

FIFTH DAY

Tuesday 17 November 2020

DRAFT HANSARD

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PARLIAMENTARY DEBATES
CORRECTIONS TO DAILY DRAFT HANSARD

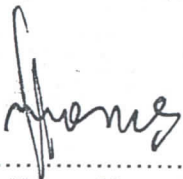
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Corrections should relate only to inaccuracies. New matter may not be introduced.



.....
Mr Harry Momos

Acting Principal Parliamentary Reporter

FIFTH DAY

Tuesday 17 November 2020

The Speaker (**Mr Job Pomat**) took the Chair at 10.30 a. m., and invited the Member for Middle-Ramu, **Honourable Jonny Alonk** to say Prayers:

‘Papa God long Heaven yu living God, almighty, everlasting, nogat wanpela God olsem yu. Yu mekim olgeta samting anap long graun, insait long solwara, anap long skai, mipela liptimapim nem bilong yu, prasim nem bilong yu, givim glory long nem bilong, yu kisim olgeta biknem na glori. Papa God tenkyu long yu larim mipela kam long dispela taim long dispela ples long Parliament. Papa God planti taim mipela i no save gutpela long yu, planti taim mipela save bikhet long yu, plenti taim mipela save abrusim rot bilong yu but yu no save belhat o kros na rausim mipela, marimari bilong yu stap yet na mipela i stap yet na mipela tok tenkyu tumas long yu save lukautim mipela. Papa God mipela i no stretpela man long ai bilong yu, planti taim mipela mekim rong tasol yu pulap long bel isi, marimari na stretim mipela wanwan stap long hia. Papa God klinim mipela long ol asua mipela gat long en na bringim mipela klostu long sia bilong yu na mipela ken sindaun na mekim ol samting long dispela taim. Tenkyu long ol blessing na long larim mipela i stap lait, tenkyu long ol kainkain samting save kamap long dispela graun. Papa God, yu save makim na skelim olgeta samting save kamap long gutpela bilong yu long mipela ken kam klostu long yu. Tenkyu long lukautim life bilong mipela na blesim mipela. Papa God, mipela tok tenkyu na putim olgeta samting kam bek long han bilong yu na askim yu long go pas long olgeta samting, wanem samting mipela mekim tude, ol lidas is stap, Prime Minister i stap, ol membas, ministas mipela stap, Papa God yu, givim bel isi long mipela long wanem samting mipela mekim tude. Mipela putim Speaker i kam long han bilong yu, lukautim em long Sia em stap long en na wanem samting em bai mekim, Papa God, yu blesim em. Papa God mipela prea na tingim ol lidas long Oposision, wanem hap ol i stap, Papa God, yu yet i ken toktok long ol na givim tingting long ol, Papa God yu makim ol tu kamap long dispela kantri long lukautim pipol bilong dispela kantri na givim gutpela tingting long ol tu, long wanem samting ol bai mekim. Tenkyu long olgeta samting yu mekim i kam inap long dispela dei we mipela kam bung redi long go insait long dispela bung bilong mipela, Papa God, yu stap namel na stiarim mipela, Amen.’

**MOTION TO ADJOURN PARLIAMENT BY THE OPPOSITION LEADER –
STATEMENT BY THE SPEAKER**

Mr SPEAKER – Honourable Members on Friday 13 November 2020, a Motion Without Notice was moved by Honourable Belden Namah, pursuant to *Standing Orders*, after seeking leave of Parliament which was granted.

The motion without notice, that was moved was an adjournment motion to adjourn the Parliament to 1 December 2020.

After careful consideration of the Chair's ruling, I am of the opinion that this ruling was incorrect. I bring to your attention *Section 21(a) (i)* of the *Organic Law on the calling of the Meetings of Parliament* which states, 'In relation to any meeting of the Parliament the time and date for the meeting shall be fixed by the Parliament on a motion without notice by a minister'.

I further remind members of *Standing Orders 43* which states, 'A motion for the adjournment of the Parliament may be moved only by a Minister and no amendment can be moved to the motion'.

Standing Orders 47 states, 'A motion for the purpose of fixing the next meeting of the Parliament may be moved by a minister at any time without notice'.

Honourable Members, I am conscious that the adjournment motion may be a clear breach of the *Organic Law* and thus amounting to a breach of a Constitutional Law.

02/05

It is clear from the fact Honourable Belden Nama is not a Minister of State and therefore under the provisions of the *Organic Law*, was not entitled to move an adjournment motion. There are some speculation that *Standing Orders* were suspended and this gave legitimacy to the motion. I disagree with that contention on the basis that a constitutional law provision cannot and should not be suspended through the use of *Standing Orders*.

Therefore, in the best interest of Parliamentary procedure and to uphold the rule of law, my conscience dictates that I over-rule the decision made by the Chair.

Honourable Members, the result of my decision is that the Meeting of Parliament which commenced on Tuesday 10 November 2020 is still in progress and it shall only be

adjourned by a Minister on a motion without notice pursuant to *Standing Orders* of the *Organic Law on the Callings of Meetings of Parliament*.

