

FIFTH DAY

Monday 13 September 2021

DRAFT HANSARD

<u>Subject:</u>	<u>Page No:</u>
DEATH OF MEMBER - HONOURABLE ROY BIYAMA – STATEMENT BY THE DEPUTY SPEAKER.....	2
SUSPENSION OF HONOURABLE SAM BASIL – STATEMENT BY THE DEPUTY SPEAKER.....	2
MOTION BY LEAVE.....	2
SUSPENSION OF STANDING ORDERS – REARRANGEMENT OF BUSINESSES	2
NATIONAL PROCUREMENT (AMENDMENT) BILL 2021.....	3
First Reading	3
Second Reading	3
Message from the Governor-General	20
Third Reading	21
PUBLIC FINANCES MANAGEMENT(AMENDMENT) BILL 2021.....	27
First Reading	27
Second Reading	28
Message from the Governor-General	28
Third Reading	28
DISTRICT DEVELOPMENT AUTHORITY (AMENDMENT)_BILL 2021.....	29
First Reading	29
Second Reading	29
Message from the Governor-General	30
Third Reading	30
CURRENT GOVERNMENT'S ACHIEVEMENTS – STATEMENT BY THE PRIME MINISTER – PAPER NOTED	33
SPECIAL ADJOURNMENT.....	56
ADJOURNMENT	56

PARLIAMENTARY DEBATES

CORRECTIONS TO DAILY DRAFT HANSARD

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

Corrections maybe marked on a photocopy of the Daily Draft Hansard and lodged at the Office of the Principal Parliamentary Reporter, A1-23 (next to the Security Control Room).

Corrections should be authorized by signature and contain the name, office and telephone number of the person transmitting/making corrections.

Amendments cannot be accepted over the phone.

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



HARRY MOMOS

Principal Parliamentary Reporter

FIFTH DAY

Monday 13 September 2021

The Parliament met at 10 a.m., according to the terms of the resolution of 10 September 2021.

The Deputy Speaker (**Mr Koni Iguan**) took the Chair.

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

Sitting suspended.

The Deputy Speaker again took the Chair at 10.45 am., and invited the Member for Chuave and the Minister for Environment, Conservation and Climate Change, **Honourable Wera Mori**, to say Prayers:

“Let us pray, we thank you for the fact that you have anointed us to represent the people of this country of which you are our supreme God, to come to this Parliament and deliberate on issues, matters, policies and laws that will be for the wellbeing of our people.

Papa God, we thank you for the fact that you have given another day to leave as we come before you to your throne of grace, Oh God, and plead that we are sinners. Forgive us of our trespasses and help us with your clear mind, with your wisdom.

I pray for our Prime Minister and his Cabinet and also for the Opposition Leader and all the Members of Parliament, that in whatever we may do you may be glorified and honoured. As we now come before you and plead before you and reciting the Lord’s Prayer, that our Lord Jesus taught us.

Our Father who art in Heaven, thy kingdom come and thy will be done on earth as in heaven. Give us this day our daily breath and forgive our trespasses as we forgive those who trespass against us. Lead us not into temptation but deliver us from evil, for thine is the kingdom, the power and the glory forever and ever, Amen

**DEATH OF MEMBER - HONOURABLE ROY BIYAMA –
STATEMENT BY THE DEPUTY SPEAKER**

Mr DEPUTY SPEAKER – Honourable Members, I wish to inform the Parliament of the death of Honourable Roy Biyama, Member for Middle Fly Open Electorate, on Sunday 12 September 2021.

**SUSPENSION OF HONOURABLE SAM BASIL –
STATEMENT BY THE DEPUTY SPEAKER**

Mr DEPUTY SPEAKER – Honourable Members, I wish to inform the Parliament that Honourable Sam Basil, Member for Bulolo Open Electorate, is suspended from duties with full pay pursuant to *Section 28 of the Organic Law on the Duties and Responsibilities of Leadership* forthwith.

MOTION BY LEAVE

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

Leave granted.

**SUSPENSION OF STANDING ORDERS –
REARRANGEMENT OF BUSINESSES**

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

That so much of the Standing Orders be suspended as would prevent the Minister for Finance and Rural Development presenting Notice Nos. 255, 256 and 257, Government Business, being called on forthwith

02/05

NATIONAL PROCUREMENT (AMENDMENT) BILL 2021

First Reading

Bill presented by **Sir John Pundari** and read a first time.

Second Reading

Leave granted to move the second reading forthwith.

Sir JOHN PUNDARI (Kompam-Ambum – Minister for Finance and Rural Development) – I move –

That the Bill be now read a second time.

Mr Deputy Speaker, I stand here to present this Bill and to make a speech going forward but I have noted that a colleague member is not with us today. I am standing up here with heartfelt sorrow.

He was with us for the last week Parliament sitting and left us on the weekend and he's no longer sitting with us today. When many of us received this shocking news, our hearts shattered. And in this term of Parliament we lost other colleague members like Member for Kerema as well.

Mr Deputy Speaker, that reminds us that nothing on earth can save our lives when we die. When I stand here as Minister for Finance to present this Bill and to make a speech, I am reminded that we are just mortal beings.

Mr Deputy Speaker, I know many of our people are tuning in and listening live as I am speaking here today so I just want to pass my condolences on behalf of my family, people of Kompam-Ambum and Department of Finance to the late colleague member's family. I pray that God will give comfort and console them in this period of bereavement.

Mr Deputy Speaker, we are just like a flower; beautiful today and fades away tomorrow. Life is just like a flower.

When my heart shattered knowing my colleague left, I also know that one fine day, I will depart the same way as we sit in this chamber today. My own family appreciate the pressure and the stress that I go through in my life to serve my people and that is not easy.

When we come to Parliament, we quickly grow grey hairs and go baldhead and the many good work we do is not appreciated. The only time we acknowledge the good work is when a member has passed on. We know our colleague Member was quiet, focus and did many good things for the people of Middle Fly.

Mr Deputy Speaker, I feel challenged because he was my age; about three-four days older than me. Standing here and presenting a Bill is not an easy task when you have lost someone who was the same age as me.

03/05

I think we all will appreciate and agree here that our families are the greatest comfort ever.

When I lost in the General Elections in 2002, all the good people I helped didn't want to know me and I only sat down and cried with my child. That was my only comfort and my comfort was my maker and creator.

Let us all find the comfort in our God that gives us life. He gives and takes away life. We all are challenged that one day we will also go down the same path.

The Bill that I am going to present is not a Bill about myself but it is about our country and doing things better in so far as procurements are concerned.

Mr Deputy Speaker, we have to challenge ourselves to do good whilst we are alive and not only for ourselves but for our family our children and our people.

Mr Deputy Speaker, with that, I am grateful and I wish to take this opportunity to present this Bill that is basically asking Parliament for its support in firstly, raising the threshold for approval limits for the district, provincial and national levels. Currently minor procurements requiring only verbal quotes are at K5000 and is now K50 000 and the changes that we are proposing are to help us remove the bottlenecks and not necessarily removing the accountability and ethical use of the public monies but to help us make sure that our projects and programs are able to reach our people in a timely manner.

Mr Deputy Speaker, the threshold for the minor contracts that produce three quotations from K5001 to K50,000 will now go up from K50,000 to K1 million.

The major procurements that require APC and Public Tender with contract agreements is currently K500,000. It now goes up to K1 million with this amendment.

The provincial committee or provincial board that sit to approve the contracts that go through the tender phase currently stands at K5million and with this amendment it goes up to K10 million.

In all the districts the limit is at K2.5 million for the provincial procurement committee to approve and this amendment will raise it to K5 million but not more than that.

Some specialised committees will be approved by the National Procurement Commission to work on the tender and procurement process for the State authorities and agencies. This currently stands at K1million but will increase to K5million but not more than that.

04/05

The threshold level for the national tender committee will still be at K10 million. And anything above this amount will be brought to the attention of the NEC.

Mr Deputy Speaker, and in relation to tender and project procurements reserved for Papua New Guinea nationals, following consultations with the Prime Minister, the amount has been raised from K10 million to K50 million. These are some of the main changes that we are trying to do and have brought it to the attention of the Parliament to endorse.

This Bill hopes to strengthen some of the ethics already stated in the *Public Finances Management Act*, the amendment, however, will not allow abuse and undermine the processes of tender and procurement. This Bill is to assist and support us in ensuring that we follow the lawful principles and processes and apply it when using public monies and at the same time remove frustrations and bottle-neck situations so that we allow for growth in our economy.

As I speak now, we still have frustrations and other hindering issues that we have regarding tender and procurement processes. However, under the good leadership of our Prime Minister, he has been able to filter monies down to the district and provincial levels. Under this amendment, there will be elevation of powers given to the boards at the procurement level, while also removing some powers of the CEO. This is to ensure we promote transparency and accountability in the process of expending public monies for programs and projects in the country.

To elect the board members at the district level, names of three nominees must be submitted to the office of the Minister for Finance and the same principle applies at the provincial level. And for the appointment of the NPC, there will be no changes done to ensure we maintain consistency, especially in the appointments of chairman for procurement committees. Otherwise the list of the amendments that I brought before Parliament is in the written statement that has been circulated and I ask the leave of the Chair to have it incorporated.

There are also financial instructions in the Amendment Bill, that will come from my department in laymen terms to be followed and understood easily.

05/05

Sir PUKA TEMU (Abau) — Thank you, Mr Deputy Speaker. I thank the Minister for Finance for bringing these important amendments to this *National Procurement Act*.

Mr Deputy Speaker, given the limited time to go through the Amendment Bill, I will speak on the observations I have made whilst the Minister was presenting the Bill. However, before I do so, I join the Minister for Finance in passing our deepest condolences to the family of the late Honourable Roy Biyama, Member for Middle Fly. Such a young man with enormous potential who did a lot for the Middle Fly people; very focused, dedicated and honest. So, obviously the nation and the people of Middle Fly will miss him so we grieve with the family.

Mr Deputy Speaker, while I commend the Finance Minister for reviewing the actual limits for the various committees - which I fully support – but my concern is the lack of the amendments to the processes. These amendments will still delay the procurement process that we are already feeling and let me highlight those issues – if I've read the amendments right.

Mr Deputy Speaker, firstly, the appointment of the Financial Evaluation Committee which is in *Section 11* of this particular amendment Bill and it states in *sub-section 29* that the technical committee will be established for each procurement. I'm not too sure whether I am reading it right, but for each procurement a Technical Evaluation Committee will be established and that is clarified further in *section 13*, which is the composition of the TFEC. And then under A, B, C, D and E, someone appointed by the public or statutory body on behalf of a procurement committee, a staff of the member of the commission, a lawyer appointed by the State Solicitor, an accountant appointed by the departmental head dealing with finance, and such other persons appointed by the board - what a long process!

So, you have to wait for these statutory bodies to appoint this Technical Committee for them to advise the procurement committees, whether it's provincial or district in particular. So, we are bringing in a very long-necked process.

Mr Deputy Speaker, my understanding when we pass this *National Procurement Act*, was that the district procurement committee made up of the CEOs, the Finance Manager, somebody representing the law and justice system, somebody from the community or a women's rep will also include someone who advises us from the DDA. My understanding is that this committee makes sure that the requirements of the process are complied with before a submission comes to the district development authorities. That was my understanding. So, this committee establishes the technical committee, the technical committee then approves the procurement committee and they make the decision. So where does the DDA come in? Aren't

we the final approval authority? If K10 million goes to the National Procurement Commission, it must come to NEC before approval. So, I must be missing something.

06/05

I'm missing the point; will they recommend to DDA to make the final decision before the project is procured? Furthermore, another cause of delay I identified is in *Section 25* of this amendment on page 21, stating in *Section 70*, the approval of contracts by the State Solicitor. The State Solicitor will be inundated by all contract, in my understanding. From *Sections 70, (i), (ii), (iii) and (iv)* all the way down, let me read, 'subjects to this part; all contracts for procurement undertaken by the commission on behalf of the public or state body shall be approved and cleared by the State Solicitor', is that what it is saying or am I reading it wrong? I hope I am reading this wrong but that is what this law is saying. So, we will have to wait for the State solicitor to approve the contracts, which will take one or two months and by then the contract time period will be up when the State Solicitor approves the contracts. Is this what we are trying to approve, this is a very long process, we have improved our ceilings but the process is bureaucratic. I thought the idea of this amendment was to make it move. The procurement committee at the provincial and district level ensures that we comply with the paper processes as required by the *Finance Management Act*. Then, DDA is advised to approve the recommendations; (i), (ii), (iii) and once approved, that's it. This is within our limits. Why do we have to go back to the State Solicitor and stand in queue again. For sure, the State Solicitor has a lot of work to do for the State.

