

SECOND DAY

Wednesday 8 September 2021

DRAFT HANSARD

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PARLIAMENTARY DEBATES

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



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HARRY MOMOS

Principal Parliamentary Reporter

SECOND DAY

Wednesday 08 September 2021

The Deputy Speaker (**Honourable 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 10.45 a.m., and invited the Member for Lufa, **Honourable Moriape Kavori**, to say Prayers:

‘Tete long dis moning mipela laik go insait long discuss bilong issue bilong kantri long dispela taim. Papa God, opim windo long Heven na putim iyau na kapsaitim blessings bilong yu kam daun, wisdom, gutpela spirit, long blesim Spika i ken ronim dispela bung long Parliament Haus, na tu long Praim Minista Deputi, Praim Minista, olgeta Minista, na memba long Palamen na Oposisen Lida tu long askim long gutpela ol wok bilong country long ol wok bilong country long halvim pipol bilong yu long liklik hap time inap Jesus ikam bek.

Tenkyu Jesus long harim prea bilong mipela long dispela morning. Amen’

ACKNOWLEDGEMENT OF VISITORS (UPNG-Public Policy Students) --

STATEMENT BY THE SPEAKER

Mr SPEAKER -- Honourable Members, I have to inform the Parliament that students of the Public Policy Management of the University of Papua New Guinea are present in the public Gallery. On behalf of the National Parliament, I extent to them a very warm welcome.

QUESTIONS

Sir PUKA TEMU – I seek leave of the Chair to direct my questions to the Chair.

MR SPEAKER – Go ahead, leave is granted.

Investigate propofol - Related Deaths

Sir PUKA TEMU – Thank you, Mr Speaker. The reason why I chose to ask you this question is because of the seriousness of the issue at hand. The issue was raised by the Honourable Governor of East Sepik yesterday on the usage of a drug call Propofol. We were notified that out of the seven patients that were exposed to this drug-injections, four died.

Mr Speaker, the fact that four of the seven died, is a very serious matter indeed for this country and honourable House. And therefore, as head of the legislative, I ask you this question.

Mr Speaker, on 17 August, the Secretary for Health issued Circular No. 5021 advising the health system to watch out for these 20 millilitre vials called Propofol. According to the information we've received, 800 vials of this injection where given to the Port Moresby General Hospital.

Mr Speaker, we were advised yesterday by the Prime Minister that an investigation is already underway and it's been three weeks now. Therefore, my questions are these;

(1) Can the Chair ensure that the Public Account Committee is called immediately to investigate this very serious and sad matter?

Because from information that we have, this particular Propofol will be delivered to the area medical store.

02/02

These 800 vials were delivered to the Port Moresby General Hospital and the order came straight from the NCC. This is why I am asking the Public Accounts Committee to take charge and show the country that this Parliament is serious about its citizens' death. This is a very serious matter; because a month has gone by and people are worried and refuse to be admitted and operated on at the operating theater. Right now, people are doubting the capabilities of the operating surgeons and their staff.

This Parliament must now set the pace and know exactly, how this medicine arrived at the Area Medical Store, how was it ordered by the NCC and did they comply with the Covid-19 Procurement Legislations or not. These are the matters for this Parliament to sort out.

Therefore; Honorable Speaker, as head of the legislature, I humbly request the Public Accounts Committee; of which I know there are 25 pending referred matters. But through the Chair, may this committee meet immediately. If it means resourcing it; it must be done so that this matter is investigated as a national importance due to the death of our citizen.

If we do not do it, the matters for medical defense litigation will increase in the country and our professionals will be discredited in our country. There are many well trained doctors and they know exactly what they are doing. This particular drug came out of the system and it appeared in the general hospital causing death.

Mr SPEAKER – Thank you Honourable Member for Abau for raising this very important issue. And you have already stated that if Parliament needs resourcing to carry out its investigations it must be done. and I want to clarify here in Parliament today that into my fifth year as Speaker, presenting Parliament Budget and according to law and by law, the executive government must give what is asked for. That is why most of our committees aren't functional.

I believe when you are in the executive arm of the government, you are threatened that if Parliament is funded and carries out its functions you will be put out on notice. It has become a trend with most governments of the day to limit budgeting for Parliament. I will ask in the coming budget resourcing this Parliament because I want parliament to carry out its responsibilities and duties.

When you are on the right side of the government you do nothing to assist but when you are on the left, you are seen complaining but it has become a norm, when you are in government, you view parliament as a department and cut its budget ceiling. I assure you this coming budget, I will not let parliament to be treated that way.

The National Parliament by law is the first arm of the government and by law it must be granted whatever it asks for. As for a proper response to your question, I will speak with the Clerk and my officers from Parliament and you should get a reply tomorrow.

Mr Bryan Kramer – Point of Order! This is in relation to the question raised by the Member for Abau and directed to you. The Public Accounts Committee of Parliament is not skilled or trained to carry out a wrongful death investigation. If the Member would have directed the question to me as the Minister for Justice, I would be happy to respond as it relates to a wrongful death. My department has already made enquiries with the Minister for health, for his department to provide a report so that the Minister for State and Justice can consider if

there is a wrongful death. And that those loved ones do not have to go through a protracted case against the state. And the state can consider a settlement, if the findings confirm that the state was wrong in this regard.

03/02

Mr SPEAKER — Honourable Member for Madang, your point of order is out of order. The Chair has made a ruling already to give an answer tomorrow whether the Public Accounts Committee will carry out an investigation or not. I will get an advice and inform you tomorrow.

Review Justice System

Mr GARRY JUFA — Thank you, Mr Speaker, I have some series of questions to ask the Minister for Justice.

Mr Speaker, I would like to clarify one of the media articles which appeared on today's *Post Courier* mentioning an incomplete project in our province. I would like to thank the Ministry for Justice and its staff carrying out the work and also to the *Post Courier* for reporting it but I want to request if they can state the name of the Member of Parliament responsible, the name of the company and the date of the project implemented because at the provincial government, we are not aware of this project. We are aware that it is not in this term so can the media clarify so that all of us can be aware.

Mr Speaker, my question is directed to the Justice Minister and I want the Prime Minister and the Police Minister to take note. In fact, all of us can take note, and not only take note but can we can be aware and take some action.

The question is on one of the deplorable trends and it concerns all of us. This is the trend of injustice which is becoming increasingly prevalent in so far as violence against the most vulnerable in our societies are concerned. Let me put some context to my questions before I asked them.

Yesterday, there was a protest march in Mendi demanding justice for the murder of a young woman who was killed in her prime, allegedly by her husband. This protest took place because apparently there was insufficient evidence or presentation of the prosecution file was not in order; whatever excuse or reason was for that matter, it was dismissed. This is becoming so normal and prevalent in our societies today. And this form of adherent violence is becoming frequent that it is now becoming normalized and if we are not careful, it shall become norm, but we must not accept this. We must do something drastic to fight this evil against our womenfolk and children. I say children because they are even more vulnerable and prone to be

silent victims given that they cannot speak or act to save themselves. Countless many are abused, harmed and even killed in our midst and we do nothing about this. We read and hear about it and now, we even see it on the internet and we still do nothing. How can we stand here praying to be leaders, when we do nothing about those that are most vulnerable in our society?

Meanwhile, there is a breakdown in what we call the justice system. Somehow these matters are often shunned out like the lives of countless women and children before they are given the opportunity to even whisper their cry for justice.

Mr Speaker, this is not just a legacy issue; this is an issue that has confronted us over the last few decades and every government has tried its best. But, as a government and indeed Mr Speaker, if you can also add the weight of your office, can we do something about this. Our people are crying for justice.

In fact, I am informed that there was an attempt or even an idea by members of the community to burn down the Hagen Court House because they were so disgusted at this injustice.

(1). Can the Ministry conduct a review of the situation that leads or gives rise to this despicable growing cancer in this society?

(2). Can the Minister assure this House and nation that this government is serious about addressing this by proposing a series of tactical and strategic action items to rectify this? If so, can you elaborate what are these propose actions you intent to take?

(3). Can the Minister review the investigations and prosecutions capacity and policy of work output?

04/02

This to determine where there seem to be a rash of poor-quality investigations and lacklustre prosecutions leading to an injustice that continues to invade our nation.

Can we seriously consider adequately remunerating those involved in this vital chain of the justice system so the system is robust and balanced?

I make a side note about how much more of those involved in the dispensing of justice at the end of the process are remunerated as compared to those who are defending, investigating and prosecuting them.

Mr BRYAN KRAMER – Thank you Mr Speaker and I acknowledge the series of valid questions asked by the Governor of Northern.

It is an issue I was concerned about after reading the front page and also through social media on numerous cases or trend occurring were cases are being dismissed at the committal court. In some cases, getting to trial and the judgement and sentencing handed down by the National Court was for payment of compensation rather than sentencing or imprisonment although these involved in murder cases and serious crimes.

As I mention to the Governor, when it comes to criminal prosecution lie in the jurisdiction of the Public Prosecutor which is a constitutional office that falls outside the jurisdiction of the Department of Justice and under the *Constitution*, he is beyond anyone's direction of control. But, soon after becoming aware of those cases, I had a meeting with the Secretary for Justice and Attorney General and asked if they could meet with the Public Prosecutor to find out the circumstances behind those cases that lead to those judgements or to matters being dismissed at the committal court, whether it was a case of poor investigation, insufficient evidence or possibly an error in the judgement that his department may consider appealing.

The Attorney General did confirm meeting with the Public Prosecutor and did give an undertaking to have his staff review those cases to consider whether be brought back before the Supreme Court for appeal. That is essentially the response in relation to those queries.

On the issue of DJAG carrying out reforms on police investigation are now in the position of justice, that is outside of our jurisdiction but there are reforms been undertaken by the current Minister for Police as well as reforms under DJAG that will work together and as we have seen recently with a number of high profile arrests concerning money laundering and white-collar crimes. There are also reforms being carried out on investigating serious crimes, especially murder involving women and children.

I do not have the specific details before me to address the Governor and this Parliament but I will be happy to provide more a detailed statement to this effect.

Thank you.

2022 National Elections Preparations

Dr ALLAN MARAT – Thank you, Mr Speaker. My question is directed to the Prime Minister.

Mr Speaker, very little else occupies our minds today, except for the 2022 National General Elections, my questions relate to the preparedness of the PNG Electoral Commission to undertake this very important duty.

Mr Speaker, a frequent, free, fair, legitimate and transparent elections is the corner stone of our constitutional democracy. The operative words are that the elections are free, fair, legitimate and transparent.

Papua New Guinea has witnessed 12 National Elections since the first House of Assembly in 1964. Three using Limited Preferential Voting (LPV) system in 1964 to 1972. Six from 1977 to 2002 or under the first past the poll system. Next three from 2007 to 2017 it was the optional Limited Preferential Voting, to three choices again.

Mr Speaker, we have before this Honourable House a report from the Constitutional and Law Reform Commission proposing drastic improvements to the way elections are carried out and a proposed constitutional law to change the organic law on National and Local Level Government elections to introduce the First Past the Post (FPTP) system

05/02

Mr Speaker, I wish to put on record to commend the hard work that the Constitutional Law Reform Commission (CLRC) has put into producing a comprehensive report after a nation-wide consultation process, on our electoral system. It is noteworthy that this process begun in 2018 under the O'Neill administration.

I also note that this report and its recommendations are opposed to the other constitutional law changes proposing a return to the 'First-Past-The-Post' voting system that is now before this House.

Before somebody raises a Point of Order, I do acknowledge that this is Private Members Business.

Mr Chris Haiveta – Point of Order! My point of Order is very simple and the learned Member for Rabaul knows it very well.

It is stated in the *Standing Orders* which is very clear that where there is a legislation on the Notice Paper, you shall not speak on it, or refer to it until it is introduced on the Floor.

So, his references in his questions should be omitted by the Chair and he should just ask questions on the reforms.

Thank you, Mr Speaker.

Mr SPEAKER – Point of Order is in order. You also acknowledged it yourself by saying 'before anyone raises a Point of Order'. The Point of Order raised by the Governor for Gulf is in order so, I suggest that you re-phrase your question.

(Laughter in the chamber)

Dr ALLAN MARAT – The proposed amendment was just mention and there won't be questions on it. So, my questions are to the Prime Minister and not to the Governor of Gulf.

(Laughter in the chamber)

Dr ALLAN MARAT – My questions to the Prime Minister through you, Mr Speaker;

(1) Is it true that PNG Electoral Commission has exhausted its 2021 Budget allocations and is sustained now by the technical support by the Government of Australia and other development partners like, New Zealand and USA?

(2) Is it true that the 2021 Budget allocation of K12 million to undertake a nation-wide revision of electoral roll data used in 2017 National Parliament and 2019 nation-wide LLG elections has been used up, in the 2020 Bougainville Provincial Elections, the 2021 Port Moresby North-West by-elections and the current inquiry into the number and sizes of open seats in Parliament undertaken by the Electoral Boundaries Commission?

(3) If the PNG Electoral Commission is having funding difficulties, I would like to ask whether or not the National Electoral-Roll data update is going on at the present time?

(4) If not, when will it start and are there funds for it?

The CLRC report recommends the introduction of Biometric Voter Registration for the 2022 National Elections. It will involve finger print identification.

(5) Does your Government support the introduction of the Biometric Voter Registration for Papua New Guinea in the 2022 National Elections?

(6) If the Government is going to introduce it then when is the program starting and how much will it cost?