**BROADCASTING OF PARLIAMENTARY PROCEEDINGS –
STATEMENT BY THE SPEAKER**

Mr SPEAKER - Honourable Members, I have to inform Parliament that the *Permanent Parliamentary Committee on Broadcasting of Parliamentary Proceedings* met today and resolve that:

(a) The *National Broadcasting Corporation (NBC)* will be allowed to broadcast live on Radio Questions Without Notice and the 2021 National Budget,

(b) The National Television Service (*Kundu 2*), *EMTV* and *TVWAN* will be allowed to telecast live the presentation of the 2021 National Budget by the Minister for Treasury.

QUESTIONS

Status of PNG's Political Situation

Mr JOE SUNGI – Mr Speaker, I direct my questions to the Honourable Prime Minister.

(1) Can the Prime Minister inform this Parliament and the people of this nation on what is happening and also clear the air on today's Parliament Meeting?

(2) Can he also further inform this Parliament as we near the close of government accounts the political events that are currently happening, will it affect ongoing project payments, general services, school closings, health services and the National Budget?

(3) Can the Prime Minister give assurance to this Parliament and the people so that there is harmony and services can continue?

Mr JAMES MARAPE – Mr Speaker, I thank the Member for Nuku for his good sensitive questions. I thought all the West Sepik Members had deserted this Parliament but the leader and the good Member is still here. As Parliament winds down in November it is the time to pass the Next year's Budget and only one year before 2022 General Elections.

Mr Speaker, as the Prime Minister it has been a great privilege to lead this country for almost 18 months.

It is not easy to lead a country riddled with a lot of burdens like our huge foreign debt and we are trying to repay with borrowing Australia, Japan and the IMF who have aided us with low interest rates to repay. Unlike the side deals of past government's we have obtained honest loans to keep us a float.

Mr Speaker, in the last 18 months we were only cleaning the mess created by the previous Government and we are here making payments for outstanding contracts for services on highways and we still have massive bank loans outstanding.

Mr Speaker, let me assure this Parliament and the people of this nation by saying, don't worry about the political events that are currently occurring.

03/05

The Executive Arm is still sitting as per our laws. Our laws are very clear and I am very pleased and commend you as the Speaker to uphold our laws without fear or favour.

(Members interjecting)

Mr JAMES MARAPE – If one is not satisfied with our laws then the right place to take his grievances will be the courts. I am not like some of them who chased out our Chief Justice some years back.

(Members interjecting)

Mr JAMES MARAPE – You have the audacity to come into Parliament and try to hijack the processes of Parliament. This country is bigger than politicians. With or without us as politicians, this country will live on and we must therefore play by the book, fair and square.

Mr Speaker, the November meeting is the Budget Sitting and so the Treasurer by the hand and grace of God will block the insanity that is permeating on the other side. The 11 or 12 Ministers should have seen what the Leader of Government Business and I were indicating to them to not break the law. However, in a big voice that they gathered on Friday they clouded sanity on Friday. Let us follow the law and not break laws in our conduct.

Our Parliament technically was in session and still is till today. The Speaker made the correct ruling. This Tuesday is the Budget Sitting where we hand-down our budget. I would like to make it very clear to the country in response to the question by the Vice Minister and Member for Nuku that this will be my third budget that will be presented by the Treasurer under my leadership.

Mr Speaker, our focus is on equal and fair distribution of resources throughout all parts of our country, especially our remote areas. When I took office on 30 May 2019, my focus was on our remote areas. If you want to know more about my focus then read my speech of 30 May 2019. I am not a new kid on the block who would not know about the problems of the country.

I ate sago in the remotest parts of Western Province, I ate taros from the remotest parts of West Sepik and grew up in many remote areas of this country before I become the Prime Minister of Papua New Guinea. I was on the streets when I became the Prime Minister therefore, I am the little people's Prime Minister. I am not for people who only live and operate out of Port Moresby, who are only after greener pastures.

Mr Speaker, I want to assure the Member for Nuku that this Budget that will be given by the Treasurer and like the two former ones it will have two or three main allocations. Apart from the allocations of Parliament and Judiciary, we will be focusing on outstanding issues in Bougainville and other outstanding issues in the country. In the last two years, I think you all can attest to how we budgeted money taking into consideration our problems whilst at the same time accommodating our recurrent expenditure.

Mr Speaker, I respect the rights of the former Deputy Prime Minister and Planning Minister whom I did not remove, he has all the right to make his decisions as the mandated leader of the people of Wau-Bulolo.

I want to assure the people of Papua New Guinea not to worry about politics. Some of us are saying that Parliament will adjourn until September or October or June or July, 2021. Our Parliament is not stupid therefore we will conduct business as usual. We will not panic or be afraid and runaway. This is the Budget Sitting so we will continue. Our country must see their budget in which we have allocated money to all parts of the country. The Honourable Sam Basil was in the midst and process of all these things.

