

FOURTH DAY

Tuesday 1 September 2020

DRAFT HANSARD

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PARLIAMENTARY DEBATES CORRECTIONS TO DAILY DRAFT HANSARD

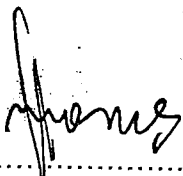
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.....
Mr Harry Momos

Acting Principal Parliamentary Reporter

FOURTH DAY

Tuesday 1 September 2020

The Deputy Speaker (**Mr Koni Iguan**) took the Chair at 10 a.m.

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

Sitting suspended.

The Deputy Speaker again took the Chair at 11 a.m., and invited the Member for Ambunti-Drekikir, **Honourable Johnson Wapunai**, to say Prayers:

‘Our Lord in Heaven, we are thankful this morning for the session this week that we will be attending. We acknowledge your presence last week in the chamber and we want to again invite your presence this week. Lord I pray this morning that may you guide our lips from uttering words that may harm others but rather guide us to choose the words that are right so that we can all speak the same words to help build one and other for the good of this nation. Lord be with us this morning and once again, let us all say the Lord’s Prayer. Amen.’

QUESTIONS

Mr DEPUTY SPEAKER – Honourable members, before I entertain questions, let me remind members who are asking questions, please shorten your questions and also ministers who are responding, give short answers so that we give opportunity to other members to raise their questions during Question Time.

02/04

Status of the Wharves – Sepik Provinces

Mr JOE SUNGI – Mr Deputy Speaker, I direct my questions to the Transport Minister, on behalf of the people of East and West Sepik Provinces.

We have made several visits and compiled a lot of documents and commitments made so far on the Vanim and Wewak wharves.

(1) Can the Minister give us a status update of these wharves?

And we also have Aitape wharf which is centrally located to serve the economically viable mobile population of the central Sepik. It is closer to the people in Aitape.

(2) Are there any plans for the upgrade of Aitape wharf?

(3) If so, can the Minister make it known to the people?

Mr WILLIAM SAMB – Thank you, Mr Deputy Speaker. On behalf of my people of Goilala, I would like to congratulate you on your elevation to this important role.

I thank the Member for Nuku for his questions. Firstly, there are four ports; Vanimo, Wewak, Manus and Kikori. The status for Vanimo and Wewak is that we are to conduct feasibility, technical and financial studies. Those studies have been completed and my department is in the process of getting documents sent to NEC for endorsement. The endorsement will enable us to quote tenders for two important projects.

Since there is a lot of economic activity in East Sepik and West Sepik, we have undertaken these studies to ensure that the thriving economic activities in these provinces are well supported by the upgrading of these wharves. We are also engaging with the stakeholders in Wewak and Vanimo and when we have our logistics organised we will ask our respective leaders and come up with a time to take trips to see these wharves.

Before, I go to the second question, the status on the Kikori and Manus wharves; we have done the technical feasibility and are now in the process of doing the financial study. And for the Aitape wharf, I have some documents and that include other wharves like Kavieng. This will be included in our next phase of work.

Obura-Wonenara – Emergency Bridge

Mr MEHRA MINNIE KIPEFA – My question is directed to the Minister for Works. I understand that we have some bridges that have been discussed on the Floor for quite some time. My question is especially on an emergency bridge in my electorate.

03/04

I have followed all the procedures of applying through Works Department for the upgrade Konofi and Lamari Bridge that has been outstanding.

Can the Minister update us on the status of this bridge?

Mr MICHAEL NALI – Thank you, Mr Deputy Speaker. I would like to thank the Member for Obura- Wonenara for his question.

Mr Deputy Speaker, we all know that most of our districts need bridges. As the bridges come in, every district is entitled to one. The bridges are 45 metres long but you can split it into half if you want smaller bridges.

Due to the pandemic Covid-19 we are facing, there have been some issues on taxation between the Works Department and Internal Revenue Commission (IRC). This issue has caused some delay in payments to some of our international suppliers, but, lately we got it covered and there will be some bridges coming in so, I will giving one bridge to your district.

Thank you.

Integrated Financial Management System (IFMS)

Mr MCHAEL DUA – Thank you, Mr Deputy Speaker. My question is directed to the Finance Minister. This is in regards to the use of the integrated Financial Management System (IFMS) Each Member here also has issues on the use of this IFMS system. We Simbu's got into the system recently.

Lately, I noticed that it has its own issue. The intention of the IFMS system is good but when we are trying to implement it, we face problems. It has caused too many inconveniences. Money that we are sending to the provinces are for development and to provide service for the provinces but, this system may hinder the progress to happen. Up until now that we are on the ninth month, so many funds are delayed just because of this system. It is causing chaos for us. Mr Deputy Speaker;

(1)Can the Minister tell us if there are other options, a more convenient system we can use to deliver services fast and quick?

(2)Is this system a local concept or has it been imported from other places?

Too many concept that we are bringing from outside are giving us a hard time. We must review this because we are dealing with money that belongs to our people. And we must be transparent and be honest in using money so that better services are given to our people. This sort of system is hindering our progress.

(3)Are there any other alternatives that we can consider?

Thank you, Mr Deputy Speaker.

Mr RAINBO PAITA – Mr Deputy Speaker, I would like to thank the Governor of Simbu for his questions, in regards to the IFMS system that we have here in our country.

Mr Deputy Speaker, I am thanking the Governor because he also has written to the Finance Department to officially put on record that, the issue that he is raising on the Floor

have been faced by his Provincial Government. This question was given to me regarding this issue on the previous sittings that we had and I am happy that the governor is raising it once again.

Firstly, when he wrote to Finance expressing how the IFMS is affecting his province, I noted that some members and governors as well raised this same issue. But then, amongst those issues that that members and governors have raised, some have commended the system.

This system as I have mentioned in several occasions, put in place because of the misuse and abuse that are happening in the provinces and districts. At the same time, we are trying to get timely reports. So, having the system like the Integrated Financial Management System as the finance custodian was the basic intention. And the Member stated it was good as it basically was to expedite same time have a uniform system throughout the country.

04/04

But coming back to his questions on the issues affecting his province, I want to assure him that I have instructed my secretary to check with the department on issues facing Chimbu Province.

As I mentioned some provinces don't face any problems in accessing the system and are operating well but for other provinces it's not working at all. Therefore for this system to work smoothly without facing any difficulties are; firstly, the capacity building, the assigned officer in each provincial treasury office must be adequately trained to monitor this system. Secondly, Integrated Financial Management System (IFMS) works well when there is consistent connection of internet. Thirdly, the process by which this system works must be fully understood by my Department.

Which means the officers in my Department must be adequately trained before they train the officers in each provinces and districts.

As he mentioned that it is with the best intention that we have a system like IFMS, which can uniformly assist us at the national level to assess the funding for provinces and districts.

For instances, if a district or province is due for DSIP funds then we can access IFMS now and know exactly how much money is parked at Finchhafen DDAs account or Bulolo DDAs account. Whereas in the past you wouldn't be able to know the actual funding parked in each districts. But thanks to IFMS we can now track funding expenditure on the ground.