Our people trained to run the system across 6, 400 wards in the country.

(7) Do we have time to adequately educate our people?

Thank you, Mr Speaker, there are no questions on the amendment.

06/02

Mr JAMES MARAPE – Thank you, Mr Speaker. I thank the Member for Rabaul for his important questions in regard to, the 2022 National Elections.

Let me assure the Honourable Member, Members of Parliament and our country that our Government will give the best endeavours to ensure that the 2022 National Elections are conducting in the fairest manner possible. It is a constitutional right for our citizens to exercise their right to choose their leaders. We will give every possible support to ensure that the Electoral Commission does carry out their constitutional mandate without fear or favour in carrying out the elections.

In relation to the 2022 Budget, in as far as the Electoral Commission is concerned. Our treasury and finance team will continue to support the Electoral Commission. As I speak, I am not adequately equipped to inform what stage of the budget rollout for the Electoral Commission we are at. I will have to get back to the Member in writing in this regard.

However, so far, I have not been given any indication if the Electoral Commission is facing funding problems. We are working with the Electoral Commission to ensure that 2021 expenditures and 2022 expenditures are working back to back. Most programs will overlap, for instance, the program for the common roll update.

The Electoral Commission has been instructed to work with other relevant state agencies like the provincial and local-level government to mobilise all our councillors. They are also working with the National Statistics Office (NSO) to ensure what could have been an enumeration program by NSO is now being simplified. We would like our councillors to get engaged in a basic population head-count update in the September to November period in the next four months, right across the country. Our inter-government agencies are working to arrive at a population data which the Electoral Commission could interface for their common roll data update early next year around January to March as we await the issuance of the writs in April 2022.

Mr Speaker, all these things are being planned and there is an inter-government committee working to ensure elections are being planned. We have also advised political parties so that they are part of the program and help educate and carryout awareness for our people on how they can contribute to the 2022 National General Elections.

We do not have the luxury of money, as it was in the past, with NID requiring K200 million plus, the NSO requiring another K200 million to K300 million plus and the Electoral Commission also requiring another K300 million plus. All in the same interest and business of population data update. We are trying to simplify and hopefully the councillors can assist in the first step of getting the population data. We can then verify with NSO and then the Electoral Commission can piggy-bag on it and use in the elections. All this will involve a lot of time and

logistics. Time has run out on us but the Electoral Commission has been working around the clock.

With reference to the Moresby North-West Elections, the Cabinet did approve some money for the Electoral Boundaries Commission to carry out work. It was also supported and funded elsewhere. We are trying our best to make sure the Electoral Commission is not starved off funds that are required for their preparations for 2022.

07/02

I give assurance to the Member that a detailed report answering all questions asked will be forwarded to him in writing making reference to the Biometrics.

The Cabinet also needs to approve and get recommendation from CLRC and Electoral Commission on this proposal on biometrics so, hopefully, we should arrive at "One person, One vote". If not in 2022, definitely the Executive Government's desire is for the Nation to use the biometric system in the 2027 Elections. This system is similar to the one used in India and in other parts of the world. The citizens can know if they are qualified to vote using the biometric system.

This is the proposal that is sitting and it requires extensive funding and support and we may not have the funding required to implement it as soon as possible but we are working to see if we can use moving forward.

I have spoken on few occasions about biometric voting because it allows for a better ID system during voting than the issuance of a paper based on the common roll data which we have been using. We have a strong view of getting the biometric system processed and this again, will be discussed at the Technical Working Committee. The Technical Working Committee will invite political leaders to come in and observe so, it is a bipartisan approach instead of strictly an Executive Government function or an Electoral Commission function.

The Electoral Commission has also invited Transparency International and National Research Institute to be part of their working program so it is fair under the circumstances we are facing and the resource envelope that is available.

It will be a whole-of-government and bipartisan approach and we will get those key community-based organisations to take part. So, hopefully, when we arrive in April 2022, the environment is fair for all candidates to nominate and by the time we conclude in June 2022, the environment is fair for all the citizens to cast their votes for the leaders of their choice.

Thank you, Mr Speaker.

MOTION BY LEAVE

Mr RAINBO PAITA (Finschaffan-Minister for National Planning and Monitoring) – I ask leave of Parliament to move a motion without notice.

Leave granted.

SUSPENSION OF STANDING ORDERS – REARRANGEMENT OF BUSINESS

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

That so much of the *Standing Orders* be suspended as would prevent the Minister for Treasury presenting a Ministerial Statement.

MINISTRY OF TREASURY – FINAL BUDGET OUTCOME 2020 AND 2021 MID- YEAR ECONOMIC AND FISCAL OUTLOOK – MINISTERIAL STATEMENT – PAPER NOTED

Mr IAN LING-STUCKEY (Kavieng-Minister for Treasury) – Mr Speaker, I wish to update the House on our economy in the midst of the war on Covid-19. The overall message is that times are tough, very tough, and there are mixed signals on our economy. The good news is that the Marape Government's steady and responsible budget repair and reconstruction is protecting the Budget and protecting the economy. We are delivering on our promises.

Let me begin with the highlights from the 2020 Final Budget Outcome and the 2021 mid-year Economic and Fiscal Outlook.

Final Budget Outcome

Mr Speaker, the 2020 Final Budget Outcome available on the Treasury website, sets out how our budget performed as budgets around the world were thrown into disarray, because of the Covid-19 pandemic. It reveals that things turned out pretty close to what we predicted.

We expected the deficit would be K2.7 billion worse due to Covid-19, rising from K4.6 billion to K7.3 billion. This is what happened, with total debt increasing to K40,168 million.

Mr Speaker, let me say that I am uncomfortable with this high deficit level and its implications. But I take some comfort from independent responses to the FBO. The analysis by Kina Bank states "This historically large deficit was not surprising amidst an unprecedented global recession. In addition, the Australian National University analysis states that PNG just ran its highest budget deficit ever but that is a good thing.

12/02

On the expenditure front, the initial plan was to absorb Covid-19 spending, into the original 2020 Budget expenditure estimate of K15,843 million. The actual outcome was extraordinarily close to this K15,822 million only a 0.13 per cent difference. Easily, the best managed expenditure budget in PNG history.

The 2020 Budget was delivered with even more structural changes than originally planned, despite Covid-19. Specifically, we reduced the 2020 Operational Budget from K12,160 million down to K11,913 million.

Unexpected cost increases in the wages budget, were more than fully offset by cuts in goods and services expenditure. Much more needs to be done to bring wage costs under control, but I was pleased that the figure is much more controlled than in previous years.

There was also a pleasing increase in the capital budget, from K3,683 million to K3,909 million, a very encouraging increase of over 25 percent in comparison to 2019.

We are pumping out infrastructure, Building new hospitals, new schools, new roads, new bridges, and new wharves. You name it-we're building it, not just in the last two and a half years but will continue over the next five years.

In addition, there continued to be a very rapid increase in disbursing concessional funds from international agencies such as the ADB, World Bank and China due to the provision of counterpart funds, which increased from K1,365 million to K1,568 million or K0.2 billion. This is clever leveraging of our expenditure, to kick-start very good capital projects. Good capital spending with high rates of return lifts our growth rate and the job and income opportunities for our people.

This more rapid drawdown of concessional funding adds to our budget deficit. Overall, the change in our budget deficit of K2.7 billion compared to the 2020 Budget was K2.5 billion

less revenue and KO.2 billion more expenditure through this acceleration of capital expenditure projects.

I am particularly pleased with the increase in the capital budget, the projects that it leads to, and the resultant employment and income generating opportunities that we have created.

Mr Speaker, the Marape Government has managed the Budget well, in the worst economic conditions in a century.

13/02

We have invested in a creative and responsible way, that will help grow the economy for the foreseeable future. Independent domestic and international responses confirm that we are on the right track in dealing with the worst economic conditions that we have ever faced. Mr Speaker, what a contrast with the irresponsible mismanagement of Peter O'Neill.

2021 Mid-year Fiscal and Economic Outlook or MYEFO.

The MYEFO, which is scheduled to be tabled in Parliament this Meeting, is a continuation of good economic management and budget repair. Despite on-going socio-economic turbulence, all the indications are that we are on course to deliver the 2021 Budget repair exactly as expected. We are on track to cut the deficit to K6.61 billion in 2021, exactly the figure provided in the Budget. Indeed, the slight growth expected in the kina size of the economy means that the budget deficit decreases slightly as a share of the economy, so down from 7.3 percent to 7.2 percent.

Mr Speaker, this is also an extraordinary result compared to the 2020 FBO outcome. We are on track to reduce the budget deficit from 8.9 percent in 2020 down to 7.2 percent in 2021. This is a very substantial fiscal adjustment of 1.7 percentage points in just one year. Most countries would take two or three years to achieve such a result. But we are doing it in a responsible way cutting debt growth as quickly as possible, whilst protecting core services such as health, education and justice sectors and increasing investment at the same time. This has brought increasing international confidence in the Marape Government's economic performance, which is in turn, allowing access to highly concessional financing to replace the expensive debt inflicted on the nation by the Member for Ialibu-Pangia.

Mr Speaker, PNG's debt interest costs are decreasing under this Government. In the first six months of 2021, interest costs were K 1.01 billion, less than the debt interest costs paid in the first half of 2019 of K1.04 billion in the cowboy O'Neill years.

Mr SPEAKER – Honourable Treasurer, the Chair will interrupt you here because it is unparliamentary and dishonourable to address him as Peter O'Neill. He was at that time the Prime Minister of this country and not Peter O'Neill or the Member for Ialibu-Pangia.

I am looking at your statement and I find it to be more personal and unparliamentary therefore the Chair will suggest that you rephrase and appropriately address the Parliament.

Mr IAN LING-STUCKEY – Thank you Mr Speaker, I shall review my choice of words in my next statement.

Interest costs are now falling, freeing up funds for vital investments. The former Government's interest costs rose by over 400 percent, from K460 million in 2012 to K2.1 billion in 2019.

14/02

Every toea of that meant equivalent cuts to health, education, infrastructure and services, and ultimately, to the quality of life of Papua New Guineans.

Paying off the former government's expensive debt and replacing it with cheaper debt brings some specific benefits.

Mr Speaker, the Marape Government's concessional financing approach, means interest costs are now expected to fall by K170 million in 2021 and we are going to use the availability of this money to top up the Government's Tuition Fee Free Subsidy. We know Covid-19 means our families are doing it tough, and by covering more of their school expenses, they will have more money available for food, shelter, clothing, transport and income-earning opportunities.

Mr Speaker, during the past three years, health expenditure has increased by a very significant K370 million. In sharp contrast are the irresponsible, death-dealing cuts in health spending of K117 million in previous government last three years of Government.

But I would like to make two points. Firstly, despite the 27 percent increase in core health funding during the past three years, we still need to monitor and release funds, much more promptly to our hospitals, in a more balanced way, to avoid threatened closures which really, shouldn't be happening.

Second, what did the previous government health cuts actually do, to this country. In shocking, information released last week, from the World Bank's "World Development Indicators", PNG's child vaccination rates fell to the worst in the entire world. The worst in the world for child immunisation of measles, diphtheria, whooping cough, tetanus and TB

vaccinations. The previous government destroyed the entire vaccination system in this country, so we became, the worst in the world.

Mr Speaker, the MYEFO predicts that the kina size of the economy, is expected to be K1.5 billion larger than expected at the time of the Budget. The non-resource sector overall is performing slightly more strongly than expected, with real growth increasing from 3.3 per cent to 3.4 per cent.

I am particularly pleased that agriculture sector growth is expected to reach four per cent in 2021, thanks to the Marape Government's agriculture support programs, as well as higher commodity prices.

The resource sector, is doing better than expected in kina terms because of higher prices, but overall production, is not as high as predicted, because of delays in re-opening Porgera, the fire affecting Ok Tedi production and delays in the Simberi mine due to environmental concerns.

Overall, real GDP growth is expected to fall from 3.5 per cent to 1.8 per cent.

15/02

However, and this is the advice from Treasury, despite the estimated reduction in our real growth rate, the strength of commodity prices, means that the kina value of the economy, grows from K81.6 billion in 2020 to K91.5 billion in 2021. This is a very pleasing increase of 12 percent, up from the 10 percent estimate at budget time.

The MYEFO document goes through the details.

It will be on the Treasury website, well before Independence Day. Some revenue items are up, reflecting the increase in commodity prices, some are down, in areas such as excise affected by lockdowns. Some expenditure items are up, especially the education spending mentioned earlier, as well as the on-going issue of wages. Some expenditure items are down, especially debt interest costs. Donor grants have been increased substantially by K413 million, reflecting the latest figures shown in the 2020 FBO, and this has been topped up further, by the very welcoming grant budget support, being provided by Australia.

Thank you.

Overall, both revenues and expenditures are estimated to have increased by K680 million. The overall impact, is that the budget deficit remains, at exactly the same as predicted, when the 2021 Budget was presented.

Path Forward

Mr Assistant Speaker, I now want to talk about the future.

This government's new growth strategy, reflects our economic philosophy, of a more inclusive and sustainable economy, one that draws on all our resources, both human and natural, renewable and non-renewable. We are, the most culturally rich country in the world. Our forests are the lungs of the region. We are a country blessed with biological diversity. We have extraordinary, untapped potential in our agriculture sector, we all know that. There is so much more, we could do, to make our economy more inclusive for women's participation. These are the reasons, that our growth focus, is on the non-resource sector. We are committed to lifting the real growth rate, after allowing for inflation of the non-resource sector to at least five percent a year. Achieving this growth rate in non-resource GDP, will also increase jobs by at least, 10,000 a year.