Mr Speaker, the Cabinet has retired the process and Parliament by the hand and grace of God concealed the dubiousness that was permeating on the other side and allowed for

Parliament Business to continue after Friday. We are only sitting to allow the Treasurer to deliver the Budget. Thank you very much.

(Members interjecting)

Funding for Angoram Roads

Mr SALIO WAIPO – On behalf of my people of Angoram and Sepik, I would like to direct my questions to the Minister for Works and Implementation.

Can the Minister assure and make it clear to the Parliament and my people if you have already transferred money for our roads?

Mr MICHAEL NALI – I thank the Member for Angoram for his question.

04/05

Mr Speaker, the Cabinet has already made a decision on the implementation of the rural roads. The Parliament passed a new legislation called *Road Management and Road Fund Act*. Under this new reform it clearly indicates that the rural roads will be cared for by the district while provincial roads will be under the provincial government. The decision has already been made and we will facilitate the government's decision soon as it's in the process.

Thank you.

Payment of Special Intervention Program Funds

Mr KOBBO BOMOREO — My question is directed to the Minister for Finance and Acting Minister for National Planning. There were some payouts made by the National Planning to someone or some individual groups. Can the Minister confirm or deny this?

Thank you, Mr Speaker.

Mr RAINBO PAITA — Thank you, Mr Speaker. I also thank the Vice Minister for National Planning for his question. I want to inform the House that the former National Planning Minister and Deputy Prime Minister has made some payments already. However, I will check the exact amount of the payout made to the districts and later I will table it.

But I want to inform the Members that most of the monies were paid out especially to one particular party. I will get exact details as to how much was actually paid but, the figure is between K60 and K65 million so once it is confirmed, I will come back to the Vice Minister since he was not aware of it.

So, just that this payment occurred prior to what happened on Friday, I think that was an orchestrated move so whichever payments made will make it known so that we can understand the behind the door dealings or what happened before the exit from Government to the Opposition.

I will give the exact detail as to how much was paid to which district and which political party.

Thank you.

Supplementary Question

Recipient of Special Intervention Program Funds

Mr PETER NUMU — Thank you, Mr Speaker. My Supplementary question is when the Marape-led Government handed down the Budget, it was made fair to all of us. It never mentioned to allocate funds to one particular party, an ethnic group or a region. The Government did the Budget for the country and now Minister made mention of a payment of K60 million. All of us are aware that the money went out when the Deputy Prime Minister was the Minister then.

The people of Goroka need to know.

Can the Finance and Planning Minister mention the name of that particular party that received the K60 million?

We also have roads and other projects that need funding.

05/05

The country must know what happened. Everyone wants to become so righteous so can the Minister of Finance and Rural Development speak out. Thank you.

Mr RAINBO PAITA – Thank you Mr Speaker.

I think your question has two parts. He wants to know about the source of payments about certain projects and under which allocation and to which party.

Firstly, in the Supplementary Budget, we passed some special intervention programme to help districts in basic programs like roads, basic infrastructure special intervention. One of the pockets of funding was used to pay some of these projects that I just highlighted.

Secondly, it was not taken from PIP. It was from those allocated funding. Majority of those members whose names I have seen were from one particular party, of which the Minister himself is the party leader; the United Labour Party (ULP). One or two payments were made to other members from other parties. But the majority of the payments were to this particular party that he was party leader of. That I can affirm through this Honourable House.

Thank you, Mr Speaker.

MOTION BY LEAVE

Mr RAINBO PAITA (Finschhafen – Finance and Rural Development) – I ask leave of Parliament to move a motion without Notice.

Leave granted.

SUSPENSION OF STANDING ORDERS – REARRANGMENT OF BUSINESS

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

That so much of the *Standing Orders* be suspended as would prevent;

- (a) the Minister for Treasury presenting the 2021 Budget and associated papers;
- (b) the *Appropriation (General Public Service Expenditure 2021) Bill 2020*, *Appropriation (National Parliament 2021) Bill 2020* and *Appropriation (Judiciary Services 2021) Bill 2020* being presented together and debated as one; and
- (c) separate questions being put on their Second and Third readings

**APPROPRIATION (GENERAL PUBLIC SERVICES EXPENDITURE 2021)
2020 BILL
APPROPRIATION (NATIONAL PARLIAMENT 2021) BILL 2020
APPROPRIATION (JUDICIARY SERVICES 2021) BILL 2020**

First Reading

Bills presented by **Mr Ian Ling-Stuckey** and read a first time.

06/05

Second Reading

Leave granted to move the Second Reading forthwith.

Mr IAN LING – STUCKEY (Kavieng – Minister for Treasury) – I move –
That the Bills be now read a second time

Mr Speaker, once again it's an honour for me and my people of Kavieng and as Treasurer in the Marape Government to stand here in her Majesty's House to introduce the 2021 Budget.

This is my second Budget and the seventh time making a major economic address to the parliament as Treasurer, consolidating the vision in times of crisis.