So, I want clarity on this, if I am reading it wrong.

Mr speaker, while I support the crust of the amendment, we have not been given sufficient time. I am worried because this process is way too long.

Mr Bryan Kramer – Point of Order! I note the questions being asked by the Member for Abau.

The *Standing Orders 200* in relation to the Second Reading, states; 'the purpose of this action is that the Bill shall be circulated during a meeting of Parliament, that is when the Clerk places a copy on the desk of every Member and as stated, once the copies of the amendment are received, we are not allowed to debate the details of the Bill, we can only debate on the merits and the principles of the Bill.

In this case, the Member for Abau is raising specific clauses within the Bill. That is *Standing Order 200*, and so I bring it to your attention and the Clerk can assist.

(Opposition Leader interjecting)

Mr DEPUTY SPEAKER – Honourable Minister, your Point of Order is out of order. I will ask the Member to continue on with his debate.

Sir PUKA TEMU – Thank you, Mr Deputy Speaker.

This is the place where we debate on laws because we are legislators. For the Minister for Justice and Attorney General to imake an intervention with a point of order, was ruled out of order but not only out of order but ruled badly out of order.

(Laughter in the Chamber)

Sir PUKA TEMU – Mr Deputy Speaker, I have been here for four terms and this is the first time that the parliament was told on Friday to meet today, on a Monday.

It demonstrates that the Government is in a rush, they were not well prepared. This amendment with other amendments were given on Friday and they expected the amendment to be passed in this meeting today.

Mr John Simon – Point of Order! Just for your information. Some time ago, the court did order us to meet on a Monday.

Thank you.

Sir PUKA TEMU – Mr Deputy Speaker, this is also out of order.

07/05

Mr Deputy Speaker, the point I am making is, the Government is rushing major legislations. The *National Procurement Act* is a major legislation and the way you are rushing and presenting it to us on Friday, then calling for a special sitting on Monday for us to debate intelligently on this very important legislation. Everything that makes the world go around is concern the *Procurement Act*.

You have not allowed us enough time to go through it, so that we can debate sensibly to approve this *Act* in this sitting, before we go for Independence celebrations. What's the rush?

Let us go for the elections to improve these things. Even if we improve it, we are not going to do it because we are heading into elections in six months' time.

I am worried about the processes that had been a bottleneck issue, which the Minister acknowledged, but he never addressed those bottlenecks. And I have highlighted only two issues by glancing through the paper.

For the details that have been elevated, it is okay and I support it but the major aspect of the legislation has not been amended.

Thank you, Mr Deputy Speaker.

Mr JOE SUNGI (Nuku – Minister for Public Service) – Thank you, Mr Deputy Speaker. It is a shock, to learn that our brother, the Honourable Member for Middle Fly has left us over the weekend. On behalf of the people of Nuku and those of us who have been close to him, I would like to pass my condolence to his family.

I would like to support the Minister for Finance for this timely amendment to the Bill, *The National Procurement Act*.

Mr Deputy Speaker, we have been talking about bringing Waigani down to the provinces and to the districts for ages. The decentralisation arrangement under the new *Organic Law on Provincial and Local-Level Government*, the Law has already provided for that.

Most of the functions in Waigani have been already decentralised to the Provincial Governments. All it needs is for us to fix the process by making it shorter and closer to where our people live.

(Opposition Members interjecting)

Mr JOE SUNGI – Mr Deputy Speaker, this is my opportunity to debate.

Mr DEPUTY SPEAKER – Honourable Minister, go ahead with your debate. Honourable Members, allow the other members to debate the Bill.

Mr JOE SUNGI – Thank you, Mr Deputy Speaker. I have been a Chairman for the Provincial Tenders Board for nine years. And if there are things that are not right then we would have discussed this with the Cabinet Ministers.

This is a process that we must now let it through the Minister and the Prime Minister, to make sure that we are not just trying to talk about the process but the threshold limits as well.

We are not supposed to be sticking to K1 million or K3 million, which has always been a traditional limit for the Provincial Supply and Tenders Board before PPC was established.

This limit has to go up. We are no longer living in the 70's or 80's. the Budget has already gone up. We must make sure that we provide for this and I commend the Minister to make sure that this amendment is provided for us to pass it.

The challenge for us is to make sure that we have the right technical people on the ground, both at the provincial and district level, to be able to make the paper work and meet procurement process.

On the issue of getting the State Solicitors involved, these are also decentralised functions. We all have provincial legal officers. We can out-source the legal functions to assist us. You do not have to come to the State Solicitor for approval.

08/05

The Minister also has the power to issue financial instructions to the Secretary for Finance to make those processes clear to administer the procurement process.

Mr Deputy Speaker, this is a timely intervention and amendment that we must agree and support on both sides of the House so that implementation of projects can take effect to make sure that our people do not wait for ages. I know what is in there but it can be improved through the financial instructions processes. The State Solicitor has the power and can then delegate to provincial legal officers and our system of government so that they can perform that role at the provincial and district levels.

I therefore do not see any problems with us trying to stop this process to go through with the amendments. We need to make it happen and vote for it. If you do not want to then we will still be faced with the same problems that we already have and will still be complaining here in Waigani. This is not about Waigani anymore; it is about bringing Waigani down to the provincial and district levels. This is the time and this here, is the amendment to do so.

Sir Puka Temu – Point of Order! The good Minister is misleading Parliament because the section 25 (70) that I quoted actually states, by the State Solicitor and not by his delegates.

Mr DEPUTY SPEAKER – Honourable Minister, please continue your debate,

Mr JOE SUNGI – Mr Deputy Speaker, like all amendments and laws, along the way you have a process that you can improve through the administrative process to make sure that

is cleared. These are government systems that will work to make sure that services are delivered to our people. We are not strict here with the law. The law is there and can be improved enhance the procurement system.

Mr Deputy Speaker, the point is this, if we start talking about Waigain again, then we will not go anywhere. These are decentralised functions and can be given to our provincial governments. The provincial administrator is the chief accountable officer and he can implement that in the province through the provincial legal officer. Some of us are not using the provincial governments and that is our problem. We need to use our established provincial governments. We have an established administration to support our provinces and our districts.

Mr Deputy Speaker, I fully support the amendment. As Minister responsible, we will make sure that we provide the necessary technical support in terms of technical personnel to restructure some of our provinces and districts. We need to have a legal officer at the district level to allow for secondment and outsourcing that can be provided for under this arrangement.

Mr Deputy Speaker, I would like to support this amendment and I commend the Minister for bringing it at this time. On behalf of the people of Nuku, I would like to wish you all a Happy 46 Independence Anniversary. Thank you.

Sir JOHN PUNDARI (Kompam-Ambum – Minister for Finance and Rural Development) – Sir Puka is correct in that, at the national level where the State Solicitor is required to clear contracts it must remain and must not change. However, going down to our provinces and districts our provincial legal officers can take charge of that as mentioned by our Minister for Public Service.

Mr Deputy Speaker, if you take a closure look at these amendments then you will realise that, this is what we intend to do. At the provincial and district levels you can outsource legal guidance and advice to clear contracts. These are the amendments that we are bringing before Parliament to remove the bottleneck that we currently have. However, the format of these contracts will be established by the State Solicitor. The establishment will be adhered to at the provincial and district levels.

09/05

But, in so far as the statutory clearance concerned, the district and provinces will have to outsource legal guidance.

Sir Puka Temu – Point of Order! The Minister for Finance is not complying with the amendments that he is presenting. He is trying to explain from his own understanding because it doesn't actually say that.

So, please make those amendments and let us not rush this law.

Mr DEPUTY SPEAKER – Honourable Member, your point of order is taken. I will rule it as out of order.

The Minister has explained and I will leave it to the debate and after this there will be a vote on the paper and if you do not agree with the paper your vote will be counted.

So, I will allow the debate to continue.

Mr ALLAN BIRD (East Sepik) – Thank you, Mr Speaker. First of all, let me pass my condolences on behalf of the people of East Sepik, to the family of the late, Honourable Roy Biyama, and the people of Middle Fly for this very sad loss.

Mr Speaker, some of us in the provinces raised concerns on this procurement Bill. I want to commend the Minister because the changes that we sought are actually in the Bill and because there were so many changes made, you will have to read through to find out where the changes are.

I note the concerns of the good Member for Abau, Sir Puka Temu, this was the issue that East Sepik Provincial Government had problems with. For us, we are one of those affected provinces because we have about K120 million sitting in our bank account which we can't expend given these lengthy processes that you have mentioned, concerning the State Solicitor. However, if I may draw the attention of the House, to page 22 of the amendment, we sought a delegation of powers and the repeal and amendments in *section 77* is very clear because it states that, subject to act, a person vested with the role of power or responsibility under this act, may delegate the power.

In my understanding of this Bill, this is what the provincial government was seeking, that the State Solicitor may delegate his powers down to our legal officers so, our legal officers can act on behalf of the State Solicitor in clearing this bottleneck which you so accurately raised on the Floor.

The problem that I was facing in the province is being catered for. I did not make any inferences during Caucus about the limit, in fact we were very happy to keep the limits where they were. Our issue was in the clearance of such contracts because it took too long.

If you look at the old amendment it basically centralised everything and funnelled everything to one office and that is not keeping up with the spirit of decentralisation. If we are going to decentralise and share powers, we required *section 77* to be amended and, in this case, I am quite satisfied that our concerns have been acted on because we cannot use up the role of the state solicitor, he should be able to delegate his powers and continue to withdraw them if there is evidence of abuse. So, I think section 77 deals with that matter and as a result I support the Bill and commend it to the House and thank the Minister.

Mr RAINBO PAITA (Finschaffen – Minister for National Planning and Monitoring) – Mr Deputy Speaker, I would like to rise to give my support to this Bill.

10/05

I commend the good work done by Minister for Finance given the expectation of government since we've been hit by Covid-19. Like the Governor of East Sepik has said, funds are there in the accounts. The issue is the process of procurement and in my limited understanding of law when every legislation amendment comes to the Floor it's important to understand the intentions of the Bill and not the finer details. The intention of the Bill or what the amendment is trying to rectify.

Mr Deputy Speaker, I heard the Member for Abau saying that as government we are trying to bulldoze a very important legislation. I just sat and thought to myself, he could have said that in 2011 when we were called to Parliament to make Bills every day to keep in an illegitimate government in force.

This law we are passing is to correct the system and it does not benefit the Government, it benefits both sides for us to raise the threshold of procurement and this is not the end product.

Mr Deputy Speaker, no legislation is the end product, it a process ongoing amendment will still be made in the future. And for him to say that the government is bulldozing amendment or legislation for his own purpose.

Mr Speaker, he has short memory was here 10 years on the Floor trying to pass a law trying to serve a government to protect one individual in power. We are not trying to pass such a legislation. All senior leaders must be mindful of what they are saying because you might there and one time you will be sitting here who knows.

So, Mr Deputy Speaker, just to contextualize the intention of the Bill it to correct the procedures of how we procure at the district level.

In the threshold level that we've been complaining about while he was in Cabinet, we talked about raising the threshold, now we are raising it and we are amending it.

Sir Puka Temu – Point of Order! The Leader of Government Business should stay away from personalizing this issue. Even the delegation that the Governor of East Sepik talks about, is still to be processed and gazetted. It's also going to take a lot of time.

Mr DEPUTY SPEAKER – Honourable Member, the Chair has allowed you your share of debate so it is another member's turn to debate the same issue and they will raise their concerns and views about it.

Mr RAINBO PAITA - Mr Deputy Speaker, what I am basically saying is no piece of legislation is perfect but the intention is trying to correct procedure in law that has become a bottleneck for us to procure funds. This Bill doesn't serve us in government; it serves both sides of the House.

