**Allowances for Soldiers**

Mr Speaker, can the Minister clarify to the Parliament and the people of Papua New Guinea about the allowances received by our soldiers when they are on operations guarding our borders? There is hearsay that there are different rates of payments for operations done by Police personnel compared to Defence personnel. Police personnel are paid almost K95 per day while Defence personnel are paid around K45 per day.

**Differing Pay Rates**

Mr Speaker, can the good Minister inform Parliament how these rates are calculated? These is to avoid people abandoning their posts and not performing their duties and responsibilities.

**Mr SAKI SOLOMA** – I thank the Member for his questions.

It is the duty and responsibility of our soldiers to guard our borders. Their normal operational allowance is K45.00 per day but when there are State of Emergencies rates are different. I cannot comment regarding the Police Force so I will leave it to the Minister for Police to do that.

**Mr Walter Schnaubelt** – Point of Order! Does that allowance of K45 cover food and accommodation?

**Mr SPEAKER** – Honourable Member, is that a point of order or a supplementary question?

**Mr Walter Schnaubelt** – It is a point of order because I did not get the break-up of the K45.00.

**Mr SAKI SOLOMA** – They are on their normal fortnightly salaries. They have their arrangements for accommodation so that K45 is for their food. However, if the Member can give me some time then I will see my department for a detailed explanation with regard to his questions.

#### **Ban On Round Log Exports**

**Mr GARRY JUFFA** – My questions are directed to the Minister for Forest. I would like the Prime Minister and the Ministers for Environment, Agriculture and the Lands and Physical Planning to take note.

Mr Speaker, my first question is in relation to an undertaking made in 2018 by the former Prime Minister, Honourable Peter O'Neill that all round log exports would cease this year. I am curious as to your department's position in this regards?

Secondly, we have all heard about the SABL Report which caused the tax payers of this country K15 million and todate has not progressed beyond having tabled here.

**08/05**

I think possibly in the same year but I may be corrected. What is your Ministry doing in regards to this report and the recommendation that it made?

Finally, the 10<sup>th</sup> of February I held the meeting with yourself and your managing director in your office to discuss forestry issues in my province, particularly in relation to two current projects which I believed illegal and I said so and stated so and provided the information accordingly.

And two projects which we have ended or stop because again the process was second vented. Processes involving all those ministries that I just mentioned with the exception of the Prime Minister's Office.

Mr Minister, to date I have not received the response from your managing director in regards to these projects and the promise that he made that he would inform us and that his officers would fly to Oro to inspect work with us. None of that has eventuated. He has not responded to any of our emails or any of our letters. No way to treat the people of my province in regards to their concern.

Mr Minister, I am particularly concern that in the areas of Musa and Collinwood Bay there are barges arriving their when we have not yet resolved this issue. The landowners from that area are anxious because of previous activities which have polluted their waterways, caused destruction to the river systems and trespassing on their traditional lands.

I visited these areas and made an undertaking that we would resolve these issues and nothing has happened since then. Mr Minister, what are you going to do about these?

Finally, my question is in relation to an undertaking made by the Prime Minister, which I welcome, that forestry resources would be a business that must go to Papua New Guineans its' not rocket science.

In my province we have a business arm that is ready to be engaged in this activity. We best know whom our landowners are and what territories they own, what resource come under them, what areas we should not log and destroyed, how to manage a forest in such a way that it is sustainable development and not just rampant clear cutting of anything and everything as seem to be the case.

So, will your ministry be progressing this vision of our Prime Minister?

Thank you very much.

**Mr SOLAN MIRISIM** – Thank you, Mr Speaker, and thank you Governor for the good question pertaining to logging in Oro.

And also, one year lapsed and this is the first question I received and will answer the question of Oro Governor.

When this government of Marape/Steven government came in 2019, it supported the O'Neill/Abel Government decision from 2018 to stop round-log export in 2020. However, between 2018 and 2020, no laws have been amended between the industry and government to prepare for the exports to stop in 2020.

**09/05**

In 2019, the Prime Minister under this government also strongly reiterated that there should be a stop on round-logging but that has not taken effect, so we are now in discussion that work should continue until 2025. This is due to the fact that we need to put up a downstream processing as well as other amendments to relating to the ground lock and other policies. We hope to do these before anything else so as to ensure the industry operates without many hurdles, and after 2025 round logging can stop.

**Mr Gary Juffa** – Point of Order! It is good to know that the Minister wants to make the industry happy. Can he make an undertaking that the landowners are made happy as well?

**Mr SOLAN MIRISIM** -Thank you, maybe you just let me continue then maybe I will get to answer your queries. We are now in discussion over round-logging and once the government says they are going to give licenses to landowners, then I will advise accordingly. If we see that the given time frame is short and what we are embarking on is unworkable, we will come up with some laws. In the meantime, there won't be any round logging in 2020. But we are putting our documents through to the NEC so that we are able to just do 30 per cent per year until 2025, by then we are hopeful to achieve 50 per cent downstream processing and log exports.

We also need to consider revenue that come into the country. We have the sawn timber export and round log export, so we need to consider revenue streams that come into the country. The forestry sector is just one sector that brings more revenue into this country. And in relation to your question on the SABL reports; I am not fully aware on this so I will pick up the reports from the Managing Director for Forestry and see where it is at; from when the reports were done to where they are now. I will check with the Managing Director on this issue tomorrow.

In regards to the third question, following the discussion that eventuated between you and I and my managing director on February 10, 2020. I wanted to visit Oro myself because this is not the first time this question has been raised by the leader. I wanted to go and see for myself but due to the Covid-19 restrictions we were unable to do so, that is why you never got any response from us. After this Parliament Meeting we will make time to visit Oro and discuss further there.

And in relation to question four, I want to say that projects go to the province due to the participation of landowners, provincial governments, in most cases it is the landowners that take the lead. For the provincial government to be involved is what we need to discuss. How do we get involved and assist our people? We need to make some amendments to include provincial and local level governments.

**10/05**

I also have to bring in some amendments to Parliament so that provincial and districts governments can be able to participate in forest projects. That is why this government is adamant that the provincial and district governments should be partners and we cannot do that without making the amendments.

**Mr Allan Bird** – Point of Order! I just want correction in *Hansard* that Papua New Guinea has three levels of governments; national government, provincial governments, and local level governments. The *Constitution* does not recognise district governments so can we make that clear in *Hansard* records.

**Mr SOLAN MIRISIM** – Through Forestry in the LEDL they are going to the DDAs which are the districts, the LEDLs cannot go to the provincial authorities. That's why I said some amendments need to be made to include provincial governments so you can get the benefits of forests too. Currently this is absent.

**Mr Joseph Lelang** – Point of Order! Mr Speaker, just a correction to the Minister. Under the Logging Marketing Agreements some of us in the districts in West New Britain pay K10.00 per cubic metre to the provincial governments so they also benefit from the current arrangements.

Thank you.