Mr Speaker, let me reflect on the extraordinary circumstances surrounding my 2021 Budget Speech. Last Friday lunch time I was working with economic ministers and hardworking staff from Treasury, Finance and Planning to finalize the 2021 Budget. We had gone through extensive consultations, listening to the submissions from businesses and the community, talking to our education officials and talking to our international colleagues about financing. We believe we have formed a sensible path forward in these extraordinary times.

Then I was summoned to the National Parliament Chamber, another round of not just power-hungry but power-greedy politics that ignored the national interest. Mr Speaker, sometimes we are our own worst enemies. Last Friday we saw opportunists led by the infamous national court terrorist from Vanimo-Green abuse our *Constitution* again and the

laws of Parliament again in a blatant illegal grab for power. This was the most cowboy of attempts to overthrow Prime Minister James Marape and his mandated Government. Why would they do this?

There was a press conference for some of those that have moved who tried to justify their actions. I respect that some were genuine. People can decide to move on, based on principal. Some boasted a bit too early on how brilliant their tactics had been without thinking of the costs to our country. Many were concerned about our economy, our deficit and debt, about losing jobs even.

Mr Speaker, I share those concerns, all of us share those concerns in this House but as I will set out in my speech, many of these concerns about debts and deficits and a lack of jobs were created by those they had just joined.

07/05

They underestimate the severity of the Covid-19 pandemic. They look for very easy solutions, and they kid themselves that going backwards to the failed economic policies of the past could somehow take our country forward.

What an extraordinary coincident of cracking down on corruption or fighting for better resource deals and responsible budget management and less than 24 hours later, we have this embarrassing and shameful grab for power.

Mr Speaker, I know there are now some honourable men on the other side; decent leaders, competent, and we all shall miss their contribution in the Cabinet.

Mr Speaker, I thank you for your ruling on the illegality on the motion to adjourn Parliament and Section 2 (1) (a) of the Organic Law on the calling of meeting of the Parliament is clear. The time and date for a meeting of the Parliament on motion without notice can only be made by a Minister and not the Leader of the Opposition, game over. This means that until the laws of our land allow otherwise the Marape government will continue to govern. We are not willing to allow this nation to suffer just because of their greed for power. We must continue running this country and need to get the Budget passed and need to let our businesses know that a processes of budget repair is continuing.

We cannot delay the Budget which means our negotiations with international partners are also delayed. If we let those opposite get their greedy hands onto the budget process, let me assure this House that many of the good, cheap finances will simply disappear. They have demonstrated no economic credibility. The international

community will step back and watch to see the nature of a new government and these delays will damage our country and our economy.

A responsible 2021 Budget

Mr Speaker, the domestic and international context for our 2021 Budget is the most challenging in our nation's history.

Since 1975, there has never been a global crisis such as the one we are now facing today. Please, do not blame this government for an international crisis that was not of its own making.

Mr Speaker, I use this figure to highlight the reality that the world is in by far its greatest economic crisis since our country became independent in 1975.

Mr Speaker, certainly a tough time to get the job as PNG's Treasurer!

I already knew that it was going to be tough. In my 2020 Budget speech, I outlined how Papua New Guinea had to start on the slow road of recovery due to years of economic mismanagement.

08/05

While trying to slowly recover from the debt, the deficit and the growth holes left by the former government, Papua New Guinea is hit with by far the worst global crisis since our nation's birth.

So, what do we do? Simply panicking and jumping off a ship, as it is going through a storm, is just not helpful!

The overwhelming message is that we need a steady hand on the ship's rudder, to navigate through these extraordinary times. So, staying the course we set out a year ago, adapted to the realities of the Covid-19 crisis.

So, there will be no big announcements of new initiatives in this Budget. Rather, a wise and steady hand, consolidating our economic and budget situation, so we can move back to our growth path to begin rebuilding, the living standards of our people.

Mr Speaker, the key, high-level facts of this Budget are as set out in the budget strategy paper released last week. Let me set out the basic facts.

Expenditure

Expenditure is expected to reach K19,607,8 million. This is a very substantial increase of 9 per cent from the K17,989 million 2020 Supplementary Budget. But still, not enough for some of those sitting opposite.

Revenue

Revenues are expected to total K12,995 million, an increase of K1,636 million or 14.4 per cent. This is a substantial rebound in revenue. Indeed, revenues are expected to increase by more than expenditure has increased.

Once again, responsible, steady-hand budget management.

The deficit this year is expected to total K6,612 million. This is substantially smaller by K750 million, relative to our budget situation once our revenues collapsed due to Covid-19. This budget deficit will continue to decline, with a reduction in the deficit of another K1,317 million in 2022.

This responsible budgeting will see a rapid decline in our deficit as a share of GDP. Specifically, after hitting a high of 9 per cent in April 2020, the deficit declined to 8.1 per cent in the Supplementary Budget, 7.3 per cent this year, 5.3 per cent in 2022, 3.2 per cent in 2023, and then sustainable levels of around 2 per cent for the following years. This is a very rapid turn-around.