These are some of the positive sides but about the issues raised I will definitely follow up with my department to reply. But as for the issues concerning Chimbu Province, my department will work at it to find out the main problem whether is capacity issue then we will

set aside some funding for this year for capacity building for all districts and provinces treasury. But if it's training issue then we will train our provincial treasury team to adequately understand this IFMS that we have.

But all in all, Mr Deputy Speaker, the system is very good and it is just the process that we must find to use it. As we all know in this world there is no perfect system but it's how we work with one system that we have and refine it to make it workable.

To conclude, the IT Company that we have engaged with the department has taken note of the issues in each districts and provincial treasury. So on this question I will provide to them and we will work hand in hand to come up with a lasting solution for this issue affecting each district and provincial treasury.

That is to maintain the system but at the same time see that they can expand the funds that they got and we will give them the support.

Thank you, Mr Deputy Speaker.

Supplementary Question

IFMS in Nawae

Mr KENNEDY WENGE – Before I ask my supplementary question, on behalf of the people of Nawae to the people of Markham, I congratulate you on your elevation as the Deputy Speaker to occupy this Chair. I thank the Parliament for recognising you.

Mr DEPUTY SPEAKER – Thank you.

Mr KENNEDY WENGE – Mr Deputy Speaker, I am happy that the Minister for Finance has responded well in questions raised by the Governor of Chimbu. But this IFMS was introduced first in Nawae and tested in Nawae and Lae, before it went to other provinces.

The process has been achieved but my concern is the consistency of accessing the internet. When I am driving and trying to write my cheque it doesn't work. The system doesn't connect but drops and it takes three to four weeks to connect which I cannot withdraw my cheque. And this contributes to me not doing any work for my electorate and the time is catching up for my term to end. I am tempted to bring to Parliament to extend our five-year term to seven years. I know we all will agree if it is brought to this Floor to be passed.

My supplementary question is, can you install the communication tower permanently in each district and it must be built to a level equal to the highest mountain like Mount Wilhem

and Mount Bagita. In that way the access to internet will be fast and we can sign our cheques to bring services to our people in each district.

05/04

Mr RAINBO PAITA – Thank you, Mr Deputy Speaker. I thank the Honourable Member for Nawae for his supplementary question.

I thank him for highlighting a very important issue and we all members of Parliament know that IFM system works at the backbone of the internet communication system. The issue on communication I think it is beyond the scope of Finance Department to set up the towers.

I am happy with the Minister for Information and Communication working in partnership with service providers like Digicel, Bemobile and Telikom, utilising the existing towers that we have. At the same time under the program of Connect PNG, Government is basically rolling out three types of infrastructures including road, electricity, and communication fiber optics.

So, that is the same issue where many of the districts are located outside of the network coverage area and we are facing problem of the internet connection. Hopefully, we will work in partnership with the Minister for State Owned Enterprises where Bemobile and Telikom falls under his portfolio and the Minister for Information and Communication. This also includes the private company, Digicel.

I am appealing to the districts that have DSIP funding to allocate funds to build towers to access the reliable communications. The Finance Department job is to build infrastructure within the district treasuries and to build towers is the responsibility of Open members.

Allocate some funding and we work in partnership with the Minister for State Owned Enterprises and the Communication and Information sector with the private companies providing towers. We can build towers to assist district treasuries that we have in our electorates.

So, I am apologizing because it is the same issues many of us are facing because we are located out of the network coverage area. I will work with the Minister for State Owned Enterprises and the Member for Nawae.

Let's build communication towers from the DSIP that we receive. That is the assurance I can give to the Member. We work within the scope and budget to help build the towers and Finance Department will assist in terms of building the capacity of the districts and provincial treasuries and the officers.

Thank you, Mr Deputy Speaker.

Mr BELDEN NAMAHA – Thank you, Mr Deputy Speaker. I would like to seek leave of a Chair to ask the Chair a series of questions.

Mr DEPUTY SPEAKER – Go ahead, leave is granted.

Mr BELDEN NAMAHA – Thank you, Mr Deputy Speaker. The very reason I want to ask the Chair series of questions is actually to the point in the manner which you address me this morning.

Mr Deputy Speaker, I just want to settle the issue of the Opposition leadership and if you would recall sometime back in 2018, I went through the Leadership Tribunal which dismissed me and recommended my dismissal as Member of Parliament.

However, Mr Deputy Speaker, I sought judicial review and successfully was granted leave for judicial review. On the 5th of July 2018, the National Court granted that judicial review leave.

I then returned to Parliament and was recognised by the Chair to continue to perform my duties, responsibilities, and functions as Member for Vanimo-Green River Electorate.

Mr Deputy Speaker, my series of questions to you is in relation to the recognition of me as the leader of the Opposition. I don't know the reasons why you and the Speaker, Honourable Job Pomat, continue to address me as the Member for Vanimo-Green River and not as Leader of the Opposition.

Mr Deputy Speaker, I just recently won the court battle on the 16th of July 2020. The National Court ruled in my favor and quashed the entire tribunal decision, restoring me as the Member for Vanimo-Green River and as leader of the Opposition.

06/04

You would have realized that in the June meeting, this seat was not occupied. It was not occupied because members in the Opposition and the members of the Parliament recognised that there was no vacancy in the Office of the Leader of the Opposition.

Mr Deputy Speaker, I do not know why you and the Speaker are acting in that manner.

Mr Philip Undialu – Point of Order! With due respect to the leader, the Speaker told us last week that he is waiting for the official report from the Court Registrar. He had said that he will not accept any documents from the lawyers so why is he misleading the Parliament and

the country. The Speaker did not reject him. He only said he is waiting on documents from the court registry, so the Member should respect that ruling.

Mr DEPUTY SPEAKER – Thank you, Honourable Governor. I think the Speaker has already made an explanation.

The member has sought leave from the Chair to ask questions on that so I will allow him to do so.

Mr BELDEN NAMAHA – Thank you, Governor of Hela, I think you should be concentrating on fixing Hela than asking those interlocutory questions.

Mr Deputy Speaker, I successfully won the Court. The Court in its decision on the 16th of July 2020, said that I be reinstated forthwith. The Court even went further to recognising me as the paragon of corporation with the Justice system.

I do not know why the Chair cannot recognise me as the leader of the Opposition. The only reason why I can say in my series of question is:

(1) Can the Chair confirm or deny that you did receive a letter from Jema Lawyers, who are the Prime Minister's lawyers on record?

Mr Ian Ling-Stuckey – Point of Order! Thank you, Mr Deputy Speaker. The question, allegation and an insinuation by the Member for Vanimo-Green appear to be directed to the Speaker and so could we ask the Chair to make a ruling that the Member for Vanimo-Green reserve his right to direct those questions to the Speaker when he enters the Chamber.

Thank you, Mr Deputy Speaker.

Mr DEPUTY SPEAKER – Honourable Minister, I am in the Chair and since the Member has sought leave through the Chair to ask these questions, I've allowed him so I will let him complete the question.

