

EIGHTH DAY

Tuesday 8 September 2020

DRAFT HANSARD

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PARLIAMENTARY DEBATES CORRECTIONS TO DAILY DRAFT HANSARD

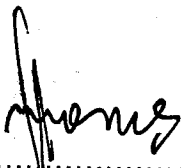
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Corrections should relate only to inaccuracies. New matter may not be introduced.



.....
Mr Harry Momos

Acting Principal Parliamentary Reporter

EIGHTH DAY

Tuesday 8 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 Speaker (**Mr Job Pomat**) took the Chair at 11.20 a.m., and invited the Member for Rabaul, **Dr Allan Marat**, to say Prayers:

‘The sovereign triune God, we come before you as we’re man created in your own image and likeness into your holy presence to fellowship with you. Father, this morning we come to you in the name of Jesus. We want to commit this meeting or session today into your hands. And we pray Holy Spirit that you shall direct our discussions today, questions that will be asked, issues that will be raised on the Floor of this honourable House. We pray, Holy Spirit that you will direct it, grant us your wisdom and knowledge to know your will for your people who placed in the beginning with their confidence in this honourable House. This is our prayer and father we ask this short prayer in the name of Jesus, Amen.’

DEATH OF FORMER MEMBER (Mr Casper Angua) — STATEMENT BY THE SPEAKER

Mr SPEAKER — Honourable Members, I have to inform the Parliament of the death of Mr Casper Angua on 6 September 2020, a former Member for Bogia Open Electorate. He was first elected to the Second National Parliament in 1977 to 1982 and re-elected to the third National Parliament for the same seat in 1982 to 1987.

During those terms, he served as Member of expatriate involvement in business activities and Minister for Labour and Employment from 1982 to 1984.

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

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

QUESTIONS

Mr JOHN KAUPA — Thank you, Mr Speaker. My question is directed to the Honourable Prime Minister. I'd like to firstly thank the Marape-Steven Government for allocating K200 million towards the SME program in our country. This SME program is one of the big programs and the K200 million is a lot of money.

02/08

In actual fact, SME is divided into two parts; we have micro-SME and SME programs. With micro, it means that a person is starting to do business and SME means the business is already in operation.

With that, all the citizens of this country are focusing on these funds allocated. Therefore, how will these two groups, the micro-SME and SME benefit from the allocation of these funds?

In my district alone, nearly 20, 000 women group are involved in this SME programs. So, how will they benefit from these funds, otherwise paper farmers will compete for these funds to benefit from it?

I am also aware that K100 million will be released to the Bank of South Pacific (BSP) and K80 million will be released to National Development Bank (NDB). And with BSP, it's a commercial bank while NDB is the people's bank and its interest rate has been reduced. I am asking because the Prime Minister started it so I want him to clarify the criteria and the guidelines set for our people to follow and apply for this loan.

Mr Prime Minister, we have established SMEs but we need the Government's assistance to move forward.

K200 million SME Funds

My questions are as follows:

- (1) Will these loans be approved in the form of a grant or loan?
- (2) Can you clarify the interest rates to be charged between BSP and NDB?
- (3) What criteria or guidelines will the people follow to apply for loans with either of the two banks?

Because most people don't have any form of financial support to apply for these loans. And if they enquire at the banks to apply for loan, the two banks might apply their guidelines in the ratio of one kina is to one kina.

These sort of approaches and ideas are the foundation for bringing the economy of our country back to prosperity as the Prime Minister had most times alluded to.

With that I thank the Prime Minister for a timely allocation before the next Supplementary Budget, the funds have been released to the account.

Thank you.

Mr JAMES MARAPE – Thank you, Mr Speaker. I thank the Member for North-East for his questions and I am happy to answer them.

Firstly, the allocation of K200 million in the 2020 National Budget has been released to the account, which K100 million will be released to BSP. And by next week, the Minister for Commerce and Industry will sign the agreement with BSP for it to be released.

This allocation of funds will firstly be considered as security and the assurance with the bank is that PNG citizens who venture into micro or SME business in this country will have this layer of added security for them to apply for loans with BSP. This idea is to make sure they have easy access to secure loans to do business.

03/08

Previous governments have said so much about assisting our citizens in business. When we increase our commerce and economy in the country, we will have a lot of people paying taxes. Whether it is GST or company, or personal income tax. The intention is to empower our people to be able to get into business where they are. And we are seriously committed to roll out this funding into partner banks and it is under their scrutiny of the bank to give out money.

I would like to place on record that I acknowledge the work of the Minister for Commerce and Industry, for the leadership in progressing with this policy. It is under his leadership that we will see this policy come to fruition.

This is not a grant; we have placed this in the banks and they will give soft loans to businesses. From experience, about 10 years ago we had some money given as agricultural assistance, facilitated by the Department of National Planning and Monitoring, however these funds never reached or served their purpose. There were paper farmers who obtained and misused these funds?

As a responsible Government we have tried to differ away; instead of giving free grants we will put these funds in the banks and genuine businesses at different levels will apply to the banks to gain access to these funds., owning a tucker shop, sewing clothes, running a PMV, tourism and any other genuine small, medium or large form is business. Whatever business that you want to get into, as long as it is not illegal we are making this credit facility accessible. This is something that has never been readily available to our citizens in the past.

Mr Speaker, if you ask some of our senior Members here, they will tell you that getting into business is not easy. I am sending this message to all you people of Papua New Guinea do not be lazy and stare at your phone whole day, on *WhatsApp* and *Facebook*. If you are a smart person, do not hide behind these technological applications, the credit facility is now made available, access it. The Government is working in collaboration with Commerce and Industry to make sure that there is easy access to this credit facility.

I do not entertain the free handout mentality, this mentality only attracts the flies of laziness, cronyisms, corruption and paper pushers in Waigani to siphoned off these funds and our country and the economy will not realize what we intend to achieve as a result of stimulating our economy to grow at the backbone of our citizens themselves doing business at various levels.

It is a loan, not a grant and the districts can partner this scheme at your level, what we have envisage for BSP; to be at a level for our people. Businesses and people need assistance due to Covid-19, they need breathing space and if Businesses for instance have a loan portfolio, BSP has given the go ahead for a loan of 5 per cent for 15 years. So, we are now telling our businesses either you are banking with BSP or another bank, you could be refinanced through this arrangement with BSP so that you have some space to progress into the next 15 years.

This is not a new vision that this Government is having, it is the same but we are now matching our mouth and policy with money. I want to put on record that BSP has told us, that

previously we spoke about Housing Loans but never put the money, BSP did that on their own.

04/08

Our Government is trying to be different by not just talking but putting money where our mouth is. In the past, we always talked about SME, how much money have we given them? Almost nothing, but now we are trying to put K200 million –

Mr Richard Maru – Point of Order! I think that it is unfair to say that successive governments have not put money for SMEs.

I was the Managing Director for NDB for eight years and every year, there was budget allocation, even in the two years that I was the Planning Minister, there was an allocation of K50 million a year. So, please don't say that there was no money! The successive government gave more than K200 million.

Stop telling lies on the Floor of Parliament, you don't know the facts.

Mr JAMES MARAPE – Thank you. Let me thank the Member for Yangoru-Saussia for his correction. I think we are here to be corrected and I appreciate your intervention so, K50 million has gone to NDB, now on record we are going to put K200 million so we are elevating the consciousness and effort of Government to make those interventions. We are taking deeper stock into what is happening in NDB to shift away from nepotism and as much as possible and spread the opportunity to the greater part of Papua New Guinea.

Mr Speaker, the K200 million will be shared between the first two banks that have responded well and I want to place on record my appreciation for Kina Bank, it has also stepped out to respond to us but BSP and NDB will be given the first priority.