**Mr SOLAN MIRISIM** – Those 10 per cent and other infrastructure grants are called BTB funds. These funds belong to the landowners but provincial governments are managing them with the provincial administrator as chairman while landowner groups have representatives on the boards.

**Mr Garry Juffa** – Point of Order! Now is a good time to settle these differences. Who has a problem? Do you have a problem?

Thank you for your responses. With due respect many provinces are not recipients of those levies. I can tell you that in my province we have not received a single toea from the levies I have mentioned. I don't know where they go to. They do not come to us. I just want to correct that.

You must go back and audit your ministry. And the way your MD operates, if he was in the private sector he would have been terminated a long time ago. Acknowledgement letter is very important. If someone writes to you, your client, you must acknowledge it. You must explain why you would not respond. But to remain silent, as a Managing Director or CEO of an organisation, it is unacceptable.

**Mr SOLAN MIRISIM** – Thank you, Governor. The issues of BTB Account and money going to provincial governments, all the provinces who have logging in your provinces should get it. There is no excuse. But, since you have told me this I will check it out and bring a report tomorrow.

But I want to inform the House that the logging sector is one sector that brings in changes to the very remote and isolated people. Where the government is unable to bring in roads, the forest industry does so. They also help to bring in schools and health services.

So when the logging companies wish to come in, we as leaders must participate and assist them so that we can let investors come in, invest and make good deals where they can provide services to the people too.

When provincial governments cannot build roads, you can enter into agreements with those developer so that you can get the roads and maintain them for the people to use. The people can use those to access markets for their produce.

Also, reforestation, there are many agreements for them to plant trees but this is also not happening.

**11/05**

They got it to plant the trees but it's not happening so it's the responsibility of the governors and the districts to discuss with the investors. If they cannot help you then come to the office and we talk and you can inform the people to plant trees. These are some of the ways which you can bring services back to the people. When investors or developers approach you then you must liaise with them to bring services back to our people.

### **Supplementary Question**

#### **Logging under guise of Agriculture**

**Mr JOHNSON WAPUNAI** – Thank you, Mr Speaker.

My Supplementary Question is in relation to questions raised by the Governor of Oro. We understand that a lot of work has been done by forestry in the country in the name of agriculture.

Minister, you and I are aware that there is a lot of forestry work but no agriculture work has been done as yet.

Most portion of our land are being used up and damaged, a lot of logging companies chase after big trees such as kwila. Even during logging, they don't construct the roads



according to the plan done by the Department of Works and Implementation instead they construct roads according to their own plan. They seem to chase after the trees for instance; where there are large trees, there is a road and if there is no trees than they ignore that area. They have self-interest when it comes to development and that's one major issue that I want you to answer accordingly.

Most of these operators obtained their licences somewhere and to our surprise, they were even issued an extension of these licences.

(1) How did they get this licences without our notice?

But here you are telling us that the provincial government and the district must consider them as well. Well initially when they started this work they didn't consult us at the district and provincial level too.

The provincial committees have worked and lived their entire life in the provincial capital and have never visited the districts to see the project areas. They just prepare the documents and sign, stating that all the landowners have agreed on it. But, let me clarify here that it did happened in my district. I am a landowner myself and don't know what is really happening with regards to the new extension granted.

(2) Can the Minister clarify how the licence extensions were granted?

The other issue is on log export development levy (LEDL) funds and the policy governing it.

(3) Who is entitled to receive these funds?

From my observation the last K10 million was been distributed to everybody, so which policy gives them the approval to distribute it to everybody.

**Mr SOLAN MIRISIM** – Thankyou Mr Speaker for the Supplementary Question. There are specific permits which warrant a number of processes and forms which you have to fill it out; some 22, 35 and 32 processes. There are lots of processes which the investors apply on in agriculture, reforestation, FMA and construction of roads as well.

When they are granted their licences, the lease comes in the name of agriculture but they don't perform the agriculture work; they won't plant cocoa, vanilla, oil palm but few do plant oil palm. This sort of approach has been practiced for some time.

Checks are done every five years, and if they are found to be noncompliant to their lease agreement then they forfeit their licences.

Since the Marape-Steven Government took over, they implemented some strict rules in downstream processing and stopped round log exporting and other major policies to strengthen the process of agriculture.

Therefore, if you want to plant cocoa than stick to planting of cocoa and I am working on it.

**12/05**

If you want to farm cocoa then it must be cocoa so this is what I am working on as I have stated earlier.

With regard to your second question, it is the forest officers in the province that make recommendations and we give approval based on their advice. We do not give approvals unless all the paper work are in order.

**Mr Johnson Wapunai** – Point of Order! I thank the Minister for his explanation. I am always in the electorate but my people and I are not aware of your officers visiting our area.

**Mr SOLAN MIRISIM** – You are stating that landowners are not being consulted so I will go back to the Department and speak with them.

With regard to the LEDL, we have a lot of electorates and the money allocated is not enough. Even with the K10 million that we get, there will always be someone who will miss out. If the allocation was about K20 to K30 million then it would be sufficient for everybody. The Covid-19 pandemic has also added more pressure on our financial resources.

Mr Speaker, I want to make it clear in Parliament that if your district has logging projects but you are not receiving money from it then I am sorry but you will get it later when funds come in. This is only for the districts and not for the provinces. I intend to bring an amendment to cater for provinces before our governors' start complaining about the LEDL. Thank you.

**Mr PETER O'NEILL** – I wish to direct my questions to the Treasurer regarding his statement last Friday on the response to Covid-19.

Mr Speaker, he wanted to show us a way forward to the economic recovery but I think he has fallen short. I will ask him some simple questions to clarify to the Parliament and the people of Papua New Guinea. Where are we heading to as an economy?

Mr Speaker, in his speech, he said that our revenue estimates will go down K2.2 billion. His advisors from the IMF, World Bank, ADB and many others have estimated that our revenue will go down by 3.8 per cent negative growth in 2020. There is also talk that the growth for 2019 has gone from 1 to 2 per cent.

We have observed that over the last 12 to 13 months, our economy has dropped by 5 to 6 per cent. What plans does the Treasurer have to fix and help stimulate our economy? I think a lot of business houses both big and small in the country have laid-off employees who are Papua New Guinean citizens. This means no salaries for Papua New Guineans; therefore, no food on the table for our people.

13/05

If you don't have a way to grow the economic revenue for PNG, you suggested a budget cut on expenditures in 2020. Can the Minister give us an explanation of which cut he is going to make?

(2) Which non-priorities areas will the Minister cut to save these K2.2 billion to balance your budget.

The Minister said the debt levels in 2020 Budget you would get close to K850 million by domestic financing but over the few months, Mr Speaker, the Mr Treasurer, when out with Central Bank asking the Super Funds and the Banks to buy many bonds which he talked about.

Its' close to K2 billion you have surpassed the limit of K850 million which this Parliament approves.

(3) When will the Treasurer come back to Parliament to get approval of the borrowing?