Mr Assistant Speaker, we have a three-pronged approach to achieving higher growth rates; more growth-focused budgets, smarter support for businesses and families, and stronger institutions. More details will be provided in November, and incorporated into the 2022 to 2027 Medium-Term Budget Strategy.

Repair and Reconstruction Budgets.

Mr Assistant Speaker, we are also making important structural changes to the budget.

Growth requires investment, and focusing on investment is a key role of government. The Marape Government, is a government for productive infrastructure, not the wasteful and unproductive spending by the previous government on roads to nowhere and fancy buildings that have fallen into disuse and disrepair. Our spending, benefits the nation, not a handful of cronies.

16/02

Budget capital investment has increased from K10 billion under the previous two and half years of the O'Neill regime to K18 billion in the same time period of the Marape government— a massive K8 billion or 80 percent increase. We will continue expanding the share of the budget going to capital investment as part of our budget repair and reconstruction process. This expenditure is focused on the PNG Connect program, the Marape Government's signature policy, to lift growth by linking farmers and businesses to markets around PNG and around the world.

We are setting a standard for funding of core services: that the total budgets for health, education and law and order will grow, at least in line with inflation, each year. We cannot afford to have the real value of our investment in these areas fall.

Mr Speaker, as part of the budget reconstruction work, I wish this government could be making, even more investment in infrastructure, health and education and support for MSMEs and agriculture. But our hands have been tied behind our back.

In 2021, the Marape Government is being blamed for having to borrow K7.6 billion to support our vital budget expenditure. But of this amount, don't blame the Marape Government for having to borrow K2.0 billion to pay off O'Neill's interest bill, or K 1.2 billion to pay off O'Neills arrears, or K1 billion to pay off O'Neill's very, very expensive Credit Suisse loan.

K4.2 billion, well over half the 2021 borrowings, is because of O'Neill's Debts and O'Neill's Expenses! A further K2 billion in borrowing, is because of the loss of revenue due to Covid-19. So, without O'Neill and Covid-19 our budget deficit would be just K1.6 billion, well under 2 per cent of GDP. So, Stop blaming the Marape Government, for taking out Loans, to pay off O'Neills Loans and Stop blaming the Marape Government for Covid-19! Just look into a mirror and blame yourself!

Smarter Business Environment:

The private sector is the key to driving growth. One of the main things the government can do to help business is to create a supportive environment. This often means government getting out of the way, reducing red tape, fixing issues under the control of government.

Business have stated that their greatest barrier is a lack of foreign exchange. We are implementing short and longer-term actions, to deal with this issue. Our better economic management, means we have been able to attract billions, in extremely concessional funding, which has massively lifted our net foreign exchange receipts, and allowed a major clearance of outstanding, foreign exchange orders in the June quarter.

Indeed, one of the major reasons for our review of the Central Banking Act, is to fix the forex problem created, when O'Neill started manipulating monetary policy, for his own government's interest, and in the process, undermining the central bank, and dragging BSP, within the orbit of mismanagement, waste and abuse.

17/02

We are supporting new areas of growth, through our economic philosophy focused on the agriculture, fishing, forestry and other non-resource sectors.

In agriculture, there are practical actions, such as the K111 million to local agriculture activities under the Covid-19 response. The Marape Government has also created Kumul Agriculture. The O'Neill Government's excessive focus on the resource sector meant he created

Kumul Petroleum and Kumul Minerals, but failed to create a body, to help drive our agriculture potential.

We are working, at reinvigorating commodity boards, supporting the Livestock Development Corporation to grow our cattle industry, including to feed into Ox and Palm production, and supporting the kokonas industry, to shift into white copra and downstream processing of pure coconut oil.

We are also being innovative and looking at new growth opportunities. This includes strong support for labor mobility programs, which could easily generate more domestic income and net export receipts, than even the PNG LNG project.

Mr Speaker, growth solutions require bringing Covid-19 under control. Countries that have success stories in suppressing the virus such as Australia, Vietnam and Taiwan are now all move static to a vaccination solution.

The Marape-Basil Government, and it's international partners will continue to support widespread voluntary vaccination around the country and the choices of businesses to keep their workplaces safe.

Mr Speaker, strong institutions should support inclusive growth. We are working on a review of the *Central Banking Act*, to improve the Bank of Papua New Guinea's role in monetary policy and regulation which provides the vital framework for secure and productive investment.

We are implementing a strong SOE reform program by working with international partners to improve power and water supplies around the country; another key element for supporting inclusive growth. We are also working on other fundamental structural issues in our economy such as having the Securities Commission support the development of a secondary financial market; this should even further lower the interest costs of government securities and open new financing options for local investment.

We are working with our Independent Consumer and Competition Commission, to support a stronger and more competitive economy. I will be making further announcements, on ensuring healthy competition in key economic sectors in coming weeks.

Mr Speaker, the last two years have been the hardest for any government since Independence; dealing with the worst global economic crisis in a 100 years, would have been easier, if we had not also had to deal with the disastrous legacy of the previous government.

Despite these tough times, our actions have led to successes and achievements as I have outlined today.

18/02

The FBO, demonstrates the steady hand of the government in having domestic PNG expenditure come out at almost, exactly the level, predicted at the time of the 2020 Budget.

The 2021 MYEFO, demonstrates that fiscal consolidation, is proceeding exactly as planned. We have the major benefit of reduced interest costs, meaning we can now restore some of the earlier cuts in tuition fee subsidies, and other spending, forced upon us. But I know that we must do more, and that the people of PNG expect us to do more.

The Marape-Basil Government, is working for a more inclusive economy that leaves no one behind. We have a broad plan covering the continuing work of budget repair and reconstruction; working with our businesses to create a friendlier environment, for sharing their goods and services both domestically and internationally and to continue our work to modernise and reform our institutions.

In the midst of the war on Covid-19, I am fully committed as Treasurer in the Marape-Basil Government to continue this positive reform program for our people.

Thank you, Mr Speaker.

Mr ALLAN BIRD (East Sepik) – Mr Assistant Speaker, with great respect I reserve my right to speak and allow the Member for Ialibu-Pangia to speak.

Mr PETER O'NEILL (Ialibu-Pangia) – I move –

That Parliament take note of the Paper

Thank you Assistant Speaker I thank the Treasurer for submitting a very late MYEFO Statement to this honourable House. Mr Assistant Speaker, by law, this statement should have been presented around 31 June 2021, but almost three to four months have passed and Treasurer is presenting it now. But anyway, he is always coming late so its not unexpected for such a leader to do that.

Anyway, its okay, it's just a report so we can debate on it I thank the Chair for recognising that this honourable Treasurer is becoming used to name calling but lacks substance. This is because the data that he is presenting today in his statement is without the actual Mid-Year Economic Fiscal Output report. It is just a political statement designed at of course, the things that he is good at. Some of these statements that he is making a quite misleading.

19/02

I remember when we discussed the 2021 Budget in November last year, the honourable Treasurer was the one who made a promise that our economy will grow by close to 10 per cent, after a decline in the previous year by less than three per cent.

So, when we replied from this side of the House, we said that he will be a miracle man by turning this economy around to 13 per cent in one year; in terms of the GDP growth in our country.

Today he is announcing to the House that, this is not the case. There is further decline in GDP. He is predicting a further decline from that predicted 10 per cent growth down to 3.5 and further down to 1.8.

Mr Assistant Speaker, the reality out there is that the economy is not in a good shape. We all know that. This is despite the Treasurer's good attempts. It is closely to three years that the treasurer and the Prime Minister have been in government. From day one, he has been continuously blaming without taking responsibility of his government's actions and decisions, and lack of ability to grow the economy of our country.

Since 2002 to 2019, Mr Speaker, Papua New Guinea has enjoyed economic growth; continuous economic growth at that time. Come 2019 to today, we have seen a sharp decline. The official numbers do not lie, Mr Assistant Speaker.

Whilst he is saying that we have borrowed money; yes, we borrowed money and we were able to repay that money. The concessional loans that the Treasurer is talking about are borrowings from IMF and IMF sanctioned loans from Australia and from some of the friendlier countries.

Mr Assistant Speaker, in over close to 18 years, Papua New Guinea has never borrowed from IMF. IMF only lends to struggling economies. The Treasurer should be aware of that. When the economy is struggling, this is the last resort that countries go to borrow money. And that is what the Treasurer is doing. It is not because of the international confidence that he is alluding to.

Mr Assistant Speaker, what international confidence? There are no new investors in the country.

Mr James Marape -- Point of Order! On record, no governments like the Japan or Australia Government has made direct budget support into Papua New Guinea's Government budget.

Mr Assistant Speaker, that is on record and it is an evidence of direct confidence in our government budgeting process.

Contrary to Mr O'Neill's approach in expensive short-term borrowings like Credit Suisse loan which he mentioned, our nation has faced a six month turn around at eight per cent interest and above.

Mr Assistant Speaker, when he says no government shows confidence, let me correct him; Australia landed a zero per cent interest direct to budget at a five- year grace period.

Japan is one of the hardest nations to even support budget, landed at 0.01 per cent all because of credibility of the budgeting process we had set up under tough times.

Mr PETER O'NEILL – Mr Assistant Speaker, well I take note of the Point of Order by the Prime Minister and he has got the right to respond.

Mr Kerenga Kua – Point of Order! I just want to correct the former Prime Minister on a mis-statement that, the IMF is the least lender of choice. The point as we all know is that the least preferred lender is always the International Commercial Banks because they sell money at the highest price.

So, if you are running a nation and when you are in Government and need to borrow, you will go to concessional lenders which are traditionally the World Bank, the IMF and the ADB.

20/02

And when those three institutions don't want to give you money then you go looking for money in commercial banks such as Credit Suisse, the UBS et cetera. That is where you get money at the highest price. They are your last option when you are looking for money to borrow. It is a mis-statement to say that the IMF is your last resort. They are actually your first choice.

Mr PETER O'NEILL – Mr Assistant Speaker, I am certain that the Prime Minister and the Minister for Petroleum will have the opportunity to debate this issue when they speak. I have lost three minutes with their unnecessary interjections.

However, I think I know what I am talking about; having dealt with some of these organisations especially IMF as Treasurer and as Prime Minister. I can assure you that what the Minister for Petroleum is saying is incorrect.

Mr Assistant Speaker, this is where member countries which PNG is member of the World Bank and IMF go to when they need rescue in their finances. This is what is happening.

Mr James Marape -- Point of Order! The former Prime Minister and former Treasurer must tell the Parliament and the country the truth. Do not be mischievous.

You failed to go to these institutions who are offering much lower credit to member nations. You chose to go to crony-based-fundraising sources. They have built a lot of debt that my Government is struggling to repay including contracts that are outstanding. I will come to this point later on. How many contracts have we retired as a result of you issuing contracts without settling those credits?

Let us not mislead Parliament. Let's not make IMF seem as if it is a second choice-low class lending institution. They have always been available but yet we choose not to go down this path. We choose to go and borrow from friends like UBS and Credit Suisse which we are caught in this quagmire of deficit that we are struggling to get out of.

Mr PETER O'NEILL -- Mr Assistant Speaker, I do not know who is telling the truth but let the record speak for itself.

I challenge the Prime Minister and his good Minister for Petroleum to make these statements outside of Parliament and see how you can defend yourself calling people crony banks and cronies institution. You have instituted the inquiries so let them conclude. It is unbecoming of leaders to come and use their parliamentary privileges to make this kind of statements.

Mr Assistant Speaker, let me say this. The economy is not travelling well. There are more people out of jobs today than there were three years ago. There are more businesses closed today than there were three years ago. I urge the Treasurer and the Minister to walk down streets and speak to the people. At the elections, they will judge all of us because they are not ignorant of the facts that are before us.

We talk about a massive infrastructure spending of K18 billion which the Treasurer mentioned. What infrastructure? Please name one for the benefit of Parliament. The K18 billion mentioned is a huge amount of money and with that kind of money, we should be changing all the highways and bridges in this country. Most of the projects that are ongoing now are from previous governments from the arrangements with ADB and the other banks that we have borrowed money from. They are also concessional loans.

Mr Assistant Speaker, it is about time this Government talks about its achievements and what it is doing to rescue the economy. You have had a declining economy from 2019 GDP. When we took over the Government in 2011, it was around K40 billion GDP in our country. In eight years, we have doubled it to K84 billion and these are official records. Yes, we did borrow money but we built the economy. We provided jobs and the businesses confidence was there. Foreign investments were coming into the country that is how businesses grow.

In 2020, and of which the current Treasurer is proud of, the GDP has declined. It has declined to about K81 billion from K84 billion. You are having a further decline from 2021.

21/02

Mr Speaker, that is nothing to be proud of. Covid-19 economies around the world are growing, just look at Australia, your favourite lender.

Mr Speaker, when you look at revenue, the value has declined but we are keeping our expenditure level very high as budgeted at K19 billion with no cuts. When your revenue declines you should cut your expenditure but there is no cut. We are still spending money on ghost projects around the country and everyone thinks we are spending money on political projects.

I can say I borrowed money for infrastructure and go to any province in this country, including Kavieng, where I sealed the road from Buluminski to Namatanai from Kavieng, ADB funded that. I can name projects!