We are particularly keen on our partner bank that has subsistent liquidity and BSP qualifies very clearly so we are going to be giving them the K100 million as security and not for their use. BSP will draw down their own funds so we are asking BSP to mobilise and invest K300 to K500 million for this investment purpose and will in the next five years and another five years after 2025.

I speak knowing very well that I do not have the full luxury of being Prime Minister for the next 10 or 15 years only the good Lord only knows when I will exit as Prime Minister.

But, let me place on *Hansard* that any responsible government after my tenancy must continue this investment for our people so that they can have easy access to credit facilities.

This is what I am starting here, accessibility to cheap loans so that genuine Papua New Guineans who are working hard out there and BSP which is a local bank with flexible repayment term has indicated five per cent for 15 years and they are willing to partner us for the first five years and also in the next second five years.

The idea here is a billion kina envelope, something that BSP can fund in two tranches of K500 million or three tranches of K300 million at the very earliest so Papua New Guineans during this tough time can go to them and have easy access to this loan.

The member's second question was in relation to the rates, NDB has gone down to four per cent for 20 years. The last arrangement of K50 million that the Member for Yangoru-Saussia referred to was being lent at 6.5 per cent for three years and some up to ten years.

Under the new arrangement, it is far better because you have four per cent for 20 years and the NDB Program will operate in this manner. There is a specific allocation for women who want to be in business. And also, 10 per cent of that funding will be allocated to Bougainville Businesses because we want to help them get back into business in the Autonomous Region of Bougainville not Port Moresby or anywhere else.

So, we are restructuring in this rough time but we are also putting money where we feel that our people can have access to this credit facilities.

With regard to qualification, you automatically qualify if you are a Papua New Guinean, whether it is a youth group, the mothers or any group, as long as you sort yourselves out and follow the procedures and adhere to the requirements.

05/08

Our Minister for Commerce and Industry yesterday advertised some concepts in the public advertorial. He will be continuing this advocacy so that the qualification process becomes clearer and we want to give accessibility to as many as we can right across our country in the area of business and growing their businesses. This is a 10-year program we want to do and I encourage our citizens out there. Don't just talk, sit and write concepts, translate those concepts into ideas that can work.

Facebook was a concept in someone's mind before, today it is a multi-billion dollar business. Many smart Papua New Guineans are out there. If you are looking for a job and there are no job opportunities, your government is now putting up credit facilities. You

already have land in your villages, go into the forestry business, agriculture business, fisheries business.

The Supplementary Budget that we will pass soon will have price stabilisation money to give a good price to coffee and agriculture.

So, we are trying our very best to get our Papua New Guineans back into business. You asked who is qualified, Mr Speaker, through you, we are not speaking idle words, K166.5 million has already been distributed into districts and provinces across our country, including our leaders on the other side of the House.

Our Member for Ambunti-Drekikir will confirm this. I texted him and asked him, if the Members of the Opposition received the funds. We are not a fake Government to serve one side only, no, we are here to help all of us. The people of Vanimo-Green are also my people, just like the people of Tari-Pori. And so this money has already been disbursed to all the districts and all the provinces.

The Chairmen of DDAs and the provincial governments must cooperate and see the catchment of Papua New Guinea SMEs will come through our district structures. Let us establish this properly and bring in some catchments to link with BSP and NDB so that they can go into cocoa, coffee, tourism and other cottage industries that exist in our country instead of waiting for Porgera to reopen so they can receive easy money from the gold mine.

Thank you, Mr Speaker.

Update Common Roll

Mr JAMES DONALD – My questions are also directed to the Prime Minister. I have a couple of questions.

We all come here through the same way, through being voted in by people, and the time leading to the next election is only one year away.

My question is on the update of the Common Roll. I know that the Common Roll is an important item because many of us go looking for votes by asking people to give us numbers. So, I feel that we, as a responsible government, need to do this.

(1) Mr Speaker, my question is, when exactly are we going to update our Common Roll throughout the country? So that we can have all the eligible voters properly accounted for and not rush in the last minute in 2022.

(2) If we are going to start next year then we need to realise this and allocated money to roll out this exercise. If it is possible and with the government's permission can the provinces and districts put money into this exercise?

(3) While on that, I just want to know, as a responsible government, what kind of voting system are we going to use in 2022. Are we going to use LPV or are we going to use First-Past-the-Post?

Mr JAMES MARAPE – Thank you, Mr Speaker. I thank the Member for North Fly and Leader of People's Action Party for asking these important questions.

I want to give him assurance that this is an important question he has asked for us to prepare well for the 2022 National Elections.

I'll get my office to look into this. We want to deliver a good 2022 Election that is fair and friendly. Some of these practices will be tried in the Goroka by-election and I have told the Police Minister already to make sure that everything rolls out smoothly.

06/08

There will be separate polling booths for both man and woman. The same Common Roll will be used up in Goroka by-election for them to exercise their rights, because a lot of issues arise during the polling processes. We will do a trial in Goroka of what we have planned out and see the outcomes in order to improve the 2022 National General Elections.

Of course, Common Roll is an important part to the election process. This year we were supposed to roll out Census 2020, but due to the tough time that we are going through, it was put on hold. We will work in partnership with NID to update the Common Roll in a platform so that a common data is used by these three key programs to ensure, we have one population census and records that we can use in the Common Roll for 2022 National Election.

So, I will get a detailed report back to the Member on the issue of election preparations for 2022 and also the Common Roll issues.

He also has asked the question on the voting system, I will report back to Parliament, because it was under the leadership of the former Chairman, Honourable Robert Atiyafa. They had already done consultations throughout the country, regarding the review of the Preferential Voting System. I think they have established funding and are awaiting presentation to Parliament on this report.

I will work to bring this report in our next sitting of Parliament. So, that we can deliberate and bring to conclusion the findings of the report and affirm as a Parliament on the method of voting in 2022. I also make a commitment to ensure we have a better Common Roll prepared to be used in 2022.

We are also thinking very seriously on the Biometric Voting System. One person, one vote through a biometric process and the Planning Minister is assessing in this regard to ensure, we are prepared well for 2022, within the resources we have so that we have a better 2022 National Election that is serving our country.

Thank you, Mr Speaker.

Mr BELDEN NAMAH – Thank you, Mr Speaker. Mr Speaker, I would like to ask my series of questions to the Prime Minister.

Mr Speaker, before I ask my questions, I would like to acknowledge the presence of the Vanimo-Green River District Development Authority Board members here in Parliament. Majority of them are first timers to this Parliament and I would like to welcome them.

(Members applauding)

Payment to PCNM Limited

Mr BELDEN NAMAH – Thank you, Mr Speaker. A while ago, the Prime Minister has responded to a question by the Member for Moresby North-East regarding the funding of K200 million for the SME.

Mr Speaker, in the former Government the Prime Minister was then the Finance Minister and he maybe has structured some way in order to have fast money.

Mr Speaker, my series of questions to the Prime Minister is related to a payment made to a consulting company of more than K3 million.

Mr Speaker this question could expose the schemes, scams and fraudulent activities that has been prevalent over the years within the Department of Finance and Treasury and many other state institutions that were initiated and perpetuated, by the senior most leadership in our country.

Mr Speaker, I would therefore ask all members of this Honourable House and our people of our beautiful nation, who may be listening on the radio or watching television to listen very carefully to this important question.

Mr Speaker, my series of questions are related to a cheque payment of K3 million to a particular consultant company called, PCNM Limited in 2013 by the Treasury Department at the instruction and the direction of the then Finance Minister and now our Prime Minister, Honourable James Marape. I would like to give a few background texts as to this payment.

07/08

Mr Speaker, on the March 1, 2002, the PCNM Limited entered into a service agreement with National Capital District Commission to implement a program called Youth Employment Scheme in the city.