(4) And also, as the Member for Alotau has said when will you put the final outcomes of the accounts for 2019?

You said you do not trust the figures from Treasury officials.

We want to know, which figure do you trust is it the consultants, the advisors from the World Bank and IMF or Treasury Officials and Bank of Papua New Guinea who are authorized to do this work.

(5) Can you give this House a guarantee that you will not break the *Fiscal Responsibility Act* you have adjusted?

You said that we won't borrow money and you adjust from thirty per cent to almost over forty per cent.

**Mr James Marape** – Point of Order! Mr Speaker, the adjustment that Member for Ialibu-Pangia is referring to is incorrect. The Treasury didn't adjust from 30 per cent to 40 per cent I think his memory has failed him.

He was the one who adjusted from 30 per cent to 35 per cent and he breached it in his time as Prime Minister, under his watch. He completely breached beyond 35 per cent we had to make this adjustment. We borrowed all the numbers on the table and our amendment raised from 35 per cent to 45 per cent.

The Member for Ialibu-Pangia needs to get his facts correct for public importance and debates that the Treasurer didn't get from 30 per cent to 40 per cent.

**Mr PETER O'NEILL** - Thankyou, and I am happy with the correction the Prime Minister has given. He was my Finance Minister for a long time so he is the author of these figures. He himself knows where he went wrong or right.

So, I will not prolong this debate so we leave it at that and I agree with his figure of over 45 per cent.

I asked this question because the Treasurer has gone all over the world asking for more borrowing to ensure the financing of the 2019 Supplementary Budget and 2020 with K7 billion plus, you have to tell the country that you won't breached this law. This we will happy for you.

(6) I want to congratulate you that the Treasurer who borrowed from IMF with a zero per cent interest rate you are a fine man. But I want to know and nation wants to know, what condition are associated with this loan.

We know the structural adjustment program IFM bring to each country and IMF have no proud record for recues of economy of one country in this world. So please tell Parliament what type of condition associate with this loan.

Otherwise, they have tightened the position of this country and you are unknowingly happy for the sake of the zero-interest rate. You have to tell this Parliament.

**14/05**

(3) Can the Treasurer reassure this House that his officials and advisors will not push for a devaluation of our currency which will bring hardship to our people because the prices of goods and services will increase?

Many people were laid off and they are not employed now. Please reassure this House that this Government will not devalue the currency of our country.

For the small business, you said their GST tax will be 2 percent.

(4) Can you confirm it again? Is this in addition to the 10 per cent or 2 percent alone, waiving the profit tax you mentioned? You said 2 per cent GST to all our small businesses and that's a welcoming initiative, but can you confirm the 2 per cent one only so that we can relieve our unemployed citizens and the other economic issues we are facing.

I would also like to know the plans the Treasurer may have to lift employment in the country for those who were laid off from work due to the shut-down of projects and business during the Covid-19 period?

(5) What is the initiative that this Government is going to give our country for relief?

I saw many reliefs promises in the Covid-19 Report and want an audit of it but it's ok, it's a different case. So, what is your plan and what are the programs that you are putting in place for our citizens?

Thank you, Mr Speaker.

**Mr IAN LING STUCKEY** – Thank you, Mr Speaker. I want to thank the former Prime Minister for his very long-winded series of questions. I think the expectation is that this Government and this Treasury will resolve all these issues in our first 12 months in office.

Mr Speaker, I think I noted down about the 10 questions. I'll try and answer some if not most. But, the ones that I can't, I might ask the former Prime Minister to shoot me some formal queries and I'll respond to those, especially as to what plans this government has to lift the employment rate. That's a broad question and requires a detailed response but as he led to in his question, may be that's for another time.

Mr Speaker, firstly, I want to correct the former Prime Minister on some of the numbers he mentioned here in the House this morning. In relation to the loss of revenues as a result of this pandemic, the number is K2.222 billion in revenue or K2, 222 million and that is sort of right, but the one I gave is correct.

In relation to a negative growth of 3.8 per cent, can I just correct the former Prime Minister that at no time did I mentioned that, there would be a negative growth as a result of this Covid-19.

Mr Speaker, in fact, during the economic modelling by the IMF in conjunction with the Bank of Papua New Guinea and of course monitored by the Australian Treasury and agencies such as NRI, they provided two scenarios. And we need to be very clear and understand them that there were two scenarios when completing the economic modelling. The first is called "Contained scenario" defined by no PNG cases but exports to do for due less global demand

for resources and defined as imports dropping that will lead to reductions especially in transport and retail activities.

The second scenario called “Uncontained scenario” is defined where we have cases in PNG with severity determined by the infection rate that prevent ...

15/05

You find cases in PNG where we have severity determined by the infection rates that prevents workers from now returning to work. So, let us come back to the contained scenario where I believe we find out for ourselves at this point in time in Papua New Guinea. And the economic model breaks that up again into another three options. The first one is mild, the second is medium and the third one is severe. I believe in Papua New Guinea we fall in the category of medium option, I believe that is the case because the definition of that is we have four months of slowness, that is starting from February and including May.

Mr Speaker, coming back to the point on negative growth projections; in that scenario, the IMF modelling clearly states that real GDP growth will reduce to three times the amount the former Prime Minister alluded to. It is not 3.8 per cent but negative -9.1 per cent. And that is down from two per cent that we have projected in our budget.

I will now go onto his query on whether I can guarantee that our debt control laws; the *Fiscal responsibility Act* will not be breached. I believe at this point based on the information before me and the economic circumstances that we face in our country, I would be happy to give that assurance and guarantee.

Unlike of course the government of the former Prime Minister that has breached that law already. And I'm quite confident in giving that guarantee, simply because as a result of that very detailed economic modelling within the contained scenario medium option, the effect on our debt control laws or debt to GDP numbers, we will drop from currently and newly assessed number of 40.8 per cent and up to 43.5 per cent. That is below the 45 per cent that is allowed by the *Fiscal Responsibility Act*.

And just for the information of the former Prime Minister and I understand that he is also an accountant and very good with numbers that 43.5 per cent was calculated by the IMF using their calculations of our total sovereign loans at this point sitting at K36.2 billion and using our total GDP, now estimated at K83.2 billion. Divide those two figures and we come with 43.5 per cent.

Mr Speaker, thank you, this is to clarify and correct the former Prime Minister on some numbers. And now moving to his question on budget cuts; where do we intend to cut the budget

to save the K2.2 billion. During a very detailed submission to the NEC, Treasury had recommended to the Cabinet that, with Budget savings which I had announced last week about K715 billion so far, that is where we are tracking, we would look first at our operating budget. And for those that are following this year's budget; in our expenditure plan of K18.7 billion, our operating budget currently sits at K10.29 billion.

**16/05**

It is very important that we explain this, Mr Speaker. That's made up of personnel emoluments at K5.6 billion and goods and services at K4.67 billion.