Mr Ian Ling-Stuckey – Point of Order! I would prefer that the Member for Pangialibu limit his comments to his own electorate. You are misleading the Parliament and you are lying. You are a liar!

Firstly, the Buluminski Highway that was sealed in New Ireland started in 2005 by myself, when I was the Governor not by the incumbent.

Secondly, the remainder of the Buluminski Highway was funded by an Australian Government project. Not your Government, you didn't even provide a toea.

Just to correct him.

Thank you, Mr Speaker.

Mr PETER O'NEILL – Mr Speaker, during my time as Prime Minister, we had development partners and the Treasurer is again –

Sir JULIUS CHAN – Point of Order! I want to make it clear to the Parliament that we are not here to just fight for districts.

The Australian Government's gift to the Buluminski Highway is a commitment made in the Lihir Memorandum of Agreement. It does not belong to the Treasurer and it never happened during his time.

I fought to make it happen during Mr Peter O'Neill's time and I would like to thank him because he upheld that commitment under the Lihir MoA.

It did not happen in your time so do not talk about the incumbent government. You should be talking about the K64 million that you have not revealed to the people of New Ireland.

Mr PETER O'NEILL – Thank you, Mr Speaker. All I was saying is that the revenue is decreasing and it is affecting all of us, every citizen in this country. So, it is our equal responsibility to turn this economy around to function better.

The Government has to address new revenue measures making sure that we build the confidence of our businesses that are shutting down because there is no business activity on the ground. We can sit here and pretend that it is happening when it is not.

Mr Speaker, when you have a fiscal deficit to date of almost K7.3 billion of the outcome in 2020, that is what the Treasurer is saying, it is the highest that we have ever recorded in a single year.

The second highest will be in 2021 of over K6 billion meaning that our economy will shrink again.

So, Mr Speaker, it is in our interest to make sure that we work together to cut costs. We must immediately stop funding non priority areas. The wages blow-out must be addressed immediately not next year.

22/02

Mr Speaker, the public service machinery is costing us too much money and government is not addressing it and turning a blind eye.

Mr Speaker, the capital expenditure that they are talking about, these unnecessary issuing of cheques and ground-breaking ceremonies around the country must stop. Every toea that you spend accumulates to an amount. We know you are writing and printing cheques around, it's nothing to hide.

Mr Speaker, some of us are missing out because we are on the wrong side of the Floor. Our DSIPs are not been paid but, as long as it is serving our people, we don't mind. But where there are no outcomes that's where we mind.

Capital expenditure budget of K18 billion that the treasurer is talking about is not an insignificant amount, it's quite a large amount. That kind of spending unnecessarily just at the back of an excuse of Covid-19 will not get us anywhere.

Mr Speaker, the final MYEFO will come out shortly and we will make comments when we see the details of it. We are not going to engage in a name – calling banter here today but let me conclude on one matter, where the Treasurer mentioned about Bank of Papua New Guinea. He said that government of the past have continuously intertwined or interfered with the performance of the Central Bank. That is not quite true, we have always respected the independence of the Central Bank.

There is not one correspondent or one direction that government have given in the past to the Central Bank because the Central Bank is independently responsible for our monetary policy and that must be respected.

The current review that is going on is welcomed but there are political appointees, this must not be a politically driven review. It is dangerous for the country and economy. At least we have one independent body that is functioning and managing our monetary policy. Government must stick to their fiscal policy and there is where your responsibility lies, don't overstep your mark.

This is where we need to be careful about making sure that our economy is protected because if we don't grow our economy and is not performing there will be no jobs, business or new investment in the country and that is precisely what is happening today.

Thank you, Mr Speaker, for allowing me to say a few words.

Mr ALLAN BIRD (East Sepik) – Thank you, Mr Speaker. It seems to me that we are abrogating the responsibility to the country by apportioning blame.

Mr Speaker, we also seem to be ignoring the fact that in the Treasurer statement he made it very clear.

and we all know this but somehow when we are debating, we defend our own position.

The last time the world faced a global pandemic was hundred years ago and none of us were alive at that time. There is no precedent in how a world deals with a global pandemic. We are just battling over service delivery and we are forgetting the fact that we are price takers in this global economy.

Mr Speaker, as chairman of Plans and Estimates Committee I appeal to the House that we have to put our petty differences aside. The whole world has to figure a way out of this pandemic. This pandemic is causing a global catastrophe.

Mr Speaker, two weeks ago the price of shipment of one 20-foot container all around the world increased by a thousand US dollars. The price to move a 40-foot container increased by US\$ 2000 for one simple reason. All the shipping containers were locked up because China was manufacturing and exporting to the rest of the world. because they were the first ones out of the pandemic. All western countries import cargo from China and all these containers whilst Papua New Guinea is currently short of containers.

23/02

The price of Robusta coffee has just shot up, this is because Vietnam is unable to move the coffee out of their country to the global market due to the shortage of containers. As Members of Parliament we should be better informed than the average people of this country. So, that we can debate here with intelligence and understanding. It is our job to find a way out of this crisis for our people.

Mr Speaker, I understand and with due respect to the Member for Ialibu-Pangia; he can't deny that there were serious happenings during his time; when he was at the helm of the country. I sat on that side of the House and I asked and argued against some of those things. I see now that our problem is we are always following the Prime Minister of the day. We never question and the predicament that our country is in now would not have happened, if we had a Sovereign Wealth Fund.

All the efforts of the late Grand Chief Sir Michael Somare and his government at that time has been in vain. We should have been continuing that but we threw the SWF out into the street. We are faced with a crisis in the country and we do not have any money so we have to borrow, whether we like it or not. And if by tomorrow or by 2022 we have a new Prime Minister, I want to be on record, to say that, am sorry but that Prime Minister will have to borrow again. How do I know? You just have to check with every other government on this planet. Every government is borrowing, because they have no choice. I'll give you an example; that if you go onto the Australian government website now; this year while we borrowed K6 or 7 billion, the Australian Government this year is borrowing AUS\$191 billion, they are borrowing approximately K500 billion. The Australian Government was operating on surpluses for a number of years, they never borrowed. Why are they borrowing now?

Mr Speaker, this is because of Covid-19, and that those of us who are leaders in this House need to understand why, so that we can make the decisions that are important for our people. The Australian Government chose to borrow because they have no choice. If you look at the Australian Government; they are planning five years in advance. How many years are we planning for in advance?

Mr Speaker, as the head of the legislature, how many years ahead are we planning for our people? Are we just going to keep arguing for DSIP, roads, bridges, toilets and the list of smaller things we always find time to argue about? What about the next five years? And it is our job to look ahead and see the problem so that we are prepared to avoid it on our way. We must change the way we do things in this House and make honest and meaningful decisions. If a problem arises, we should take it address it and try to see a way forward, not to throw mud at each other, this is not helping our people. Another example is our other neighbor, New Zealand is expecting to borrow NZ\$100 billion just this year. They never had problems with borrowing before. They are going to increase their borrowing by 73 per cent, yet we are complaining about a lousy 10 per cent increase. The New Zealand Government is going to borrow by 73 per cent for what they need in the budget for their people.

What are we doing for our people? This should be the most important question and we should not be debating. Who are we going to blame for this, we should be trying to figure out, how to find a way forward for our people. The New Zealand Government are planning that by 2025, they are going to borrow up to 46 per cent of their GDP. And they are borrowing about K500 billion, what I would like to see on behalf of the people of East Sepik, is a plan put out here in Parliament, because I am part of this government. And it would be irresponsible of me to my people if I did not ask to see a five-year plan done here in Parliament.

24/02

Mr Speaker, how much money will we borrow next year and two next couple of years until 2025. Why 2025? It's also a magic number for us.

Mr Speaker, by 2025 our revenues from the resource project kick in. Now we need to see some calculation presented in front of all these honourable leaders and let's debate that.

Mr Speaker, let's debate all these good things and let us all cooperate till 2025. Let us not be blind, panic, and wake up with surprise in 2025. Our people need to look at us with some confidence that we know what we are doing as parliamentarians in both Government and Opposition.

Mr Speaker, the petty fight we are fighting is more like those small boys playing marbles and fighting for marbles under mango trees and it's unacceptable. That is the challenge before us; how do we get out of the pandemic?

Our two nearest neighbors, Australia and New Zealand, are planning to get out of it within five years. When are we going to come out?

Mr Speaker, that is what I would like to see because that is what the people of Papua New Guinea want to see. And I'm sure people of East Sepik definitely want to see that because it's our priority.

Mr Speaker, our individual priority is the DSIP and the PSIP, that is what we come here to argue about. But what about the greater good of the country?

Mr Speaker, we should be investing right now in the strategic effort. Now the former Minister for Planning and former Deputy Prime Minister, the Honourable Charles Abel, has presided over a very important document and that was the strategy for responsible sustainable development. In that document, we are talking about moving towards a green and blue economy. Not at one time I hear a presentation on this Floor where we are actually shifting our country towards that outcome.

Mr Speaker, that was a very good document. It's author is sitting over there. Are we going to shelve the document just because the honourable Member is in the Opposition? I don't think so, it's a work that belongs to Papua New Guinea. We should pick it up and we should be pushing for those things because as a result of this global pandemic, other countries are already shifting their economies into the blue and green spaces and what about us? We are not even moving yet. We are always arguing for our DSIP, PSIP, school, bridge, toilet and classroom.

Mr Speaker, we are not even thinking about the green and blue economy and yet this document was prepared a year ahead of the United Nations on such a development.

Mr Speaker, I would like to challenge us to start to do those sorts of things that we talk about and aspire to in our *constitution*. We need to continue doing what our forefathers were doing in 1972.

Mr Speaker, borrowing is a serious business. We won't go in blindly.

Mr Speaker, I want to make a couple of suggestions because I don't want to see another report in here that does not talk about the future. We can talk about the past and throw mud as much as we like. We can talk about today but I want to know what's in it tomorrow for the young Papua New Guineans that are currently sitting in the classroom. Seventy thousand young Papua New Guineans are going to finish grade twelve this year but there is no employment for

them. Many more will come out from the universities but there is no employment for them. We need to be dealing with that challenge even with Covid-19 here. And if we have to borrow which I have no doubt, we will be talking about borrowing again next year. Let's agree as a country but let's not to borrow to build a road for us to drive our fancy cars. Let's go and build a road and ward that's going to bring production out into the wharf and out somewhere else and sell our productions.

Mr Speaker, that's what I want to see us talk about. I want to see us do those sorts of things that previous Parliaments did not do. I want to challenge the government because I am seated at the middle and this is my government and I wanted to do those things.

Mr Speaker, the responsibility falls on you as a keeper of this House. The legislature needs to be stronger and I concur with your sentiment this morning about us properly funding your office so that you are able to hold executive government to account.

25/02

We have never been able to do that since independence and it is a structural floor that results in executive governments doing whatever they like; it needs to stop.

All the Members here are representing their people on this Floor of Parliament.

Mr Speaker, the Budget should be explained to us properly outside before coming for Parliament sitting. You cannot come and present the Budget to us and expect us to read when we receive about 20 books or something. Who in his right mind could read all these books! So, what I do is, I only check the budget for East Sepik and that is all.

Mr Speaker, that won't do. Our leaders need to understand the Budget and how it relates not only to their districts but to their people as well so they can explain it better to their people. So, when it comes to debating, we don't blame each other.

Mr Speaker, we are appropriately educated so we understand that if neither here nor there, you cannot blame nor point fingers to one another. As mandated leaders in this House, this is our obligation and responsibility.

Mr Speaker, my final point is that of all the public funds that is spent as per the budget or mentioned here on the Floor of Parliament like K7 billion or K18 billion, well these are just numbers. What we need now is mechanism and I would like to see a parliamentary mechanism if there are no other mechanisms. For instance, if public funds of K300 million is spent in a province, then we must check and confirm the service rendered for the allocated funds. These funds are not for personal use and expenses, we need to stop this.

If you have to spend K500 million in my province, the people of East Sepik province need to account to the rest of the country on how and what the funds was spent on. I would like to see this sort of reporting on this floor of this House.

This is the sort of thing that I think our people deserve to know. They, must know how we have spent their money. We talk about infrastructure and other developments when all those infrastructures have not resulted in an increase in GDP and that is a fact. The only time we saw a substantial rise in GDP was when Late Grand Chief Michael Thomas Somare was the Prime Minister between 2011 and 2012 and the records proves it. And he did that off the back of LNG Project where he was brave enough and I commend the people of Southern highlands who stood by him and made that happen. We need to repeat the same performance but we cannot do it.

We can boast about the many infrastructures we have put up but how have they boosted the economy? If I planted banana, I will have to harvest when ready. I did not plant it for the sake of beautifying my garden.

Mr SPEAKER – Honourable Members, as per standing orders, when a member is speaking, no member may converse with another.

Mr CHARLES ABEL (Alotau) – Thank you, Mr Speaker, for giving me the opportunity to make a short remark in response to the statement by our Speaker.

With all due respect, it is appropriate when we are debating particular reports whether it be Final Budget Outcomes or Media Economical Fiscal outlook reports, we need to actually sight the reports and we need to be given the opportunity to be able to respond to the details in that report. It is not efficient to refer to an un-announced publication on the Treasury website and we are here attempting to talk sense about the report that we have not sighted yet. Bearing in mind that the Treasurer has made a series of statements relating to different aspects of the economy, the Covid-19 acquittals and different ad hoc statements on the economy, it is difficult to make a comprehensive response. We end up making ad hoc responses to very plain and simple statements that continue to be based on blaming the former government without the numbers to support it and justification for more debt.