Mr Deputy Speaker, it serves all our interest to procure funds that I have in my district as well. All we are arguing is we are trying to amend the process by which we delegate this function and we tried our best. From my briefing that I had with the State Solicitor and Attorney-General as well, the intention of the Bill is to delegate responsibilities and that has been clearly stated by the Governor for East Sepik.

So, Mr Deputy Speaker, sometimes when we comment and say that the government is bulldozing laws in Parliament, people might think that law is protecting the government. So, I want to state it clearly that the Bill to correct the process of how we use the money so it must be made in that context. We are not pushing for an amendment to serve us in government. It's simply an amendment to correct the procedure by which we use public funds.

Mr Deputy Speaker, I commend this law and the Finance Minister and I hope we can support this and go back to the electorate to spend the money because we have 4 months left to spend this money before we go for election.

Mr JOHN ROSSO (Lae – Minister for Lands and Physical Planning) - Thank you, Mr Deputy Speaker. First of all, I would like to pass my condolences to the late colleague member for Middle Fly on behalf of my family, and the people of Lae and Morobe to his family in this time of loss.

As regards to the Bill I wish to commend the Finance Minister, for this very important Bill.

11/05

I am actually one of those leaders that is very vocal about the bottleneck system in the procurement process and we try to find a way forward to fix these issues and now the Finance Minister has brought these amendments to NEC and here to the Floor of Parliament.

It will greatly assist us in the districts and provinces instead of coming to Waigani as what Honourable Sir Puka Temu rightfully alluded to, that the bottlenecks in Waigani has hampered our development aspirations in our districts and our provinces.

Mr Deputy Speaker, I agree and stand to support this Bill because it will enable our people to rightfully get the services that belong to them.

Trying to get procurement in Waigani is a nightmare. In getting these done it is also reflecting that this Bill also demonstrates upholding accountability and transparency. With that I commend the Finance Minister on this Bill.

Mr CHARLES ABEL (Alotau) – Mr Deputy Speaker, I too rise on behalf of my people of Alotau to pass our sincere and heartfelt condolences to the family, district in Western Province and the country as whole on the passing of a senior Member of Parliament and he was actually a fourth-term Member of Parliament. I had the opportunity to spend a lot of time with him sitting right next to him of the Floor of Parliament, visiting my district in various capacities he served and one of the things we discussed was about health in general and something which I am fairly passionate about and understanding what the Finance Minister is saying indeed this is a very stressful job and a lot of responsibilities fall on good leaders and this man served as a good leader right up to the end.

He had some serious health issues and despite all those things he was still attending Parliament. I looked across from the Floor here on Friday and saw him limping out and knowing that he had recently had an amputation and the issues he was suffering; we feel the pain of his people and his family and offer our sincere condolences.

At the same time, we ask leaders to think about your health and ensure that you are managing the stress, your diet and exercise and everything else because you are very important to your families. A good man has passed on and we will go through the usual process to give him the due respect from this Parliament.

Mr Deputy Speaker, this is a good amendment to the *Procurement Act*, and I stand to commend the Finance Minister and the Executive Government for bringing some of these changes which brings clarity to the composition of the Board, to the levels of authority in terms of procurement. It gives us that little bit of space as far as the K50 thousand increase to a million kina and it simplifies that process. It increases the district authority procurement level up to K5 million and of course the provincial level up to K10 million.

It also clarifies the people who are on those respective boards and it is good. It clarifies the role of the CEO which is really good. In general, it is important because it adds to that process of clarifying and not really removing accountability as we continue to provide more and more resources in the spirit of decentralisation and delegation to districts, provinces and local level governments, this it is important we have a robust and clear legislation around how we manage those procurements.

Mr Deputy Speaker, this is a Parliament and it is only right and proper that issues in legislation are pointed out and debated thoroughly. That is what Parliament is here for.

We are not here just to be berated by the Executive Government and have matters forced through. We all speak in the interest of the country and in the interest of functionality and it appears issues that may impede the spirit and intent as the Planning Minister is talking about should be highlighted and debated and explained.

12/05

That is what Parliament is here for and why we have the Opposition to give that oversight, for the Government to explain those procedures.

And I think the issue about the State Solicitor has been explained and the ability of the State Solicitor to delegate the functions which is naturally what he should. It is completely impractical to have every procurement referred to the State Solicitor, nothing would have happened in in this country. We would have all forgotten about it because he would simply be inundated with paperwork, nothing will happen. And naturally he will have to access that provision that will allow him to delegate that function down to the lower levels.

But the other question that Sir Puka raised which I am more concerned about is the composition of those technical financial evaluation committee. And if you look back at the members of that board, the simple understanding and the reading of the Act is that provision will also apply to the provincial governments and the districts. And it will seem impractical that such committees will have to be appointed every time and comprised of people from a

national level. That would also seem to go against the spirit and intent of the legislation to decentralize, delegate and facilitate procurement.

I do not see anything wrong with this legislation, I support it but it just needs that clarity that am sure the Minister can give and we can support this Bill and get on with our business. Naturally we can have all the procurement procedures in the world but without funding it is not much used. So, we need some support in terms of funding against that and related issues. Thank you for bringing this legislation and if you can clarify that we would appreciate that and support the Bill.

Happy Independence Anniversary to everyone here and to all our good people throughout the country.

Mr JAMES MARAPE (Tari-Pori-Prime Minister and Minister for Bougainville Affairs) – Thank you, Mr Speaker. I note that some of our leaders want to speak on this issue and I thought I would assist and make certain statements to clarify some of the issues that have already been raised.

This is a good Bill. We are not only reconvening Parliament to get through this Bill but we have another business of government to come after this Bill. And I want to thank each one of you who have come back for this special sitting.

When we adjourned last Friday, we never thought that The Honourable Roy Biyama would not be part of us in this session. And we are in this session without him. I wish to also take this time to pass my sincere condolences to the family, his wife and children and the people of Middle Fly and the Western Province. the late Honourable Roy Biyama was a hardworking member of parliament. In November last year when we were at Loloata he refused a minister and wanted it to be passed onto another brother from Western Province. He chose to remain in his electorate to serve his people. And he felt sick in the course of duty towards his people. He walked eight hours into the humid lowlands of north of his district headquarters in Balimo.

I asked him why did you walk, you could have sent your officers to go and visit that part of the electorate. And I know that part very well because I spent six years of my earliest life in that part of the Western Province. It is very hot and after walking for eight hours, he had blisters on his feet. And with his diabetic condition, the blisters became severe, resulting in blood clots which affected his internal organs. He was medivac to Daru, then to Port Moresby to stabilize him. If money can buy life, he would be alive today. We assisted him to seek treatment elsewhere but certain parts of his internal organs were already damaged totally.

13/05

Certain parts of his internal body were isolated through operational procedures and then he had one of his feet amputated to keep him alive. But God plans how procreation and existence and God knows exactly when we will leave and his watch over the last week when he breathe his last breath and we would like to sincerely send our condolences and also on behalf of myself and my immediate people of Tari-Pori but on behalf of our country I offer our sincerest condolences to the family. I invite all Members of Parliament on both sides to keep a look out for his funeral program. He is our senior Member of Parliament as he served four terms and he has pass on and we need to remember him this time.

Coming back on the issue that we are debating, in as far as this Bill is concerned, the intention is simple. I take the responsibility for the *National Procurement Act* as it is today that we are trying to amend. In the last government, I was privileged to have served, we brought this Bill into an *Act of Parliament* to assist procurement at all levels.

Our economy has expanded from what it was when the 1995 *Public Finance Management Act* came into place. Our economy has increased and the disbursement taking place at all levels. Disbursements at national level, disbursement at provincial level and disbursement at district level as well as certain special procurements that needs to take place from time to time when government need to delicate procurement to special procurement committee. So, the separate procurement act was promulgated in 2018 if I'm not wrong, to address the increase core for procurement, but as we start to operationalise this *Act*, we realise the impediments that was put in place. And as the Member for Abau did correctly pointed out, one of such impediments where instead of intentions to devolve powers to the districts and provinces, some elements in the existing *Act* that we are trying to amend, we centralized powers again to Waigani, especially the section that he alluded to in which the central State Solicitor was able to going through all the procurements in our country.

So, the intention Sir Puka whilst you have noted the *Section 25* that is repealing *Section 70*, you must also see it not in isolation but together with *Section 77*. They run together, not just the State Solicitor but even centralized, the *Section 32 officers* of *Public Finance Management Act*. The *Section 32* belongs to Finance Secretary, but his delegates at different layers delegate *Section 32* to different layers of authorities like the Provincial and the District Treasury likewise, the State Solicitor or his delegates. If I point to page 10 and 11, you would see, for instance, the composition of the district procurement team. You look at page 12, it states that the chief executive officer of the district, the district finance manager, a person appointed to represent the interest of justice and law and order in the district or his delegate

and a person appointed in the interest of community and a person appointed to represent the interest of women.

So, different compositions of all the clarity, the Honorable Member for Alotau has indicated and clarity is now given, expressly given and as we go about to this one and if there are some impediments in the procedure, I note the point made by the Member for Alotau, the law is ok, but just the procedure aspects. The intention is there but we might be stifling it again with so many referrals back to Waigani. We are just trying to devolve powers to the districts and the provinces and get procurement moving.

But, at the same time, may I inform this House, we have never compromised the integrity of the entire process. Penalty remains quite high in the Procurement Act for those who are custody of default functions at districts or provinces or the special tender's board. If you are found to misapply this law by practicing corruption, for instance, an offence is clearly mentioned in *Section 28* of this Bill that is before us to amend.

14/05

Our people might be thinking we are amending laws to suit to the benefit of these actual province. Penalties remain very high; in fact, one of the highest penalties in all our public laws as far as those who breach an element of this law, it remains not exceeding K2 million or imprisonment of a period not exceeding 15 years.

Mr Speaker, the penalties are very high when dealing with public funds. A procurement scope was increased whilst we need to expertise and procure. We are trying to clarify different procurements. The State Solicitor in this context will now devolve powers to the districts by employing lawyers at all provinces and this will avoid us from coming to Waigani for approval because there will be a legal officer present to handle all provincial procurements. I would also like to state clearly, we are not centralizing power that you are all seeing now.

Mr Speaker, I would like to make a point to all Governors. I have served two governments and I have been around some governments before. There has never been a time in which Waigani has thought of empowering provinces. The last time, provinces saw an increase in ceiling was from K3 million to K5 million under an amendment we made in the provision of the *National Procurement Act*.

In all Provincial Governments, your level of procurement is increased to K10 million and you will not come back to the National Procurement Commission for procurements up to K10 million. This will be your ceiling of level to procure. We are empowering districts and provinces and at the same time we are maintaining the accountability of mechanisms and a

penalty so there is no abuse when dealing with public funds and procurement for goods and services. And also, close to the heart of our generation of leaders who believe in taking back PNG and in control of our resources, we have increased threshold for local business participation from K30 million to K50 million under section 48 of this amendment.

The intention is good, as you sit back and work through October to November to check whether there are other areas we need to improve on and as the leader of business stated his point, about 10 years ago, there was a notorious bidder in our nation's history when we tried to pass laws after laws to preserve an illegal government.

Mr Speaker, we are not passing laws to preserve an illegal government. This is passing a law to make the system a better and cleared in laws of procurement. And I note a passing remark by the opposition member in terms of the distribution of DSIP and PSIP I give assurance that we will catch up depending on availability of funding. allocation this year is K10 million. There was a government member stating that his district, I won't mention district with due respect but there are few on the government side that are still lacking behind. As PSIP and DSIP is concerned, all districts and provinces are allocated K6 million. I give assurance to the opposite side as we go back to our provinces and districts to celebrate this 46th Independence, please rest assure we are not lubricative and subjective to politics. Referring to this subject, I assure everyone that we will catch up on all the DSIP funds.

Thank you.

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

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

Bill read a second time.

Message from the Governor-General

Mr SPEAKER – Honourable Members, I have to announce that I have received a Message from his Excellency, the Governor General dated 10 September 2021 recommending the expenditure of public monies in accordance with section 210 of the Constitution. in so far as the Bill relates to act for such expenditure.

15/05

Third Reading

Leave granted to move the Third Reading forthwith

Sir JOHN PUNDARI (Kompam-Ambum – Minister for Finance and Rural Development) – I move –

That the Bill be now read a Third Time.