Mr BELDEN NAMAHA – Thank you, Mr Deputy Speaker. It is very interesting that some of us who have been in Parliament for too long do not know that the Chair, regardless of who sits in the Chair, is still the Chair.

Mr Deputy Speaker, can you confirm or deny that you did receive a letter from Jema Lawyers who were acting for Prime Minister Honourable James Marape, a constitutional application that I filed in the Supreme Court dated 24th of August 2020.

Mr James Marape – Point of Order! Mr Deputy Speaker, with great respect to the Opposition Leader, let me point you to Section 141 of the *Standing Orders*. Matters of legal interpretations are not to be asked on the Floor of Parliament. Matters that have inferences or speculations cannot be asked on the Floor of Parliament. So, as a very experienced Member of Parliament, who talks about experience, he should know this.

Mr Deputy Speaker, I respectfully point you both to Section 141 of the Standing Orders.

07/04

Mr DEPUTY SPEAKER – Honourable Members, according to the advice that I have just received, the Honourable Prime Minister is in order.

Honourable Member, the Speaker is aware of the matter so the questions that you raised will be forwarded to the Speaker and he will respond to it on the next day of session.

Thank you.

Mr BELDEN NAMAHA – Mr Deputy Speaker, you have an executive that is encroaching into Parliament by this letter. The Executive Government is encroaching into Parliament.

Parliament must act independently, we have come to a resolution and advised the Speaker of who is the Leader of the Opposition so there is no need for us to be playing petty politics –

Mr DEPUTY SPEAKER – Honourable Member, the Chair has already made a decision that the Member will forward his questions to the Speaker and the Speaker will respond to these questions when he takes the Chair.

So, let us move on with our Question Time.

Porgera Mine Benefits

Mr TOBOI YOTO – Thank you, Mr Speaker. My question is directed to the Prime Minister, and I would like the Ministers for Environment and Conservation and Mining to take note.

On behalf of my people in the Western Province, I would like to thank the Deputy Speaker, for giving me this opportunity to speak on the Floor. Before I ask my question, I would like to thank the Government for taking back Porgera and now we own 100 per cent of it.

I would also like to thank the current Government for landowner's equity share. I have been trying to get my share and now the Government has issued me my 33 per cent equity so I would like to thank the Government. This is the very reason why I moved to form the new government

The Government giving 100 per cent to the State, is also the reason why I moved to government.

Porgera is high up on the mountains –

Mr DEPUTY SPEAKER – Honourable Governor, what is your question?

Mr TOBOI YOTO – I will get to my question but I just want to say something.

Porgera is high up on the mountains and when it was mined there was no dam constructed so all the rubbish from Porgera flowed down the Lagaip River and deposited into the Fly River and my people are suffering from it, we are getting double impact.

With Ok Tedi we were able to identify this problem and addressed it but with Porgera we have not received any help for more than 30 years now.

So, I want to know whether that 100 per cent is going to benefit my people, especially those at Nomad, Lake Murray, Suki, and Fly River to Kiwai?

08/04

Mr JAMES MARAPE – Thank you, Mr Deputy Speaker. I wish to thank the Governor of Western Province for asking his questions on issues related to Porgera, especially on the new arrangement for those people living in the Strickland River area and the environmental effects from the Porgera discharges.

Firstly, whilst he has made mention of Ok Tedi, I also want to acknowledge the leadership of former Prime Minister for starting the process of the share-split arrangement where 33 per cent goes to Western Province and the landowners. Credit goes to where it is due. It was under his leadership where the process began, and we are only facilitating the actual transfer of shares certificate. But the whole processes started under his leadership and the major substance took place under his watch so pay respect and give credit where it is due.

Kumul Mining Holdings Limited (KMHL) obtained the SML in a due process supervised by the MRA and the Mining Advisory Council.

Let me also point out that KMHL was not the only applicant to the SML. The other was Barrick New Guinea Limited (BNL). From the advice I heard, they too had mounted the SML

again. But consistent with our present *Mining Act* amendment the first right is given to Kumul, amongst the view that it is about time we participate in mining projects ourselves knowing fully well that our country will bear the cost of environment and will also bear the social costs. We have not disturbed Porgera since 1989 until today.

The Governor of Enga made a very important statement in last Friday's Grievance Debate, that despite environmental issues with the discharges in the Porgera area going into Porgera River and down to Strickland and Fly rivers, never did the people in the environmental footprint as well as those in the SML area and the greater Enga Province shut down Porgera in the last 30 years. And that's a very proud record and testament of the level of support our people have given to mining companies in our country. So, for 30 years, there has been undisturbed harvest of our nature resources.

Barrick New Guinea Limited is pursuing the matter in court, and they have every right to do so. Please, conclude the matter fast and tell us where we have gone wrong in the entire process. No need to beat around the bush. If the court tells us that we were wrong then we will humbly correct ourselves. There is nothing wrong in correcting ourselves? So, go to court and tell a competent court or the National Court that the Honourable Opposition Leader believes in and the Supreme Court that we all believe in our country and is totally independent from government.

Mr Belden Namah – Point of Order! I think my name sounds sweet to the Prime Minister, thank you.

(Laughter in the Chamber)

Mr DEPUTY SPEAKER – Your point of order is out of order!

Mr JAMES MARAPE – The Member for Vanimo-Green is my real brother but we wear different jerseys and just like in a rugby field we stand in opposing sides.

Mr Deputy Speaker, coming back to the serious matter, we run a democratic system of government and our court is amongst the best judiciary systems on Earth. That is undisputed, it is a fair place for everyone. So, if you feel aggrieved, go to court and tell us where we have gone wrong. It is about time Papua New Guineans have confidence in ourselves to run our own mine. If we can run Ok Tedi successfully we can also run Porgera.

09/04

We have given them every opportunity to come and discuss with us, what their rationale interest is in the matter. And as they discuss with us under Kumul Mining Ltd SML, we will also engage landowners at Porgera and the provincial government for their first-year equity. The baseline has been established in the Ok Tedi precedent as well as in project areas. We will talk to them and from the discharge from Porgera, we will embrace a better way going forward. The Porgera legacy issues, just like Hides Gas, the gold is harvested from mountains where people are residing.

Proper resettlement has not taken place in Porgera and people are still living in and around the mine-pit area. We have been talking about this for the last 30 years, but under the Kunul Mining Holdings Ltd SML, we will give respect to landowners in the SML area, Communities surrounding the mine-affected area and those along the waterways that goes all the way down to the Fly River. Consideration will be given to those who live along the Strickland and Fly River systems. This is the new Porgera going forward and at the same time, let me also take this opportunity to announce to the country and the world that we have not completely shut Barrick out. The option for equity and operability is on the table. You can come and talk to us as a new arrangement but under our own Kumul Mining Holding Ltd SML, which already involves landowners. Affected areas are also in the arrangement, including Enga provincial government.

Supplementary Question

Mine Pollution in Waterways

Mr Chris Haiveta – My supplementary question directed to the Prime Minister is as follows;

(1)Is he aware that when the Strickland River enters the Fly River, these two meander through and enter into the Gulf of Papua? The major area in which the Fly River flows is in a clockwise direction and that after it leaves the banks of the Fly River, it enters the Gulf of Papua. The current runs 800-2 000 meters to the coast of Gulf Province all the way around to Central Province and this is where it goes out to the sea at Yule Island.