26/02

We are now K18 billion into debt; added 63 per cent to our debt stock in Papua New Guinea, we have exhausted pretty much every avenue for borrowing around the world and yet,

we are putting ourselves on the back saying it is our credibility. They are giving to us because we have formed credible approaches to the economy and so forth.

The reality is, we are surviving on international help because they are coming to our rescue, because, we are stucked We cannot help ourselves on the back of Covid-19, we have got no money so, the lenders of last resort like IMF come in to rescue us as part of an international rescue package for developing countries that cannot help themselves at this stage. That is the reality.

We use all kinds of rhetoric to blame so that we can somehow get credit for it. We are thankful for this support from our international partners, but they are stepping in because we are stucked as an international effort.

Mr Bryan Kramer – Point of Order! Thank you, Mr Speaker. I apologise for interjecting the Member for Alotau, but they keep repeating the same statement saying IMF as the last resort.

So, I am accounted here and as being the former Treasurer and former Prime Minister perhaps, they can provide a clause of policy in the IMF that states ‘we are the last resort’, because I cannot find any.

Thank you.

Mr CHARLES ABEL – Thank you, Mr Speaker. The reality is, what is the purpose of the IMF? The institution of IMF is set up with the member countries contributing, more primarily, the developed countries of the world contribute there and the primary function of the IMF is to step in, when developing countries have balance of payment issues.

They are struggling to sustain their budget’ they are struggling to meet their international obligation, that is the primary function of the IMF. In fulfilling that mandate, they are stepping in when countries like us are stuck with our backs to the wall. That is the function of the IMF. It is just not the commercial lender where we are proposing to borrow from them to access their cheap financing. The cheap financing is made available by developed countries to developing countries that are in balance of payment crisis. That is the function of the IMF.

The Covid-19 is an extraordinary circumstance leading to such situations. So, they are stepping in as the last resort to countries that are in such situations. It is not just Papua New Guinea. It applies to all of developing countries in such a position as Papua New Guinea.

But, coming to the Covid-19 point, because we love to blame Covid, Covid, yes, Covid-19 is extraordinary. It is causing pain all around the world. But I say to us here in Papua New

Guinea, sometimes, when I look at the situation, are we overreacting to Covid-19? Thousands of our people have been put out of jobs. Shutting down all sorts of industries and bringing in all these new restrictions.

Yes, we are trying to be responsible in our response, but after two years when we see the actual effect of Covid-19 in Papua New Guinea, are we overreacting to it? Are we making ourselves suffer unnecessarily? Are we using Covid-19 to blame for everything and giving excuses for some of these restrictions? What is actually happening with Covid-19 in the country?

It would be nice to see how many thousands and thousands of have died from Covid-19 so far? We are going to the extent of stopping people's jobs. Is it going to be thousands of people stopped from accessing work?

We have already put thousands of people out of jobs through Porgera and shutting down the Forestry Industry using Covid-19 and now we are stopping people from accessing work, saying 'no job, no job'. Let us think about it. Are we posing unnecessary pain on our people using Covid-19? Let us really look at it, what pain is this Covid-19 response causing against the actual Covid-19 causing?

People are going hungry today. We are pulling people out of jobs. But I have not seen hospitals full of Covid-19 patient.

In Milne-Bay, people are getting on with life as normal. Covid-19 is something which they are not believing.

We just got to think budget wise.

The economy is struggling, people are losing jobs and we are putting all kinds of extraordinary measures on our people, but what is the reality of Covid-19 in Papua New Guinea? We need to understand.

Mr Speaker, what we want from the Government is some kind of economic response. It is not good to say we got Covid-19 and everything is struggling so that we can keep borrowing.

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We shut down Porgera. The Papua LNG Gas Agreement was signed and in the construction process. We have the Wafi-Golpu Project too that has been pending. We also have the Freda case to consider and our seas for marine resources. We have increased the log export tax levy to about 60 per cent and thousands of jobs were lost through this exercise. We have so many resources but we seem to be talking about the Covid-19 to support our borrowings

everywhere. We have about K18 billion so far borrowed in the three years. We need to look at some of these solutions rather than just borrowing. We have a lot of opportunities but we are just not accessing them. We seem to think that our only option is to borrow. I think we need to take a serious look at some of the opportunities before us.

My concern is that in the next budget, when we have exhausted all our avenues to borrow then we run the risk of being turned away when we go for further assistance. We have borrowed K6 billion for 2021 so where do we stand in 2022? We not progressing some of the other options in the picture.

You have touched on our Central Bank changing regulations to venture into borrowing. This is a high risk that we run and a very dangerous one too. Let us be more responsible, and consider all options before us. Our tourism is down, forestry is also down and almost every other industry is down. Let's look at our options and see where we can pick up.

We are over-emphasising the Covid-19 pandemic and not doing the right things. The reality is that our people are suffering. What we need will be a balance in everything that we do rather than blaming the former government. Let's bring some of the other positives into our economy. Our dear God has blessed us with so many things but we have not made use of them. We will look closely at MYEFO and come up with some more comprehensive response to a declining economy, rising debts and rising unemployment and do our best to make a constructive debate. We will look more closely to the pain and suffering our people are going through today. Thank you.

Mr WERA MORI (Chuave – Minister for Environment, Conservation and Climate Change) – Thank you Mr Speaker, I would like to join colleague Members in making a small contribution to this debate.

Mr Speaker, I would like to, at the outset state here that what we have been facing is not an isolated issue but the global economy has contracted. This is simply because of faceless monster, a juggernaut called climate change.

Climate change has caused the entire world to dance to its music. Papua New Guinea is not isolated. Under the circumstances, we must give credit where it is due. I would like to commend the Treasurer and the Prime Minister for the leadership that they had provided in these difficult times.

Mr Speaker, we had the opportunity under the circumstances and situation, when we were able to borrow money. We took the right option in addressing some of those impediments that was derailing the economy of this country. We should not forget that we had expensive

loans upfront before us. It was like putting the cart before the horse. We were not in a position to repay those expensive loans. We were only repaying the interests.

I would like to commend the Government, especially the leadership that was provided by the Treasurer who actually took the opportunity to ensure that some of the principals of those loans were repaid. There should be no blame-game in this argument.

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Mr Speaker, I would like to advise all Members of Parliament present, that Climate Change will not go away. It has been reported recently, that we have gone past the point of no return. Temperatures are increasing, challenges are real; just look at the rainfall and number of storms, tornadoes etcetera, that is hitting the coastlines all around the world including Papua New Guinea. Coastlines of Papua New Guinea including, the Autonomous Region of Bougainville, are being washed away as a consequence of the challenges faced.

Mr Speaker, we have the rise of new diseases that are coming and this responsible government is in a position to mitigate them but we need support from everyone on this Floor of Parliament.

I want to make a few remarks in regard to the economy. It is reality that we can't expect miracles because Ok Tedi is out of production or is not producing at its maximum and Porgera remains closed. In the best of national interest, until at such time when we decide as to how we will protect Porgera in future. Look at Simberi's DSGP, I made sure, as the Minister responsible, to get it fixed before production resumes.

But, what can we do as a country? I am thankful that it has been brought up in debates and many contributors have concluded that we have to look at other alternatives such as expanding the economic base of this country.

Let us look at our primary produce like copra, coffee and cocoa and let us invest in them. Though there are impediments in our plantation sector that were responsible for the demise of those plantations but they are not difficult to revive and we can bring them into production.

We will still be borrowing money to fund the economy but I must commend this government because this year we were able to implement at least 99.7 per cent of what was budgeted, we only have a deficit of 1.8 per cent. In the past no government has ever implemented the budget fully or at that rate.

So, moving into the future, we will borrow money so that we can revive the plantations. We have coffee, in the Wahgi Valley, Asaro and Goroka Valley all the way down to Kainantu and the small-scale growers.

available to the government of Papua New Guinea, to the financial institutions and to the banks to ensure that government policies are supported.

Mr Speaker, also along that vain, the government has to seriously look at savings. Are there enough savings in the economy and to ensure this savings, especially Super Funds, are used to support government activities to grow the economy, to build agricultural and to maintain the main highways of our country so, that the existing economy can support us in these difficult times.

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That our population is growing at a higher rate, than economic growth in our country. And that relates very much to the decline that we see in the GDP and the government's ability to support infrastructure and the economy. But there are things that the government can do. Start with the Central Bank and look at the exchange rate policy as well.

Minister for Treasury in your review do not be afraid as the Central Bank and other institutions of the government need to be reviewed. Do not be afraid, Mr Prime Minister, to make sure that all public sector which run the budget, which is one-third of the economy of the country and those of us who are working get a job, because I got my job.

Mr Speaker, get a job to make sure that your bureaucracies are working to the extent that they can. The government department, statutory bodies all of us need to get vaccinated. How do we support the economy, we do not have a choice and the private sector is moving ahead, because they know that if one of the workers is infected in the work place it will affect the other workers as well and it will affect the whole productivity and will eventually shut down that business.

We are all inter-related in the economy of this country. One decision that we make at our level affects everyone. So, in my view we need to take that job, especially the government, we must now start to be proactive. Those in the villages should have a choice but it is our responsibility as a government to take the lead. It must start with us as the Members of Parliament. The Prime Minister has been vaccinated and some of us have taken ours, while others are holding back. Let us focus on getting PNG moving to take the job. We talk about a portion in blade, I want to thank the government that it is not embarked on off the record loans. It is starting to clear the very high interest loans from commercial banks and from investment banks that previous government undertook. I support the Treasurer in the stand that the government has taken, please keep it that way. When you come to the financing of a

government's equity in Pogera, P'nyang and the other new projects, including the Papua LNG. I urge you to look for as much concessional funding as possible.

But I join my fellow MPs to please get these projects off the ground, because SMEs, the government's expenditure can assist to grow the economy so much in a small way but it is only the big projects that have bigger impact on the country and its economy. So, on a smaller scale I congratulate the Agriculture Minister, for the price support that he has given to the various commodities that has seen an increase in production.

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So on a smaller scale, I congratulate the Minister for Agriculture for the price support that he has given to the various commodities that has seen an increase and against the trend nation wide in the rest of the economy, the agriculture sector is actually growing. He is doing the right thing and we need to support him and we need to support all the other sectors that are need in help in order to grow, especially those that are in productive sector. We as the Government must look at what we are doing ourselves.

The Treasurer was very happy with himself for keeping the Government expenditure down at the micro-economic level, that's good, however not so good in the provinces. The treasurer is aware; for example, in my province, the Department budget was K106 million, we are in the second quarter review, I am sad to say that but we only received K14 million. So how do you expect my province and the other provinces to deliver the basic services as we have agreed by law under the function grants. So, these are the issues, Mr Speaker, that you must look at carefully to dissect what you've given to the provinces and to the departments that rely on you.

On projects, it is important we ensure that we provide in cash flows at upfront or for the quarter that the full amount that is appropriated and is requested through the various agencies. The rising cost of living out there is real. We need to all act responsibly. The provinces have a role to play, involve us in some of the things you are doing. We have problems with law and order, we have problems with land disputes, we have problems, especially Central, Gulf and Motu Koita in relation to the unfair distribution of GST.

As I said, for the vital highways, national highways of our country, we need to distribute funds equally in terms of maintenance. Minister Nali is aware of my concerns on certain sections of the Beraina-Malalaua road that myself and the Member for Kairiku-Hiri have been raising time and time again. These are essential highways that we must maintain and give money fairly to all the region of our country. Mr Speaker, once again, let me repeat this, lets

unite behind the Treasurer and let's ensure that this Government delivers in the next year or so what we can do.

To commit ourselves to a five-year plan, now is a fallacy because the next Government, when it comes in will of course review it and change it. We are in difficult times and I commend the Treasurer, even though the MYEFO Report is late, it will be here. I can predict that it will not change anything, it will still reflect the same situation the Treasurer has forwarded to the Parliament today.

32/02

Mr BRYAN KRAMER (Madang – Minister for Justice and Attorney-General) – Thank you, Mr Speaker, for allowing me to respond to the Treasurer's speech.

I would like to commend the Treasurer on his speech on the Mid-Year Economical Fiscal Outlook Report. For the benefit of the members, the former Prime Minister and Member for Ialibu-Pangia mentioned the due date of this report; however, under *section 9* of the *PNG Fiscal Responsibility Act* the presentation of the MYEFO report should be done by the end of July or if not then six months after the last report. So, we are now in the early stage of September so it is essentially a month late from the date and not months late and also within the six months between the last budget report.

Mr Speaker, this report is timely, at a time when the globe is affected by Covid-19. Other countries have shut their borders and also shut down their citizens as well. This is not something to take lightly. So, even when we are talking about promoting our tourism, who will fly here when they can't even fly out of their own country. This is the reality of the world we now live in affected by Covid-19.

Mr Speaker, on the issue on IMF, it is important that we put some context into the issue of IMF. While the current shadow minister for Treasurer raised the last point of static is an issue when a country faces balance of payments, so, when did the Marape Government go to IMF, did we go after three or four years of running the economy down.

Mr Charles Abel – Point of Order! Mr Speaker, Correction. I am not the shadow Treasurer. It is in fact Hon Joseph Lelang.

Mr BRYAN KRAMER – Thank you, Mr Speaker, did the Marape Government go to IMF soon after having a full assessment of the real state of the economy of the country or did

we go after three years; after running it into the ground. The answer is, we went soon after we took office.