Mr Speaker, the Prime Minister has explained and expounded on the Bill very clearly. I just want to add to it.

Mr Speaker, when you look at the Amendment Bill, section 28 (b) and (c) insofar as the Provincial Committees are concerned, it is the provincial committee of the Board that will exercise its powers; the performance of the functions and will establish a technical evaluating committee.

That is from within the expertise available within in the province. The same technical evaluating committee from the district level will be appointed by the district committee. The National Procurement Committee cannot come down to perform that duty. This has now cascaded and decentralised. This is where all the bottlenecks are removed.

So, if I have to go to the active cells and read, it is very clearer. “The Provincial Committee of the Board in the exercise of its powers and the performance of its functions, shall establish a TFEC for each procurement had include but not be limited to persons with specialised knowledge in expertise in Law, Finance and Procurement to assist the provincial committee of the Board in its consideration of bids received and shall not in any way interfere or influence the decision of the technical finance evaluating committee”.

When it comes to the district committee, the same applies. At the State Solicitors level, we all can agree; the capacities of working on legal clearances from districts to provinces to the national level is very difficult.

This Law will change all that so that the districts and provinces can take care of their own legal affairs.

Mr Davis Steven – Point of Order! I just want to draw to the attention of the Honourable House although, I was not allowed to speak in the debate.

Essentially, we support it that he moved to decentralise and the general intent of this legislation, we also say that it is an important Bill. It is the Bill that involves the finances and appropriation, the contracting and the expenditure.

It is an important Bill that can be considered together with the Budget session that is coming up. We are now stuck with the question of the involvement of the State Solicitor. I will support this Bill if there would be an undertaking that the lawyers who drafted this Bill provide advice to both sides of the House, explaining –

Mr DEPUTY SPEAKER – Honourable Member, you are trying to debate the statement using your Point of Order. If you want to debate that issue, I can allow you to debate after the Minister makes his statement.

Mr Davis Steven – It is in the spirit of getting this legislation passed, Mr Deputy Speaker.

Sir JOHN PUNDARI – Mr Deputy Speaker, the good thing about this amendment Bill and the previous lawful processes and systems we had about procuring projects and projects in the country, is that leaders from both sides of the House bid as Chairman's of our District Development Authorities or be it as Members of Parliament representing our Provincial Governments; and at the National level as Ministers of State as well.

16/05

I am pleased because I do not have the power to sign for my district treasury account. It is the responsibility of our public servants. I am pleased with this Bill because in the previous procurements that we go through, we want to sit in the tender boards and in the evaluating committees and make decisions for the contractors the we favour.

Mr Deputy Speaker, with these amendments, it does not bring anyone of us into this system where we have decentralised to our provinces and districts.

Mr Powes Parkop – Point of Order! The Honourable Minister is talking about the provincial levels but what about the national level? These amendments are giving a double standard. You have at the national level the NPC who make recommendations to the NEC but at the provincial level we are giving everything to public servants. They will assess, decide and implement. I think the Minister is misleading the Parliament.

Mr Deputy Speaker, I think you should give the Member for Esa' ala an opportunity to debate. We are lawyers by profession and I think we will contribute meaningfully.

Mr DEPUTY SPEAKER – Honourable Governor, I think you have made your point. It will be my discretion as the Chair to decide to let you debate or not but for now, let us allow the Minister to complete his debate.

Sir JOHN PUNDARI – Mr Deputy Speaker, I do not think that I am misleading in anyway. The good thing about this amendment is the fact that the technical evaluating committee is appointed –

Mr Don Polye – Point of Order! I thought we have debated this amendment and the question has been put? Why are we going back to the debate?

Mr DEPUTY SPEAKER – Honourable Minister, we are on the third reading and it allows for debate. I will allow him to do an explanation on what is on paper. If there are Members of Parliament who wish to debate then you shall do so depending on how much time we have.

Sir JOHN PUNDARI – I am pleased with all that has been said. We must all know what is happening around us. This Bill was circulated on Friday and the amendments here are what we all in this House both in Opposition and Government have been crying about. It is about doing away with all these bottlenecks.

Mr Deputy Speaker, insofar as bottlenecks are being removed, it does not mean in any way that we as leaders are putting ourselves into any situations of disrepute. All we are doing is decentralising and improving by maintaining the integrity of accountability and ethical use of public funds in as far as public expenditures are concerned for that matter.

The good thing is that at the district level, you are not the chairman of the district tender committee. It is also important to note that the independence of the tender committee will appoint a technical evaluating committee to assess and to make recommendations to your committee so you can easily expend on your projects at the district level. The same will apply at the provincial and national level for that matter.

Mr Deputy Speaker, if all these are not clear enough to us then how else will I explain it? We need to know about these things.

17/05

We must respect processes and systems but if we try to interfere, we will all get into trouble including our civil servants. The punitive measures in so far as these amendments are concerned are not changed; the minimal is at K2 million and the maximum is K50 million and maximum imprisonment is 15 years.

These amendments were not made because the elections are around the corner but rather for all of us on both sides of the House and future references where procurements are concerned. We want to ensure that public money is ethically spent and that projects are undertaken without unnecessary bottlenecks for that matter. Therefore, these amendments are before us.

So, do not try to go and interfere with the processes which we are trying to put in place to make easier with integrity, accountability and transparency in the use of public funds.

I strongly recommend this Bill to the House and put it to use.

Mr DEPUTY SPEAKER – Honourable Members, I can already hear members raising the motion to put the question but I will use my discretion because I have already assured the Member for Esa' ala to debate.

Mr DAVIS STEVEN (Esa'ala) – I greatly appreciate the Speaker's ruling and using his discretion and that is because the legislation before us is important. This is one of those legislations that we had to pass as a nation.

It came in a time that we were under some obligations to pass the ICAC Bill and it was a legislation that was necessary for our Government to respond to the international standards and challenges we are facing in our contracting culture and how we were expending public finances which we lack transparency and accountability, so it seemed at that time.

It is important that both sides of the House are allowed the opportunity to express their views and that is why I am grateful. And it is unfair when you try to belittle senior members like the Member for Abau, on *Standing Order 200*, which states, "A minimum of 14 days is required if legislation is posted".

Mr Speaker, this piece of legislation was not posted because we are coming back from a long adjournment that was orchestrated politically for convenience. So, it is fair that we should be allowed to debate and we are debating –

Mr Allan Bird – Point of Order! Mr Speaker, I want to point to the Member for Esa’ala and the former Attorney-General, when I sat on that side of the House and I complained several times which you can confirm in the *Hansard*; that we were given Bills on the same day and expected to pass them on the same day.

Mr Speaker, if he wants to debate the issue on fairness, I have a lot of experience on it. This legislation was given to us on Friday and not five minutes before passing it. Please, have some appreciation that you were given time to go through it.

Mr DEPUTY SPEAKER – Honourable Governor, thank you for your concern but I will rule your point of order out of order and I will ask the Member to continue.

Mr DAVIS STEVEN – Thank you, Mr Speaker. I am not complaining rather you are trying to use *Standing Order 200*, to shortcut debate when it ought to be allowed. I understand that we have been given the last three days to look through this legislation and some of us have done that. Now, I can say that if *section 13 and 14* were interfered with I will be raising a very serious objection because that is the governance clause.

18/05

That’s where the composition of the leadership of the procurement commission sits and that has been the spirit and the intention of this legislation. That is why we want to support this legislation. But we want to support it, knowing that it would serve its purpose and solve the issues that we have been debating about as part of the decentralization process.

And this is what I am saying; the same government has now introduced before the Floor an Organic law on the decentralization, and we need to read this and begin to associate with it. Now, we talk about delegation under *section 77*, which the Honourable Governor for East Sepik bemoans. What if we have found out in practice that the solution we are saying and the Finance Minister’s presentation falls short of it.

So, can the Government assure this side of the House because we are talking about the State Solicitor’s office. And the State Solicitor office is not created in this legislation nor the *Public Finances Management Act*. It is created in the *Attorney-General Act*.

So, are we going to get legal advice to say whether this is sufficient? As far as we know there are ethical conditions and standards. Lawyers are unable to delegate their legal obligation which attaches ethical standards. There is a *Lawyers Act* which qualifies a lawyer. There are

certain lawyers who are in the system that are not qualified pursuant to the *Lawyers Act* and they don't come under the purview and control of the State Solicitor's office.

These are practical legal issues we are trying to raise here. The State Solicitor is answerable to the Attorney-General. In order for this whole process of delegation to take place, those are the issues that need to be cleared out. I hear clearly what is being expressed here and we are giving our support -

Mr Bryan Kramer - Point of Order! Mr Deputy Speaker, if the former Attorney-General bothered to read the provisions, it actual states; 'a lawyer that has been admitted to practice.'

So clearly, he has come to Parliament without actually reading the Bill to inform himself of the issues. Now he is saying hypothetical 'what if' which is also breaching *Standing Order 141*, where you cannot bring in hypothetical 'what ifs.' it doesn't meet the standards.

Thank you, Mr Deputy Speaker.

Mr DEPUTY SPEAKER – I'll allow the member to continue with the debate.

Mr DAVIS STEVEN - The legislation is specific, it's the State Solicitor who needs to clear the advice and implementation of the contract. And the State Solicitor's office is not created in this legislation, that's my point.

I would like to see this legislation work. I see a choice here given to districts. Like in my district where even though when we pass this legislation, we will still not have capacity. We have a choice to go to the provincial procurement commission because we know that in the provinces, especially in Milne Bay, our officials are working professionally. This legislation must not forget that we must have a choice or preference to go to the provincial procurement commission, if the circumstances warrant.

But my last point, apart from the question of delegation of the State Solicitor's office, which you need to assure us you will do. As the Governor of NCD was pointing out, why is it wrong for the committee at the district level to recommend or to inform the district development authority of its decision for the approval? Why is it unfair or wrong?

As the leaders of Government side are saying; we have money to spend but we can't spend it. So, maybe we are pleasantly suppressed that in the end the system will bypass you, but we fully appreciate that it is not our role as leaders to sit in the procurement process.

That is the entire spirit of this legislation; to depoliticise the process.

Mr Deputy Speaker, as Open Members why should we support this Bill and then in the end, we will have no say after the decisions are made.

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

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

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

20/05

The Parliament voted (the Deputy Speaker, **Mr Koni Iguan** in the Chair) –

AYES – 86

NOES – 7

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

Bill read a third time.

PUBLIC FINANCES MANAGEMENT(AMENDMENT) BILL 2021

First Reading

Bill presented by **Sir John Pundari** and read a first time.

21/05

Second Reading

Leave granted to move the Second Reading forthwith.

Sir JOHN PUNDARI (Kompam-Ambum – Minister for Finance and Rural Development) - I move -

That the Bill be now read a second time.

Mr Deputy Speaker, this are just consequential amendments to the main amendments that we have already amended. I therefore commend the Bill to Parliament.

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

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

Bill read a second time.

Message from the Governor-General

Mr DEPUTY SPEAKER - Honourable Members, I have to inform Parliament that I have received a message from His Excellency, the Governor General dated 10 September 2021 recommending the expenditure of public monies in accordance with *Section 210* of the *Constitution* insofar as the Bill relates to and provides for such expenditure.

Third Reading

Leave granted to move the Third Reading forthwith.

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

Motion - That the Bill be now read a third time – put.

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

22/05

The Parliament voted (The Deputy Speaker, **Mr Koni Iguan** in the Chair) –

AYES - 90

NOES - 3

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

Bill read a third time.

23/05

DISTRICT DEVELOPMENT AUTHORITY (AMENDMENT)

BILL 2021

First Reading

Bill presented by **Sir John Pundari** and read a first time.

Second Reading

Leave granted to move the Second Reading forthwith.

Sir JOHN PUNDARI (Kompam-Ambum – Minister for Finance and Rural Development) I move –

That the Bill be now read a second time.

Mr Speaker, as I have said earlier, this is another consequential amendment. The main amendment Bill has been passed.

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

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

Bill read a second time.

Message from the Governor-General

Mr DEPUTY SPEAKER – Honourable Members, I have to announce that I have received a message from His Excellency, the Governor-General dated 10 September 2021 recommending the expenditure of public monies in accordance with *Section 210* of the *Constitution* insofar as the Bill relates to and provides for such expenditure.