(2)Can he inform Parliament at a later date through the Minister; whether studies have been done on the environmental effects of these waterways?

The effects of this current and the poison that it carries with its effects on the flora and fauna, especially of marine resources such as prawns, lobsters and many fish species that are in the food chain are eventually eaten or taken up by the people of Middle Fly, the electorates

of Kikori, Kerema and Kairuku-Hiri; especially those along the coast. These marine products end up at Koki markets and other markets in the city that we all consume.

If no studies have been done, then know that we have failed to get PNGSDP back to have a say on it, which is basically a compensation claim for landowners of the mine continuation agreement areas. So, what I want to know is whether you can give a commitment to the people of these electorates and the three provinces.

Mr JAMES MARAPE – Thank you to the Governor of Gulf for asking a very important question on the environmental effects of the mine discharge into the waterways, especially the Strickland and Fly Rivers and into the Gulf of Papua coastline.

Let me answer his question by saying that we will get the Department of Environment to do a detailed study to see the effect it has on the environment. The river systems are important and they have been hit twice by both the Ok Tedi as well as the Porgera discharge.

10/04

On this important river system that is hit twice by both the Ok Tedi as well as the Porgera discharge.

But let me also announce to our country; our government, knowing some of this inherent weaknesses and deficiencies we carry and have been carrying, for the first time, has put in place and promulgated a proper oceans policy.

The ocean is a huge resource base we have. In our ocean you do business and ships transact, carry cargoes, resources are inside including our marine resources. So, the ocean is a substantial part of our borders and boundaries that have not been fully looked at very well as part of our reforms that we have been doing and thinking, in taking stock of all our assets in our country. We now, for the first time, have an oceans policy. And that oceans policy will advance into a law that will deal with how we deal with our marine resources and oceans in our country.

That will come in that context but in the immediate needs of assessing the effects of both Porgera and Ok Tedi discharges into the Fly and Strickland River systems as well as the ocean and marine life outside of the Fly River discharge, we'll get the Environment and Conservation to sanction a study to look into this to ensure that we are given the right comfort as we deal with reopening Porgera and as we deal with maintaining life in Ok Tedi going into the future.

Thank you.

Supplementary Question

KMHL – Mining Lease

Mr Belden Namah – Thank you, Mr Deputy Speaker. My supplementary is on Porgera. The Prime Minister has clearly indicated this morning that there is a court matter on foot my question are,

(1) Did the Prime Minister and the National Government get legal clearance prior to issuing the SML to KMHL?

(2) Did KMHL have the exploration licence over the area where now the SML is granted to them?

Mr DEPUTY SPEAKER – Honourable Member, let me interject in your supplementary. I believe the matter and the question you raised is before the court and we cannot deliberate on that on the Floor of Parliament.

Mr BELDEN NAMAHA – He's already talked about it.

Mr DEPUTY SPEAKER – So, I'll rule your supplementary questions out of order.

APEC Outcomes – Electrification Partnership

Mr RIMBINK PATO – Thank you, Mr Deputy Speaker. First of all, congratulations on your elevation to the post of Deputy Speaker.

I have three simple questions to ask but before I do that, I want to make three very simple points.

First is my expression of thank you to four of PNG's key partners; Australia, Japan New Zealand and USA. Despite the impacts of Covid-19 they have stuck to their arrangements with PNG in relation to supporting energy provision to PNG of up to 70 per cent by 2020. The whole scenario globally has changed but they have stuck, as an APEC outcome, for which the Prime Minister and many other figures were full of praise for the APEC outcomes.

Mr DEPUTY SPEAKER – Honourable Member, can you make clear who you are directing your questions to?

Mr RIMBINK PATO – My questions, Mr Deputy Speaker, are directed to the Honourable Prime Minister and the Minister for Public Enterprises and the Minister for Foreign Affairs and Trade can take note of them, as well as the Minister for Commerce and Industry.

Mr Deputy Speaker, the APEC outcome for 2018 in relation to the provision of energy of up to 30 per cent is K1.5 billion for PNG which we have yet to utilise. And that's what I am going to ask question on.

11/04

Secondly, in that context I also want to say thank you and pay tribute to the Prime Minister of Japan, Shinzo Abe, whose friendship and partnership has reached new heights in the term I was Minister and I want to join the former Prime Minister and others by thanking the Government and the people of Japan for their partnership with PNG over the last eight years. Now having said that, the questions are:

(1) Who is responsible for managing the outcomes of APEC in 2018?

One of which is the drawing down of K1.5 billion provision of energy to PNG.

(2) In relation to the report for APEC that we were discussing last week, can you include in the report the assessment of the outcomes, what those outcomes are and whether or not we have utilized those outcomes for PNG?

(3) Is the APEC Authority still in existence? If not, why not?

(4) As part of the APEC outcomes, the construction of powerlines was to have taken place sometime ago. When will the tender on that be let? Do we have a date for the tender of the construction of powerlines or the Enga Electrification Project in the Enga Province, in particular the Tsak Valley of my electorate?

Mr JAMES MARAPE – I thank the Member for Wapenamanda for his questions. I ask him to put his questions in writing so I can respond in due course.

**OMBUDSMAN COMMISSION OF PAPUA NEW GUINEA –
ANNUAL REPORTS FOR THE PERIODS 1 JANUARY TO 31 DECEMBER 2016
AND 1 JANUARY TO 31 DECEMBER, 2017 – PAPERS –
MOTION TO TAKE NOTE OF THE PAPERS.**

Mr DEPUTY SPEAKER – Honourable Members, pursuant to statute, I present to the Parliament the Annual Reports of the Ombudsman Commission of Papua New Guinea for the periods of 1 January to 31 December, 2016 and 1 January to 31 December, 2017.

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

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

**AUDITOR-GENERAL OF PAPUA NEW GUINEA – REPORT ON THE AUDIT OF
THE TRANSACTION OF ACCOUNT OF PAPUA NEW GUINEA, PART 1 FOR THE
YEAR ENDED 2015 – PAPER – MOTION TO TAKE NOTE OF PAPER.**

Mr DEPUTY SPEAKER – Honourable Members, pursuant to statute, I present to the Parliament the Report of the Auditor-General on the Audit of the Transaction of Public Accounts of Papua New Guinea, Part 1 for the year ended 2015.

Motion (by **Mr Garry Juffa**) agreed to –

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

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 No. 197 of Government Business being called on forthwith.

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ROAD (MANAGEMENT AND FUND) BILL 2020

First Reading

Bill presented by **Mr Michael Nali** and read a first time.

Second Reading

Leave granted to move the Second Reading forthwith.

Mr MICHAEL NALI (Mend-Minister for Works and Implementation) – I move –

That the Bill be now read a second time.