The PCNM Limited claim to be owed an outstanding amount of K231,000 over unpaid invoices since September 2002 to March 2003 and a total of 7 months.

Mr Speaker, the claim suddenly surged to a staggering K4. 986 million as outstanding payment according to a letter dated 18 March 2013, apart from the other correspondence written by the then Finance Minister and the current Prime Minister James Marape to his former Secretary, Mr Steven Gibson, instructing him to look for funds to pay PCNM Limited.

The former Finance Secretary, Mr Gibson, then wrote a letter dated 18 September 2013 to his colleague Treasury Secretary, Mr Dairi Velè, to identify savings in the current budget to settle the outstanding payment of K4.986 million.

Mr Kobby Bomoreo - Point of Order? Mr Speaker, the question raised is more like an allegation. Can the Opposition Leader refer this matter to the appropriate authorities to deal with?

Thank you, Mr Speaker.

PCNM Payment Allegation

Mr BELDEN NAMAH – Thank you Mr Speaker. On the 24 December 2013, a cheque worth K3 million, cheque number 004708 was released by Treasury Department made payable to PCNM Limited.

Mr Speaker, it is also interesting to note that the cheque was printed on the 24 December 2013 and the letter of confirmation appears to be written earlier on the 23 December, before the cheque was printed.

It should have been the other way around. The fact that the letter of confirmation has been printed earlier prior to actual printing of the cheque amounts to existence of conspiracies and sinister motives to defraud the Independent State of Papua New Guinea.

Mr Speaker, the Investment Promotion Authority search records reveals that the shareholder of the company was late Mr Paita Toewa, who happens to be the father of the current Finance Minister, Honourable Rainbo Paita.

Mr Speaker, at the time of the cheque payment of K3 million, our good Minister for Finance.

Mr SPEAKER – Honourable Opposition Leader, you are personalising the question and naming people on the Floor of Parliament. The *Standing Order* doesn't allow that.

So, ask your question.

Mr BELDEN NAMAH – Thank you, Mr Speaker based on the facts that I have alluded to which I have with me as the evidence of this transaction, my questions are as follows:

(1) Can the Prime Minister confirm or deny that he knowingly was involved as Finance Minister to defraud the Independent State of Papua New Guinea by approving this inflated outstanding payment to the Managing Director of PCNM limited who is now the Finance Minister.

(2) Can the Prime Minister also tell this honourable House that due processes and procedures were not followed by way of seeking clearance from the State Solicitor's office prior to making this payment?

Mr Rainbo Paita – Point of Order! Thank you, Mr Speaker. I think some of the facts are being distorted

(1) It was never paid through Finance Department, if he can give the facts to which department executed this payment. The payment wasn't done by Finance Department as he is alluding to so some of these facts can be made clear to this honourable House so that we don't distort the facts to impinge leaders on the Floor.

He is a senior leader so I ask him to state the facts clearly.

Thank you, Mr Speaker.

Mr SPEAKER – The honourable Opposition Leader, the Chair is of the view that the questions you are raising are more of an allegation or fraudulence in nature.

The Chair will not allow you to ask the questions but you may refer those documents as evidence to appropriate authorities to deal with it.

08/08

Make sure you have evidence for the allegations that you are making.

Mr BELDAN NAMAHA – Thank you Mr Speaker, I will do so and I will refer this matter to the National Fraud and Anti-Corruption Directorate.

Mr James Marape – Point of Order! With due respect to the Opposition Leader, for the interest of the country, he has already asked his questions. He could have refrained from going into details but he has already done so therefore, I think I am entitled to answer for the sake the country's records. He visits the police stations regularly, sometimes even compromising evidence and supporting the very people he has accused, and even bailing them from our court houses.

(Laughter in the Chamber)

Mr James Marape – Mr Speaker, with the greatest of respect, he should and must finish asking his questions in a question form and not by going into details of allegations. I think I should be given the opportunity to explain my response to his allegations.

Mr SPEAKER – The Chair wishes to advice the Opposition Leader to ask his questions properly and not to personalise it, so that the Prime Minister can be given the opportunity to explain himself in response to the questions raised.

Mr BELDAN NAMAHA – Maybe I should ask all these in one question. The claim was for K231 000 which particular company claimed to have accrued an interest over 10 years amounting to K4.986 million.

My question to the Prime Minister is, based on the principle outstanding amount of K231 000, can the Prime Minister inform what accepted professional accounting techniques

or methods or formula did he use in calculating and determining the interest accrued over the 10-year period?

He has already paid K3 million so what formula did he use? Is he already setting a precedence? This is probably why we are always running short of money in the country.

Mr JAMES MARAPE – Thank you, Mr Speaker. Let me firstly appreciate you for allowing him to finish question after your ruling. I would also like to acknowledge our Vanim-Green Presidents who are here with us in the public gallery today. I would like to also inform them that when I was the Finance Minister and now the Prime Minister, they have always received their budget allocations. Please check the DDAs and make sure services are delivered to our people there.

(Laughter in the Chamber)

Mr JAMES MARAPE – With the SMEs, we allocated K2 million at that time. The K500, 000 was to support the WASH Program in our schools and our villages. The other K500, 000 was for our SMEs whilst the other K1 million is for agriculture.

It seems the Leader of the Opposition has made a detailed investigation about what happened in the Department of Finance. He is very much welcomed to check on my records of my past tenure as the Finance Minister from June or August, 2012 till 10 April 2019, when I resigned.

Mr Speaker, I would like to inform the country that when I was the Finance Minister, there were processes and laws that guided me to carry-out my duties and responsibilities. The Finance Department is a public office and for that matter, all queries are most welcomed for an investigation. The Finance Minister does not make the payment, the processes and systems do the checks and balances before any payments are done. Payments are only done when a claim has met all the requirements for payment.

Mr Speaker, I am sorry that he has mentioned names and has alleged foul-play in these payments. I think he has breached the *Standing Orders* by naming persons that cannot defend themselves on the Floor of Parliament. However, I invite him to bring those reports forward so that we can investigate them. Just like how he helped bail the former Prime Minister from court after alleging all kinds of allegations.

(Laughter in Chamber)

09/08

Mr JAMES MARAPE – It is a same case scenario, you can lodge your report at the Fraud Squad and let them process the case. I am not in a position to stop the police from carrying out their duties. But I want to make it clear that some of the documents that I signed as a Finance Minister were endorsed by the authority. For example, *Section 61* of the *Public Finance Management Act* states that I must sign if due process are complied from the originating department. For example, if NCDC says make a payment, because the originating contractor is NCDC, when it comes to Finance, we look for money.

The documents come through several processes to reach us and when we receive them we try to look at them and process them. Someone might want to ask a question on IPBC purchase of generator for instance, *Section 46* of the then *IPBC Act* states that Finance Minister and authorities concerned must be at the end of the process. That's why I am willing to defend myself before a competent court because I feel that I acted properly in this instance and I am very much entitled to mount a fresh criminal proceeding on this matter. All of us have criminal proceedings and I have no issue to face police on this matter.

He is entitled to mount it again. I am sure he has a very clean background that he is trying to protect.

Thank you, Mr Speaker.

PNGLNG Benefits for Juha Land Owners

Mr TOBOI YOTO — Thank you, Mr Speaker. My question without notice is directed to the Minister for Petroleum and Energy.

Firstly, I would like to acknowledge the former government and the then Minister for Petroleum and Energy, Dr Fabian Pok for the work he has started. During that time, they worked on the first PNGLNG project at Juha PDL10 in the Western Province. Since 2009, when they signed the memorandum of agreement, they have advised the land owners that they will receive their benefits. Since 2009 till now, my people in Juha are still waiting. They are still waiting because they said that the land owners from Hela and Southern Highlands have lodged court orders to put a stop to the government from making payments.