Third Reading

Leave granted to move the third reading forthwith.

Motion (by **Sir John Pundari**) proposed –

That the Bill be now read a third time.

Mr PETER O'NEILL (Ialibu-Pangia) – Thank you, Mr Deputy Speaker. I know there is a desire to put the question quickly, but sometimes the small prints cause a lot of inconvenience, for a lot of us.

Mr Deputy Speaker, before I say a few words on this Bill, let me also join my colleagues and other members of this Honourable House to extend my sympathies and condolences to the family of the late Member, Honourable Roy Biyama.

Mr Deputy Speaker, I had the honour of serving with him since 2002. He is a very humble man and a great leader. He has served his people with very high distinction and humility. So, it is a sad loss to the people of Middle-Fly, Western Province, his supporters and to his family. We remember him on this day of loss. May the Good Lord bless him and the rest in peace.

Mr Deputy Speaker, having said those few words, let me refer to this Bill. This is a great Bill to support the Minister. It certainly requires the District Authority to be subjected to the *Public Finances Management Act*.

But, Mr Deputy Speaker, on section 3 (4) as suggested which is in relation to the funds of the authority. The only funds that we are receiving today is the DSIP.

24/05

Mr Deputy Speaker, there are 89 districts in the country and 22 provinces as we all know but when you see the budget of all these levels of government now to be subjected to the approval and scrutiny of the Treasurer; can we acknowledge that he already has sufficient amount of work before him, particularly at this point in time when the economy is struggling, to sit there every day going through all these papers.

Mr Deputy Speaker, we are all involved in politics and we understand the nature of this work. Sometimes when your province or district is not represented in government, there is no guarantee that the good Treasurer will ensure that things are moved smoothly so that the people will receive the much-needed services from this authority that we have created.

I am certain that the Treasurer is busy or any treasurer in the future for that matter. Isn't there a way where we can amend this to ensure either the provincial government is in charge or the Secretary for Finance is in charge of the approval process, so that we can expedite the issues that we may have? This is my only concern and I hope the Minister can take note of it and make the necessary amendments. Thank you, Mr Speaker.

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

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

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

25/05

The Parliament voted (the Deputy Speaker, **Mr Koni Iguan** in the Chair) –

AYES - 87

NOES- 7

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

Bill read a third time.

26/05

Mr JAMES MARAPE – Mr Speaker. Firstly, I want to thank all Members of Parliament for sitting in and put long hours at work as I did speak other day when I rose. Many times, we do not get commendations but we are here not to get commendation but do what is right for our country and putting in long hours, many times sacrificing lunch or dinner time as always been the silent work of many politicians on both sides of the House.

I thank you, all for sitting through at this time late into the Tenth Parliament and in the September sitting and, on a Monday, to have over 90 members of Parliament in the House and 87 of you giving support to a government sponsored Bill that is meant to fix some of our legacies issues in our country in as far as the process of procurement is concern.

I like to offer my commendation at the highest level to all members of Parliament on both side and I take special note of all members, who also vote on conscious in matters they feel need to vote on. And areas where they dissented, they maintain and oppose. That's the way democracy should operate and speaking right in the face of 46 years of our nationhood.

Mr Speaker, I just want to make a statement to Parliament on what we've done in the last 27 months since taking up office as a government and for member of Parliament to take this opportunity to make statements in response on where you see how we've come as a government in this term of Parliament. And also looking retrospectively the last 46 years, we've been independent and you could make a statement in response.

The live broadcast is running. We took a deliberate decision to allow it and I thank the Speaker and the House Committee to allow the broadcasting of Parliament Proceedings. So, it's an opportunity for members of Parliament to have a response to our country and people, who are tuning in as far as what the government should do. If we haven't done something, then, how we should work, going on into the future.

But, Mr Speaker, on this occasion I rise to make this statement and so this statement could be the basis of which members could response later on and before we rise for this session of Parliament.

CURRENT GOVERNMENT'S ACHIEVEMENTS – STATEMENT BY THE PRIME MINISTER – PAPER NOTED

Mr JAMES MARAPE (Tari-Pori – Prime Minister and Minister for Bougainville Affairs) – Mr Speaker, this will be a summary of our Government's achievements over the last two years since we assumed office on 30 May 2019. As, I, said earlier we've been in office for two years and three months now. It is incumbent on our government to acquit ourselves to our people and Parliament is where this progressive report needs to be made.

First, Mr Speaker, let me inform the House and our country the last two years has not been smooth sailing. Off course we did not come into government expecting everything to be smooth sailing. We took over a government and country that was going through some hard times. Yet we were made to navigate through the political and legislative challenges that in every step of the way for most part last 2 years and 3 months question of the legitimacy of this government was always hanging at the back. We had to put up with questions against the lawful processes and systems that delivered us a government. We have continued to dodge challenges, while at the same time work to steady the ship in the middle of a global pandemic induced economic downturn. Any government would have recognized it as a very difficult situation. We had to deal with the economic realities and the politics that was very unrelenting at all times.

Mr. Speaker, none the we have prevailed and we continue to govern. We draw our collective strength from our cohort of leadership which represents a very healthy intergenerational mix, of years of experience, of youth vigor and natural and educational intellect. This cohort of leaders bring stability, inclusivity, innovativeness and creativity. We

have emerged as a united and strong coalition - a government for the people, by the people. A government that is willing to do all it can to ensure that do not leave anyone behind. We have demonstrated the willingness to ask the hard questions to ourselves and to everyone around us.

Mr. Speaker, this is a group of leaders that advocate for peoples' rights and maximize benefits from our abundant natural resources, group that recognizes that we all have shared interests and that those interests must be clearly defined and that all classes of benefits must clearly be cognizant of these shared interests.

27/05

This is what governments are expected to do. We act in the interest of our stakeholders at all times.

The security of tenure that we will enjoy until the end of this parliament is not to be squandered. We are in a stable position following the lapse of the grace period preventing a vote of no confidence till the end of this Parliament. We intend to use this period of stability to do more for our people.

There are important legislative and economic policy reforms which we must fully settle in order to drive our socio-economic development agenda and to translate them into tangible outcomes that positively impacts on the livelihoods of our people. There are important reforms in the SOEs that we need to conclude, and there are foundational efforts in building the connectivity agenda that we must put in place before we rise in April next year for the National General Elections. We should not stop working.

Mr Deputy Speaker, when we took over the Government, we did not know that a once in a century pandemic would sweep the world leaving the global economy in ruins. It has left world economies calling on their collective extra ordinary resolve to continue to survive and grow their economies. Our people must know that during the past two years the COVID-19 pandemic has weighed heavily on the PNG economy. We have made the correct call. We continue to remind ourselves that it is both a health and an economic issue. My government has remained committed to making decisions upfront to overcome the adverse health impacts with appropriate resources and measures from our own resources as well as assistance from our development partners. We have to continue to manage and contain this scourge going forward. Our collective faith and cognizance of the Almighty God has ensured that our people survive under unimaginable strain.

The reality is that we have to live with this disease as we have done with the common flu and other ailments. We have to accept that there is the new normal way of living our lives. Our

government and our people must continue to be supported to live as normal lives within the confines of the new normal. The economy must continue to proliferate, function and interface with our producers and our markets for our greater good and future of our people. We have to maintain a fine balance in ensuring that the economy stays open and functioning, while we continue to maintain vigilance and build our systems up.

Mr Deputy Speaker, I want digress a little bit and talk about the debate on vaccine verses our rights to take them. Businesses are here to invest and make profit money. In the process jobs are created and goods and services are provided.

Businesses have a responsibility to take care of their customers and their workers. Without that assurance, businesses will struggle to survive in an already challenging operating environment. And when workers refuse to receive vaccine, you contribute directly to creating that uncertainty in the specific business environment. In the end your rights to choose not to be vaccinated will contribute directly to the loss of your job, and the job of another colleague or colleagues who may have chosen to take the vaccine. You have a responsibility to protect yourself, your co-worker and the business. There is no point fighting over your job, if an unsafe and unsecured environment leads to the closure of the business and the consequential loss of jobs, not just your own but other jobs as well.

Mr Deputy Speaker, let me return to the core of my statement.

The treasurer has been comprehensive in his statement on the economy. We came in opened up to those who would support us. It was a collective determination to repair and restore the economy.

28/05

It was a collective determination to repair and restore the economy. It required an upfront due diligence on government budgets. The passage of a 2019 Supplementary Budget, a review of the 2018-2022 Medium Fiscal Strategy, and the Medium Revenue Strategy. These important reviews set the baseline for our economic management going forward. We wanted to ensure transparency and accountability in our financial position. This is the basis upon which we are able to secure highly appropriate concessional financing from ADB (USD300 million), World Bank (USD1 00 million), Japan (Y30 Billion)

The fundamentals are right. In time, the low interest rate loans will overshadow the high interest rate domestic loans, and you will begin to see a lot of rebalancing and releasing of savings for development expenditure.

We regained international trust by re-engaging with important institutions such as the World Bank and the IMF, to ensure that we subscribe to important economic management tools in exchange for important budget support. This credibility alliance has taken us a long way away from the days where we actively avoided scrutiny.

In terms of managing our economy, our collective resolve has been strengthened to resurrect and take back our country through appropriate legislative, economic, political, social and environmental reforms that my government has put in place to grow and sustain the economy. We moved to amend the laws on ownership and development of hydrocarbons. We moved to amend the Oil and Gas Act to strengthen the licensing regime. We increased the export of logs tax to promote downstream processing of logs. We launched the Special Economic Zones focussing on the less developed areas of our country like Kikori in the Gulf province.

These also include working hard for fair and equitable distribution of wealth and resources as required by the National Constitution and in alignment with The Eight Point Plan, PNG Vision 2050, Development Strategic Plan, Medium-Term Development Plan III and the Integrated Provincial Development Plans.

The renegotiation of the Porgera Mine and the cleaning up of issues relating to the Papua LNG Project are two key examples of that effort. It is about pursuing our shared interests within the confines of the law.

This extends to include the 2019 Loloata Outcomes that serves as the Government's blueprint for the implementation of sectoral policies, initiatives and programs. It is the thread that binds this Government in terms of the outlook and the priorities.

I should like to add that the Loloata Outcomes is explicit in that it calls for all sectors to have three Key Priority Projects to be identified for funding and implementation. The time for long shopping lists is over. We have to have a realistic approach of attending to key priorities and equitable distribution of resources to support these initiatives. It is a recognition of the limited resourcing that was available to us for the multitude of development expenditures that we need.

Mr. Speaker, the focus of my government has always been to grow the rural economy through Agriculture, Small and Medium Enterprises, and economic infrastructure development. In agriculture we have reviewed and repositioned the Kumul Agriculture Limited, so that it can realise its full potential. We have also introduced commodity price support program and shipping subsidy, both of which came at the right time when the sector was hard hit by Covid-19 and its restrictive protocols.

29/05

The focus of our government has always been into growing the economy through agriculture, small and medium enterprises, the economic infrastructure developments. In agriculture, we have reviewed and repositioned the Kumul Agriculture Limited so that it can realise its full potential. They have also introduced commodity price supports program and shipping on the freight subsidy. Both of which came at a right time when the sector was hit hard by the Covid-19 and its restrictive protocols.

Mr Speaker, let me let me say at this time, this is a policy that will impact our country in a positive price support and the freight subsidy or the freight support, meaning that we buying from our local agriculture producers at a good price and we remove to cost of transportation from the purchase price.

Mr Speaker, most of us would know subsistence farming where we have 90 per cent of our population dwell in rural areas setting must be humbly assisted so that they migrate from subsistence into the cash economy through improved capacity in our districts with the establishment of buying point for the rural folks to sell their organic produces. We continue to advocate for the districts to play an active role in building the agriculture sector.

Mr Speaker, at this juncture let me inform our country about six weeks ago I was privileged to be invited as guest to National Volunteer Services Program. In the National Volunteer Services Program, I met a very interesting gentleman by the name of Mr Kum Kimason and he is from the mountains of the Tewai District. He left university and I speak to the media knowing that the country is watching and there are many people looking for positive engagements in life. This fine man is an example of how he mobilizes coffee in his rural Tewai mountains. He's got a cooperative call the Aladon Coffee Cooperative.