On that basis, we had a fair assessment of the state of the economy, balance of payments and in terms of our debt issues and more so, governance. Why do a lot of developing countries do not go to IMF, it is because IMF not only provides technically advice but they ensure high degree of governance. When you borrow from them as a member country, there are conditions on how you spend the money, clearly if you have issues in your economy and you don't have cash, you clearly mis-spent it somewhere.

And becoming a member country for IMF, the idea is to protect the other members economy and on those basis by offering cheap concessional loans but also ensuring governance. This is why some developing countries that are managed by people who are basically known for mis-using money or mis-spending money through whatever means like the \$1.5 billion UBS loan, would struggle to get support from IMF because they would struggle adhering to governance structures.

This is the central issue when you go to IMF, you will have to clean up your books and act. If you don't, they don't lend you the money.

On the issue on the debt, I would like to acknowledge the Treasurer for actually providing data. When we were Members of the Opposition, it was very difficult to get data on what PNG's real debt was. And he states clearly that it is K40 billion, I think he left out the GDP ratio though. But to give context, Japan's current GDP, what you borrow versus what the growth of your economy is, is 256 per cent, so they essentially double borrowed twice the size of their economy. So, why are they able to borrow so much is because they have sensible spending.

And the problem with PNG and why we created the law that blocks us from borrowing is because we have a history of mis-spending money recklessly. Unfortunately, when Covid-19 struck, we were one of the lowest GDP debt ratios down to 35 per cent required in law.

33/02

This is because we have a bad record of borrowing too much and spending it badly. While our debt is at K40 billion, the issue now going forward is to keep the country afloat. So, let us speak positive and get the economy going. Where are we going? Where is anyone going?

The former Prime Minister mentioned other economies that are growing. Yes, Australia and New Zealand are the least impacted by Covid-19 because they shut their borders. And their

economies are large enough to sustain themselves, we aren't. So, we are not in the same position as Australia and New Zealand.

However, recently they have just been smashed by Covid-19. And their economy now; GDP growth is growing basically backwards from initially projected at four per cent and it has dropped to 2.4 per cent. So clearly, they are impacted by Covid-19.

Mr Speaker, the issue is about governance and the trust in how we spend the people's money. That is the key issue. So, we can borrow more; provided we spend it wisely that we invest in the future of our children and their children. And provided, we invest it properly and spend it properly, we will get the long-term returns.

When we invest it specifically into markets like the UBS Loan when we lose A\$1.5 billion, we end up in significant debts that we cannot service.

The Government borrowed and spent K5.7 billion. What the public do not realise is that they thought that we spent it on Covid-19, actually we did not. We spent it to keep the Government going. To meet payroll to pay police officers, to maintain peace and good order and to pay teachers nurses and CIS to maintain our prisons.

Having impacted by the Covid-19, we have lost jobs and over K2 billion was lost in our revenue. So where are we going to get K2 billion to keep the Government going? So, we borrowed and we are now paying K2 billion in interest rate not repaying a loan; interest rate is what we are paying every year, just interest. The loan stays and we have to keep paying the same interest.

When we lose revenue because of impacts of Covid-19, where do we get K2 billion to maintain it the interest payments. We have to borrow. That is the reality. The only issue is whether we borrow sensibly and, in this case, we borrowed from institutions that gave concessional loans at the lowest zero interest rate. So instead of increasing to K2 billion and up on our interest by borrowing from banks who offer up to seven per cent, we borrow at close to 0.2 per cent.

Therefore, it does not increase our loan repayments, because when it increases our loan repayments, we have to either borrow or we take it out from the development budget. Money that is suppose to build hospitals, build classrooms is now spent to pay debts.

That is all, Mr Speaker, thank you.

Mr PETER NUMU (Eastern Highlands) – Thank you, Mr Speaker. I would like to also contribute to this debate since, we have raised many issues on the loans.

Mr Speaker, before I speak, as a young Governor in my first term of this Tenth Parliament, I want to speak the mind of our reformist former Prime Minister, late Sir Mekere Morauta. He once said, borrowing is not bad as long as you borrow and invest in areas where it will have returns. The returns or investment alone will offset your loan in future.

But he also said that borrowing and investing on areas where you will create liabilities, it will create a lot of financial burdens in the future and it will affect the country.

Mr Speaker, let us not play the blame game.

34/02

What happened in the past remains in the past. The prime minister then did what he did and thus has brought us this far. Let us not dwell on the past and look at what we can do for our future. There has been no perfect government including this one therefore no one needs to point fingers at anybody. Let us look making the best decisions to bring this country forward in such tough times. Let us think globally and act locally. If we do not act locally then we are going to head into more problems.

Mr Speaker, I would like to suggest that we borrow but put more emphasis on investing in agriculture and tourism. Agriculture produces green gold in coffee, tea and others. The Covid-19 pandemic will not destroy our land. Our land is capable of producing more money for us. Despite that pandemic, we are still exporting coffee into the world.

We produce around 600 000 to 750 000 green bean bags and with the foreign market at about K14 per kilogram then it would sum up to about US\$177 203 000 or about K630 million that would be coming into the country. This money would be going straight to our people who are the village farmers. I am only talking about coffee but there are other commodities that we should also invest in.

Mr Speaker, the Governor of East Sepik mentioned that shipping containers are running short in the country. We have a lot of people who want to borrow to build things but bank queues are very long. We do not need to borrow money to buy things from abroad to build in our country. We on the other hand, already have agriculture. We are blessed with a very rich land. We need to invest in agriculture because that is where money will go back to our little people who in turn have to buying power. Agriculture can greatly assist us in paying back our loans.

Mr Speaker, I would also like to touch on tourism. Our land is blessed with so many tourist sites and destinations. We have not seriously identified tourist destinations in our country. There are many people out there who want to come here as a tourists and we all know

that tourists will spend money here in our country. For instance, during the Goroka Show, I was told by some tourists that they had a lot to spend but there is nowhere to spend it. We have very rich people who come as tourists to visit our country.

35/02

There are many tourists who are willing to invest in our country but we have not really identified activities which tourist can spend on. There are so many beautiful spots in each of the provinces but we have not developed them to their full potential to accommodate international guests. We have to identify two or three provinces and develop them to accommodate tourists.

I also thank the Marape-Basil Government for allocating funds for SME's and businesses to loan to sustain their business during this Covid-19 pandemic. In my province, many businesses were shutting down because of limited business activity but when the government started funding SME Loans, these businesses were able to sustain themselves and are in operation.

Mr Speaker, I also thank the government for investing in the Agriculture Industry. I see that the farmers in my province are very happy because this investment is felt in the district and wards. Many rural areas that lacked proper roads and were too isolated to basic services are now accessing basic services because this government has reconnected them by opening small airstrips.

In the Eastern Highlands Province alone, we have 31 small airstrips; 13 are completed and now we are working on the other 18. These areas are so remote that for years they have been forgotten but we are reconnecting them. The 13 airstrips in operating are bringing the local produce into town so when government allocates money to support price subsidy, these farmers benefit big time.

I also thank the previous government for the good developments and investment which done to move our country forward. I know running a country is not an easy task and I do appreciate everything you have done.

Mr Speaker, lastly, I want to conclude with the saying, 'You can't plant a seed today and expect to harvest it tomorrow', everything takes time; however, my province has really felt this government's impact and we look forward to working together to build a better PNG.

Sir PUKA TEMU (Abau) – Thank you, Treasurer, for your statement and obviously you are working very hard and thank you for allocating a small amount of DSIP to the Opposition

to keep us going but I do not know how much we have received compared to the Government side. We are happy because we did receive a small amount, thank you.

On Sunday, I received a message from the headmaster of a high school in my electorate, informing me that he was going to send the Grade 10, 11 and 12 students' home because there was no money and food.

36/02

We helped the school and we're still waiting for the TTFS hopefully before the closure.

I understand how difficult it is because this pandemic has damaged the entire global economy.

Mr Speaker, I have three points to debate on Covid-19 issue before I sit down. Firstly, in my view we as a country particularly through the government now, we have not done enough awareness on vaccination. Other countries moving towards 70 to 80 per cent of their population being vaccinated.

Our nearest neighbor Australia is looking at 40 to 50 per cent at this moment. I really believe that we need to promote vaccination in the country no matter what everybody says.

Mr Speaker, I have been vaccinated, therefore, I recommend that you bring a vaccination team to Parliament so that all the leaders can demonstrate the leadership and support the Prime Minister because he was vaccinated first through the media.

There are so many misleading information being shared through the social media and confusing and even scaring people. That's why they don't want to be vaccinated. But we leaders must take the lead in taking vaccination; probably tomorrow those leaders not vaccinated must take their vaccines.

My second point on covid-19, Mr Speaker and Honourable Prime Minister, we should support the private sector. They are shutting down because some of their employees have Covid. The hotels and manufacturing companies will close down.

The OK Tedi mine is really struggling because they have 1100 cases and the sixth person died yesterday. Delta has moved in with 30 cases in the country. I want OK Tedi mine to fully vaccinate the people and make it compulsory, and we don't want OK Tedi to shut down because it will affect the economy.

That's the kind of issue we need to seriously look at rather than opening it up. We need more information and awareness. Therefore, I fully support vaccination because science is very clear so listen to it. Science must dictate how we behave. With that we must have a good policy to make sure that private sector continues to operate to maintain the economy at a steady phase.

I support voluntary vaccination but specifically for key sectors to maintain the economy compulsory vaccination must be rolled out.

As a medical doctor and leader of this country I want to strongly recommend the government to consider it seriously.

Most of the business houses in Morobe are struggling; the employees of Lae Biscuit Company are protesting because they don't want to be vaccinated.

The company must continue its operations by manufacturing biscuits and people still need to be employed.

37/02

I strongly recommend that the government must give rapid testing tools to the business houses, so they identify positive cases rather than wait for a week or several days.

The rapid testing kits are available and there are some at Airways Hotel. Why can't we help the NCC to partner and have these kits distributed to business houses and departments so that testing and isolation can be done without so many processes, getting tested is one thing but having to wait is another and in the waiting process, you never know if you are infecting or being infected by another.

There are technical opportunities that we are not really looking into seriously in relation to the Covid-19 issue. My second point is that, I think when the Treasurer was presenting his report and after viewing the figures of the GDP, going from 3.5 to 1.8. I believe that we really need foreign direct investment. What is the policy, Minister for Treasury to attract foreign direct investment?

I think the boards of business houses all over the world are looking for a safe place. In our country the Covid-19 rates are not that high and we need to promote our country. Let us get investors to come in. let us be a springboard for investments. Let us bring them here, we have economic growth and special tax rates. In forestry we have killed it by increasing the log export tax.

Why don't you reverse that immediately so that all those types of instruments can be done very quickly instead of the long waiting process. And similar to our CTFS, we knew Covid-19 was here, parents could not afford it but we introduced GTFS. And in the middle of the year, the Prime Minister announced that next year it will be full TFF. Why don't we make quick decisions so that no body is left behind and we need to create the policy environment for foreign direct investments.

This is what's needed and we missed that opportunity when the price of gold was at its highest. The government chose to close an open mine, what a mistake!

Mr Bryan Kramer – Point of Order! I just want to correct the Member for Abau. There was no decision to close a mine. So that is a misleading statement there. Its license had expired, and that is a fact. So, the issue was do we close it due to its license being expired. And it chose to be closed down or cease operation. And the decision was made not to renew the license, thank you.

Sir PUKA TEMU – What is the difference? We know as the Minister for Justice, you are explaining the law but the reality is that the mine is closed. Whatever the interpretation but under the same law, companies are allowed to continue, until further negotiations. Couldn't we have negotiated the same deal while the mine was still allowed to be opened because the price of gold was really at its highest at that time. We would have achieved the same outcome.

My point is why the lost opportunity and even the Treasurer in his statement on *page 8*, surely acknowledged and it reads 'The resource sector is doing better than expected in kina terms because of high prices but overall production is not as high as predicted; because of delays in reopening Pogergera.

38/02

Does reopening Pogergera means it was closed?

Mr Minister for Justice, that's an acknowledgement by the Treasurer. This is a debate. Its about decision making. We actually lost the opportunity. In fact, Treasurer, I can assure you had we not closed Pogergera and picked up the high gold prices; Honourable Minister for Petroleum, had we progressed the Papua Gas and not delayed it very long, Mr Treasurer, you would have had a very good report on the economy, I can assure you.

Mr Kerenga Kua — Point of Order! Sir Puka you were having a good debate until now.

(Laughter in the Chamber)

Mr Kerenga Kua — There are two points where he needs to correct himself and I'll help him.

The first point is, nobody closed Porgera. The lease expired by operation of law so if you don't respect the law you will try to open it. When the law says it's closed because the license has expired AND because we all respect the law, we reactivate it by issuing a new license and negotiate the terms. No body closed Porgera!

Secondly, did the government delay the Papua Project? No, we did not. The developers delayed it because they want it to link it to P'nyang project. They stalled the advance and the implementation of the Papua Gas agreement so that they can have the P'nyang negotiated and agreed to and they thought it will be a walk-in-walk-out scenario but it didn't happen that way because we stood firm. We did not want any cheap deal off the shelf. We wanted to negotiate it meaningfully so that the outcome will benefit the people of Papua New Guinea. We did not delay it, they delayed when it didn't work. They came back to us recently and said we will now recommence the negotiation so we've been happy to oblige so the road is now open and we are reengaging again. We did not delay.