So, if we are looking for budget cuts then the first priority, as endorsed by NEC, is that we have asked CACC to look at reductions or reallocations within the operating budget or the goods and services budget of K4.67 billion. If we couldn't find savings there or we find that some of those cuts may affect the efficiency and the operations of departments then we've asked CACC to look at personnel emoluments and see whether we can have further reductions in that area and to then report back to NEC. If that became too tight and we are still looking for further cuts then the final area in which we have advised CCC is to look at our PIP which of course this government and the Cabinet is very, very reluctant to reduce but if a push becomes a shove we will look at that. So, that's where we intend to make some budget cuts.

In relation to his question on the tabling of the FBO, the Final Budget Outcome, we'll be tabling that tomorrow.

In relation to his fifth question, which numbers will I trust, those of my department, those from the IMF, those from the Bank of Papua New Guinea or those from the Australian Treasury, Mr Speaker, I think I have answered that and I am happy to answer it again.

The numbers that this government, or for that matter, any government should accept are the correct and accurate number. Now, Mr Speaker, I thought we have resolved this issue but it looks like we are going to have to visit it again.

Mr Speaker, the background to that query, it is quite important and I want to remind this House, where exactly is the starting point and where exactly were the issues as to the allegations of a fake budget? For the knowledge and information of Members of Parliament, Mr Speaker, when the Marape-Steven government took office about a year ago, the numbers of the previous government that is, the numbers of the O'Neil-Abel government in relation to deficits, that all important number. The former government had budgeted K1.867 billion to which myself and a group within the Opposition had claimed that it was a fake deficit number.

The question then was, who was correct?

Then we came into office. The MYEFO was tabled and the deficit then had increased to K2.373 billion, Mr Speaker. So that number changed again. Then when the new government came into office we conducted the now well-publicised due diligence exercise and in that exercise, Mr Speaker, we recruited and we requested the participation of a number of independent economists, including those from abroad that we felt could be independent or be deemed as independent and the due diligence exercise unearthed and finally addressed the fake budget allegations with the deficit number being announced at K4586 million, something like a three hundred percent anomaly in our deficit numbers.

**17/05**

At that point in time you all had a raging argument as to who was correct; the new government or old government. So we agreed we needed to have an umpire. We all agreed for the IMF and so when the IMF came in and completed their due diligence they ended up with a deficit of K4630 billion.

So clearly, the allegations that have been put forward of a fake budget were verified and finally resolved by the IMF.

So using this as the starting point, which numbers would Treasury use were clearly the correct and accurate numbers that have been resolved by the umpire that both sides have agreed to.

Mr Speaker, I am going through this list of long-winded questions and I have answered number six and number seven on what conditions the IMF placed on this particular loan; I am now waiting for the Prime Minister to announce but it's an open secret that if complied with all of their requirements and will be successfully drawn down. But on what other conditions are there, I have made myself clear on the conditions already. It's a ten-year loan and that's condition number one. Secondly, there is a five-year repayment holiday and the interest rate is zero.

There are no other conditions placed on this Government, and I want to assure Members of this House and I want us not to be confused with this program which this Government entered into together with this loan product.

Mr Speaker, in relation to his eighth question, on the devaluation of our kina; I think the former Prime Minister and former Treasurer would be acutely aware when we talk about the value of our currency especially in relation to policy matters. It's something that we try not to speak openly because it can be deemed irresponsible if we are talking about whether the



Government will or will not consider the devaluation of our kina. We are sending a signal out there to the private sector, to our businesses, that Government might be tampering with it.

For instance, if I am an investor and hearing the government talking about the devaluation then I won't be sending my money back into the country and thereby affecting direct foreign investment, which former Prime Minister was so well renowned for promoting as well as the Marape-Steven Government.

So it's something that we really like to discuss openly and I would like to extend an invitation to the former Prime Minister, if he would like to meet me at Treasury on a Thursday at lunch time, and two of us can sit down. I am more than happy to discuss some of the discussions that we had to date so that we both can develop an understanding like we used to do back in the good old days in the 1990s, under Prime Minister Bill Skate.

In relation to the GST, I wasn't clear on that particular query but I am willing to answer if the former Prime Minister could put that in writing to me and I can respond to him.

**18/05**

**AUDITOR-GENERAL OF PAPUA NEW GUINEA – AUDIT OF THE GAZELLE RESTORATION AUTHORITY 2015 – MOTION TO TAKE NOTE OF PAPER.**

**Mr SPEAKER** – I present the following paper pursuant to statute on the Report of the Auditor-General of Papua New Guinea on the Audit of Gazelle Restoration Authority for the year ended 31 December, 2015.

Motion (by **Mr John Pundari**) agreed to –

That the Parliament take note of the paper and the Report be referred to the Permanent Parliamentary Committee on Public Accounts.

**NATIONAL YOUTH DEVELOPMENT AUTHORITY – 2019 ANNUAL MANAGEMENT REPORT – PAPER AND STATEMENT – MOTION TO TAKE NOTE OF PAPER.**

**Mr WAKE GOI** (Jimi- Minister for Community Development, Youth & Religion) – Pursuant to statute, I present the Annual Management Report on the National Youth Development Authority for the year 2019 and Annual Operation Plan 2020.

I ask leave of Parliament to make a statement in connection with the Report.

Leave granted.

Mr Speaker, firstly let me acknowledge and thank you Honourable Speaker for this opportunity to table this report on behalf of my ministry. I also thank the Prime Minister for appointing me as minister responsible for youths, and applaud the Marape -Steven Government for its endorsement of the reviewed National Youth Policy 2020 -2030.

Once again thank you for this privilege to present to this Honourable House one of my ministry agency, the National Youth Development Authority's 2019 Annual Management Report.

Mr Speaker, the reviewed National Youth Policy 2020 - 2030 sets the foundation to coordinate all youth program interventions in various sectors. It also defines youth as young people between the ages of 12 - 30 years old.

In this Term of Parliament, we see the growing demand for youths, particularly the rural youth population, to be engaged in nation building. Existing systems/structures seem inadequate to cater for youths' needs at large so there is some degree of imbalance in youth service. The onus is on all of us as leaders to create viable opportunities for youths to be engaged in self-empowerment activities.

Youths are the most active mobile work-force that we have readily available in all districts. The policy spells out how we can harness the youth potential in the development arena. There must be an overarching framework that sets the focus for youth programs to prosper so the revised policy serves it all.

Mr Speaker, today, most problems in our societies are caused by unemployed youths. It is a challenge trying to manage the youth population as their frequency of migration is unpredictable. We have to build some solid foundations to manage the issues affecting youths today in order to secure a better tomorrow. It is the duty of all layers of government to take cue from the National Youth Policy or plans and translate them in their locality. By doing so, we will address youth issues in a structured manner and will yield positive results.

Mr Speaker, when Marape-Steven government appointed me as minister responsible, I inherited some legacy issues but have worked towards forging stability and productivity in the organisation.