Mr Deputy Speaker, in the last sitting of the Parliament I announced some important institutional and legislative reforms the Department of Works is undertaking to improve current performance issues to meet the growing call for improved condition of the road network and efficiency in delivery of road services in the country. As a result, Im very happy to inform this Parliament the Government's intention to present to this Honourable House the proposed Road (Management and Fund) Bill.

Mr Deputy Speaker, the reforms are necessary to address the current status of the declining condition of the country's road network, which continues to be a very frustrating concern to all of us, despite relentless efforts by successive governments to resolve our nation's road maintenance issues through piecemeal annual maintenance funding with ineffective institutional implementation restructures of the road subsector. The gap in deferred maintenance continues to grow wider and wider in successive years until now.

Consequently, successive governments have been taking the easy way approach by spreading the scarce resources too thinly across the entire road network and expecting big results. This policy may seem to be fair approach with low funding situation, however, at the end of the day, we have achieved no results and only built massive maintenance backlog.

Mr Deputy Speaker, to this end, more than 70 per cent of the country's road network is in a failed or poor condition which translates to over 20 billion kina in deferred maintenance backlog.

In addition, road users, business operators and vehicle owners are also spending more than K1 billion per year unnecessarily in increased vehicle operating and time delay costs including increased road traffic accidents resulting in injuries and deaths every year due to poor road conditions.

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Government will require a minimum of K1.5 billion per year or K15 billion to K20 billion to sufficiently address the backlog issues and new investments to open up important missing link roads.

Mr Deputy Speaker, in hoping for the best and preparing for the worst, our government has made an aggressive policy intervention by introducing the ambitious Connect PNG Economic Road Transport Infrastructure Development Program 2020-2040 to recover the declining road network and grow the economy.

Government is driving the policy with immediate, short-term and long-term focus to deliver 16000km of roads consisting of 4200km of important socio-economic lifeline highways and 9000km provincial roads at the cost of K20 billion on a rolling 20-year program commencing this year, 2020.

Mr Deputy Speaker, this includes opening up of a number of important economic corridors and connecting them to the existing regional highways: the Okuk Highway, Magi Highway, Enga Highway, Momase Highway, Sepik Highway and Wau-Bulolo Highway, Gulf-SHP Highway, Madang to Bayer, Karamui, and the Gumine Highway and merge them into a single undivided national network on the main land, and fully connect New Britain Highways, Manus, New Ireland and Autonomous Region of Bougainville in the New Guinea Islands Region.

Government's immediate target is to see that 70 per cent of the road network is improved to good condition level and connect the Highlands and Momase regions into the capital city of Port Moresby in the Southern Region by opening up the Trans-Island and Momase highways

which is necessary to support the government's efforts for the early recovery of the national economy.

Mr Deputy Speaker, whilst it is true that good roads build economy, as it is the case in many developed and developing countries in the world, road investments are always a very expensive business. The cost of infrastructure investment in PNG has grown significantly over the last 20 years.

After adjusting for inflation, cost of building a kilometer of road in the 1980s/1990s has increased to about 3 times and about 5 times for maintenance in the 2020s. Therefore, part of the institutional reforms is to ensure that investments in infrastructure is characterised by priorities funding for high value roads supported with cost benefit analysis that assures greater value for money.

Mr Deputy Speaker, in short, the problem for PNG is not shortage of good road policy ideas but historical problems of ineffective road network management systems and underfunding issues that cannot turn policies into reality.

Therefore, together with the road investment policy targets, government has approved a comprehensive institutional and legislative reforms which resulted in the development of the proposed road (Management and Fund) Bill. The government's policy intention in the proposed Bill is to establish an efficient road management and ownership system and separate the establishment of the road fund under a board of trustees.

Reforming these institutions will not bring quick fix solutions and answers but creates ample opportunity now for improved programing and prioritisation, ensures equal distribution of road services to the rural PNG and more importantly provides a clear accountability framework for shared road management responsibilities with the provincial and district authorities as an import start of a long-term road recovery program.

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Mr Deputy Speaker, the shared road management responsibilities with subnational authorities reflects our political and administrative and decision making process and at the same time creates a sustainable funding regime through the introduction of user pay system that guarantees long term maintenance program.

Mr Deputy Speaker, the proposed bill effectively replaces the outdated road management act 1971 which can no longer meet the growing needs of the economy that relies heavily on the land transport system to deliver the economic, social and welfare benefits to the people of Papua New Guinea.

The bill also replaces the *National Road Authority Act 2003*, to eliminate duplication of functions between National Road Authority and Department of Works. It further removes the conflicting road maintenance functions and road fund management function currently in the same act and absorbs the national highways management functions in a single highway management entity rather than the current shared responsibility between National Road Authority and the Department of Works causing confusion to the Government, road users and public at large.

Mr Deputy Speaker, the bill identifies the Ministry of Works on behalf of the national government as the lead agency accountable for meeting road network performance standards, policy development and operations of the entire road network in the country.

Mr Deputy Speaker, under the proposed restructure and separation of management responsibilities, all national highways including the additional 2400 kilometres to be developed under the missing links will be managed by a dedicated highway management division with a combined staffing from the National Road Authority and Department of Works. There will be no job losses with the reorganizational arrangements but there is a huge cost savings related to wastages in overheads, inefficiencies and duplication of functions in the current institutional arrangements.

The highways division will be charged with executive powers to deliver timely and efficient planning, programming and implementation to improve the national road network to up to 70 per cent good condition in the next 10 years. This will be strictly consistent with the National Governments Connect PNG's Investment Program 2020-2040 to deliver key economic roads important to growing the economy.

Mr Deputy Speaker, in the same vein, the proposed bill encourages an enduring partnership with the national government and provincial and district authorities under the government's decentralisation policy objectives. The proposed bill empowers the provincial and district authorities to directly have management responsibilities over the 21 000 kilometres of provincial and district roads for improving connectivity to 85 per cent of the rural population as main mode of transportation.

The responsibilities will also include transferring the operation of the Public Tenders Board equipment's and facilities in all the 22 provinces as one of the main delivery mechanisms of the provincial and district road maintenance programs.

Mr Deputy Speaker, this will resolve the question of who is responsible and accountable for the respective road networks of PNG. The proposed bill legislates the management,

including financing and financial management responsibilities of road maintenance through the establishment of provincial and district road authorities.

Mr Deputy Speaker, together with improving the road management responsibilities, separating road fund is a crucial part of the reforms to build more off budget maintenance funds and address the ongoing underfunding issues affecting timely implementation of long term road maintenance programs of the government.

Currently, the national government budget allocation is the only source of road funding with an additional small revenues of K16 million per year collection from the fuel levy under National Road Authority Act, which has failed to mature in the last 17 years to upkeep even the 2700 kilometres of roads gazetted and transferred to National Roads Authority.

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This funding is still very limited and cannot keep pace with the growing maintenance needs of the country's roads.

Mr Deputy Speaker, at the same time, a major part of budget funding for capital works programs in the country is coming from loan funding to rehabilitate important national highways and key commodity roads in the provinces and regions.