In international adjustment programs, the IMF sets a benchmark of about 1 percentage point per year, so moving from 9 per cent deficit down to 2 per cent deficit would usually take 7 years, but we are planning to do it in 4 years. This is sensible budget management, bringing things back into control without having to destroy our economy through excessive expenditure cuts or even major new taxes.

09/05

The deficit we inherited of K4.9 billion was equivalent to K550 for every person in PNG. We could not simply impose K550 of new taxes on every person in PNG. We could not simply cut expenditure by K550 per person overnight. We knew it would take years. And we have set out the path to get the deficit down sensibly and quickly.

Debt

Good economic management now means there are three good news stories looking ahead.

First, the debt we are taking on is much cheaper. We are repaying expensive old debt from the O'Neill-Abel years with much cheaper debt. The latest international loans had an interest rate of less than one percent. There is no other government in the history of this country, Mr Speaker, that can stand on this Floor and table that following statements.

Well done, Prime Minister, James Marape!

Second, PNG's debt levels are going up much less than most countries.

Third, the debt to GDP ratio is forecast to start turning around by 2023.

The Path Ahead-Re-surgling growth

It is now expected that our economy will grow by over 10.6 per cent in nominal terms in 2021 - from K81.6 billion up to K90.3 billion.

In 2022, we once again expect nominal growth to over ten per cent, lifting the size of the economy to K99.4 billion and shortly we will become a K100 billion economy.

This is not just Treasury forecasts. The IMF is also forecasting a K18 billion increase in PNG's nominal economy to K99 billion over 2021 and 2022.

Mr Speaker, after 18 months of hard work the economic recovery has commenced. We expect nearly K18 billion of growth in the next two years. This is the largest two-year growth figure in our nation's history. Even when the taps turned on with the PNG LNG project, the economy increased by less than K15 billion.

The near K18 billion in growth over the next two years is mainly for the people of PNG. Well over half is going into growth in the non-resource sector. So nearly an extra K3 billion in growth for our agriculture, forestry and fishing sector. This reflects the growth in incomes we expect from a renewed focus on the agriculture sector; K620 million extra going into our construction sector flowing from the large increase in capital infrastructure funding by the Marape Government; nearly K200 million extra in our manufacturing sector. nearly a billion extra in our wholesale and retail trade. another K185 million into our accommodation and food services.

This is a better growth record, better balanced growth and big growth. And now the Opposition wants to go and throw that all away - to create chaos as our economy is recovering.

Shame on you!

So, let me put these major growth numbers in terms of each person in Papua New Guinea.

Mr Speaker, on average, we expect the average person in PNG to be K1000 better off, over the next two years, because of the economic policies we have put in place.

Specifically, the increase in non-resource GDP of K9, 898 million, spread across our 9 million people, is more than K1,000 per person.

10/05

In conclusion, Mr Speaker, what extraordinary times we live in. We have suddenly found ourselves in the midst of a political crisis, but a steady hand will get us through. We have found ourselves left with a legacy of an economic crisis but a steady hand will get us through. We have found ourselves in the midst of the Covid-19 crisis but a steady hand will get us through.

Mr Speaker, I do not want to focus on the crises that we are experiencing. I want to look ahead. I want to make clear that there is a clear path forward through to the 2022 Election and beyond. I want to make clear that the leaders on this side of the house truly believe PNG is a country of enormous potential; potential that is starting to be realised.

We are heading towards the most rapid recovery and growth of our economy in our history, K18 billion over the next two years much more than during even the opening of the PNG LNG project and delivering the potential for an increase in incomes of K1,000 for every one of our people.

The new vision of the Marape Government is starting to deliver the goods. Slow and steady reductions in the budget deficit. Slow and steady actions to move towards cheaper debt with interest costs of less than one percent, and seeing the debt to GDP ratio commence its decline once again. Slow and steady actions to move more of our Budget to productive investment, not just on public service wages. Slow and steady actions that are building confidence.

Slow and steady actions that are about to deliver the largest, broad-based growth dividend in our country's history, K1000 per person. Actions that benefit our agriculture, forestry, fisheries, tourism and manufacturing sectors.

Growth actions that are forward looking, such as our investment in labour mobility and the tens of thousands of jobs that it promises.

Mr Speaker, I thank my parliamentary colleagues, especially my ministerial advisers and staff, who continue to dedicate their life for the betterment of our people. I also thank those many unacknowledged but committed staff in the department of treasury who have worked so tirelessly to prepare yet another national government budget.

Mr Speaker, I commend the 2021 National Government Budget to the House.
Tenkiu, Kalaro, Giro, Kadoxo Mase.

Mr SPEAKER – Honourable Treasurer, let me remind you that we have only three national languages and what you have said on the Floor is not either one of them so I remind you to use the three national languages.