Mr Speaker, I am pleased to announce that turnover last year was K800 thousand and that's minus our price support and freight support. That K400 thousand stands on freight to get to sell their coffee in Lae and they have left with K400 thousand as net profit for the Aladon Coffee Cooperative. So, our people are making money out there. I was also privileged two weeks ago, when I was traveling to Kimbe, I touched down in a village call Emaluth on the south side in the Kandrian-Gloucester electorate. And I did apologise to the Member for Kandrian-Gloucester for unannounced stop down. But I arrived and there was already a lady by the name of Susan and I call her Susan of Emaluth. She already has a cooperative shed and a cocoa shed using her own money. She's already buying cocoa and copra through a cooperative arrangement with the people on the south side of Kandrian-Gloucester.

Mr Speaker, our people are not lazy, they could get engaged in doing something and our government has not just been talking. We've now working to refine a price support and our freight subsidy support so that people could move into the agriculture space big time. Last night at 9 o'clock, I was meeting the head care organization with the Minister for Agriculture. This head care organization that is working now in Milne Bay, extending vanilla and they hope to extend service to more than 3000 vanilla growers in Oro province and Milne Bay. We met with them because they came to meet us as the trade base organization and they are engaged now in rural vanilla.

So, Mr Speaker, with respect to the growth of SME, our government is focus on SME and agriculture SME and hopefully migrating 50 per cent of MSMEs into the formal economy to ensure our tax rate is brought as part of my speech here. This will ensure that we generate additional revenue for our country and our government. Our government has put money where our mouth is. We have rolled out SME lending where K200 million and Mr Speaker, as I speak, we are having a review with BSP and NDB to see how it has been transferred directly to our small businesses in our country. One of our partner banks, as far as this program is concerned, the result from at least one of our partner banks of this initiative is with the product has received the right level of interest from the feedback we are getting from one of our partner banks

30/05

The product is serving this paper well and we plan to fund this vote well this coming 2022. All Papua New Guineans that want to get engaged in business can get engaged where they are.

Mr Speaker, this is one of our governments great achievement and I'm happy to announce at this structure that the programs being rolled out but there's a teething issue with our two partner banks and Kina Bank has also come on board to promote their own product as far as SME lending is concerned.

Mr Speaker, the SME and the agriculture sector continue to remain our highest priorities and we will provide the impetus to achieve our targeted objectives in these sectors to ensure all families have a constant means of income. It is in this context that 50 per cent of funds set aside in SME lending at the National Development Bank is targeted at agriculture SMEs.

Mr Speaker, to have a leaner Public Service, we have taken bold and decisive steps to improving systems and processes of the Government through the Public Sector Reforms to effectively and efficiently deliver basic services.

A bipartisan Special Parliamentary Committee on Public Sector Reform has been established to work towards achieving these reforms. The Committee has a very short timetable to ensure that we get some real important tasks done. I am confident that once this committee completes its work the effects of these effort will be telling on the effectiveness and the efficiency of the national public service. Our public service is the key to nation building and service delivery. We must improve its effectiveness and efficiency.

The Government has finally moved to conduct the public service payroll audit. A contract has been signed with a private accounting firm to finally undertake this task. It will ensure that we pay the correct number of public servants. This is a milestone achievement in that the work will actually be conducted, given that this agenda has been on the cards for a very long time. We have finally placed some urgency in the process to come this far.

Mr Speaker, we have commenced and will deliver an electoral boundaries review committee report. This is an important undertaking which will provide us an independent view into how service delivery is affected by the current configuration. Our people will speak through this review report. We are also looking at inter government financing reforms, to ensure that the cost of-service delivery is clearly established. We have commenced work on the decentralisation policy, and a Bill is before parliament to address bottlenecks in service delivery. We have established city authorities in Mt. Hagen, Kokopo and Lae, which will ensure that the interest of our city dwellers is clearly captured. Cost rationalization exercise continues in key agencies and provinces.

Mr Speaker, I do not claim ownership of all initiatives given that they have been formulated through the usage of Government financial and administrative resources that rightfully belong to the people.

But I want to say this. It is the responsibility of all of us here as custodians who are mandated to ensure that policy initiatives and plans are feasible, beneficial and effectively implemented for the common good of our people. My Government continues to achieve its objectives leading into the National Elections in July 2022. It has been a transformational and collective approach and more importantly the belief by the coalition partners in this Government to Take Back PNG for the betterment of our future generations.

In fact, my Government has mapped out the pathway for the next twenty years and it is my firm conviction to ensure there is continuity in taking these policy initiatives and plans progressing our socio-economic prosperity in a targeted manner.

This Government has targeted the resources sector through legislative amendments to accommodate greater equity participation and focus on downstream production.

Mr. Speaker, in the mining sector, plans are afoot to establish a mint and gold bullion facility to process and save this valuable resource onshore. We will tread cautiously and with due diligence. We need to be in the downstream processing business to add value to our natural resources. For oil and gas, we intend to assimilate in the petrochemical products. These will greatly boost our foreign reserves and stabilise the exchange rate. We are going to have to increase considerations on our community service obligations under future gas agreements.

I have determined in consultation with Barrick for the re-opening of the Porgera Mine on 16th September 2021. We are working hard to meet that deadline.

31/05

At the same time, we are going to have to deliver this in partnership with Barrick. Their interest is important as well, but our officials are working hard to ensure that we make an announcement in the next couple of days. In my mind we have been successful in our negotiations with Barrick in this regard. I have advised on numerous occasions the benefits that now will go to all the Papua New Guinea stakeholders, and I believe we have delivered on that undertaking.

Mr Speaker, as I speak, Porgera is a classic case of no need of changing the Law with better negotiations that we could arise in the outcome that is better for our people; consistent with the view to take back more from our resources and polluted back to all beneficial fisheries at the landowner level or at the provincial level or for the National Government to share for rest of our country.

Mr Speaker, the Parliament has been advised of the state of play on Pasca A last week. Our engagement with Twinza is in good faith and we will continue to pursue matters through the SNT process. The State will be realistic about this option, and if the negotiation is not possible to be resolved, then we may have to agree to move along and examine new options.

Papua is moving into FEED. An important amendment on the *Oil and Gas Act*, now aligns the gas agreement with the new amendments and allows the project to continue to work on bringing down the important milestones, along its journey to construction and production. It is the State's responsibility to ensure that the pathway is secured for this to happen.

Mr Speaker, we are looking forward to supporting this investment along its approved schedules and milestones.

Mr Speaker, forestry has the potential to contribute much to the economy. Up to now successive governments have paid lip service to this area. We have commenced by introducing duties on export of logs. We need to encourage downstream processing in a meaningful way.

I have directed the National Forestry Authority to cease forthwith, issuance of new and extension of existing timber permits, including total ban on round logs export by 2025. We have to design a pathway to move away from the export of round logs, especially for existing industrial players and foreign companies only acceptable with landowners and provincial governments to participate in this way.

Investors are encouraged to enter into downstream processing in partnership with resource owners. I have issued a caution to long term investors here, that if they are hesitant in developing downstream processing then they can pack up and leave our country.

Mr Speaker, we have to also ensure that the State exercises its State Purchase Option in a real way. It will help speed up downstream processing that has been talked about for so long. It will allow us to begin to impact the pricing structure in the industry and hopefully give back to our resource owners, based on pricing influence with us being in the play and understanding what we have been missing out on this sort of price benefits for so long. We have commenced work in that regard.

Mr Speaker, the fisheries sector continues to display great potential and has always paid dividends to Government. This Government is committed to sustainable fisheries practices and prevention of illegal, unreported and unregulated fishing in PNG and neighbouring Pacific waters.

The Government is also intent on ensuring that fishing activities in high seas and downstream processing on shore continues to thrive in a stable environment, that uncovers important economic benefits for all stakeholders in this sector, including maritime provinces.

There is much to be gained in health benefits by working through the development of inland and freshwater aquaculture. I want to commend the fisheries sector leadership for launching its ten-year strategic plan, which goes out of its normal outlook to see how NFA can also participate in the commercial space, for and on behalf of the resources owners. I am excited about that prospects that this will bring for our people.

Mr Speaker, the Connect PNG Policy which my government has initiated is a great enabler that will spur economic activity and connect our country through improved roads, airports, airstrips, wharves and ports, ICT and energy to make PNG an economically viable and investment destination.

We have launched the plan to cover 2020 to 2040. This will complement the *Road Fund and Management Act* passed in 2020. Its combined effect will be that we will secure a program and its resource envelope for a long-term outcome.

It seeks to quarantine important investment funds in major infrastructure development in a multi-year focus, and will once and for all guarantee these investments by law to the projects under its scope. We are absolutely committed to funding rural roads.

32/05

We have funded 66 roads all over the country to ensure that we bring out the copra, cocoa, coffee, rubber, palm oil and to ensure that our rural areas are connected to the cash economy. We build roads where it matters. I would like to say thank you very much to the hard working Works Minister and the Transport Minister and the team in this phase for putting out the roadmap for Connect PNG that should have every district having economic roads locked in, every province having few of their economic roads locked into the highway grid, and over that we will overlay with power, jetties and ports, so hopefully fifteen years from today that our country infrastructures will support our economy going forward.

Mr Speaker, recently the government has signed a Deed of Agreement (DOA) with Fortesque Futures Industries (FFI), a leading global iron ore company and energy developer to undertake feasibility studies in both Western and West New Britain provinces as potential areas for clean and green energy development in the country.

Once fully developed these projects have great potential to assist in providing affordable electricity tariffs and in future roll out to neighbouring provinces. Importantly, it provides another industry development option for Papua New Guinea off the back of important regional and geopolitical developments which has affected trading arrangements within the region and the world.

Mr Speaker, there is a lot of potential in the State enterprises to deliver competitive and efficient services, but to also pay dividends to the State. A key focus for this government is in reforming this space. In the energy sector, we have passed legislation to create the National Energy Authority, which will separate the services providers like PNG Power from the regulator. It will provide for important investments in this space, and hopefully increase the energy coverage of around 15 per cent to our goal of 60-70 per cent in ten years. This effectively means that PNG Power will be just reduced to a power company. The National Energy Authority can give operating licenses to private or independent power producers in provinces or to those who are off-grid, and you can become a power supplier to a region or

other provinces who are not yet linked to the PNG Power grid or are currently experiencing inefficiency from the present PNG Power status quo.

We have major reforms supported by the Asian Development Bank in the utilities, but also in the communication space. There is restructuring of debt, developing revenues streams, providing important capital expenditures and ensuring that we return some of these entities into profitability and then look at semi privatising. This is the key reform that this government is championing. The endgame for us is that these entities must return to profitability before we can invite investments into these areas.

Mr Speaker, in terms of the environment and climate change, we have 6-7 per cent of the world's biodiversity and cater for 13 per cent of the world's tropical rainforest. We are a major carbon sink and oxygen producer. This status needs to be converted into economic and financial opportunities, which will serve as an important deterrent to environmental degradation, and fosters more willingness for our stakeholders to move into conservation.

We also have the world's most fertile and arable land for agriculture including commercialization of our organic produce to global markets and abundant flora and fauna to produce medicines. These are our global commodities for the future.

33/05

We must build the important legal and policy structures to uncover these opportunities in a serious way.

Mr Speaker, I will be carrying forward these issues relating to climate change and conservation on behalf of PNG and the Pacific Islands Forum member countries to the 26 Conference of the Parties in Glasgow, Scotland, in November.

But, in the next week, I will be addressing the United Nations General Assembly in New York. I will be advocating clearly our interests and our concerns.

In that conference, I will be seeking advocacy from developed and industrialised nations to support our domestic and regional efforts towards adaptation and mitigation through their funding assistance. I will be seeking an understanding to build a special set of criteria to qualify for financial input into our adaptation and mitigation strategies.

The message here is that, if PNG and Pacific Islands Forum countries are told to preserve and conserve their forests and biodiversity, then the developed countries must pay that development dollar. This complements our efforts to be a green economy, given that our greenhouse gas emissions are totally insignificant, yet we bear the brunt of effects of global warming and rising sea levels. So, the conversation in sea level rise will be along this line; if

you want me to save my rain forests, which is 13 per cent of the worlds rain forests then someone out there needs to pay a price.