I want to make it clear on this Floor of Parliament that Western Province is a province of its own and it's not part of Southern Highlands and Hela. So, the benefits for the people of Juha should not be affected.

My questions are as follows:

(1) I am aware that the clan vetting has been completed and the real land owners of Juha were identified, when will they receive their benefits?

(2) When will the Minister use his determination to sign and clear the real land owners of Juha? I have two more years to go before I leave this Floor, while I am here, I would like to see my people of Juha receive their benefits.

Thank you, Mr Speaker.

Mr KERENGA KUA — Thank you, Mr Speaker. I thank the Governor of Western Province for his important questions. I will find out the status of the Juha PDL10 and answer his questions later, as I do not have an answer at the moment.

But, generally, I am aware that there are three or four land owner identification processes that Dr Fabian Pok started when he was a minister.

When I became minister, there were funding constraints and that has stopped the continuity and completion of the process of land owner identification for the three license areas including Juha and Kutubu.

Under the law, Mr Speaker, all the land owner identification processes must be completed before license is granted. But, we continuously get those processes wrong in projects on gas, or petroleum agreements. We signed and gave them the production license, and they went ahead and developed the resource but when it comes to the benefit, we always experience a blockage of land owner identification issues.

10/08

But, we must first of all complete the landowner identification process before we issue the Petroleum Development licenses. We need to complete this process before the benefits roll out. And one of the difficulties that we have encountered is that people challenge the landowner determination processes.

And some of these challenges are going in and out of courts for years. Some of the plaintiffs, in the course of these courts' proceedings obtain blanket injunctions restraining the arms of the Government; the Department of Petroleum and the Department of National

Planning and all these line agencies who will pay out the benefits and entitlements of the landowners. That is why some times the Government do face shortage of funds and the work normally gets delayed.

But other times the landowners contribute to this delay. Whilst having this opportunity, I want to announce on this Floor of Parliament that there is a good amount of funds parked at the Central Bank and Mineral Resources Development Company (MRDC) totaling K900 million to K1 billion.

These are funds that should be distributed according to established formulas; and about 40 percent can go straight to the landowners back home and its a huge amount of money.

As the Minister responsible I look forward to making sure these distributions are done and it reaches the right recipients and that's the landowners back at home.

The only issue is that they have obtained court summons. There about six court summons so far, one has been dismissed by the courts and five still outstanding. And amongst these five, two are seeking court injunctions preventing the disbursement of these funds.

So, I want to encourage the landowners to resolve this issue amicably and find a way to settle it so that all these injunctions can be removed and the funds can be released to the landowners.

Whatever entitlements for the people of PDL 10 from Juha is also tied up in that blanket injunction. They are good people and don't have any court summons but injunctions taken by other people covers them too because funds come from one basket.

In conclusion, I will find out the status of the landowner identification process commenced by Dr Pok and I will advise the Honourable Governor, after the Parliament.

Thank you, Mr Speaker.

Supplementary Question

PNG LNG Benefits for Coastline Areas

Mr PETER ISOAIMO – Thankyou, Mr Speaker. My supplementary question is similar to questions raised by the Governor in relation to sharing of benefits.

On two occasions, I visited my electorate in Kairuku Coastline, the people of Yule Island and Husan Bay area, in Seaway, from Cape Suckling to Cape Possession at the border of Central and Gulf.

My people there said, almost 10 years now, and they want the Minister to clarify whether they are entitled to the benefits from the pipeline that passes through their sea area. I also have information from my people of Moroi village who told me that the Department recognised them for this seaway.

(1) Are the people living along the coast starting from Manumanu to Kikori entitled to the benefits or not?

(2) If so, can you make a determination so that they too can receive benefits from the pipeline that passes through their seaway?

11/08

Mr Speaker, when the pipeline runs through the land the landowners are entitled to receive some benefits. Six months ago, I traveled to Kikori to witness payments of some benefits to the landowners of the pipeline corridor from Gulf into Western province. And for seabed mining, am sure if it is close to the shore but I really do not have an answer. This question was more or less directed towards the statement of the pipeline running through the sea.

Generally, I know that if it closer to the shore there are landowners there to claim for it but if it is in the vast ocean, where there is no ownership there-but I will check the position of the pipeline and also whether there are some entitlements to landowners for the part of the sea that the pipeline runs through. I will find out and inform the Member for Kairuku-Hiri.

**ACKNOWLEDGEMENT OF VISITORS – OFFICERS OF VANIMO-GREEN
DDA AND OBURA-WONENARA DISTRICT TREASURY –
STATEMENT BY THE SPEAKER**

Mr SPEAKER – Honorable Members, I have to inform Parliament that we have officers from Vanimo-Green DDA and Obura-Wonenara District Treasury present in the Gallery this morning. On behalf of the Parliament, I extend to you a very warm welcome to the National Parliament.

**PUBLIC SERVICE COMMISSION – ANNUAL REPORT, 2019 – PAPER –
MOTION TO TAKE NOTE OF PAPER**

Mr SPEAKER – Honorable Members pursuant to statute, I present the Annual Report of the Public Service Commission for the year 2019.

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

That Parliament take note of the Paper and the debate be adjourned to a late date.

Debate adjourned.

**MINISTRY OF EDUCATION – FLEXIBLE OPEN AND DISTANT EDUCATION
(FODE) STRATEGIC PLAN 2021-2025 – PAPER AND STATEMENT –
MOTION TO TAKE NOTE OF PAPER**

Mr JOSEPH YOPYYOPY (Wosera-Gai – Minister for Education) – I ask leave of Parliament to make a statement in connection with the Paper.

Leave granted.

I rise to present to this Honorable House the Strategic Plan 2021-2025 for the Flexible Open and Distance Education in Papua New Guinea. It is the current reforms that are undertaken within the National Education system. The plan is intended to position FODE to play an active role in the education of our children and meet the evolving challenges with a renewed focus and capture emerging opportunities as a result of the reforms.

Flexible open and distant education is the dedicated institution that offers open and distant learning pathways as an integral part of the National Education System. It comes under the Secondary and Open Learning of the Department of Education and based on the school at home; where students study the same secondary education curriculum in their own time, own home and in their own pace.

12/08

The national education system has a high attrition rate with significant declines in enrolment at the transition points at grades eight (8), ten (10) and twelve (12) due to a growing population.

Historically, these attrition rates have been barely recaptured into the formal education system. The core mandate of FODE is to provide an alternative pathway for students to complete their education goals at their own pace and enable those who dropped out of the formal education system to continue their education through this pathway.

Since the programs are harmonized between the structured classroom learning and distance education, all students sit for the same examinations and attain the same qualifications. This has been a major achievement by the FODE in the last few years.

FODE in PNG

Mr Speaker, FODE has a rich history dating back to 1957 which was then known as the College for External Studies (COE) offering Queensland curriculum.

Introducing FODE was intended to upgrade the education levels of the then public service employees of the territory of Papua and New Guinea. Since then it had metamorphosed into the College of Distance Education (CODE) in the 1980s and recently in 2005 was changed to FODE. The FODE colleges now offer courses from grades 7 to 12 and provide an alternative learning pathway for students to meet their education goals.

The challenges that PNG faces are myriad, but the government's resolve to ensure quality and affordable education remains the bedrock of our education system and has been unwavering. Over the last few years, programs offered by FODE have been harmonized with the formal regimented classroom curriculum. Students undertaking distance education through FODE can now attain the same level of qualification as their compatriots pursuing their education goals through the formal education pathway.

FODE has its success stories in hundreds of graduates, a few examples of FODE's success include, Dr. Thomas Webster, Former Secretary, Mr Peter Baki and the current Minister for CIS, Honourable, Chris Nangoi.

FODE Strategic Plan; 2021-2025

Mr Speaker, the 2021-2025 Strategic Plan for FODE is cast from a different mode recognising the challenges before it, appreciates its own limitations and very boldly embarks on redefining its core product and identifies the process necessary to achieve its core mandate.