Thank you.

Mr SPEAKER - Honourable Minister for Petroleum, your point of order is in order but you seem to be debating again. The Member for Abau will conclude his debate and you will have the opportunity to debate if you want to do so.

Sir PUKA TEMU - Mr Speaker, I don't want to go into the details but I know that Total was ready with K2 billion to come straight in after the agreement was signed. But that's water under the bridge. What I'm saying is we missed the opportunities of foreign direct investment which is my point so ministers can debate.

Mr Speaker, last point is that I agree with the government's efforts to rebuild the *Central Bank Act*. In fact, when I was in Cabinet, I fully supported the Treasurer because my strong view has always been that I don't think the Central Bank should be fully independent. I think with the Treasury and the Central Bank there must be an interface, especially concurring monetary fiscal policy. When you create an independent institution by law, then the Treasurer has to go and beg to the governor and the governor has to do his own things and when he or she doesn't perform, we are in trouble.

The review has to be comprehensive and with our experiences since the late Sir Mekere Morauta introduced the legislation to make the Central Bank independent, I believe it's time.

39/02

The Treasurer is doing the right thing but make sure you bring in a fully qualified team rather than a politically-oriented cohort.

We are very lucky in Papua New Guinea that the bulk of our citizens, particularly the rural-based are maintaining food on their tables for their families from the little they earn.

I fully supported the link PNG Policy of the Government and I still support it. The Link PNG Policy will help open up the opportunities for businesses in this country. And I understand Central Governor's concern about preparedness of every province when there is an overload of people coming from all over the country into those certain economies, particularly in the central city.

Mr Speaker, I joined my governor yesterday when we marched up to the front of Parliament to express our concerns of our inability to respect one and other and our inability to trust each other. We know that we are over 800 different tribes and we are just recently been urbanized and have not learned to live together very well. Even in Port Moresby city, Chimbus are in one corner, Popondettas are in ATS, Taris on the other side, Koki Wanigelas in Koki, so we are still in tribes. We have a learn to live together and create a new culture of how we can really live together as Papua New Guineans. So, I am rethinking of the world which Covid-19 has teared upside down. As the Prime Minister has mentioned in the 11th term of Parliament in 2025 we will celebrate our 50th Anniversary.

We have to start now and set a team to review all the laws. By 2023, a year after the next election we will have a new government who should look at laws that really need to be changed.

Urbanization, covering the country with electricity, ICT and roads. I want to sit down with my favorite Vision 2050. I remember when the Prime Minister invited us to Loloata, unfortunately we wasted the two years that was strongly recommended in Vision 2050. The decade of 2020 to 2030 according to the vision is a decade of economic growth and those of us that were leading in Vision 2050 were absolutely right. This is the decade for Papua New Guinea's economic expansion.

How do you do that, you do it by three things; (1) Strengthen the Institution of State, Parliament, Court House and the Public Service (2) Build widespread infrastructure with roads, water, power and communication. We are a small island; its not a big continent. Connecting electricity is not a new technology; you just have to pull the powerline.

Mr Speaker, my final point.

40/02

Mr SPEAKER – May I interrupt you; I will allow you to continue your debate. Sergeant-at-Arms, I have already addressed the Parliament that mobile phones are to be switched off here in the Chamber. So, if you hear or see anything which is prohibited here in the Chamber, please confiscate those items.

Sir PUKA TEMU – My final point is innovativeness. We must be smart with Covid-19. We must think outside of the box; fund researches.

The K10 million which was approved for Covid-19, where has it gone? We should be fully funding the researches and development which are the key to generating the best policies. That will direct best legislations which will bring in administrative structures and the nation will go forward.

Thank you, Mr Speaker.

Sir JOHN PUNDARI (Kompiam-Ambum – Minister for Finance and Rural Development) – Thank you, Mr Speaker. My debate will be brief.

Thank you for giving me this opportunity as this would be my first time to speak as the Minister for Finance on this Floor of Parliament. I do not have all the figures here; I'd rather agree with the Minister for Treasury. He has provided us well enough detail to appreciate how the economy is performing, Mr Speaker.

Mr Speaker, leaders in Parliament of democracy; everyone of us, we all want to spend money. Spend and spend money. We do not talk about raising the revenue so that we can be able to raise more money then be able to spend the money we want to spend.

Therefore, Mr Speaker, if there was a government that spoke about raising that revenue, I would want to think that it would be the Marape-Basil government. Seriously, Mr Speaker. Even in the unprecedented times like this, if there was a Government that made gutless decisions, tough decisions to raising that revenue, it has to be this Government.

Mr Speaker, this Government did not foresee that we would be hit by Covid-19, health issues and an economic downturn. And in a period, such as this to rise to the occasion, never to one to crawl to investors anymore, but to giving ourselves a level playing field and to have a greater take in our resources, Mr Speaker, is this Government. When the Prime Minister boldly stood to take 100 per cent of Porgera, I stood with him and made a bold statement supporting him. That may be one of the main reasons why I crossed back to this side of the Parliament.

Mr Speaker, from 2.5 per cent of landowner equity in Porgera and the 2.5 per cent to the rest of the people of Enga, add just five per cent to raise that stake to 15 per cent is powerful enough! It is powerful enough! And we have that from the word go when Porgera opens. This is raising the revenue that we need to spend on our economy and our developmental needs.

41/02

Let us guard these decisions. The gold price might be up today but you don't know the future. It might be better if we start Porgera. I can't predict the future but we have decided to do the right thing by ourselves and you need a gutless Prime Minister to do that.

Mr Garry Juffa – Point of Order! I want to clarify that the word gutless is an inappropriate word here. Perhaps the good Minister is trying to say gutsy which implies a person with guts and courage. The word gutless implies a person with cowardice and is fearful of making decisions. That is not what a good Prime Minister is about.

Mr SPEAKER – Thank you Governor for Northern. I do not know whether your point of order is in order or not because many of us do not know English. I will not make a ruling but for those who might know then I think he has made a proper clarification. Otherwise then I would suggest that we speak in pidgin because our people are listening. In that way our people will understand what we are talking about.

(Laughter in the Chamber)

Sir JOHN PUNDARI – Mr Speaker, I am trying to say that we are not afraid of making decisions. Let us have the guts to make those decisions.

Mr Speaker, that is how we raise the revenue in the country so that we can be able to spend more. This is the Government that is about making tough decisions in giving ourselves the spade instead of the spoon that we have had in many years insofar as our resources are concerned. Therefore, the amendments to the resource law in the petroleum and the mining sector for that matter is correct if we want more, we must change the law to get more. We must stop accepting that everything is okay. Times have changed so must to get with what is rightfully ours. We need to change with time. We all know how much a spoon can serve us. If we want our share of a spade then we must change our laws to accommodate for it.

Mr Speaker, when we say that we want our share on a spade, we are not discouraging investors to come into our country. All we want is a to create a level playing field, for instance, look at Barrick, they are still here. When we lifted our take, they agreed and wanted to keep mining. Why didn't we have that kind of arrangement long before when we were negotiating the resource projects in our country? Imagine how much money we have lost? This would have been money spent on health, education, and roads. All these have been lost because we chose to eat from the spoon and not the spade.

However, now we want to eat from the spade, meaning we want more.

42/02

Sir Puka Temu – Point of Order! Mr Speaker, you know that we do not eat with spades but with spoons.

(Laughter in the Chamber)

Mr SPEAKER – The point of order made by the Member for Abau is out of order because the Minister is just using this as an example and we are all aware of it.

Sir JOHN PUNDARI – Thank you, Mr Speaker, I glad that you have made your ruling.

There are some of us here who were part and parcel of governments that deferred and supported a little take from our resources when we would have supported for a bigger take. But, thank God for this Government. The performance, even in such a time like this, this government has performed to date whilst we want more from our resources and the fact that we have made some tough decisions.

We are in a time where we really need the money and revenue because of Covid-19 which is affecting the performance of the economy. We would have easily gone to the investors and signed the agreement to re-open the Porgera Mine but we chose not to.

There are so many people thinking that we do not know what we are doing but, I want to place on record, that there will be that day that we will all enjoy something bigger as a result of our take out on Porgera. We are making a sacrifice for a better tomorrow. Just because the gold price has risen, we should not rush and be so desperate? No, our gold will not run away it will still remain. God has blessed Papua New Guinea abundantly so we must be the best stewards we can be for ourselves.

So, we must consider the future of our children and our country. This is where credit has to be given where it is due.

Mr Speaker, in the midst of Porgera shutdown this government has done fairly well. Can you tell me which country in the world is not borrowing? We have just borrowed peanuts! Australia has borrowed US\$100 billion, New Zealand is also looking at that, even the US and many other nations. But the little amount that we have borrowed is making everyone talk but most of that money is allocated to the districts and provinces. As I am speaking, there is about K2 billion sitting in the provincial and district treasury accounts so leaders can start spending that money and filter that money into the economy. What else can our government do?

43/02

In 2020 we had about a billion kina in DSIP and PSIP filtered into our districts and provinces. In other programs apart from DSIP and PSIP, we had about K843 million. That is a lot of money.

This financial year is another record, we filtered more than K632 050 000 million in other programs apart from DSIPs and PSIPs into our provinces and districts. This is a record in the making and any districts and provinces that are not building provincial and district roads then there is something wrong.

I 've got maintenance work and road projects currently going on in my district and the same can be said about all of us seated here, that's where the money is going. It's time we start build our districts and provinces in an aggressive and sincere way rather than just talking. That's where our bulk of population is. This is where we need to filter more money into the economy.

Mr Speaker, if you look at the Covid-19, funds about K240 million went straight to the districts and provinces last year to help support the related issues of the pandemic. This is a record achievement for this government and for the people of Papua New Guinea.

Many of these results and effects don't work over night like the Opposition are saying. It takes times for all these funds to be filtered and impacted on the economy as well. Who in this country is dying in hunger?

Mr Speaker, in terms of percentage of our expenditure against our budget appropriation, especially for this year, we are saying that this government is doing exceptionally well. Let me give one or two examples.

In education subsidy, our percentage expenditure against our appropriations were 99.39 per cent. That's a great achievement and in kina terms as of 27 August 2021, education subsidy

reached as I have expended about a total of K269.1 million against the total appropriation budget of K270.8 million, that's a record achievement.

Mr Speaker, in TESAS percentage of expenditure against appropriations 69.7 per cent, medical supplies 59.2 per cent, provincial health authorities 85 per cent and church health services 56.4 per cent. We haven't done so badly insofar as PSIPs and DSIPs are also concerned is 63.4 percent.

44/02

That is the performance of this government and we are already in September and during some difficult times, this government has done well. Can we also not forget the good statement presented by the Treasurer. Some of our borrowings from this year were done to repay what we owe. I admit some borrowings were not good but this government is addressing that and have made concessional loans.

Mr Speaker, some of these loans are at zero per cent and we must not say it is due to the pandemic. It is the trust and confidence that these lenders have on our government. Australia was once upon a time assisting us in our budget but lately they have lost confidence in us and have left us. And now if they show interest, it is not because of Covid-19, it is due to the confidence and trust they have in this government.

On record the Liberal Government of Australia has greater confidence in Papua New Guinea than they ever did in the past. I also want to say thank you to the Minister for Finance and am grateful for the support shown by the governments of Australia and Japan, especially with loans of zero interest rates.

Mr JAMES MARAPE (Tari-Pori - Prime Minister) - Thank you Mr Speaker, I want to contribute in response to the Ministerial Statement made by the Treasurer. Before I proceed, I would like to thank the Chair and also all the Members of Parliament.

Many times, we are seen to be not working, serving our purpose in this Parliament. People do not realize that we put in long hours at work. I work six days a week and take my day off to observe the Sabbath. And I work almost 18 hours a day. I check Ministers around midnight or 1am early mornings to see what they have been doing.

The Treasurer is no exception, I check on him too and he is one of those who works long hours. Our favorite time to converse is around midnight, we rewind the day to see what was to be done, what has been done and what's still to be done. We look through the week and month that has gone by. This way we are keeping our heads above the water.

And today we are debating on the statement presented, we are acknowledging the efforts and also commenting on what has been done whilst not speaking on the same perspective. The Opposition is there, they are also speaking from their own perspective. I would like to acknowledge all conversations that have been made as we exercise democracy.

In summary; I would say, commendation in the first instance must be made to the Treasurer, who took over from Honourable Sam Basil when we first took office. The team from the central agencies, especially National Planning and Finance have been a strong anchor for this team I refer to as MVPNG. They have been a strong steering team, otherwise we would have sunk.

45/02

The Treasurer and his team stay intact and the Opposition thought we rely on the advisors but those are lies; happy. At the end of the day Treasurer, Government and the Cabinets make the call on key policy instrument. There can be no policy instrument then the 3 budgets that we have presided over. The 2019 Supplementary, the 2020 Budget and now the operations of our 2021 Budget.

Mr Speaker, if you see the policy or what the Government thinks, every submission of the Governments Policy and intent captured in the annual money plan, that's the operational year. Operational year which we have work on is what we planned think and work up on it's all within the context in line with our constitution, 8-point plan as well as Vision 2050 and series of National Development Plan we had, including our own Government commitment for a better PNG.