Due to lack of adequate and timely maintenance funds required to preserve these newly improved road assets, delayed maintenance is imposing expenses and the conditions are fast deteriorating and the expected socio-economic benefits spread over the life of the roads are diminishing. We are gaining nothing or little as long as there is no properly funded maintenance programs.

Mr Deputy Speaker, the situation is even worse when the provincial governments do not have the ability to raise enough revenues to manage and fund some of those provincial and district roads maintenance programs themselves. The provincial and rural road funding usually make up 40 percent of the annual national budget putting pressure on their tight funding envelope. As a result, we are going in the vicious cycles of thinly expanding the limited funds with not much gain.

Mr Deputy Speaker, therefore, the establishment of the road fund is an important part of the reforms to build and raise adequate maintenance funds through the user pay systems. The road fund has a potential to raise K300 million in the next five years with a prospect of increasing to K900 million fund in the next 10 years, to match the maintenance funding gaps. This is a major policy shift that can give high degree of funding guarantee for long term

maintenance programs and reverse the vicious cycle of thinly spreading the limited maintenance funds.

Mr Deputy Speaker, let me make it clear especially to our provincial governors, that the bill does not intent to remove the current portion of road user charges in vehicle registration and driver's licensing fees currently collected by provincial governments. Instead, the bill intends to raise more funds and ensure adequate funding is available 2-3 years in advance to fund the duly approved work plans to be implemented with greater certainty.

Mr Deputy Speaker, furthermore, with certainty in funding, the proposed bill will create stable platform for proper long term road maintenance cost sharing arrangements between the National and the provincial governments and district authorities. It shifts away from the current ad hoc and unfair first-come-first-serve funding arrangements denying non- alignment of limited funds to prioritise which is subsequently leading to unachieved long term targets.

Mr Deputy Speaker, under the proposed bill, payment to the road maintenance fund consist of the following:

- Monies appropriated by legislation,
- Monies paid in respect to driver licence fees,
- Monies paid in respect to vehicle registration,
- Monies paid in respect to fuel levies imposed on road users,
- Monies paid in respect to road user and road damage charge,
- Monies payable under this *Bill* and the *Protection of Transport Infrastructure Act 2010*,
- Monies or assets vested in the road fund by way of grants, subsidies, bequest, donations, gifts and subscription from National Government or a Provincial Government,
- Monies received by the road fund by way of voluntary contributions;
- Monies received as a loan, grant or assistance from authorised institutions

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Mr Deputy Speaker, the proposed bill establishes a more stringent level of scrutiny over the use of road maintenance funds with independent audit and performance assessment in relation to procurement process, implementation, and performance of road authorities and contractor's conduct.

The proposed bill enhances transparency and accountability in the road sub-sector by separation of responsibilities for sourcing, growing and allocating funding from the process of planning and execution of road maintenance programs.

Mr Deputy Speaker, the Department of Works and provincial and district road authorities will only be responsible for the management of the various classes of roads, whilst the road fund will be managed by a board of trustees to avoid the conflict of having both roads and funds managed in a single structure.

This separation will enable independent auditors and inspectors to independently reconfirm the value for money and technical and safety compliance on the delivery of road programs.

In conclusion, the current practice of "doing the same thing over and over again and expecting different results" has been a main recipe for building up of huge stock of deferred maintenance backlog making the country's road network unfit to support delivery of government's socio-economic goals. Every year, the country is bleeding from bad roads and bad decisions.

Mr Deputy Speaker, hence, the Subsector Reform Bill addresses critical issues of underfunding and weak institutional arrangements causing inefficiencies and under performance and wastage of limited funds giving poor results.

In light of the growing impacts of bad roads facing everyone, the bill promotes greater partnership and commitment amongst all stake holders to share the road subsector challenges and pain of bad roads and a common vision to secure a well-maintained road network and a better connectivity for our country and our future.

And so, I say now, that if we do not act and continue to wait, our roads will continue to deteriorate, and development opportunities will pass by. The proposed Road Management & Fund Bill with strong government is the only answer for the future, thank you

Mr Deputy Speaker and God bless Papua New Guinea. I now commend the bill to the Parliament.

Mr ALLAN BIRD (East Sepik) – Mr Deputy Speaker, I am very pleased to hear the speech from the Minister for Works. However, as I look at the speech and the bill, there are some differences between these two. I just want to make it clear and that we are all worried about the state of our roads. It is a popular issue of debate amongst the Members. And we are all keen to see an improvement in how the maintenance of our roads are carried out. Therefore, I need some clarification because, if you look at the case of East Sepik. I am referring to *page 25*, in terms of where the funds are going to come from for this particular creature that we want to create. It is very clear here that some of the funding that the provinces are collecting now will go towards this creation.

In his speech, on *page 6*, it says that there will not be a change, but in the bill, it says that the monies that we are currently collecting will go towards the fund. In the case of East Sepik, the funds we collected from road users is about K2.8 million, if this goes to the fund and if other provinces are collecting similar amounts, then it is only about K60 million that will be added to the fund.

17/04

I would like to see a better explanation of where the money is going to come from if we are going to go ahead and organise this way.

While the speech of the Minister is very attractive, looking at the bill and trying to reconcile the two gives me concern.

For example, I'm very excited about the movement of the PTD to the provinces. I've been arguing about this on the Floor for the last three years and it's only this year that we were able to actually experiment with the use of PTD without using contractors. And that work is somewhat underway in the middle of East Sepik in the repair of a 99-kilometre road.

As we speak, the current funding of that road is from the provincial government. We are still waiting for the mechanisms between the Works Department and us to click in so that the remaining K3 million will actually go between the Works Department and its own PTD to continue the work. So far the funding is only coming from the province so I'm not sure if this bill will resolve issues like that.

If we look at the national budget where funding for all the roads go, there's about K700 million or something, as the Minister said. Now that K700 million or so is actually managed by the Works Department and Planning. We have no say as a province as to how these funds are allocated and disbursed. Even on the selection of contractors, we don't have a say. That is all done by Works or NPC or somebody.

Now, this practice has been going on for a while. I am not sure if this bill resolves that practice of how the annual budget for roads is actually disbursed out to various contractors to carry out work.

It is a much bigger question, Mr Deputy Speaker, because to simplify it and say that we create a road fund that will resolve a much larger issue is oversimplifying it. I don't think this will solve this problem.

The problem arises where we need to sort out who does what roads. For instance, right now I have provincial roads in the province. When the national government allocates a certain amount of money for a provincial road and its' sitting in a district, the DDA comes and says

no, I should get that money and I will tender it using my DDA procurement processes. As the Minister said on this Floor, in the last parliament static Meeting the Minister said, 'all of you', and I can pull up the *Hansard*, 'come and see me in the office so that we can decide on this money and we can bring your own contractor'. The Minister said it from that Chair, Mr Deputy Speaker.

I understand that many Open Members went and waited and handed over letters with contractors of their choice to fix provincial roads which the provincial government is responsible for.

This bill does not resolve that issue. I don't want to fight my Open Member who says, no, this K3 million is because the road is in my district I am going to get it. I will look for a contractor and the Minister and I will award the contract and the contractor will come and work on this road. It is happening now from the very generous funding of the Pangu Government on our roads.

