

SEVENTH DAY

Thursday 25 November 2021

DRAFT HANSARD

Subject

Page No:

ACKNOWLEDGEMENT OF VISITORS –	
STATEMENT BY THE DEPUTY SPEAKER	1
QUESTIONS	2
Amend Health Act	2
Integrated Financial Management System (IFMS)	3
Supplementary Question	
Fix Integrated Financial Management System	4
Review Ramu Nickel Mine Agreement	4
Rai Coast to Saidor Road	4
Policy Demarcations for the Three-tier Government	5
Glasgow Conference Delegation Report	7
Council Presidents Elections and Remuneration	12
Illegal Foreigners' Arrest Status Update-Northern	13
MOTION BY LEAVE	17
ANSWERS TO PREVIOUS QUESTIONS	18
Coral Seas Cable System	18
ANSWERS TO PREVIOUS QUESTIONS	20
Province and Districts Business Opportunities Stalled	20
Amend National Procurement and PFMA Acts	21
MOTION BY LEAVE	22
SUSPENSION OF STANDING ORDERS –	
REARRANGEMENT OF BUSINESS	23
CONNECT PNG IMPLEMENTATION AND FUNDING ARRANGEMENT BILL 2021	23
First Reading	23
Second Reading	23
Message from the Governor-General	32
Third Reading	32
LAWYERS (AMENDMENT) BILL 2021	33
First Reading	33
Second Reading	34
Third Reading	36
DANGEROUS DRUGS (AMENDMENT) BILL 2021	39
First Reading	39
Second Reading	39
Third Reading	40
MOTION BY LEAVE	41
SUSPENSION OF STANDING ORDERS –	
REARRANGEMENT OF BUSINESS	41
MESSAGES FROM THE GOVERNOR-GENERAL	41

APPROPRIATION (GENERAL PUBLIC SERVICES EXPENDITURE 2022) BILL 2021;	
APPROPRIATION (NATIONAL PARLIAMENT 2022) BILL 2021; and	
APPROPRIATION (JUDICIARY SERVICES 2022) BILL 2021	42
First Reading	42
Second Reading	42
EXCISE TARIFF (2022 BUDGET) (AMENDMENT) BILL 2021	49
First Reading	49
Second Reading	49
GAMING CONTROL (2022 BUDGET) (AMENDMENT) BILL 2021.....	50
First Reading	50
Second Reading	50
GOODS AND SERVICES TAX (2022 BUDGET) (AMENDMENT) BILL 2021	51
First Reading	51
Second Reading	51
INCOME TAX (2022 BUDGET) (AMENDMENT) BILL 2021	51
First Reading	51
Second Reading	52
STAMP DUTIES (2022 BUDGET) (AMENDMENT) BILL 2021	52
First Reading	52
Second Reading	52
CUSTOMS TARIFF (2022 BUDGET) (AMENDMENT) BILL 2021	53
First Reading	53
Second Reading	53
DEPARTURE TAX (2022 BUDGET) (AMENDMENT) BILL 2021	54
First Reading	54
Second Reading	54
SUPPLEMENTARY (APPROPRIATION) BILL 2021	54
First Reading	54
Second Reading	55
Message from the Governor General.....	55
Third Reading.....	55
ALTERATION OF DAY (AND HOUR) OF SITTING	56
ADJOURNMENT	56

PARLIAMENTARY DEBATES
CORRECTIONS TO DAILY DRAFT HANSARD

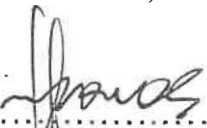
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HARRY MOMOS

Principal Parliamentary Reporter

SEVENTH DAY

Thursday 25 November 2021

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

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

Sitting suspended.

The Deputy Speaker again took the Chair at 10.55 a.m., and invited the Member for Lufa, **Honourable Moriape Kavori**, to say Prayers:

‘Our powerful God and Creator, we say morning to you. Tete long dispela moning mipela olgeta kam bung hia. Long makim 111 Membra, mi laik toktok wantaim yu long prei long dispela moning. Openim windo long Heven na kisim prei bilong mipela na harim wanem hevi bilong kantri wei mipela bai toktok long em.