Over the last few years, FODE has faced a myriad of challenges most of these are imposed by external changes.

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The organization has been struggling to deal with these challenges and the Strategic Plan is intended to provide a roadmap towards addressing institutional constraints to meet those challenges and to position the organization to emerge as a robust and agile entity.

The language adopted for the Strategic Plan is borrowed from the commercial world with emphasis on "customer satisfaction". In this case the experience enjoyed by the students. The emphasis is on optimizing the processes that are managed by the staff to ensure a defect-free product is derived: The product is the ease of accessibility by the students to the programs offered by FODE through a network of provincial and district FODE Centres. In essence, education is a journey and an experience that students choose to partake, and the quality of that experience is the sole product FODE is selling.

Mr Speaker, the targets espoused in Strategic Plan 2021-2025 are fairly robust and will ensure that FODE will deliver on its core mandates including:

- Adopt a new organisational structure to meet the emerging challenges and demands, and to attract and retain the best talents;
- Expand enrolment by five to seven per cent (5-7%) per annum in accordance with the National Education Plan 2020-2029;
- Improve internal processes to improve contents and manage content delivery through various modes;
- Improve accessibility to the programs offered through establishment of district FODE centres, and Improve student services,

Mr Speaker, based on the enrolment figures available, there appears to be a natural attrition at every grade level and is exacerbated at the student transition points under the 3-6-4 system. The total enrolment for FODE is less than one per cent. Those that fall out of the system are not being captured through the distance education modes. FODE has a lot of rooms to improve and grow now that the department is implementing the New Schools of 1-6-6.

FODE Strategic Plan 2021 - 2025 is being developed against the backdrop of the transition in the National Education from the 3-6-4 system to the newer 1-6-6.

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The success of it going forward will be highly dependent on its ability to manage the newer challenge as well as to capture the emerging opportunities.

The plan therefore is a departure from the usual planning because doing the same thing and expecting a different outcome is the height of insanity as attributed to the famous Albert Einstein. Instead this plan looks at the system issues through the People-Process-Product principle (the 3-Ps) to ensure the effectiveness of the delivery of the distance education to its principal customer - the Student.

At the end of the planned years, FODE should evolve into a robust organisation with improved accessibility for students pursuing their education goals, offer very competitive programs, improve enrolment to a larger student population and has robust infrastructure in place to extend its programs to its potential students, who are its number one customer.

Expected Trends and Outcomes

Mr Speaker, in the modern world of evolving and changing technologies, the ability of students to access information is greatly enhanced. Information is brought to the students fingertips and is available at the press of a button where a variety of choices and options to pursue their education goals. It presents unique challenges to the providers of education, especially on how to convert information into education.

Globally, institutions that offer distance education are delivering their contents through the multi-media platforms; Internet, video, DVD, radio, etcetera, and the classical mail order correspondence. FODE adopts all the platforms available in order to deliver its distance education.

The Marape/Steven government's vision on education is "take back PNG leaving no child behind". FODE provides the foundation for a literate Papua New Guinea that leaves no child behind. Its Mission is to facilitate access to all students seeking to gain quality education and to foster a transformational educational experience and responsive student services that ensure institutional excellence and effective student learning. The main goal of FODE Strategic Plan 2021-2025 is to provide equitable access to innovative and high-quality learning opportunities and student support services that empower students to achieve their educational goals. In the medium to long term I want to see:

- (a) One curriculum;
- (b) One exam and one certificate; - that is, its contents and Qualification are on par with the regular education delivery modes.

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FODE becomes PNG's pre-eminent provider of distance education,

(d) It is easily accessible through different mediums;

(e) An alternative pathway for students to achieve their education goals; and

(f) FODE will be a collaborative approach through Public, Private, Church partnership to deliver contents to deliver high calibre students ready to advance to their next level of their education goals and vocations.

Concluding Summary

Mr Speaker, FODE is the sole distance education provider. FODE developed its curriculum to align with the formal education system of the country. The new and aligned curriculum was completed and launched in 2017 by the current Prime Minister and implementation started in 2018.

FODE is now no longer considered an alternative or second chance pathway. It is an equal and parallel education pathway for students to achieve their education goals. It now offers the main stream aligned curriculum starting from Grade 7 to Grade 12. The courses are now tailored and delivered through the distance mode to many students in PNG who for myriad of reasons are unable to complete their studies through the formal mainstream system. Its main clients are the students who leave school prematurely or persons who are determined to achieve a basic education certificate up to Grade 12.

FODE enables students (both the regular and distance education) to sit in one classroom for the same exams issued by the Department.

Mr Speaker, I now present the FODE Strategic Plan 2021-2025 to this Honourable House to take note of what we are doing in education to achieve the Marape/Steven Government's Vision of taking back PNG through leaving no child behind and seek the commitment of each Member of Parliament. Thank you and God bless Papua New Guinea.

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

That Parliament take note of the paper.

Mr Speaker, I wish to offer my small statement to support the important parliamentary statement.

Mr Speaker, thank you again for giving me the opportunity to stand and place my record on support of Minister for Education. Let me commend the Education Department for

living on with dream to ensure Flexible Open and Distance Education becomes relevant and real option for young people in our country. I take this big time and small time to impress in every governor, and every member of Parliament in our House to take a keen interest in these options that is now open for our youths in our country, we have a huge rate of drop outs every year, they come out from grade 8, they come out of grade 10, they come out of grade 12 with no alternatives, for some to progress through in future.

Mr Speaker, let us embrace flexible Open and Distance education (FODE) pathway as responses by Leadership and by the Government to ensure our youths to progress on.

Mr Speaker, let me indicate to members of this Parliament, for instance in my own district in the last five years, we have invested a substantial investment from our DSIP into building the HOPE institute.

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This institute is for those who have dropped out of grade 10 and 12 and also those adults who have left school for many years but are now interested in going back for a second chance. Whether they matriculate into TVET or SME or education after grade 12, the option is readily available to our citizens.

Mr Speaker, I would like to encourage our members of Parliament and provincial governments to see this option as a real intervention and us giving a second chance to our people. We want to reach a stage in our nation's life where every child who enters elementary terminates at year 12. But realistically speaking and capacity wise, due to the availability of funding is such where, resources are short and we continue to have grade 8 examinations to determine who continues and who stays back. This is the same in grade 10 and grade 12.

Mr Speaker, I would like to encourage all members of Parliament to liaise with the Education Department and utilise your DSIPs or PSIPs. We do not need to re-invent the wheel because these curriculums are now made compatible. Our kids who go through grades 9, 10, 11 and 12 through the Flexible Open Distant Education will also sit the national exams to qualify them to enter our universities and colleges. I think this statement indicates one Member of Parliament who sits with us today. He completed university and today he is the Minister for Correctional Services. He is a product of the Flexible Open Distant Education System. He matriculated all the way to UniTech, got his degree as a qualified communication engineer and today he sits here amongst us.

The response to our youths who have no future in life have been provided a second chance. They have been given an opportunity through this Flexible Open Distant Education system. Let us all as members of Parliament pick up this opportunity in our districts and support these youths. I point to all of you to embrace these course materials at the very earliest for 2021. You will ask me, where are the classroom spaces? I will also point to existing classrooms in all our high schools throughout our country. What do they do at 3p.m., or 4p.m., or even 5 p.m., every afternoon? What do they do on holidays? What do they do during Christmas Holidays when schools are at rest?

Mr Speaker, we can activate open flexible learning during those times so kids who need to continue can use these opportunities as a second chance in their education. We can use our DSIPs or PSIPs and build an infrastructure for them to use in school boundaries. Our registered schools usually have a lot of unused land that can cater for a building to accommodate for this FODE students.