Mr ALLAN BIRD (East Sepik – Chairman of the Permanent Parliamentary Committee on Plans and Estimates) – Mr Speaker, I stand to give the appraisal of the Plans and Estimates Committee, we actually met and we had a look at the headline numbers in the Budget.

Mr Speaker, we acknowledge that these are difficult times and not just in Papua New Guinea but around the world.

11/05

These are not the sort of times that anyone would be excited about doing a budget. We live in a world where the economy of the entire planet is depressed and therefore as leaders, we need to take a decision, Mr Speaker, and we recognise that.

Mr Speaker, we also want to do the right thing by our people. If I may, there are some of us in this House that want to do the right thing. Whether it be with the Budget, whether it be with the processes with which we conduct our business as a Honourable House, Mr Speaker, some of us want to do the right thing.

In our appraisal of the Budget, there were colleagues who told us to come quickly. We said no! We will listen to the bureaucrats who produce this Budget. We are going to do that independently of what the Treasurer says because we have a responsibility to this House and not just to the Government.

Mr Speaker, I must say that my colleagues on the Committee did their job for their country today. We asked some difficult questions of those who produce the Budget. I am not sure of who used the Committee before but it was easy to see that the public servants were reluctant. I will repeat the words of the public servants later on during my response.

We looked at the budget strategy and we thought these are noble things to do in these difficult times. Spend money more wisely and that is how it starts off, raise revenues fairly, and finance debts more cheaply. On that note, I notice that the Treasurer gave credit to the Prime Minister and I'm sure it was a team effort.

Mr Speaker, this Treasurer always down-plays the important role that he played. Never in our history

and I say this to the Papua New Guineans who are listening, I am a person who is scared of debt but this Treasurer has been able to get the trust of the world. All lenders that have refused to deal with Papua New Guinea before are now dealing with this Treasurer.

(Members – Yeah! Yeah! Yeah!)

Mr ALLAN BIRD – That should signal some confidence to us. It certainly does to me. I was stunned to find out that he got a loan for 0.57 per cent interest. I was shocked. We have never done that before.

Mr Speaker, we should give credit where credit is due. We already inherited a very difficult Budget and economy. You add Covid-19 and all of its inherent effects, you will need a genius to drive the country through it financially. I think the Treasurer has done his job for the country today. I challenge any treasurer to do better because he has set the benchmark. He has leveraged friendly international support.

Mr Speaker, for the first time, the Australian Government is giving loans to Papua New Guinean Government. The country that colonised us is finally giving us cheap loans and which is also supporting our Budget. The other headline is to get foreign exchange flowing more freely and we support that. There is a headline here which says and I quote “A focus on the agriculture sector and the informal sector”.

Mr Speaker, I was quite surprised this year when the chairman of the Bank of South Pacific received a cheque K100 million from this Prime Minister. He said, this is the first time the Government has actually given us any money to fund their programs.

(Members interjecting)

Mr ALLAN BIRD – I was shocked and surprised at his admission.

Mr Speaker, to distribute resource benefits more equitably; to stimulate the non-resource sector back to annual growth of around 5 per cent; to invest in the enabling infrastructure and critical SoE reforms; and to create at least 10 000 jobs annually.

Mr Speaker, these are noble targets and it is all our responsibility.

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Mr Speaker, the last one is to at least create 10, 000 jobs annually. These are noble target and it is all our responsibility particularly, when there is more funding moving down to provinces and districts for us to take note of the headlines that is in the National Budget Strategy and to implement accordingly.

Mr Speaker, we have to be fair and honest in this House and to say we are concerned about the size of the debt. Any responsible leader would be, I am happy to see that in the Five-Year Budget Strategy, Treasury has a plan to reduce debts over the medium term.

Mr Speaker, it is our concern that we ensure that debt plan is actually carried out and we lay some foundations so that we can demonstrate to our people, of course, we obtain loans because we are in crisis.

Mr Speaker, this is because to balance between cutting an expenditure during a tough time, there are two schools of thoughts in economics and they are:

- (1) You cut budget when things get difficult; and
- (2) You increase government expenditure to stimulate the economy.

Mr Speaker, this Government is taking the second approach which is to stimulate the economy so that it can grow. We can disagree about which school of thought to follow but Mr Speaker, this Government chooses that path. Therefore, we have to responsibly construct the plan to reduce the debt over the medium term.

Mr Speaker, it is a delicate balancing act and everyone in this House must make a commitment to generate saving where possible and to implement honestly and maintain fiscal discipline.

Mr Speaker, I want to close by repeating the words of the Deputy Secretary. I asked him a difficult question. I said to him, I am the Governor of East Sepik Province. I cannot afford to tell lies on the Floor of Parliament. I have to tell the truth and I want you to tell me honestly. What is your confidence in this Budget?

Mr Speaker, this is his response and I want to tell the House. He said, every time we develop a Budget, it takes many hours of work. We have an economic model, we put all our assumptions into this model and we work at it for a long period as we fine tune and adopt the numbers. It gives us these figures that are now presented before the House. He said we don't determine the expenditure priority, it's up to the Government. And I said to him, how important and how accurate is this model? And he said it depends on many variables.