Blessim Praim Minista na ol ministas wantaim ol Membra long Oposisen ikam long olgeta Membra long Gavaman long toktok na sevim kantri na ol pipol bilong yu.

Papa God mi prei tu olsem niupela sik wok long kam na daunim olgeta man na hevi ipulap long kantri bilong mipela. Helpim mipela olgeta Membas long Paliamen na mipela iken sanap strong. Yu banisim mipela long dispela sik so mipela iken kisim sevis igo long ol pipol bilong mipela.

Tete long moning mi prei na putim olgeta tingting na bel igo long han bilong yu. Lukautim Spika bai lidim dispela miting. Yu stap wantaim em na mipela olgeta long dispela dei long bung bilong miting bilong mipela long sevim pipol bilong yu. Tankiu Jesus long harim prei bilong mipela. Amen’.

ACKNOWLEDGEMENT OF VISITORS – STATEMENT BY THE DEPUTY SPEAKER

Mr DEPUTY SPEAKER – Honourable Members, I wish to acknowledge the presence of the third group of the members of Badii Youth Project from Mahuru Village in the Moresby-South

Electorate and Ward Councillors from the Hagen District and the Tambul-Nebilyer District, who are also here in the Parliament Gallery.

On behalf of the Parliament, I extend the visitors a warm welcome.

QUESTIONS

Amend Health Act

Mr DOUGLAS TOMURIESA – I wish to direct my question to the Minister for Health. I know that the Prime Minister has assured our people including yourself, but I would like to ask again in order to give comfort and further assurance to our people so that they know that their government is taking care of them.

Mr Deputy Speaker, the current *Health Act* and regulation is either insufficient or powerless to deal with Covid-19 pandemic situation that the country is now facing. The current *Covid-19 Pandemic Act* and the *Emergency Act* passed recently to deal with the Covid-19 situation cannot be used to deal with the surge that is affecting the nation. If not addressed now, future pandemics and viruses that pop-up in the future may not be contained within the current legislation and Health Work-Place Safety Policy.

Mr Deputy Speaker, my question is; when can the Health Department seriously consider amending the *Health Act* and regulations to accommodate and address the Covid-19 pandemic including vaccination and to clearly spell out the Government's policy on workplace safety in terms of compulsory workplace testing and the 'no jab, no job policy' that is already seeing our citizens being forced to resign from their jobs due to their refusal of vaccination.

02/07

Mr JELTA WONG – Mr Deputy Speaker, I thank the good Member for Kiriwina-Goodenough for his question. At this point in time, the legislation for the current *Pandemic Act* as well as the 'no jab, no job policy' - let me remind you that frankly 'no jab-no job' is a slogan propagated by the media. We have upheld our stance on voluntary vaccinating telling the people that it is not compulsory. So, we are working with the Department of Personnel Management as well as the Ministry of Labour and Industry to tighten up our laws. Most of our laws are outdated so by next Parliament Sitting we should table them so as to clear the 'no jab-no job policy' which the people are spreading around.

Thank you, Mr Deputy Speaker.

Integrated Financial Management System (IFMS)

Mr SASINDRAN MUTHUVEL – Thank you, Mr Deputy Speaker. I would like to direct my questions to the Finance Minister.

(1) Can the Minister inform this Honourable House as to how much it cost for his ministry to set up this IFMS system before introducing it?

Mr Deputy Speaker, at the moment we are facing huge challenges and problems because of the computer malware virus attack on this system.

(2) What is stopping us to go back to the PGAS system which worked perfectly well?

It is a more transparent accounting package.

(3) While waiting for the clearance of approval from the BSP, how do we run the provincial governments and the districts without having enough funds?

(4) Can the Finance Minister specifically instruct not to transfer or not to use DSIP funds or PSIP funds for recurrent expenses of all various government's department within the provinces because it affects the implementation of what was already appropriated for in the 2021 Budget.