Mr Speaker, I commend the Minister for embracing this and I encourage all members of Parliament to see the flexible learning as the answer for our kids who dropout of schools.

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

That Parliament take note of the paper and debate be adjourned to a subsequent sitting.

Debate adjourned.

**DEPARTMENT OF COMMUNITY DEVELOPMENT, YOUTH AND
RELIGION – ANNUAL MANAGEMENT REPORT, 2018 – PAPER
AND STATEMENT – MOTION TO TAKE NOTE OF PAPER**

Mr WAKE GOI (Jimi – Minister for Community Development, Youth and Religion)
– Mr Speaker, pursuant to statue, I present the Annual Report Management Report of the Department of Community Development, Youth and Religion for the 2018 and I ask leave of Parliament to make a statement in connection with the Report.

Leave granted.

Mr Speaker, firstly, let me thank you Honourable Speaker for giving me this opportunity to present to this Honourable House my department's 2018 Annual Management Report.

Mr Speaker, I also take this opportunity to acknowledge and thank the Prime Minister, Honourable James Marape, for giving me this very important ministerial portfolio, the Ministry for Community Development, Youth and Religion. I commend the former Minister, Honourable Soroi Eoe, for the political leadership he has provided and I will continue the legacy he has set at the political level.

Mr Speaker, today in this Honorable House, I commend the former O'Neill-Abel Government for the tangible, growing recognition and support for women, youth, children, elderly, and persons with disability and other vulnerable population in the nations development.

Such recognition and tangible support was evident in the increased level of budgetary support to the department as well as the number of interventions undertaken on areas of broader protection and empowerment of families and communities.

Today I acknowledge the Marape-Steven Government and the recognition and support it will continue to give to this very important government ministry.

Mr Speaker, the notion of strong families that provides the basis for strong communities is now challenged by various development issues. Today, communities both in urban centres, peri-urban village communities, and rural communities including rural villages in resource development sites are confronted with social and economic issues, which are felt, visible and experienced.

Some of the issues relate to low literacy rates, increasing levels of poverty, lack of income earning opportunities, high unemployed youth labour force, gender-based violence, sorcery-related accusations and killings, conflict within families and communities, population pressure, gender inequality, marginalized elderly population including persons with disabilities, and lack of protection for affected children. These issues do have negative implications on the wellbeing and livelihood of our people.

Mr Speaker, as leaders, we are becoming acutely aware and informed of these issues, consequently we are under pressure to find best and sustainable local solution in supporting improved livelihood standards of our people.

17/08

The initiatives undertaken by my ministry and the department to concentrate on community development service delivery at the district is by far relevant, practical and doable in accessing the masses of families.

Mr Speaker, the focus of my statement amplifies the timely, strategic and dynamic shift on community development undertaken in the country with the direct support of the former and present government through my ministry and the department in the establishment of district community development centres as the relevant service delivery model in the district, more so as a catalyst to highly coordinated and engaging whole of government approach to family and/or community protection and empowerment services.

Mr Speaker, please allow me to put on record that social services pertaining to community development on youth, women, children, elderly and persons with disability seriously in this country lacked impact and in some cases none at all. In reality, according to our recent assessment of community development, most districts are facilitated by one or two officers with a minimum Budget of K2,000 - K5,000 per annum and tasked to cover the entire district using outdated welfare modality since independence.

Mr Speaker, let me inform this Honourable House that this is changing with Tangible Capital Investment on establishing district community development centres currently undertaken in the Gazelle, Talasea, Imbonggu, and soon in Pangia, Yangoru, and Esa'ala. Let me also put on record that this is the first time since independence, the government invested on infrastructure development and capacity building, particularly in community development.

Mr Speaker, as a minister, I am very happy to see tangible collaboration and partnership between my department, district development authority and provincial administration in the establishment of this district community development centres. The current investment is projected at K8 million and will increase to K14 million by the end of 2019. And this is funded by GoPNG through the respective DDA and district services improvement program and the department. Please allow me to thank the Minister for National Planning and Monitoring and Treasury Minister for their undivided support.

Mr Speaker, at the time of signing the MOA between my ministry, department and the respective district development authorities, governors and provincial administrations, our good leaders appreciate and value the importance of improving service delivery at districts particularly for women, youth, children, elderly and persons with disability, further stated that

these centres must be established in all the annual management report. I have charged my department and line ministry agencies to ensure this is factored over the next five (5) to ten (10) years.

18/08

Mr Speaker, the aspiration of my ministry and the department is driven by the following major issues:-

- The department's integrated community development policy introduced in 2012 lacked implementation at community level due to program mismatch and disconnections between the department, provincial community development division and district community development section. The provincial community development divisions also under resourced and implicates on capacitating the district community development sections.

- District community development office seriously lacked the technical, organizational and operation capacity to adequately service the communities in the absence of structured approach to national community development service delivery model (NCDSDM) as a framework to guide community development impact in communities.

- Current programs implemented at district level are based on welfare modality and lack impact at community level. Any community development related programs are mostly facilitated by community based organizations or churches without effective coordination and compliance with district community development sections.

Mr Speaker, the approach focuses on transforming district community development sections into 'District Ministerial Statement on 2018 Annual Management Report. Department for community development and religion.

Mr Speaker, my Ministry (is responsible for the Department for Community Development and Religion, including four other statutory bodies and two established offices namely; the National Youth Development Authority and the National Censorship Office and National Office for Child and family Services.

19/08

These line ministry agencies mentioned are now directed by NEC to realign their programs and meaningfully integrate implementations through the district community development centres. this is necessary to bring about improved coordination, resource

mobilisation and reaching our people thus making the presence of government and service delivery realized.

Mr Speaker, my ministry has immense moral and legal responsibility for children, people with disabilities, elderly, women, churches, youth, censorship and volunteer services in the country. Many of these functions need to be made relevant at the district to bring about social change, protection and empowerment.

Mr speaker, the department's key result areas in 2018 were focused on improved corporate governance, enhanced community capacity, further human rights, promote church state partnership for service delivery and provide executive oversight totalling 118 activities. The department's 2018 performance was measured against PNG Vision 2050 (pillar 1,3&6) relating to institutional development, service delivery, human capital development, gender, youth, people empowerment, churches, culture and community development. My department's performance is also assessed against PNG Development Strategic Plan 2010 - 2030, MTDP III - 2018 - 2022 and Department's Corporate Plan 2017 - 2018 and DFCDR AOP 2018.

Mr Speaker, indeed it is my pleasure to hereby highlight some of the notable achievements made by the Department for Community Development and religion in 2018 which are as follows:

4- facilitate annual public service dedication service

Papua New Guinea was well represented by the ministry and department during APEC 2018 in the policy partnership on women and the economy (PPWE), women and economic forum (WEF) and the Group of Friends on Disability (GOFD), National Office for Child and Family Services continues to strengthen its capacity as a standalone office in the public service, including the installation of the first ever national child and family services council

- establishment of church state partnership data.
- establishment of civil society database and conduct of the church partnership forum;
- inclusion of religious education in the primary and secondary education curriculum following the Children Forum in 2017;
- hosted the four regional mini expo for women in business leading to APEC.
- draft disability authority bill in place pending NEC consideration and tabling in Parliament;

- progressed the review of social protection policy in partnership with Department for National Planning and Monitoring ministerial statement on 2018 annual management report;
- completed draft country report on convention on the rights person with disabilities; and
- support funding to national youth development authority on the regional consultation on youth employment policy framework

20/08

Mr Speaker, I am also pleased to inform this Honourable House, the Department of Community Development, Youth and Religion, in 2018, conducted the first ever and world first National Audit on Informal Economy and it was undertaken in nine provinces and 17 districts.

The audit was very significant to increasing knowledge on how our ordinary people are engaged in the informal economy. The National Informal Audit was support by Department of National Planning, CIMC and UN Women.