Mr Speaker, he did mention that Porgera was important in that equation and the Governor for Enga who has been working with the Prime Minister and the honourable Minister for Mining who have been negotiating with our partners. I am happy to see that they are also working towards this outcome that the Budget requires.

Mr Speaker, with that honourable Members of the House I commend the Budget.

Mr JAMES MARAPE (Tari-Pori – Prime Minister) — Thank you, Mr Speaker. I appreciate the Treasurer and also appreciate the response or approval made by the Parliamentary Committee on Plans and Estimates. It is not an easy thing for us to tell a Budget with global economic contraction and our country contraction, we are deliberately using Budget from our own internal revenue that has contracted as well as low and cheaper borrowings from credible partners, not side lenders but established global lenders in almost low lending. For instance, the Australian Government lending last year was at zero per cent interest. Direct Forex US300 dollars infused into our economy, into our Central Bank as a result of that lending in 2019. We have also borrowed cheaper from IMF, for instance, 15 years period, five years grace period, zero per cent lending.

Let me assure our country, we are not stupid and economic imbeciles running the Budget. We know exactly what we are doing.

13/05

In 2019 when we delivered the Budget, we never saw Covid-19. Covid-19 is now an established case globally and has affected the global economy. But we are working to be extrovert in this sort of times.

State borrowings and our borrowings will be transferred additional layers at National Government programmes, at Provincial Government programmes, district programmes as well as maintaining our existing and re-current and financing our debts that has been secured in the past.

So, Treasurer is handing a Budget in tough times. This Budget is meant to maintain stimulus in our country's economy and when that stimulus is maintained at the back of this, let me assure our country and I thank parliament.

Last week Wednesday we passed five consequential amendments that is very much in congruent to Papua LNG Agreement. This now enables Papua LNG to get off the block and I appreciate and place on record my appreciation for Exxon-Mobil, Oil Search and Total for

their understanding that Papua LNG must get off and we will reconstruct the platform for P'nyang in a manner that is isolated from Papua but jointly running for projects synergy. Something that will pursue into the future.

So, as Treasurer is putting this, let me assure our country that we are not reckless, we are not unconscious to the fact that we need to be living in a sustainable manner going into the future. We will use our Budget as a tool to propagate and stimulate the economy as we run into 2021.

Parked in the 2021 Budget, there is a good allocation for National Census, Common Roll updates, and also Biometric Voting so that we have a tidy and better voting process in 2022. Twenty-twenty one budget also has quite a good chance of allocation inside to prepare well for 2022 elections.

Our brothers on the other side who feel that they have a voice and they feel that they can contribute to the country also and every one of us, can get a fair and equal platform as we contest for 2022 for governments beyond this one.

Mr Speaker, let me assure our country through the Budget that is delivered. It has every element of sustainability, and it has every element of fairness in distributing to all parts of our country through various layers of programs; National Government, district and provincial programmes. It has every layer and it embraces retiring, public service recurrent to the fullest. It has every provision to ensure that our debts of past are sustainably retired as we moved into our 2021 money plan.

Mr Speaker, I commend this Bill to the House. I join the honourable Governor of East Sepik to applaud and appreciate our Treasurer. In tough times, he's been a steady hand. Many times, he doesn't get commendations instead he tries to deflect the commendations to me but he burns midnight oil for the sake of steady hands at Treasury.

And unfortunately, we've seen a little element of disjoint in Treasury and Planning, what has emerged as a tectonic shift that has taken place last week is possibly the reason why this joint has taken place.

We will reassemble to ensure that we don't have the disjoint but fully functioning of Treasury, Planning, Finance and Central Government goes out to serve our people in these tough times.

Thank you Mr Speaker, I support the Treasurer and commend him.

Motion (by **Mr Michael Nali**) agreed to –

That the question now be put.

APPROPRIATION (GENERAL PUBLIC SERVICES EXPENDITURE 2021)

BILL 2020

Second Reading

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

Bill read a second time.

14/05

Message from the Governor-General

A message from His Excellency, the Governor-General dated 17 November 2020 was announced recommending the expenditure of public monies of Papua New Guinea in accordance with *Section 210* of the *Constitution* insofar as the Bill relates to and provides for such expenditure.

Third Reading

Leave granted to move the Third Reading forthwith.

Motion by **Mr Ian Ling-Stuckey**) proposed –

That the Bill be now read a third time.

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

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

Bill read a third time.

APPROPRIATION (NATIONAL PARLIAMENT 2021) BILL 2020

Second Reading

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

Bill read a second time.

Message from the Governor-General

A message from His Excellency, the Governor-General dated 17 November 2020 was announced recommending the expenditure of public monies of Papua New Guinea in accordance with *Section 210* of the *Constitution* insofar as the Bill relates to and provides such expenditure.

Third Reading

Leave granted to move the Third Reading forthwith.