Taking back greater control of our own country in as far as our Loloata understanding towards our concern. For today as Treasurer is presenting the 2020 Budget outlook and also trying to indicate where we are taking as far as 2020, I stand as Prime Minister and colleague Cabinet, I want to appreciate his work done including Finance Minister, Planning Minister and the entire Cabinets in as far as outside we run the country.

A lot of rumors pop out as we are in as far as depths concern, but it's a lie. I want to take a report from the Bank of PNG to give us snapshot. 2011 we have K65 million deficit, 2011, 2010 and 2009. Some of the good years our country is shore. Oil and gold price have risen in that legislative environment we've harvest our resources so the deficit was at K65 million. 2012 deficit is at K1.400, K1.4 billion, K1.377 billion. 2021 deficit is at K2.6 billion and continue.

From those years if I wanted to compile it in terms of international borrowing is K161 million, K343 million in 2013. Domestic borrowing is K1.2 billion and K2.3 billion. There are two types of borrowing. The two types of borrowing are within the country and the other one is outside borrowing, especially the cheaper one but domestic borrowing is the expensive one.

And the short term borrowing you go to Central Bank for Treasury Bill or insurance stock feeding short term appetite. For the sake of keeping the budget you run demands for budget to meet the budget demands. 2014 we've got K2.9 billion, 2015 we've got K2.5 billion loan. 2016 we've got K3 billion, 2017 K1.7 billion, 2018 K2 billion and off course when coming to 2019 K4 billion, 2020 is K5 billion and part of this.

All those build up and when we took over the Government we clean up the cupboard. All the bad deficit of the previous Government that were hidden all over the place were kept in the official Treasury's book keeping. When we heading towards 2019 we increase it from K2 billion to K4 billion. You know where it came from? The additional K2 billion is the UBS Loan including PNG Port and lot more that are hidden, instead of hiding deficit under Kumul Petroleum account, PNG Ports and everywhere, we removed it and put it under one account.

Don't hide it, put everything transparently for the whole world to know how much loan we have so far. That's the reason why the international agencies and Banks such as ADB, IMF, World Bank, Australia and Japan started to trust the Treasurer Ian Ling Stucky and his team because we restored creditability putting all the loans on the table and we said we have the strategy to retire those loans going forward including immediate term going on a low-cost deficit budget.

46/02

When you are borrowing money with zero per cent interest. I acknowledge the Minister for Treasury, no one had commodity on this. In case you forget, \$300 million from Australia came into our budget system that elevated a lot of foreign exchange backlog.

Mr Speaker, for the record, the Minister for Treasurer has \$280 million, the Japanese Foreign Minister during his visit said that he would have lended us free but their own laws allowed them to charge an interest of 0.01 per cent all at the back of Trust Capital, because we were honest upfront putting all the hidden debts by creative accountants in the cupboards of Kumul Petroleum Holdings Limited and State-Owned Enterprises. We took them out and placed on the table and the Treasurer said we will handle all deficits going forward as part of the money-plan to restructure our country's deficit and debt.

Mr Speaker, we have no economic illiterate here in this House, everyone knows numbers. But the 2019 situation is totally different, when we took Government and our efforts to take back PNG, our policies were very clear, we were going to change the status quo, the environment, the game plan and some of our policies are different with our Opposition. They believe in maintaining the status quo and not getting back from our resources. That is the reason why our country has been held back for the past 46 years. The demand increases, exponentially just as much as we produce more babies at a rate of 3 per cent every year, the demands on capital funds and recurrent funds increases every year. We must expand the basis in which we collect more revenue into our baskets.

Mr Speaker, I lose no sleep in not renewing Porgera's lease. All in the pursuit for us to get better money. Instead of going back and collecting at five per cent; and 2.5 per cent to landowners and 2.5 per cent to Enga Provincials Government; and the National Government completely missing out on earning equity.

Mr Speaker, you only have to do research on tax, this industry pays us, quite minimal, in my view. That is the reason why for Porgera Mine there aren't many taxes paid to us to cry foul that these mines have been closed for some time. When they talk about employment, I bear the pain for those who lost employment but in the context of what we have is that; we have eight million people and 300,000 to 400,000 people are employed in formal sectors and for that I sincerely give my respect for growing our economy. But the rest of our people are into subsistence and rural-based economy.

Mr Speaker, that is why when Government took office, we deliberately tried our best to provide money for all corners of our country. Today, as we speak, we have roads now everywhere, instead of allocating a K200 or K300 million for Port Moresby based roads. I ask the Governor of NCD for his understanding, we are now willing to spread out to every corner of this country. A K5 million road here, K5 million road there and K10 million road here. The Honourable Member for Ialibu-Pangia asked me to show him evidence of the roads built. Mr Speaker, if you see in the media, all track roads, for example; Maramuni, you can now travel by road for the first time and for Telefomin as well. These were unconnected for the last 46 years and if you go down, there are roads in Tuawara and Wagiwara.

47/02

When you ask around, there are over 66 roads financed by 2021 Budget as we financed last year's budget.

Some have not matched the funding allocations; I ask the Treasurer whether the roads are on the Opposition district or Government district, Opposition province or Government province; it does not matter.

As we are raising funds to retire 2021, let us look at financing all our roads in the country. The reason is simple, because it is our country and we need to open up these roads. In addition, during the Covid-19 impact in our country around late 2019 and all of 2020; it was the government's policy, that funding static must reach constructions, districts and provinces. So, there is economic activity happening in all parts of the country instead of just one or two places.

So in that context, Mr Speaker, we have used the budgets from 2019, 2020 and now we are using the 2021 Budget to keep our economy going.

Mr Speaker, I would like to thank our Father in Heaven for watching over us and preventing any major destruction to our economy or from the Covid-19 pandemic.

Mr Speaker, as we are speaking right now, our Pacific neighbour country, Fiji is going into compulsory vaccination. This is because, they are facing an economic crisis. For example, the decline in economic growth for Solomon Island by six per cent, Vanuatu by 27 per cent and other Pacific nations are also facing a big issue economically.

Papua New Guinea is still maintaining its economy. For example, Fiji's debt percentage in 2019 was at 49 per cent. In 2020, it went up to 65 per cent and in 2021 it reached 72 per cent. That is the debt and the size of Fiji's economy for Papua New Guinea, we are still maintaining it at 51.9 per cent.

If you have done your study on economies around the world, when Covid-19 pandemic struck the whole world in 2020, economies are struggling to rebound. For us, by the grace of God, we have been spared of the Covid-19 pandemic impacts. Our Treasurer and his team at Treasury, Finance and Planning have been working very hard from the money we have raised our money plan, so that it is transferred to the areas where it has been budgeted for.

Lastly, our budget delivery was at high 99 per cent. And I am asking the Treasurer to provide the necessary evidence when we sit this coming November. Since you are accusing the Treasurer, we have used the 2020 budget to keep our economy afloat. For the long-term, which is my assurance to the country and this Parliament our job is to work collectively to grow our economy in order for our country to function.

The Covid-19 pandemic came and disturbed our economy so we must adjust and guide our economy. Many countries in the world are in the phase of re-adjusting and not just Papua

New Guinea alone. Vaccination is part of their strategy to re-adjust their economy and countries are adapting to live and work with Covid-19.

Recently, when I attended the APEC meeting hosted by the New Zealand Prime Minister, I informed to them that Papua New Guinea and small economies need to engage in a Covid-19 bubble in which we live and trade with the nations. When I travel to United Nation, I will still advocate our plight.

48/02

Coming back to Papua New Guinea, the Treasurer has pointed us to three things that we need to do. Firstly, better budgeting so that the budget intention can be achieved. Secondly, creating a better business environment especially invest in diversifying our economy.

Mr Speaker, we are not just talking about it, we have already put money into our SMEs. I have been telling Papua New Guineans to get loans and do business. Last year, we gave K180 million for SMEs. This year another K180 million will be remitted for the same intention. We are putting money where our mouth is.

In relation to agriculture, we have had a rollout on our price support. The freight subsidy has been rolled out. There are teething issues in the implementation mechanisms but we will get it right. When we say price support, it means we are putting up good prices for our cocoa, coffee, copra and others.

When we talk about our economy with regard to our mines it is good but the question will come back to us as members of Parliament. When we were given K500,000 for our districts, what did we do to support agriculture in our districts? This is the easiest and the quickest engine room to be tapping into to move the economy when our people focus on agriculture.

Mr Speaker, a cooperative in Tewai-Siassi made about K800,000 profit in coffee. This was a presentation by a young man during the National Volunteer Day. This is a young man who finished from Vudal University and went back home to work with his people in producing coffee. They transported coffee from Sialum to Lae. They spent K400,000 on expenses and make a profit of K400,000. I commend and thank the Member for Tewai-Siassi for the support of K50,000.

Mr Speaker, these are indications of what we are doing. Let's stop talking like some economics graduate from the Australian National University. Let's start giving money to our people through our elected leaders to support their projects at home. We are doing the same with the Works Department where money is given to the districts to carry out their projects.

Mr Speaker, in summary, we are using a budget to keep our country afloat. We want to diversify our economy that is centred on rural-based economy. Our mines including Porgera, Wafi-Golpu, and others will all start operations when the time is right. We are working hard to negotiate a better share for our people before we allow these projects to kick start. No one should force us to allow operations without getting the best deals for our country and our people. We will not sell our country overnight just because we are facing tough times.

Mr Speaker, I want to throw back the question to each and everyone of us. We should all go home and revive our economy with our agriculture sector. We must not allow foreigners to obtain licenses to chop down our trees. We should do it ourselves. We are going to translate our economy with all the resources that God has blessed us with.

We are also focused on the five big projects in the country. For those who have debated on the Papua LNG Project, let me tell you that it was not going to be constructed in 2020. They were going to prefeed and then feed and then FID. Therefore, let's not beat it up as if it was going to be a speedway for money into our economy in 2019 or 2020.

They have informed me that they are now going into Feed for 2022 and by 2023 they will do FID and constructions will start about 2024 or 2025. They have appreciated what the Minister for Petroleum is doing now to squeeze a little bit more specially to add on to the local content. This is so that we can get a little more from what was already signed. I thank the former Government who left the gain of Papua LNG Gas Project at 51 per cent.

49/02

We are trying to push or gain at Wafi-Golpu and Porgera at any return above 55 per cent and if worse comes to worse we will squeeze down but we will not come below 52 per cent.

At Porgera in the project geonomics for the life of the project we settled at 53 per cent but in the first five years we will be getting 55 per cent, in terms of returns in investment to our economy. We are making the hard decisions.

Mr Speaker, in good times when you make a hard decision it will be alright but during tough times, like my colleague Mr Pundari said you have to be gutless to ensure that we anchor our economy correct not just for today but also for the next generation. The more we collect today we are contributing to a better budget three to four years from now.

In conclusion, the Treasurer and I are focusing on the five big projects which Honourable O'Neill, in his eight years at the sunset of his career delivered only Papua. We are working very hard in just two years, we are discussing Papua to ensure it takes off, crossing the line on Wafi-Golpu, new Porgera, acquiring Pandora, P'nyang and Pasca, and the Minister for

Petroleum is going to meet with the Exxon Mobil leadership to get a better deal for P'nyang. These five projects remain our focus.

More importantly with the medium term going forward to help encourage our economy to get stronger we ensure our citizens to partner the government, by going to the bank and investing in agriculture and SME's.

The members should encourage the local people to engage in agriculture and SME's so that our country will be better known for gas and mining projects, instead of just oil.

This are tough times as Covid-19 has hit us but we are not afraid. Vaccination is available and is optional. I encourage you all to get vaccinated but if you do not wish to get vaccinated then look after your families carefully because the virus exists.

We Papua New Guineans are not super humans we are just like another person on the face of the earth. The vaccine will keep the economy running, function with our industries to make sure our economy is functioning with respect to the "*niupela pasin*".

The Treasurer will continue to do the good job that he is doing and I give my fullest commendation to the Treasurer for trying his absolute best to ensure that all parts of the country receive support and not just certain part.

Thank you, Mr Speaker.

Motion - That the question be now put – agreed to

Motion (by Mr Peter O'Neill) agreed to –

That the Parliament take note of the paper.

Paper Noted.

MISLEADING REPORT BY POST COURIER – STATEMENT BY THE SPEAKER

Mr SPEAKER – Honourable Members, before I ask the Deputy Leader of Government Business to make his speech, I have an announcement to make in regard to the media who are present observing the meeting.

This morning on the front and second page of the *Post-Courier* newspaper, the journalist reported, *section 124* of the *Constitution* states that Parliament should seat for 63 days but when

I cross-checked here in the *Constitution, section 124 (1)* states, “The Parliament shall be called to meet not more than seven days after the day fixed for the return of the writs for a general election and shall meet not less frequently than three times in each period of twelve months and in principle for not less than nine weeks in each such period.”

It says nine weeks and not 63 days so to the media, what is investigative journalism? Please, when you want to report a matter make sure you do thorough research and have facts before your report.

The Honourable Opposition Leader has taken Parliament to Court over this issue so the matter is before the Court.

The Chair would like to remind the media to research thoroughly and report facts.

50/02

Mr WILLIAM SAMB (Goilala – Minister for Transport and Infrastructure) – Thank you, Mr Speaker. Before I move the motion, I wish speak in support of your statement regarding the media personnel. While they are reporting about the absenteeism of members during Parliament session, they also need to be present until the session ends.

ADJOURNMENT

Motion (by **Mr William Samb**) agreed to –

That Parliament do now adjourn.

The Parliament adjourned at 2.50 p.m.