I would like to commend Governor Juffa, who has moved into that frontier and now we are having partners with I-craft and some global family of conservationist who pay to conserve our forest and Managalas is one of such which we have sanctioned.

Mr Speaker, our Statutory Authorities are currently undergoing major reforms for the better and are introducing better management and business practices, accountability and inclusivity to make them profitable to complement National Government efforts in supporting the economy. It is important for us to take stock of where we are and to map out a pathway in terms of restructuring the debt and providing a revamp on our businesses, to preserve and grow the value of these businesses in a significantly challenged market. We are enjoying good support from our valued development partners thus far and I would like to thank them all in this regard.

The Health Sector is being improved following the Covid-19 pandemic. I would not want to take time to talk about this specific health matter, other than to say that you have heard from the health minister specifically on the subject matter.

I would offer my stand point, the time has come for us to build an entity around this pandemic and future pandemic, so that this body can be held responsible and accountable to how we deal with these health and economic challenges into the future.

It is not lost to the government that we must also pay equal attention to business as usual. I have urged the Health Minister not to lose focus on the other common and prevalent diseases such as malaria, measles, polio, TB, pneumonia, HIV/AIDS, heart, diabetes, and mental health et cetera. I have asked him not to lose sight of the capacity building and the health facilities that we need. I have also urged him to ensure that following the outcome of the Public Accounts Committee findings that we review and revamp the drug procurement and distribution processes so that we achieve efficiency and transparency and making sure that the drugs are available at all health facilities when they are required. He also reviews the governance arrangements of provincial health authorities so that we achieve competence and not bottlenecks.

In that regard, he will shortly be announcing the adoption of a National Health Plan, which is going through the final motions of settling the important resources and financing requirements before the National Executive Council gives its full blessings.

We have moved to strengthen the Provincial Health Authorities so that they take control of the roll out of the public health services. We have enacted the Radiation Safety and Control

Act, which would allow us to improve the cancer treatment services. The Government continues to expand and improve health infrastructures for provincial hospitals, community health facilities and major hospitals.

Mr Speaker, at this juncture let me indicate to this Parliament that we will work towards 2025, in having all our provincial hospitals being revamp, reconstructed and modernised so that the gift our generation leaders can give to our 50 years anniversary in 2025 can be good modern hospitals for our country. While speaking on this, I want to announce that Lae and Port Moresby Hospitals has been progressed and we are giving our support to have specialist services especially Cancer, Heart and Kidney. The rest of the country the new health plan will embrace 22 provinces including the Autonomous Region of Bougainville modern hospital.

34/05

Mr Speaker, our position in the Education sector is to build a partnership with parents and guardians. We understand the challenges of school fee payments which is why we have structured it so that parents have some equity in the education of their children. At the same time, at high end we have provided a mechanism for tertiary students to take some responsibility to pay forward their own education. It creates responsibility in the population, and represents a small contribution in the overall cost of their children's education. As the economy improves, the government is keen to ensure that it picks up 100 per cent of funding and delivering the costs of the education of our children.

Mr Speaker, I am a strong advocate of FODE and urge for it to be streamlined into the main syllabus. Part of an important improvement of FODE is to bring FODE students into the same selection processes for national high schools and private education providers. We are ensuring that different pathways merge into the same process at high levels. We have approved the Higher and Technical Education Strategic Implementation Plan (2020-2038) and the Higher and Technical Education Five Year Sector Plan. It will build a robust post-secondary level education for those who are not able to make it into University from our Secondary Schools.

Mr Speaker, the introduction of HELP has greatly eased the burden of many families paying tuition fees for their children at our Tertiary Institutions, education remains a key sector of concerns. I encourage all our districts and our provinces to also take a keen interest in the education space of our citizens. For next year as I've already announced in respect to the hardship of our parents are facing with Covid-19, we may pick-up the 100 per cent of our school fees again next year, and this will be reviewed as we go forward into the future.

Mr Speaker, our youths are our future. We have launched the National Youth Development Policy 2020-2030 which provides us the development of a national youth framework. We want our young people to be engaged in service delivery work. We need to empower them. We need to ensure that they are provided with the skills in nation building. We want them to be disciplined, and to be responsible citizens hence we redetermined that they are part of the Ministry of Defence going forward. All pathways have a way of merging sometime in the future. We want to be there where it matters.

Mr Speaker, we came into office on the back of an anti-corruption agenda. My government took urgent and brave steps in addressing this important agenda. Besides instituting important inquiries on key matters of the past, we passed, with the strong support of this Parliament, the *Organic Law on ICAC* in 2020. Over the last couple of months, we have worked on ensuring that the intention is built from the ground up.

We want to ensure that the staffing structures are in place, the operating regulations are in place, and the lawful governance structures are in place for the work to begin to build an anticorruption agency for this country. It has taken a lot of energy to come to this point. We will continue to press on to ensure that we achieve what we have set out to achieve. We have also passed the *Whistle-Blowers Act* to provide assurances to those who are brave enough to speak out on specific instances of corruption, that their security of employment or their personal safety is covered in law.

Mr Speaker, we will be moving quickly to enact the Unexplained Wealth Act. We need to ask questions to those who have amassed wealth at a level not commensurate to their earning power. It will go a long way in preventing corrupt activities knowing that at some point questions are bound to be asked regarding this serious issue. It is my fervent desire that all citizens and society are strictly governed by these laws to eradicate corruption and duress in any shape and form and to enable smooth flow of business, trade and investment and a safe, secure and harmonious society.

35/05

Mr Deputy Speaker, before I sit down, I would like to pay tribute to the strong support my government has received from all our coalition partners, the last two years hasn't been easy and I thank our coalition partners and each and every one of you sitting long hours here today to listen to this conversation and offering support in the last 27 months as being the chief steward of our country. I want to say thank you also to the parliament, the development partner who have come onboard and many have not come onboard yet but to lend money with no

interest charged to us in this tough time like the Australian Government Japanese Government IMF, ADB, the World Bank, I want to say thank you very much and place on record as this nation gears up for its 46 years Independence. Thank you all for your support in the last 27 months we have been in office.

We have committed to this course, and over the next few months before we rise and go back to our voters, we would like to continue to do more for our country. We urge the people of Papua New Guinea to continue to advocate for your interest. Our job is to listen in on your issues and to ensure that we respond to those issues appropriately.

Mr Deputy Speaker, as I complete my statement I would like to point to each and every one of us that we are now facing 46 years of Independence of our country and key issues lie before us; the test of our sovereignty, including the Bougainville issue, the test of our economic health and well-being, the test of restlessness of our people and the many law and order issues that faces us and the challenge before us is huge but it is not insurmountable.

This will be the first Independence occasion that we are without the Grand Chief Sir Michael Thomas Somare. We will be without the many founding fathers including one of our reformist Prime Minister the late Sir Mekere Morauta but time is moving on and we cannot remain static.

Forty-six years is a lifetime where one generation moves on and passes the baton onto the next generation. As we move into the deep 2020 and the generation that ascends into 2022 and 2027 will have faint recollection of what took place in the 60s, 70s or 80s.

This Parliament and this generation of leaders have every opportunity to put our indelible mark into continual shaping of our country for the better. Whilst time may have run out in 2021 and as we face 2022, we have few more Parliament sittings to go and Government Business to run and I advise through you, Mr Deputy Speaker, every member of Parliament to stay put and remain loyal to our calling and serve out our obligations as much as we can.

As we rise to go and celebrate 46 years of our nation-hood on Thursday may we reflect solemnly on how far we have come and what our contribution must be for our country going forward. For many out there who have not seeing inroads we have now supported roads to go into places like Maramuni, Telefomin, Karamui and the remotest areas of our nation from Finschhafen all the way to Kabwum. Last week when I came back from Kimbe I saw a track that needs to be punched from Kimbe all the way to the south side of New Britain Island. There is more and much that remains to be done in our country.

Our generation of leaders cannot take our country to 2025 saying we can celebrate Silver Jubilee without spreading and completing basic needed services in this country.

This government will still bring in laws to be able to allow Parliament to debate constructively just like we supported the procurement Bill today.

The last two years has not been easy and thank God we have stood the test of time and we have tried our best to deliver on the best of our ability retiring commitments made by the former governments who have not paid outstanding dues to contractors and payments for legal Bills.

36/05

Including retiring commitments of former governments who have not paid due to contractors, legal Bills outstanding and we have cleaned up as best as we can and much remains to be done but at this juncture, I thought we I would announce what we have done in a holistic way to the country and I ask the Members of this Parliament to take some time to not only speak on this but to the country on what you feel the country needs to do.

Mr SASINDRAN MUTHUVEL (West New Britain) – I move –

That the Parliament take note of the Paper.

Mr Speaker, before I make my comments in support of the Prime Minister's statement, I would like to express my sincere condolences to the people of Middle Fly and the immediate families of Honourable Roy Biyama. I congratulate both the Finance minister and the Prime Minister for successfully passing the Bill Public Finance Management on Procurement Act, to give more powers of decentralizing. Many of these powers comes with responsibilities.

I move that the Prime Minister's statement be taken note of and give permission to debate on the statement.

Thank you, Mr Speaker, I am talking about amendments to the provincial procurement committee and increasing the limit. There are clear differences between the open members and governors. The Provincial government is not as busy as the national procurement committee where any member of Parliament and any district easily use their provincial procurement commission to get a contract up to K5 million, provided they meet all the requirements, but thankfully it is one of the promises made by this government to decentralize these powers and I'm thankful. But we follow what is the right procedure in order to expand those huge funds of money in the provincial and district level. And also help the district to build the capacity.

Mr Speaker, I also thank the Prime Minister, in terms of talking about resources and getting more per centages and benefits to the people. At the same time the stark reality is that,

many times when we talk about landowners, it is only those educated few who stand to get benefit from most of these. The rural masses sitting in the remotest part are totally unaware of the kind of benefits and the amount of funding they get. So that is one sad situation where the national government has the moral responsibility to identify the real land owners and really making sure that the funding and projects will actually reaching out to those people rather than only a few.

Its only when a logging company wants to involve one or to literate ones and share with them few benefits but the rest have nothing, yet they are made to sign papers. This is similar to any resource project and we have a responsibility to ensure that these landowners' interests are looked after.

In terms of Covid-19, we are now in a situation where we have no choice but to go on with the New Normal and continue with our life. It has affected us one way or other but thankfully it has not been to the remotest parts of our country. Thank you that most of our leaders are coming forward for vaccination and those who initially hesitated are now vaccinated. As travelling out to any other cities, we have to be vaccinated, we have no choice even if we are hesitant, it is now a requirement by host country and the countries that we visit.

37/05

So, there is total misconception about the vaccine. More than two Billion people already been vaccinated and not many of them have died and are still alive. But, as a leader we have to lead by example, not just because we want to make an overseas trip.

Mr Speaker, the Prime Minister has alluded very clearly about the importance of bringing reform to the public service and I am thankful to the former committees. Before it used to be chaired by Honourable Bire Kimisopa and now it is chaired by the Honourable Governor, Garry Juffa.

Mr Speaker, many times I see that we appoint people who are not really qualified. The merit-based appointment is something which we need to seriously look into. We are still calling on reforms after reforms, but to some extent, we are not changing the recruitment procedures. We are making it so easy for anybody to become secretary or departmental head or even an ordinary public servant. I'm just wondering why we are not establishing some changes in the recruitment process where we can put some strict qualification processes such as exams and tests to qualify for jobs in the public service. Wearing a police uniform should something to be very proud of, not for anyone to easily come and wear the uniforms. So, the time is right and we need to give that independence to the recruitment agency whether it be Public Service

Commission or whichever agencies involved, we have to strengthen procedures to attract qualified people into the Public Service.

Mr Speaker, right now, that is not the case even in the big departments. However, there exists a trend where if the secretary sees that there is a threat to his position from his deputy secretary or any other staff below him, then very quickly, he will send them for further studies abroad to avoid it, because they might compete with him for the top position.

Mr Speaker, another reality is that we also don't have enough human resource pool where we can attract from. So, merit-based appointments must be one of the basic requirements for attracting qualified people to employ into various positions.