Motion (by **Mr Ian Ling-Stuckey**) proposed –

That the Bill be now read a third time.

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

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

Bill read a third time.

APPROPRIATION (JUDICIARY SERVICES 2021) BILL 2020

Second Reading

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

Bill read a second time.

Message from the Governor-General

A message from His Excellency, the Governor-General dated 17 November 2020 was announced recommending the expenditure of public monies of Papua New Guinea in accordance with *Section 210* of the *Constitution* insofar as the Bill relates to and provides for such expenditure.

Third Reading

Leave granted to move the Third Reading forthwith.

Motion (by **Mr Ian Ling-Stuckey**) proposed –

That the Bill be now read a third time.

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

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

Bill read a third time.

15/05

CUSTOMS TARIFF (2021 BUDGET) (AMENDMENT) BILL 2020

First Reading

Bill presented by **Mr Ian Ling-Stuckey** and read a first time.

Second Reading

Mr IAN LING-STUCKEY (Kavieng – Minister for Treasury) – I move –

That the Bill be now read a second time.

Mr Speaker, this proposed amendments to the *Custom Act of 1951* is to generally increase all current penalty fees and imprisonment term of Importers, Exporters, Brokers and travelling passengers across borders, who are in breach of PNG Customs law.

This measure is to enhance compliance by imposing higher penalties on offences relating to smuggling and breach of customs processes. The measure is expected to come into effect on the 1st of January, 2021.

Mr Speaker, I commend the Bill.

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.

Message from the Governor-General

A message from His Excellency, the Governor-General dated 17 November 2020 was announced recommending the imposition of taxation in accordance with *Section 210* of the *Constitution* insofar as the Bill relates to and provides for such imposition.

Third Reading

Leave granted to move the Third Reading forthwith.

Motion (by **Mr Ian Ling-Stuckey**) proposed –

That the bill be now read a third time.

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

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

Bill read a third time.

EXCISE TARIFF (2021 BUDGET) (AMENDMENT) BILL 2020

First Reading

Bill presented by **Mr Ian Ling-Stuckey** and read a first time.

Second Reading

Motion (by **Mr Ian Ling-Stuckey**) proposed –

That the bill be now read a second time.

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.

Message from the Governor-General

A message from His Excellency, the Governor-General dated 17 November 2020 was announced recommending the imposition of taxation in accordance with *Section 210* of the *Constitution* insofar as the Bill relates to and provides for such imposition.

Third Reading

Leave granted to move the Third Reading forthwith.

Motion (by **Mr Ian Ling-Stuckey**) proposed –

That the bill be now read a third time.

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

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

Bill read a third time.

16/05

INCOME TAX (2021 BUDGET) (AMENDMENT) BILL 2020

First Reading

Bill presented by **Mr Ian Ling-Stuckey** and read a first time.

Second Reading

IAN LING-STUCKEY (Kavieng – Minister for Treasury) – I move –

That the Bill be now read a second time.

Mr Speaker, this Bill proposes amendments to:

(1) Make corrections to the Income Tax (2019 Budget) (Amendment) Bill 2018, with respect to the reduction in the period within which taxpayers can carry forward losses and the transitional arrangements, these corrections will reflect through tax policy intend of the Government.

(2) Ensure resource developers make the royalty payments directly through the Internal Revenue Commission

(3) Amend the due dates for provisional tax to align with companies operating under a substituted accounting period and to ensure more accurate estimate reporting. These changes will allow the Internal Revenue Commission SIGTAS system to better manage this tax type.

(4) To make corrections to the threshold for the small business tax regime and introduce anti-avoidance rule.

Mr Speaker, I commend the Bill.

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

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

Bill read a second time.

Message from the Governor-General

A message from His Excellency, the Governor-General dated 17 November 2020 was announced, recommending the imposition of Taxation in accordance with *Section 210* of the *Constitution* insofar as the Bill relates to and provides for such impositions.

Third Reading

Leave granted to move the Third Reading forthwith.

Motion by **Mr Ian Ling-Stuckey** proposed –

That the Bill be now read a third time.

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

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

Bill read a third time.

MOTION BY LEAVE

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

– I ask leave of the Parliament to move a motion without notice.

Leave granted.

**PERMANENT PARLIAMENTARY COMMITTEE ON PRIVATE BUSINESS –
DISCHARGE AND APPOINTMENT OF MEMBERS**

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

That Mr Alfred Manase, Mr Elias Kapavore, Mr Jeffrey Komal, Mr Peter Isoaimo and Mr Tomait Kapili be discharged from attendance as members of the Private Business Committee and that Mr Charlie Benjamin, Mr Philip Undialu, Mr Robert Agarobe, Mr Toboi Yoto and Mr William Powi be appointed members of the Committee.

17/05

SPECIAL ADJOURNMENT

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

That the Parliament at its rising adjourn to Tuesday 20 April 2021, at 2 p.m.

ADJOURNMENT

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

That the Parliament do now adjourn.

The Parliament adjourned at 12. noon.