The outcome of the audit sheds insights into status of informal economic and its potential to boost the economy directly contributing to MTDP III, on creating employment and increasing internal revenue.

I look forward to presenting the findings in this Parliament, very soon. There is some K13 billion floating around in the informal sector and several of them have gone into Micro SME and SME Level, who are now capable and eligible to tap into this loan arrangement that we are arranging.

Mr Speaker, allow me to acknowledge the support of our traditional partners in 2018, particularly the Australian Government through DFAT and the Program Governance Facility, UNICEF, UNDP, UN Women, UNFPA and other NGO's. The partnership was focused on Informal Economy, Child Protection, Gender, Department's APEC Priorities, and Women Entrepreneurs. Their ongoing support is recognised and appreciated.

It is also important to say that any foreign support must be centred on the government priorities and institutionalised to ensure sustainability.

Mr Speaker, it is my humble responsibility to commend the Department of Community Development, Youth and Religion, 2018 Annual Management Report to this Honourable House

Mr RAINBO PAITA (Finschaffien – Minister for Finance and Rural Development) – I move –

That Parliament take note of the Paper and the debate be adjourned to a later date.

Debate adjourned.

NATIONAL WATER SUPPLY AND SANITATION (AMENDMENT) BILL 2020

First Reading

Bill presented by **Mr Sasindran Muthuvel** and read a first time.

Second Reading

Leave granted to move the Second Reading forthwith.

21/08

Mr SASINDRAN MUTHUVEL (West New Britain – Minister for State Enterprises)

—
That the Bill be now read a second time.

Mr Speaker, you are well aware of the government's Water, Sanitation and Hygiene Policy 2015, (WaSH Policy), identified water as a strategic asset for PNG if effective management is an important part of PNG's long-term sustainable development.

Water and sanitation in the country is governed by two separate legislative regimes which allows Eda Ranu to supply water and sewerage in NCD while Water PNG Limited takes care of the rest of the country.

As part of the reforms under the WaSH Policy the Government has to bring together the combined strengths of these two entities into a single State-owned enterprise that would provide an efficient and quality service and access to these services in more locations across Papua New Guinea.

NEC decision number 10/2018 approved and directed the merger of Eda Ranu and Water PNG Limited and the transfer of Eda Ranu assets to Water PNG Limited. The NEC approved merger would be achieved by repealing the *National Capital District Water Supply and Sewerage Act* to remove the legislative basis of Eda Ranu and also by amending The *National Water Supply and Sanitation ACT* 2016 to achieve the following outcomes.

The legislation provides that as long as water supply and sewerage facilities in NCD are provided by Eda Ranu the functions of Water PNG will not expand or be exercisable in NCD. This subsection and all other reference to this subsection will be repealed so that NCD falls within the ambit and jurisdiction of Water PNG Limited.

The inspection and licensing of water supply and sanitation systems only applies if those services are supplied to the public. This has excluded private operators. This will be changed so that Water PNG Limited will inspect and provide licences to any person supplying water and sanitation systems, whether for public or private purposes, very similar to PNG Power.

Create a new *Section 58, subsection 8* to effect a deemed amalgamation of Eda Ranu and Water PNG Limited so that all assets which immediately before the transfer date were owned by Eda Ranu will now, on the transfer date be transferred to Water PNG Limited, including all applications and liabilities of Eda Ranu. On the transfer date, all employees of Eda Ranu ceased to be employed by Eda Ranu and become employees of Water PNG Limited on the same term and conditions of employment as they were employed by Eda Ranu and there will not be any job loss.

The assets and liabilities will be acquired at a value equal to the value in the last financial statement of Eda Ranu immediately prior to the transfer date and that such transfers will be exempt from any tax, fee, levy, charges and duties payable under the *Act*.

All environment permits under the *Environment Act 2000* held by or granted to Eda Ranu immediately before the coming into operation of this Act will on the transfer date be transferred to Water PNG Limited.

Water PNG Limited will take statutory easement over land which were owned and operated by Water PNG on around the same land which does not belong to Water PNG Limited.

The tariffs and rates, fees and charges, levies charged by Eda Ranu prior to the transfer date will be the same rate that Water PNG Limited will charge until such a time Water PNG Limited sets new tariffs or rates or fees.

Any regulatory contracts made with ICCC continues in force as a contract for NCD until it is replaced.

All debts remaining unpaid may be prosecuted and recovered as if they were debts and charges incurred under this Act.

From the transfer date NCD will be deemed to have been declared to be a water supply district and sanitation district for the purpose of this Act. This will have the effect of listing in Water PNG Limited all existing water supply systems and sanitation systems in NCD, including all lands, goods, materials and things forming part of that water system and sanitation in NCD.

Thank you, Mr Speaker.

22/08

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 Sasindran Muthuvel**) proposed –

That the Bill be now read a third time.

Mr POWES PARKOP (National Capital District) – Thank you, Mr Speaker, for giving me the opportunity to speak on this important Bill. It may not be as important to other provinces or districts, but since the Bill has something to do with NCD, I would appreciate it if the Minister will be patient with me.

Mr Speaker, the National Capital District is the capital city. The city is for everyone and we are here to put guidelines and regulations so that we look after our capital city. We prefer that Eda Ranu must come back to us to provide service to our capital city. But the past

Government made the decision for Eda Ranu to become an NRI entity and now the current Government is trying to amalgamate it so, let us support it to see how it goes.

But I would like to express our concern here in the city, especially as the Governor and for the whole lot of us as well. Mr Speaker, the bigger issue is when we look at how the state entities are functioning. Part of the problem is that some areas in the provinces or the urban areas have municipal authorities in which the state enterprises operate well and it is profitable where services are balanced. Some areas within the country are not profitable, but the Government continues to subsidise because it is its main function.

For example; *PNG Power*. The most profitable area is here in the capital city, Lae and other urban areas. Everywhere includes services to be provided. *PNG Power* is spending money maybe in Namatanai, Kavieng, Lorengau or Aitape where there is no profit. This is a challenge for the state entities under the Ministry of State Enterprise. So, through the Minister we have heard here in Parliament that *PNG Power* will now divide its operations into some areas while the other areas, we will work in partnership with provincial governments so that it can be sustainable.

So, this is not a new decision for me because the National Government has already taken over this particular entity, state enterprise which only provides or operates only in two provinces or city; in Central Province and NCD. But it has become a national company. It does not operate anywhere else. So, my point is that now we are going against the grain where *Eda Ranu*, instead of focusing just on providing services throughout the city and making sure it is part of our plan as the city is expanding, now we are going to merge it with *Water PNG*.

23/08

How does that fit into the model that we have? The challenge that we face from *PNG Power*, *Telikom*, *Ports PNG*, and some of our ports are not profitable, but they are service-oriented. Perhaps we will continue to subsidise them. What about those profitable in the major area of the human zone?

This is the concern I have and on behalf of the city I must express and the government Ministers must specifically consider this because it's the model that works. The model that makes entity profitable but concurrently balance the service.

Mr Speaker, I thank the government from the past and present for the investment of K300 million state of the art sewerage facility at Joyce Bay.

Mr Speaker, it is one of the best in the southern hemisphere, better than Australia and New Zealand, but it's only providing 30 per cent capacity for the city. The rest are using the system of the past and when are we going to link to the state-of-the-art facility down at Joyce Bay.

When will it expand to the communities like settlements and Motu Koitabuan villages? It will happen with this measure or perhaps the profit for *Eda Ranu* which will distribute throughout the entire country and we will wait forever. This is my legitimate concern.

Mr Speaker, this is my legitimate concern, you don't look at me like I am speaking parable or self-interest, no, I am talking about our city and how to balance so that we continue to support the National Government and services reach our districts and provinces. Concurrently, let's not neglect our capital city where the revenue has been generated.