19/05

Considerable progress was recorded in the last 12 months.

The notable ones are;

Established NYDA board (currently at PSC for vetting); Completed corporate plan 2020 - 2025 (previously nil)

Revised policy approved by NEC. Strengthened youth network (10 District Youth Councils, and 38 LLG Youth Councils, - Popondetta Urban, Kira and Afore, Hoskins LLG, Mosa LLG, Kimbe LLG, Talasea-Bakovi LLG, Bali-Vitu LLG, Central Nakanai LLG, and East Nakanai LLG, West Ferguson LLG, Dobu LLG, and Duau LLG, Ialibu Basin LLG, Imbongu Proper LLG, and Lower Mendi LLG, Kairuku - Hiri District has Bereina LLG, Kuni LLG, and Mekeo LLG. Youth group registration nationwide. Series of youth leadership trainings in districts. Consolidate partnership with private & donor partners. These achievements are deemed as the basic foundations to translate youth program in the districts. On this note, let me also inform that invitation is open to all districts.

Mr Speaker, youth related issues happen in all areas of development. The government alone cannot bring the desired solution. We need a collaborated approach to really address youth issues to its core. In this context, the efforts of donor partners & private sector stakeholders have been valuable. Going forward, my ministry will forge a meaningful partnership with all stakeholders and coordinate sustainable youth programs in all sectors. For example, youth cadetship programs in forestry, fisheries, agriculture and mining, will be revisited. We aspire to see new mega projects on the horizon to feature youths prominently from the construction phase to production, such will address youth unemployment in our country at a large scale.

Mr Speaker, as a way forward; let me inform this Honourable House that my ministry stands ready to partner with districts to deliver protection & empowerment services to the marginalised segment of our population (women, children, youth, disability, Informal Sector). I welcome DDAs to subscribe to various programs my ministry is rolling out. Youth issues will continue to hamper development in all facets therefore I urge my colleague Ministers and MPs to join hands with my ministry to arrest the causes of youth issues.

Mr Speaker, allow me to acknowledge the support of the Australian Government through DFAT, UNFA, City Mission and Hope Worldwide PNG in working closely with NYDA in 2019. DFAT has been supportive to the course of youth network strengthening in provinces so we applaud their efforts.

20/05

With that, it is my humble responsibility to present the 2019 Annual Management Report for the National Youth Development Authority to this Honourable House.

Thank you Mr Deputy Speaker and Honourable Members.

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

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

Debate adjourned.

**TOURISM PROMOTION AUTHORITY – ANNUAL REPORT 2018 –  
PAPER AND STATEMENT – MOTION TO TAKE NOTE OF PAPER**

**Mr EMIL TAMMUR** (Kokopo – Minister for Culture and Tourism) – I present the following paper pursuant to statute:

*‘Tourism Promotion Authority – 2018 Annual Report’*

Mr Deputy Speaker, I ask leave of Parliament to make a statement in connection with the Report.

Leave granted.

Mr Deputy Speaker, I am delighted and saddened at the same time to present to this House the 2018 Tourism Promotion Authority's Annual Report.

Mr Deputy Speaker, I am delighted for two reasons;

Firstly, this is the 15th straight consecutive annual report to Parliament since 2003 and I am pleased to be part of this unbroken record of statutory compliance and reporting to this Honourable House.

Secondly, Mr Deputy Speaker, 2018 was the year we hosted the APEC for the first time and the excitement for tourism was greater than usual because it was an opportunity like never before. We were full of enthusiasm and joy to showcase the country to the World.

But, Mr Deputy Speaker, I am deeply saddened also in having to present a successful report of 2018 at a time in which our country is enduring an unprecedented global health pandemic that has devastated our tourism, hospitality and travel industry beyond any measure of our imagination. Our people who depend on tourism for their livelihood are hurting. It is truly heartbreaking!

Mr Deputy Speaker, I can assure you that our 2020 Annual report won't be as exciting as the one I am presenting now. But I hope it will show the resilience of our people and our country.

Mr Deputy Speaker, I will be presenting a comprehensive statement to the Parliament later this year on the "State of the Tourism Sector" in our country including the current impact of the Covid-19 virus on the tourism and travel industry. Getting back to our 2018 Annual Report, 2018 has been both a successful and challenging year for Tourism Promotion Authority as well as the Tourism and Hospitality Industry. As you know, we hosted the 2018 Asia Pacific Economic Cooperation (APEC) meetings throughout the year and it provided us at TPA a lifetime opportunity to showcase our country's tourist attractions to the visiting APEC delegates.

Mr Deputy Speaker, working through the APEC Authority, government bodies, provincial governments and the tourism industry operators, TPA was able to show the 21 APEC Economies our uniqueness in culture, history and diversity to many of the visitors who had little or no knowledge at all. Mr Speaker, A total of 194,874 international visitors arrived on our shores in 2018. This is an increase of 7 per cent from 2017. Most of these visitors were on business and leisure visits through air travel and cruise ships.

**21/05**

Mr Deputy Speaker, it was very encouraging to see visitors from South America on APEC business defying security restrictions and protocols and travelled to Goroka to experience the Asaro mud-man culture, even buying the mud-man masks to take back to their Country. Russian visitors went about exploring life on the fringes of Port Moresby without due compliance to security procedures just to experience the freedom of our lifestyles and leisure. A Japanese visiting APEC delegate booked into a lodge at Ensisi Valley in Port Moresby and was commuting on foot to and from the meeting venue.

Mr Deputy Speaker, clearly, even the security restrictions and advisories did little to stop visitors from seeking to experience the country. This is a notable point because the demands of our tourist attractions were far stronger than the risks we so much advised. We

took note of this realization and we have been doing our best to ensure proper security advisories and alerts reflect our Country's true security concerns.

Mr Deputy Speaker, TPA benchmarks its performance against the overall performance of the tourism sector. That is to say that the performance of the sector is a measure of TPA's performance.

Mr Deputy Speaker, as an Organization, TPA's achievements in 2018 are in five areas including marketing and promotion, international visitor's arrivals, provincial coordination and product development, policy & planning and corporate services.

Mr Deputy Speaker, Marketing and Promotion of PNG Tourism is a key function of the TPA. In 2018, TPA ventured far and wide both domestically and internationally, marketing and promoting PNG tourism. Different niches tourism products such as culture, trekking, bird watching, diving and history were showcased through targeted markets in Australia, China, Japan and Asia, UK, Europe, and North America. A key feature of the marketing drive was the 'Lukim PNG Expo', which took place in Papua New Guinea in September 2018. This event brought together important industry players in those markets and took them on a familiarisation programme. It was both captivating and foundational for more engagement and visits.

Mr Deputy Speaker, international visitors arrivals are a function of market forces of demand and supply and TPA usually benchmark its efforts against this indicator. As mentioned above, the overall international arrivals by air and cruise ships increased slightly from 181,840 in 2017 to 194,847 in 2018. From a trending perspective, this is a steady growth coming out of the highs and lows of 2016 and 2017 respectively. TPA has a dedicated team of staff that monitors this trend on all arrivals almost on a daily basis.