Mr Speaker, we also have moral responsibility too when it comes to projects and supports like freight subsidies or for cocoa and copra as Prime Minister has mentioned. We have genuine people in the rural areas and providing services to the people without getting assistance from the government. But, in fact, we used to avoid these people in the remote areas. That is the same thing I was doing when I was in the provincial office. These people come and see me regularly to attract my attention and when we go and visit rural areas, their morale would be boosted in whatever little business activities they were doing.

I thank the Prime Minister for agreeing to visit that particular remotest part of our province. The Amulit and Macklo Islands are two of the remotest islands. Since 1978, no Prime Minister has visited those areas apart from the late Grand Chief Sir Michael Somare. I thank the Prime Minister for physically coming and witnessing the hardship and challenges our island communities are facing. You could clearly see that the impact of climate change and the conditions, you are well aware of how they live in a small island. Our people on the island do not want to move to the mainland because of their customary practices and traditions. So, now, the big islands continue to sink and are reducing in size.

Mr Speaker, I thank the Prime Minister for initially supporting all these reforms. When we talk about reforms, reform is not something where IMF or ADB is forcing us to do something wrong. Basically, they are asking what you want to reform. The first thing is, you want merit-based appointment and next is, how do we improve governance structure, how do we get our annual reports on time and publish it and how do we put our cooperate objectives for the next few years.

Mr Speaker, can you believe it? Just for doing the right thing, ADB is willing to fund us US\$500 million with less than 1.5 per cent interest, to bring the reform. As a government and the main customer for various Bills such as power Bill, water Bill or Telikom Bill, ADB wants us to pay our Bills.

38/05

We can even include it in one of the reforms so that we pay our bill, of K150 million but paying bills is a normal thing to do. How do we blame all SOE for all of these when the government is water, power and everything? On average, we will be owing all the SOEs at least K200 million.

We have responsibilities. As we talk about the reforms, as we main customers must sort our debts to various SOEs before blaming anyone. Also, to attract merit-based appointments, we have to establish system where it can attract qualified people from various SOEs.

Mr Speaker, the wealth of a nation is not in material things but it rests on the integrity, courage and conviction of all our citizens. All great nations, write their own actions or inactions of their citizens. Good citizens don't rely much on society as much as the society relies on them.

Mr Speaker, continuously encouraging for our citizens to be involved in small business, hence, continuously fighting for the local businesses to get into business but it also comes with the challenge of our attitude, disciplinary issue. God has created everything in abundance but how we tap into that abundance is for individuals to take seriously.

Mr Speaker, there are many times where we tried to change the society but as individuals, we have to change first before the society can change.

Mr Speaker, lastly, this is a short story about a young boy who always wanted to play with his father. And, as usual, we father's after work like to read newspapers and watch TV. The father knew his son would disturb him so to avoid his son, the father saw a picture of the globe in an advertisement by a courier company. He cut out the picture of the globe, then cut it out into pieces like a puzzle, then told his son to put the puzzles back in order to his surprise, his son came back to him after two minutes with the picture of the globe and the father asked, how did you put the puzzles together? The son replied, I saw a man behind the picture you were cutting so when putting the puzzles together it was easy for me because I knew it was a face of a man that turned out to be the picture of a globe.

Mr Speaker, if we can fix a man, we can fix our country. No amount of infrastructure can bring in the development unless we change the attitude of our people.

Mr Speaker, I sincerely thank each and every member of Parliament and wish you all a Happy 46th Independence anniversary on behalf of my people of East New Britain.

Thank you.

Mr SPEAKER – Honourable Members, the Chair uses its discretion to allow one more member to debate.

Mr DON POLYE (Kandep) – Thank you, Mr Speaker. It would be remiss of me and the people of Kandep not to join the rest of the Members of Parliament on this floor to remember in prayer in support in solidarity to the Late Honourable Roy Biyama, Member for Middle-Fly having passed on this week and we grieve together with the families and people of Middle-Fly at this time of bereavement.

39/05

Mr Speaker, I would like to join in the discussion of the paper presented by the Prime Minister. Looking through the statement and hearing the Prime Minister speak, I say it is one of sincerity, honesty and one that is being addressed from his heart.

It is not easy to run a government or be a Minister on either side of the Parliament it is challenging. The government is faced with the challenges that the country brings forth. And sometime unexpected situations develop and you will be in very challenging situations to make those decisions carefully and on time. I see the Prime Minister, James Marape is in a challenging situation. We have the Covid-19, and the death toll is up and a challenging economy and a cashflow that not consistent as we would want it to be.

And then we have the politics that comes into play with all these, Papua New Guinea style and to be a Prime Minister is a tough call. I have seen it many times that it has not been easy and I would like to commend the Prime Minister on what he is achieved so far. Within these contexts, the Prime Minister has done his best and he is doing his job sincerely honestly. The rest of this country must walk in the trust and confidence of his leadership and believe in what he is doing.

He has put his foot forward to not leave anyone behind, so let us go forward to endeavor to achieve the development objectives. We support the Prime Minister and I and the people of Kandep support him and on the endeavors that he has taken and the statements that he has made. With this I would like to give a brief outlook of what Papua New Guinea is and where do we stand today. We are going to celebrate 46 years of Independence; looking back the countries all over the world were filled with industrialization and driven by that phenomenon, manufacturing, people getting employed by the masses and countries were growing their economy under industrialization. Papua New Guinea got its independence in 1975, when the

world was driven by the industrial revolution, Papua New Guinea came to a situation where we have an independent nation before it.

As an independent nation, we had to unite Papua and German New Guinea, so it was to uniting the country which was our main focus. In the 1980s we had to deal with decentralization, we had already gained independence. We united the country and now we needed to make sure the people feel empowered to manage their affairs, run their economy and the government.

Mr Speaker, in 1990s we had to focus yourself to the development goals and by the Constitution we look at development and progress and we have policies coming out like the 'Look North Policy' and all the strategic partners and bilateral relations that we were establishing. We come to 2000 and we find a new economy merging where the digital era starts to have an impact on people's livelihood. And the tense globalization induced by the instantaneous changes in technology. People are becoming so close, where what you do here can affect anyone on the other side of the world. Even what happens in America now affects people in Telefomin or Kandep. We are now more globalized in terms of our progress, so we are always changing, and we are caught in those sectors of development.

We are here in 2021, and we are now going to celebrate 46 years anniversary, what age are we in today? Is it Covid-19, cashflow, infrastructure or what is it? We have to see what dictate to us as we look at the next 10 to 20 years.

40/05

From my perspective and it is a new world norm because of Covid-19. Our ways of conduct have changed due to this new virus but as Papua New Guineans we should not be comparing ourselves with the rest of the world. We should not compare ourselves to them because most of them are developed countries. We are a developing country therefore our norms should be different from them.

Mr Speaker, I agree with the concluding points of the Governor for West New Britain. He said; the power to develop or the energy to develop this country should lie in man. A man decides what becomes of his country. In Papua New Guinea, we should be looking at how to develop our human resource. We should be looking at skilling our people and developing the intellectual capabilities of Papua New Guineans. How have we been doing in our educational institution to train and educate our young? This should be the focus of Papua New Guinea going forward into the 21st Century.

Mr Speaker, everything today is online. Despite the Covid-19, we are still shopping and buying through the internet. The new norm is changing us into using more and more of modern technology, knowledge and information. Those who can properly utilise these modern assets are becoming more successful as a country and in life.

Mr Speaker, we are emphasising too much on infrastructure and GDP but who will make the GDP grow? Who will build the infrastructure that we want and need? On the same token and to flip the coin, who destroys the GDP? Who destroys the things that we may build? The answer lies in the human beings. It is the human mind that decides what happens to all the things that we can build or destroy.

Mr Speaker, if you really look at it. It is not about the Covid-19 but rather the e-commerce and e-business. It is more about the internet therefore how do we survive as a nation? This is where our intellect capability comes in play. our Papua New Guineans must be top and confident managers. They must be competent secretaries and advisors. They need to be strategic thinkers and analysts. We need to have people who are called doctors not because they have positions in our universities but who have written thesis papers. There needs to be university journals coming out of UPNG or other universities every now and then.

Mr Speaker, our new norm in PNG and the focus that this Parliament should be concentrating on is the development of the human intellect. We should tower the rest of the world in intelligence in academy. The rankings of UPNG is very low compared to so many other universities in the world. Our education systems need to be up-graded. We have to have a quality education system in PNG and this must be the focus. If we are going to be competent people in the world than we have to have the system to train our people to become as such. For instance, if you look around, all expertise is foreign therefore we need Papua New Guineans to start taking over these jobs. What kind of students are we training in our institutions to take over and run our country? You just have to listen to the students from UPNG and the English they speak to know what I am talking about.

41/05

It is pathetic that the quality has dropped. We cannot survive the 21 centuries if we do not make a change to the development of our human mind a new norm. We have to focus on that area because they will rise up and drive this country forward, that is the only way to go.

The other issue that we should look at is the character of men. If we appoint a young man to a responsible position in a department, SOE or statutory organisation we will experience that person after some time will be implicated in some misuse or abuse of office and that is

becoming a norm. Where has character gone? Where is the character of being honest and true gone? How are we raising our children and what are the church's teaching? We have to seriously look at how we are building our characters of people. We have to look at the ethics of alcoholism and drugs, we have to be serious about this issue.

When we come to this Floor, we do not debate on marijuana addiction or alcohol abuse that is destroying our people. Drug addiction is killing our young people in the schools and on the streets. We can talk about infrastructure and economics etcetera... but our human mind is what builds the infrastructure and economy and not the opposite. Otherwise we will find that we have empty basket and the egg is gone in the hands of foreigners who will continue to get foreign advice or contractors and continue to sign contracts with foreigners to come and do business in our country while our people fall into drug addiction and all sorts of activities that we do not want them to fall into.

So, Mr Speaker, we should take advantage of the Covid-19 new norm in our country and develop our Papua New Guinean brain, intellect and character; when a man is of good character and intelligence they will perform more confidently, they recognise what is wrong and promote what is good and if we encourage them, they can drive the country forward.

That is where our policies and laws should be targeted at, early school, family, welfare system that supports the family.

Mr Speaker, I raise that over the last 46 years we have been addressing it the normal way and with the impact of the Covid-19, lets us design our own Papua New Guinea New Norm. this new norm should encourage our people to become intelligent and wise to live confidently fighting Covid-19 and other diseases and law breaking but building an economy that is strong and resilient that the future generations can enjoy because we the parent of today, in Parliament have created that foundation.

Mr Speaker, in conclusion, I would like to thank my people of Kandep, because they are very consistent and loyal and to the rest of Papua New Guinea, a very Happy Independence.

Let us be positive and support our Prime Minister and Members of Parliament and move forward. If all the people of Papua New Guinea can put together with one conviction, I believe the we can build our young people onto intellectual character and it is the right approach to follow. Let us take the scientific approach as we celebrate Independence and when we celebrate next year this time, we would have achieved something in terms of integral human development.

Thank you, God Bless Papua New Guinea and special one to our Speaker.

Motion (by **Mr Wera Mori**) agreed to –

That the question be now put.

Motion – That the Parliament take note of the Paper – agreed to.

Paper noted.

42/05

Mr RAINBO PAITA (Finschaffen – Minister for National Planning and Monitoring) –
Mr Speaker, I wish to thank the honorable members of this House for attending this special session of Parliament.

And last week when we adjourned Parliament to today, I thought that few members would attend because independent is near and few other things were happening as well. But I thank the members for full attendance in this honorable House and dispensing with very important business of today which are the amendments of Procurement, PSMA and *DDA Act*.

SPECIAL ADJOURNMENT

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

That the Parliament at it rising adjourn to Tuesday 12 October at 2 o'clock p.m.

Mr SPEAKER – Before the Chair announce the adjournment of Parliament, I would like inform all honorable members that we have in the front of Parliament, a group that came from Vanimu.

They call it Queen of Paradise setting outside to do some performance. The Governor of NCD brought them here to perform at the celebrations to mark the 46th independence anniversary in the National Capital District.

But today they will perform in front of Parliament so I am requesting you all honorable members to witness their performance.

ADJOURNMENT

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

That the Parliament do now adjourn.

The Parliament adjourned at 2.20p.m.