So that's the sewerage side and I am happy that you know there is a massive investment but it is not completed and we want to merge. My two Open members and myself are quite anxious because we get all these complaint from our people in the city every time.

Now coming to the water, the Member for Moresby North-East is spending half of his DSIP or maybe 70 per cent spent on water projects.

Mr Speaker, but that is the responsibility of *Eda Ranu*. He should be spending the money on health, education, road infrastructure, community centers, scholarship for young people in Moresby North East and also member for Moresby South. But we are spending a lot of DSIP on water projects because it is a big problem and until now *Eda Ranu* hasn't solved it.

Since, I became the Governor in 2007, I allocated the funding to *Eda Ranu* but no progress and so we have concern on this merger. We need to improve things so, recently last week, I asked the question.

Mr Speaker, the capacity of Mt Eriama has reached its limit and the population is over one million. Does *Eda Ranu* have any plans to expand or no, that's the concern I have. We will merge with *PNG Power* but maybe the priorities will divert to somewhere else.

Many of you in Parliament are looking at us like the opportunists and you all are complaining about the city. Many of you have the properties and most provincial governments have investment here in the city. I can name all the provincial governments that have business investments here in Port Moresby. This distinguish service everyone.

NCDC doesn't own a tucker shop and we are not doing any business in Moresby. Mt Eriama has reached its limits and I don't see *Eda Ranu* planning reaching out to water catchments within and around the city.

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To excess water from whether it is Laloki River or Goldie River or even the Brown River in the electorate of Kairuku-Hiri. There are no plans to partner with the Member for Kairuku-Hiri. The city is expanding and we have to meet challenges like the expansion of roads and the expansion of businesses. In NCDC, we are doing our part but I have a genuine concern and therefore would like to express it here on the Floor of Parliament. Many a times you people blame me for getting a big chunk of the cake but you do not realise that I shoulder the responsibility of looking after our capital city in Papua New Guinea.

Mr Speaker, I will however still push for the changes because this capital city is important for the national outcome too. For example, Port Moresby is where Air Niugini is based and this where it operates from to transport all your cargoes to your provinces. You have all international ships docking here before transporting your supplies to your provinces. Our people including you members of Parliament move in and out of our city conducting your personal businesses. It therefore is vital and very important that we look after our capital city.

Mr Speaker, these are some of my concerns and I hope that this merger is for the good of our city and everybody. The Minister will see me including all our Open members of the city to finalise everything. We are happy to use a model where it will workable and practicable for all of us. I have not seen such a model therefore I am questioning things a lot. I hope you all understand and appreciate where we are coming from.

Mr Speaker, we, the members of Parliament of NCD, are more than happy that we are getting 10 per cent. It will enable us to be on the Board of *Eda Ranu*. However, since it is going under Water PNG, it will seem more like a country issue rather than a city issue. This is one of our major concerns and I would therefore like to ask the Minister to consider and structure the model to suite our concern. As it is *Eda Ranu* and PNG Power do not have plans to accommodate many if not most of our concerns.

Mr Speaker, I am concerned that *Eda Ranu* and PNG Power do not plan in advance. I know PNG Power has invested much money into bringing power into the city but the question is, do they have the infrastructure to do so? Do we have the power poles to the new

locations? Many people are buying their own power poles in order to get power supply. There are many illegal connections like the one in Taurama because PNG Power is not proactive. The same story goes for Eda Ranu. They are only reactive to situations and changes taking place. This is not planning and therefore not helpful to our city.

Mr Speaker, I am not against the Minister with his intentions but these are genuine concerns that he has to take into consideration in order to help him. When we restructure and go into the new arrangement, remember that you are there because we pay rates. If everybody gets efficient services then we will all be happy and nobody will be complaining.

Mr WILLIAM DUMA (Hagen – Minister for Commerce and Industry) – I rise to support the amendments being proposed by our Minister for Public Enterprises.

Mr Speaker, the story behind both Eda Ranu and Water PNG are not good stories for which we all can be proud of. In the case of Eda Ranu, many years ago when the Government decided to engage a Malaysian Consortium to upgrade the entire water and sewerage system for Eda Ranu, it forgo substantive revenue totalling more than K1 billion. Fortunately for us, that arrangement came to an end around 2018. As a result of that arrangement coming to an end and with Eda Ranu at least being left alone with substantial revenue we believe can be used to also help after the merger is formalised.

Mr Speaker, this money can be used to turn around and upgrade most of our water supply systems in many of our towns right across the country. Apart from the Lae Water District, we definitely need to bring some revenue for Water PNG.

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In PNG, most of the centers as we know have not been profitable and as a government-owned company, Water PNG has been expected by all of us to continue to provide service even at the loss.

Mr Speaker, if this merger is approved by the Parliament then the situation can be turned around so that the substantial revenue that is generated by Eda Ranu can then be used to provide services right across the country.

One can argue that it will be unfair for the rest of the districts to benefit from revenue that is generated substantially from Eda Ranu but we must not forget that the country is in Port Moresby. Most of the people of this country are in Port Moresby and they are going to be substantial to the revenue generated by the Eda Ranu.

Mr Speaker, there are many things that are wrong with both the PNG Water and Eda Ranu because of the caliber of the people we have appointed to the board as well as the management. With this merger the situation can be turned around.

Many of us would prefer to push for our friends and people we know to be on those boards. However, the questions we have to ask is the person that we are trying to propose will be able to help turn this Government around? We must not allow ourselves to put a lot of pressure on the ministers responsible in trying to turn these very important companies around.

Mr Speaker, in the case of Eda Ranu to the best of my knowledge, with the help of the Japanese Government, we have one of the most modern up-to-date, state-of-the art water treatment plants on the other side at Sabama.

Mr Speaker, unfortunately, it is operating below the capacity because it is located towards the coastal site of Port Moresby city. Most of the houses are not connected to the main sewerage and water system. And for those of you who were around when the constructions for the APEC was going on, a lot of work has been done across the streets of Port Moresby to connect the system. So, there is an ongoing process and when the mergers are approved it can then be turned around to restructure the management system comprising mainly of professionals who will be able to help contribute towards improving the sewerage system in the city.

Mr Speaker, in the case of Eda Ranu, part of the responsibility is also rest with ourselves and we must work together. All of us leaders must discourage more settlings. Most of you might say no to pay any rates. They rely on subsidised rates being paid by our good hard-working Governor of NCD and the three Open members. We must make it our priority to discourage more settlements because when you have a lot of settlements comprises of unemployed settlers, we have an obligation to make sure our people have access to water that can also result in loss of revenue of our company.

And yet, we still continue to have high expectation of Eda Ranu to provide profits for our country but with this merger, Mr Speaker, I am convinced that it will result in an improved and efficient company owned by our people and it will be able to provide more and better services to NCD as well as the rest of our urban centers of our country.

Mr Speaker, on the issue of shareholding, there are many ways to skin a cat, so to speak. You can either allow our people of NCDC and Central Province to have direct equity in this company or do away with the equity structure and substitute it with a dividend policy

to operate arm's length and when it is profitable we can share the dividends. There is one thing to be in control of having a shareholder and a director on the board.

Another thing is to have a dividend policy that is recognized and portioned by law so that when this company makes profit, it can be shared amongst the dividend sharing policy.

Mr Speaker, all in all, I see that the country gaining as a result of this merger. It will result in increased profitable management and ability to turn underperforming companies for the betterment of our people. So, I stand to support the effort of our good Minister for Public Enterprise to propose amendments to the law that will enable this country to have one company providing services to both NCDC and rest of the country.

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

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

Bill read a third time.

ADJOURNMENT

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

That the Parliament do now adjourn.

The Parliament adjourned at 1.35 p.m.