Active engagement with provincial tourism offices and industry operators was a key feature of TPA's priority activities in 2018. This activity was and is important and necessary because tourism in PNG is expanding to rural areas and involving more people in its (tourism) chain of activities. Playing a coordinating role, TPA was able to bring the workings of its expertise in marketing and promotion to provincial governments and districts as well as local tour operators and event organisers, which brought forth packaging of key attractions and products to levels befitting for tourist tastes and demands.

Mr Deputy Speaker, policy and planning is an integral function of TPA and has responsibilities in implementing tourism policies and plans. Among the many initiatives pursued and implemented in 2018 was the 'cruise shipping development' initiative. Cruise ships arrival has been on the rise since 2017 and especially along non-designated ports,

community participation was evident but needed awareness and training. This was successfully led and supported by TPA in parts of Milne Bay and East New Britain Provinces.

Mr Deputy Speaker, TPA prides itself with a strong corporate services support that enabled it to deliver its priorities in 2018. A key achievement was in ensuring prudent financial management and good governance across all functional areas of TPA.

**22/05**

This is in part reflected in the financial statement located at the back of this report. It is an audited statement of accounts of the Auditor-General. It reflects the true financial position of TPA at the end of 2018 fiscal year.

Mr Speaker, I want to urge everyone in this House to read this report because we have made substantial progress in expanding tourism in our country. The fundamentals are coming into place, including infrastructure, capacity, policy and regulatory issues. We need to keep supporting the tourism sector.

Mr Speaker, for now I commend this 2018 Tourism Promotion Authority Annual Report to this Honourable House.

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

That the Parliament take note of the paper.

Debate adjourned.

#### **MOTION BY LEAVE**

**Mr RAINBO PAITA** (Finschaffen – Minister for Finance and Rural Development) –

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 Notice Nos. 186, 187 and 188 of Government Business being called on forthwith.

## **PUBLIC CURATOR (AMENDMENT) BILL 2020**

### **First Reading**

Bill presented by **Mr Davis Steven** and read a first time.

### **Second Reading**

Leave granted to move the second reading forthwith.

**Mr DAVIS STEVEN** (Esa'ala – Minister for Justice and Attorney-General) – I move –

That the Bill be now read a second time.

Mr Speaker and Members of this Honourable House, today I am pleased to introduce the Public Curator (Amendment) Bill 2020. The amendment bill seeks to improve the administration of the Office of the Public Curator, broaden the responsibilities of the Office of the Public Curator, avoid abuse of Office of the Public Curator by individuals, corporations and associations, give maximum protection and establish integrity in the staff and the Office of the Public Curator, provide for clarity, reflect the current and future situations and to avoid any ambiguities, and establish a transparent administrative process and procedures of the Office of the public curator and to introduce the power to make regulations under the Act.

**23/05**

Mr Speaker, the *Public Curator Act 1951*, Chapter 81, establishes the Office of the Public Curator. This legislation has been in operation for the last 69 years. Like any out dated used vehicle, the legislation must be replaced or repaired otherwise it shall fail to serve its purpose and become irrelevant and ultimately become a problem. The *Public Curator Act 1951*,



used vehicle, the legislation must be replaced or repaired otherwise it shall fail to serve its purpose and become irrelevant and ultimately become a problem. The *Public Curator Act* 1951, is one amongst other pre-independent legislations that my department will be bringing to this House under our Governments commitment to review and update the laws of our country going into the future.

Mr Speaker, for benefit of honourable Members and our people in a very simple definition, the Office of the Public Curator is the custodian of assets of deceased person who died without leaving a will. The proposed amendments are needed for the important work of the Office and the reformed work achieved to date coming out as a result of leadership from a dark period or mal-administration and graft but more importantly we have focused on this office because our *Constitution* variously refers to roles of the public trustee or curator for our country. Instead Mr Speaker, the *Constitution* through schedule 1 part 2 defines the public trustee as officer charged with the duty of administering deceased estate or interstate estate; those who die without leaving a will.

The *Constitution* provides clearly that the Ombudsman Commission may place under the control of a public trustee any assets or income of persons convicted of an offence under the Leadership Code.

(3) The Constitution refers to the public trustee under section 26 (1) as a leader covered by the *Leadership Code*.

The legislation as it proposed seeks to provide for the functions, powers and duties of this office and as a result it merely caters for the basic aspects of administering estates of the deceased. However, as we progress as a modern state many of the responsibilities and functions performed by the Public Curator over the years, we have discovered to be deficient. Furthermore, procedures under the Act have become impractical as they rely on interpretation according to broad and ambiguous provisions. Over the years, the Office of the Public Curators has expanded to dealing with all with deceased person's estate including minors trust and investment, disabled person's estates or assets, insane person's estates, insolvent estates, missing person's estates, trust power of attorney and will. These new areas of law are areas of responsibility that need to be captured into modern law.

Mr Speaker, by way of background, in 2013, the Office of the Public Curator was described as being in a chaotic state. Those are the words of the Auditor General, who investigated this particular office and presented a report to this House. In 2005, the Public Accounts Committee enquired into the same office and at paragraph 28, of that particular report.

24/05

I quote “the Committee finds that the Public Curator both past and present have failed to act in the best interest of beneficiaries. It has failed to carry out the duty of a trustee adequately to act in the best interest of beneficiaries at all. They fail to recognise that a problem existed and ought to deal with that adequately or at all and may have well conducted themselves in an unlawful manner.

The Auditor-General’s Report that was place before the Honourable House in 2005 goes on to say that the Auditor-General finds that the Public Curator has no investment advice to ensure return on investment of State monies belonging to the deceased that must be handled properly.

With regard to legal qualified staff, there are no internal audit functions and insufficient office management staff including information technology. Contract management and filing staff to ensure that manual and computer systems are installed or even work at all.

Mr Speaker, this is the legacy of years of neglect that we have to deal with today. The good news is that we have made progress since the gloomy days described above. With the support of all the Honourable Members of Parliament, we can pass amendments today to reposition and strengthen this institution for our country going into the future.

Mr Speaker, I want to note another important positive point before turning to describe the amendments. That is on the point of appointment of a deserving qualified officer on merits and nothing else. The current Public Curator has been appointed by the National Executive Council in March 2013. Under the amendments *section 2* of the *Public Curators Act*, which changed the original appointing process, empowered by the regulatory statutory authorities appointment of certain officers in 2004, to make the appointment through Cabinet through the due processes.

Mr Speaker, the Parliament must be commended for making the change to the laws and NEC must be commended for allowing the appointment of the incumbent officer on merits as it turns out the outcomes are now showing in how the office has turned from the worst scenario. In that time 14 officers were terminated and two criminally charged for misappropriation of funds from the deceased assets managed by that office.