Mr John Simon – Point of Order! When the Governor said the Members in his province then he is referring to us. The Governor should specify which Member actually took papers and decided the contract should be given to his preferred contractor, some of us.

Mr ALLAN BIRD – Thank you, my Member for Maprik. I did say that they went to the Minister and the Minister made the commitment on this Floor. I want to say that in his case where there is a road sitting in his district he was very generous to come and discuss with the province, so you are not involved in this. I am just speaking generally because we do have that issue and I know that other governors have similar issues because we discussed it. But, I am using an example from my province because I do not want Members from other provinces to take offence.

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The point remains, Mr Deputy Speaker. Is it a question of lack of funding? Or is it the question of us dishing out money with no limitation to it until we run out of funds with no roads being built.

Mr Deputy Speaker, for instance, we are upgrading the road that I mentioned earlier, where we have fixed 47 kilometers for a million kina using PTB machines. Suppose, we agree and split up the responsibilities; for instances contracts worth below a certain amount must be

allocated to PTB to upgrade. I raised this same on this Floor since 2017. For major roads, award contracts to major contractors to fix and Works Department can manage only. We have to sort out who is going to do what, and not all of us congregating at the same road to fix it.

Mr Deputy Speaker, this issue has not been resolved as yet. If we don't then it doesn't matter how much we raise, we will still follow the same pipe that currently exist. And that pipe has so many channels and doesn't follow one channel only but goes everywhere.

I am happy with the speech from the Minister but I am worried about how this issue will work. Because I have tried for three years, when I first got elected in 2017, the Department of Works has released K10 million for Wewak Town roads. Mr Deputy Speaker, to this day Wewak has not seen that K10 million. We actually collected from internal revenue; K3 million was from tax collected from drivers and licenses and we released K1.8 million to seal the Wewak Town road.

That K10 million from National Government never arrived. And now I heard there is another K10 million, which contracts have been allocated by Department of Works to fix the road from Moem Barracks. The contract has been awarded by the Governor-General to a contractor to commence work on it; but, to this day work has not commenced yet and we are into second year.

Now, if we give more money to the Department of Works because they are starting to have collection mechanism, then what guarantee do we have that all the portions of road that have been budgeted for to start work on will actually eventuate. I don't want to stand her and criticise but want to see the commitments we made in the budget and passed on this Floor carried out. That's all I am interested in.

Mr Deputy Speaker, we must resolve this issue and anybody can fix the roads whether it be DDA, province or even the Australian Government but we need to resolved this issue so that we hold someone accountable for the delivery of that infrastructure. Right now, we are pointing figures at each other without any actual clarification. I know every member on this Floor wants their roads to be fixed so that our people will benefit from the services provided.

But so long as there is no clarification within a body of legislation demarcating the responsibilities; for instance, the province will fix this portion, district will fix this portion, and the National Government will fix this portion so funds can be allocated accordingly. We need to figure out the mechanism of funding then we won't say much.

If the National Government releases K10 million next year, then I will release some funds from the internal revenue from the province to allow PTB to commence work from the Drekikir

roads all the way to Turubu or West Coast roads. Once the minor roads are completed then the major roads will be for the National Government to fix.

As for minor roads we can fix it but with specific funding to implement.

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But with specific funding, deliverable, and allow us to implement. Right now, we are fighting over who is going to implement. That is the issue and we heard from the good Member for Maprik who also raised similar concerns.

It is a common issue and the mechanism of funding is causing Governors to battle with open Members in some instances. When we cannot resolve it, we come here and fight with the Minister.

In conclusion, I want to see a framework that demarcates the different responsibilities. What is the framework? Then based on the framework, how will the funding be allocated as designed in the framework? Otherwise, we are creating another bank account like Kumul Petroleum Holdings to keep the funds.

Then, there will be unknown figures in there to determine who gets the funds. The boards mentioned here will be more powerful than many of us here.

We know how it works and if your support is needed on the Floor then you get the funding. We need to eliminate that discretion. Mr Deputy Speaker, none of us should have the discretion as to who gets the funding.

Powerful boards are appointed by this Parliament but later we come complaining on the Floor. We can't have that, Mr Deputy Speaker. If I may request that we resolve that before we pass this bill.

Mr Deputy Speaker, the Minister's statement is good but I assume it will not solve the problem because I have dealt with it for three years. I have not had a single battle with one of my open Members on this issue.

The open Member and DDA requested to build a road I agree and they proceed. But we still don't resolve the problem and we will not resolve until 2022. When we go to the election and pointing fingers. I as Governor will admit that I have no control you can see from the funds.

Thank you, Mr Deputy Speaker.

Mr CHRIS HAIVETA (Gulf) – Thank you, Mr Deputy Speaker. I have five points to debate and will be brief because it's half past 12.

(1) I want to ask the Minister for Works regarding how many road authorities are you going to setup because the bill has not clearly stated that.

How many authorities will come under this Bill, can you clarify to the Members and Governors? What mechanism are we going to setup in the districts and provinces since you have set this up at the national level?

(2) How do we fund the lower authorities if it is going to setup?

(3) Thirdly, the distribution mechanism where you have four or A, B, C, D. The collection of road related charges and payment toward road funds. If, you setup one; how are you going to distribute to other authorities.

In the statement, you have stated that through national road care. The definition of national road, what is it? Can you clarify, because do you include district roads or road looked after by in some cases LLGs. So, clarify that when you migrate to the new *Act*.

(4) Lastly, the traffic infringement, can you include that in the *Act*? So that the traffic infringement on the road can be collected. Those are the four issues I want you to clarify on this Floor.

The last point is, that it's good that we have a bill for roads and existing roads. It is now settled with the Ministry of Works as an authority. This cannot be housed under transport because these are existing roads and we need an authority to look after but can the Minister clarify those five issues I raised. Thank you.

20/04

Mr ALFRED MANASE (Kandep) — Thank you, Mr Deputy Speaker. I'd like to address a few issues arising out of this legislation. I think some of the bigger problems we have in this country are the duplications of roles and dilution of funds in the consolidated revenue.

Most of the departments have now gone into establishing authorities and as a result, certain powers are given to those authorities to regulate such as collecting revenue; however, some of those revenues collected do not get to the consolidated revenue. What has happened over the years is, we are building up funds in those authorities while at the same time we come to this Floor and make some budget appropriations which we can't fund. This is because the funds for the budget appears to be sitting in those authorities. For example, National Fisheries Authority, National Roads Authority, National Forest Authority and many more are run by individuals who are not accountable to anybody except themselves. The ministers responsible for these authorities come to this Floor and give a list of our projects; for instance, roads but where do we get the money to fund the roads, because the funds meant for those things are

locked away in those authorities. And I understand, that's one of the reasons why the Monetary Regularisation Bill was passed so that we move those funds into consolidated revenue.

So I see a major problem arising out from all those shifting from a department. In my view, we should just legislate and department can enforce those things. Why can't the department collect the fees and the funds go straight to consolidated revenue? Why do we have an authority run by some individuals who are not accountable to this Floor, collecting those revenues for us and then we go and beg and ask, then pass another law to force them to give it to us while our people remain in the districts, suffering.