Mr Speaker, since 2013, the Public Curators Office has increased its staff strength and established regional offices but more needs to happen to reach minimum efficiency. On average

of 37 running staff and administering the deceased asset throughout the whole country of almost 8 million people is not as easy task.

In comparison to other jurisdictions for instance, in Queensland, the Public Trustee has 300 staff running the affairs of 4 million people. This is to show the hard work and sacrifice of the staff in that office who are now looking to us in this Honourable Parliament to help them to efficiently perform their duties by enacting the changes that are now being proposed.

Mr Speaker, turning now to the amendments sought, there are a number of problems that the current Act either promotes or cannot address adequately without the amendments. Some of these include: (1) The Act limits the decision making powers of the Public Curator and delays processing of the deceased estates and entitlements and distribution to beneficiaries. This creates an avenue where by deceased estates are administered at substantial costs to Office of the Public Curator. These loops holes create an avenue that is prone to abuse and ineffectiveness of the office for service delivery.

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The effectiveness of the office for services delivery;

2) The office of the Public Curator is abused by individuals, co-operations and are associations who are in possession of the deceased person's properties and knowingly fail to discloses such possessions to the Public Curator.

3) The *Act* also does not make reference to the applicable qualified rights in the *constitutions* which are likely to be affected by the operations of any *Act*. It is standard practice for all pieces of legalisation enacted after Independence to make this references as the operation of which will likely regulate qualified rights under our *Constitution*.

The legalisation gives powers to the Public Curator to take possession of a deceased persons house and transfer title to the appropriate beneficiary. This affects freedom from unjust deprivation of property, therefore the *Act* may violet the right to personal property under *section 53* of the *Constitution*.

The old *Act* is based on the traditions and the cultures of the Australians at that time when the legalisation was passed in 1950.

Papua New Guinea has very different cultures and customs as we all know, the diverse cultures and customs that differs from region to region. We have differences in customs on the deceased estate inheritance which are in conflict with introduced laws. The uniqueness and the complexity of deceased estate administration has cause stress to both the Office of Public Curator and the beneficiary.

Further reason is that the *Acts* fails to protect the Officers of the Public Curator from intimidation, threat, and harassment. The Act also fails to protect the office of Public Curator from pursuit of claims to the deceased estate. It prevents the officers from carrying out their functions effectively without fear or favour under circumstances

The officers of the Public Curator are not compelled to perform their roles and duties with accountability and transparency. The office is therefore prone to much abuse and in effectiveness in fulfilling its functions.

The Act also does not allow for the reform of the public curator's regulations old 1952 regulations.

Mr Deputy Speaker, I am please to inform the Honourable House that this Bill has been developed in consultation with a number of stakeholders based on the recommendation of the Public Accounts Committee Report 2006, the Law and Justices Sector Report in 2006, the Delloite Report in 2008 and the Siemans Report in 2008. All these reports noted the needs for reform of the Act which is long overdue.

Mr Speaker and Members of this Honourable House let me reiterate that this Bill will transform and enhance the operation of the Public Curators Office. The key elements of the proposed Bill are all set out there in page six which will read into the Hansard Mr Deputy Speaker.

The passage of this Amendment Bill will once again send the strong signal to our people that the Marape/Steven government and this Honourable House are serious about taking back Papua New Guinea. We will be taking back our own destiny with this reformation of this colonial law that has imprisoned and restricted our people especially in this space for the 59 years.

The enactment of this Bill will also show our people that we leaders here in this Honourable House are mindful of the modern trend and challenges we faced and we are prepared to pass progressive laws to improve the lives of our ordinary people.

Mr Deputy Speaker I take the opportunity to encourage our citizens and leaders alike to have a will, please leave a signed document to protect your asset which should rightfully inherited by our loves ones.

I encourage us to raised awareness and promote the new challenges and the new culture of creating before we are called to be with our Father who art in Heaven. Let us lead from the front on this challenge as a result of an awareness

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Father who art in Heaven, let us lead from the front on this challenge as a result of an awareness initiatives started in 2017. We have now registered over 1000 wills from only 200 in 2016. This is with the help of the Department of Personnel Management where a general order has since been issued making it compulsory for a member of a public services to have a will.

Therefore, I thank our Public-Curator and his staff and senior officials of the state who have helped in encouraging this reform and increasing awareness.

Mr Speaker, I thank the leaders including the Governor for Oro, the Honourable Minister Wera Mori, the members of the judiciary including Justice Pipit and the senior public servants for helping us in raising this awareness. I thank the public sector corporation and Kenmore Group of Companies and others who have assisted us and note in particular, *Post Courier* management and staff who have help promote the initiative.

Mr Speaker, with those remarks, I commend this Bill to the Honourable House.

**Dr ALLAN MARAT** (Rabaul) - Thank you, Mr Speaker. I rise to express gratitude and thankfulness to the Deputy Prime Minister and Justice and Attorney General of this country for finally bringing legislation to the Floor of this Parliament to amend what was causing a law that was not enough to protect the interest of beneficiaries.

Some 30 years ago, I was trying to help beneficiaries whose father had died and all his entitlement and assets were brought and registered with the Public Curator's office. The wife and children sought my assistance and I couldn't help. Having felt sorry for this widow and the children because they kept going to the Public Curator's office and came back without anything. In fact, they never succeeded in getting what rightly belongs to them from their deceased father. It's been a long journey from that time some 30 years until now. So, I commend the Minister for Justice and Attorney General for the initiative that he has finally brought. It has been the effort of many people within government who saw the need to amend the *Public Curator's Act* and indeed it's a colonial legislation.

I believe this is the first time in independent Papua New Guinea that this legislation now will be amended and I for one wholeheartedly support this legislation. I don't think many of us Members of Parliament have a will, ready for the time when we kick the bucket. If that does happen, before we make the will, we are going to place our families in strife. But, with this amendment, I believe it will be very easy for the families to be able to access their deceased fathers or deceased mothers assets that will be lodged with the Public Curator.

I just rise to express my full support. Though, I'm in the Opposition as the Deputy Opposition leader, I feel sense in this piece of amendment and I support.

Thank you, Mr Speaker.

**27/05**

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

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

Bill, read a second time.

### **Third Reading**

Leave granted to move the Third Reading forthwith

Motion (by **Mr Davis Steven**) proposed –

That the bill be now read a third time.

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

The Bill requiring an absolute majority of 56 Members as required by the *Constitution*, the Speaker ordered that the bells be rung.

**28/05**

The Parliament voted (the Speaker, **Mr Job Pomat** in the Chair) –

**AYES – 72**

**NOES – 0**

Motion so agreed to.

Bill read a third time.

29/05

**PRIME MINISTER AND NATIONAL EXECUTIVE COUNCIL  
(AMENDMENT) BILL 2020**

**First Reading**

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

**Second Reading**

Leave granted to move the second reading forthwith.

**Mr JAMES MARAPE** (Tari-Pori – Prime Minister and Minister for Finance) – I  
move –

That the Bill be now read a second time.

Mr Speaker, *Section 19* of the Prime Minister and *National Executive Council Act 2002*, provides that the person who holds the position of the Head of the Department of Prime Ministers and NEC is the Chief Secretary to Government.

Mr Speaker, when the incumbent term of office as Secretary to the Department of Prime Minister and NEC and Chief Secretary to Government, which is in this case the current incumbent expired on 11 February, 2020, *Section 19 (3)* of the *PM and NEC Act 2002*, provides for the appointment of Acting Chief Secretary to the Government from amongst the Members of the Central Agencies Coordination Committee.

Mr Speaker, the law is at present the incumbent cannot continue in office in an acting capacity after his or her term expires. The law calls for an acting appointment to be made from amongst the members.

Mr Speaker, the NEC, however, has decided so that the incumbent to be retained as acting Secretary for the Department of Prime Minister and NEC at same time perform the role of Acting Chief Secretary to the Government. This was necessary to maintain consistency in the role of the Secretary for the Department of Prime Minister and NEC given the importance of the Office of Chief Secretary in the role of CACC.

Mr Speaker, the Government is considering the abolishment of Chief Secretary's position as part of the Governments reform agenda to streamline the Public Service and the

removal of impediment which continues to stop service delivery and the economic development in our country.

The Government intends to achieve this by the end of 2020. The impediments and the amendments are necessary to preserve whoever occupies the position of Acting Secretary of the Department of Prime Minister and NEC and also to perform the role of Acting Secretary for the purpose of stability, continuity and consistency until the position of Chief Secretary is abolished.

Mr Speaker, I commend this Bill to amend the Prime Minister and NEC to this honourable House.

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

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

Bill read a second time.

### **Third Reading**

Bill, by leave, read a third time.

30/05

## **MINERAL RESOURCES LIMITED AUTHORISATION (AMENDMENT) BILL 2020**

### **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-Pori – Prime Minister) – I move –

That the bill now read a second time.



Mr Speaker, this Bill before the House seeks to restructure the Mineral Resources Development Company (MRDC), one of the most successful management companies we have in the country today.

The MRDC was set up in 1975 to manage the State's participating interest in resources projects in the country. The State's interest included interests assigned to landowners and provincial governments.

Over time, through certain policy decisions by past governments, the State's interests in resource projects were transferred to other entities, leaving behind the participating interests assigned to landowners and provincial governments to be managed by MRDC.

Today, MRDC manages landowners and provincial government interests in Kutubu, Gobe and Moran oil projects, the Porgera, Ok Tedi, and Ramu Nickel Mines, and all the PNG LNG landowning companies.

Mr Speaker, through prudent management and sound investment decisions, the MRDC Group has grown significantly over the years. Its investment in solid growth and high value assets has ensured landowners and provincial governments receive a sustained level of income from them. The MRDC Group has invested in commercial and residential properties, hotel and resorts, airline, Banking, PNG LNG Project, to name a few. They have recently entered the electricity sector through Dirio Power, which is licensed to supply power into the NCD power grid. I am well aware that the value of the assets the MRDC Group owns is valued at around K7 billion, thus making MRDC groups of company, one of the robust asset, owned directly by our people and provincial governments in the country. The potential to grow further into the future is bright, and these amendments to the *MRDC Act* will provide the platform to achieve this. By doing so the Group contributes immensely to the national economy as well. I want to take this opportunity to thank the Board and Management of the MRDC group for their solid performance over the years.

Mr Speaker, a review undertaken in 2015 and 2016 identified potential improvements to MRDC's corporate governance and organizational structure after change was mooted. Landowners were widely consulted in this exercise.

**31/05**

Key concerns raised by the landowners during the consultation process were that they wanted the ownership of the companies that hold trust assets, being MRDC and its subsidiaries,

to be clearly set out in the legislation. They also wanted a clear governance framework for MRDC set out in legislation, and MRDC to be protected from political influence.

The outcome of the review process culminated in the recommendations to introduce reforms to restructure the company, including repealing the *Mineral Resources Development Company Pty Ltd Privatization Act*, and replacing it with the *Mineral Resources Development Company Trustee Limited Authorisation Act*.

Mr Speaker, specifically, the *Act* will clearly achieve the following:

(a) Set out clearly the roles and responsibilities of MRDC, including demarcation between the Trustee (Government) and Fund Management (MRDC), in line with the *Security Commission Act*,

(b) Clarify that MRDC is the Trustee shareholder of and provider of management services to its subsidiaries, which are the corporate trustees for landowners and local and provincial government interests in petroleum and mining projects,

(c) The shares in MRDC will continue to be held by the Prime Minister on behalf of the State. This arrangement will be secured by being set out in legislation, and

(d) The proposed legislation reflects the views of landowners groups expressed during the consultation and review process. The primary concerns of landowners include that MRDC should operate under a clear regulatory framework and that protections should be put in place to secure MRDC's independence and to protect against future risks of inappropriate political influence.

Mr Speaker, this proposed amendments are absolutely necessary for MRDC for the above reasons and more importantly, to comply with the *Company's Act* and *Security Commission's Act* and protect the interests of the landowners, local and provincial governments from future political influence.

Note the MRDC Group of Companies Asset Value is estimated as at K7 billion as we speak.

This new legislation sets out very clearly for the first time the roles and responsibilities of MRDC. It sets out a clear regulatory framework and trust arrangement, setting clearly that assets held belong to specific beneficiaries and are not public assets or public properties.

It delinks the company from political influence. The State at all times owns shares in MRDC, with the shares held on trust by the incumbent Prime Minister. But MRDC can only be directed, supervised and managed on commercial principles by its Board pursuant to its company Constitution.

Mr Speaker, I've made it clear in the last 12 months that my Government has been in office, that the people of our country must determine their own destiny. That is why we are positioning our Kumul Group of companies to play that role in the mining, petroleum, fishing and forestry, and agriculture as well.

Mr Speaker, Landowners in our resource project areas are key to our policy succeeding. With this infrastructure, MRDC is now given the strength and independence necessary to deliver the aspirations of landowners and the participating provincial governments.

I commend the Bill to this honourable House.

Thank you.

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

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

Bill read second time.

**32/05**

### **Third Reading**

Leave granted to move the Third Reading forthwith.

Motion (by **Mr James Marape**) proposed –

That the Bill be now read a third time.

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

The Bill requiring an absolute majority of 56 Members to be passed as required by *Constitution*, Mr Speaker ordered that the Bells to be rung.

*(Voting in progress)*

33/05

The Parliament voted (the Speaker **Mr Job Pomat**, in the Chair) –

**AYES – 78**

**NOES – 0**

The Bill passed with the concurrence of an absolute majority as required by the *Constitution*.

Bill read a third time.

#### **ADJOURNMENT**

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

That the Parliament do now adjourn.

The Parliament adjourned at 1:50 p.m.