So, that is an issue that this honourable House should seriously consider as to how we want to run this country in terms of the implementation units and agencies that we are creating.

In some instances, I see that we also have an authority and then we have a department so what is the purpose of the department and what is the purpose of these authorities. For instance, the Department of Mining and then we have a Mineral Resource Authority. Tomorrow, we will probably create a petroleum authority and hopefully we will dismantle the department but if we keep the department, then we will have two agencies, a department and an authority.

So why do we create an authority and then why do we have a department? We come here and complain about the lack of funding because K5 billion funding is being blown out in salaries and wages. Where does the money come from to fund that and yet we create authorities, yet we have departments, duplication of roles, duplication of functions and we continue to say, we are looking for money to fund the simplest things like roads.

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This is very concerning and I have mentioned it several times in Cabinet when we are trying to create this authorities.

Mr Deputy Speaker, if we create an authority then we should abolish the department so that we do not have a department and let the functions be run by the authority, if that is the way we want to run this country. But, if we want to run this country where the departments run policy which is the role of a government then don't worry about implementing because that will be the government's role.

We should set the agenda and allow the implementing agencies to implement. I have been observing, we are running into a problem where the department is trying to run a program so now we are going to end up competing with the Department of Works and every department will want to build a road.

This is what is going to happen and is already happening. The Department of Community Development runs the Youth Community Centre, the Department of Justice runs the Community Justice Centre which are all social sectors.

Why can't we just have one building for the national agencies and park them under the District Development Authority to make it easy so we do not waste all the money. And, yet departments that were supposed to be running policies are now running programs. We do not even have the money to actually deliver education, health, roads, air ports and bridges. How do we develop this country by creating all these monsters?

So, once we had a K5 billion budget appropriation but now it is going to go up to K6 or K7 billion, I do not know what the next figure is the Treasurer will tell us come next year's budget. We might end up increasing the salary and wages forever and yet in the last two to three years we are talking about the budget blowout on personal emoluments. We have K500 billion in appropriation and at the end of the year it exceeds that by K300 to K400 thousand in excess of the budgetary figures.

Now, how do we cut it down? Where do we cut it down? Or who is responsible for cutting it down? And, we continue unabated without thinking.

These are some of the major issues that we need to focus on what is the important issue or what is it that we want as a country and for our people? Is it by creating too many of this agencies thereby increasing the Public Service Salary and Emoluments Budget?

And, we complain that there is not enough money for roads and bridges when we have departments running different programs which are taking over the implementing agencies jobs.

If the Department of Works is supposed to be the implementing agency then let it deal with all that and the Department of Transport can worry about the policy.

One other bigger problem that I see in this legislation is that Transport also runs the policy aspect of some of the things that we want to do under this legislation. For instance, there is a Road Traffic Authority that has been supported by the Department of Transport, who also collect license and registration fees and then share it with the provincial governments.

So, we are going to have one agency that we just created in 2014, which is fighting with this one that we are going to create now. And, then what are we going to tell the provincial governments. Where is their money? We are expecting them to also develop and fund roads and bridges but where will they get their money if we are collecting all their license and registration fees.

So, these are some of the issues that we need to seriously spend some time and think about where we are trying to go and what is happening when we constantly change those structures.

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And so, those are some of the issues that I see in this legislation. This competition is going to happen with the Motor Traffic Act, which is managed by police on one side. The Motor Traffic Act deals with collecting licence fees and then we created the National Road Safety Authority who is also doing the same thing and now we are expecting the provincial governments to collect the same fees and so everybody is going to compete for the same fees.

And on the Floor, where will the Treasurer get the money to run the budget? Is he going to keep borrowing? Quantitative easing, borrowing, is that the way we want to go? Is that how we want to run the country?

Those are some of the critical issues I think we should be serious about when we try to park monies in authorities. For instance, we've been complaining about Fisheries and Forestry having a lot of money and then we passed a law which has been declared unconstitutional. Now, what happens to those monies? The authorities cannot be forced to give us the money because by law we are not providing for their contribution into consolidated revenue.

They don't fund consolidated revenue. They get what they need to get from consolidated revenue but they don't contribute.

Do you know what they do? They also run infrastructure programs. They go and build jetties. They go and borrow to build shipyards and those sorts of things. Is that their role or is that the government's role? Who is supposed to be doing all these? We allow the authorities to run all these different agenda and then we complain forever about having no money.

These are some of the biggest issues that I see that we as a government and responsible leaders need to be seriously thinking about.

Whilst I support the requirement for a need to ensure that the roads are adequately managed and properly serviced because that's one of our critical issues, we just need to think about how to do it properly. Make it accountable so that there is an oversight from government because we seem to have difficulties trying to force board members to give us money. Maybe we have to fix it by law in those authorities so that they contribute a certain amount straight back in to consolidated revenue so that we don't have to worry. Authorities don't declare dividends so we can't expect them to tell us that they are going to declare a dividend, they don't.

All we need to do is legislate and say, 'look, if you need K50 million for your operation, you keep the K50 million and send us the other K80 million back to consolidated revenue'. Or, if you need K100 million to run the agency, then the K600 million to K700 million has to be taken back into consolidated revenue to fund the budget.

Mr Deputy Speaker, I just expressed those points because sometimes we create authorities that affect the consolidated revenue in term of collection of revenue and secondly it becomes a duplication where we increase the public service mechanism.

So, whilst we support this, these are some areas that, perhaps the Minister for Works, in further consultation, needs to consider on how to be able to align some of these things.

Thank you, Mr Deputy Speaker.

Mr JAMES MARAPE (Tari-Pori – Prime Minister) – Thank you, Mr Deputy Speaker. I rise to give my support to the Works Minister for bringing in this bill. It's a reform and a step in the right direction but I also appreciate the fact that there are other issues and concerns raised by other Members of Parliament, especially from the provincial government's perspective. Those concerns are valid and genuine. We take note of all views that have been expressed.

But, let me remind us, the reform is a step in the right direction for us. We are looking for money every year to try to construct and build those key roads, especially the economic enabling infrastructure or roads that we need to ensure our potential of our country, and especially those in the rural hinterlands are being attended to.

23/04

It is a step in the right direction, I proposed in the interest of time knowing that many views have already being expressed and that we allow the Minister to progress at this stage, but at the Second Reading, we make interventions; in as far as moving some amendments that need to be amended.

Debate (on motion by **Mr Rainbo Paita**) adjourned

**ACKNOWLEDGEMENT OF VISITORS –
STATEMENT BY THE DEPUTY SPEAKER**

Mr DEPUTY SPEAKER – Honourable Members, before I suspend Parliament for lunch, I would like to take this time, on behalf of Parliament to acknowledge the Chairman of Fortescue Metal Group, Dr Andrew Forest and his senior management team who are now in the Parliament Gallery.

Sitting suspended from 12 noon to 2 p.m.

24/04

ADJOURNMENT

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

That the Parliament do now adjourn.

Parliament adjourned at 2.20 p.m..