Thank you, Mr Deputy Speaker.

Sir JOHN PUNDARI – Thank you, Mr Deputy Speaker. I would like to thank the good Governor of West New Britain for his questions. I wouldn't know how much it is to set up the IFM system. I don't have a clear figure for that, but since it was introduced and over time, I am aware that the PNG Government has spent some big amount of money on this system. Maybe close to the vicinity of half a billion kina.

Mr Deputy Speaker, on the PGAS system, yes, we can go back to using the system. This is one of the options that the Finance Department is looking at currently.

Going forward, I will inform the leaders and the Members of Parliament if we choose to go that path again.

Mr Deputy Speaker, nothing can stop us from developing a new system outside of the IFMS. But at the present time, we are looking at how best we can improve the present system to upgrade and to protect this system.

Mr Deputy Speaker, to answer the third question, the guideline is very clear insofar as PSIP and DSIP are concerned. We are all aware of the approved guideline; those funds are not for operational expenditures.

Thank you, Mr Deputy Speaker.

Supplementary Question

Fix Integrated Financial Management System

Mr JOHNSON WAPUNAI – Thank you, Mr Deputy Speaker. My question goes to the Finance Minister.

This hacking took almost two months to address. The Minister for Finance is aware that the more we are delaying it; the public can take advantage and try to access this system to steal important data and therefore puts our national security at risk. Can we fix this issue quickly?

03/07

Sir JOHN PUNDARI – Thank you, Mr Deputy Speaker. I also thank the Honourable Member for his questions.

Yes, work is in progress to fix that system. I would like to inform the public that no files were lost and in the present time, the information we have is that no public money was lost as well.

The alternate system that has been put in place is completely isolated from the system that we have used. At the present time, the Bank of Papua New Guinea has now cleared the COR to ensure that the National Government cheques are cleared.

Thank you, Mr Deputy Speaker.

Review Ramu Nickel Mine Agreement

Mr PETER SAPIA – Thank you, Mr Deputy Speaker. My question is directed to the Prime Minister and the Ministers for Mining and Works can take note.

Rai coast is one of the host districts where Ramu Nickel Mine is situated. It is one of the multimillion kina project here in Papua New Guinea.

Since the mining company was established, my people have not received any services or benefits from the Government and the mining company.

The MOA has already expired. My questions to the Minister are;

(1) When will the Government review the MOA of Ramu Nickel Mine?

Rai Coast to Saidor Road

Many of my villagers have been in danger out in the sea and many have been in accidents. Just last month, a boat capsized where family members were lost in sea and bodies are yet to be found. There are roads in my districts.

(1) Why is the Government not paying attention to build these roads?

(2) Does this Government have any plans to build the Rai Coast Highway into Saidor Station?

Thank you, Mr Deputy Speaker.

Mr JAMES MARAPE – Thank you, Mr Deputy Speaker. I also thank the Member for Rai Coast for his important questions, especially the MOA review which Ramu Nickel is operating under his electorate.

If the review is outstanding, we will conduct the review to take place immediately. It is timely that those mining projects which have issues on reviews will be activated immediately.

In fact, the Mining Minister has informed me last night when we were discussing issues on Porgera and other matters that these reviews will take place. Some of these reviews have been outstanding and we have included them in our budget for Mining Department to undertake those reviews.

I would like to also give my assurance to the people of Rai Coast and Madang, including Saidor station that the review will take place.

In regard to road works, K5 million was allocated for Rai Coast this year. Last year, we allocated K5 million and according from Treasury and Works Department's advice, some of those monies were spent on roads of Wasu and Sialum going towards Rai Coast.

I would like the both of us to meet so that we talk about constructing the road from Madang to Saido station. It is part of our missing link connection in the 'Connect PNG Program' and it is also featured in next year's budget which came before us.

04/07

The funds allocated for all the roads are there and it's not that much but we cater for all the roads bit by bit. And hopefully we will get these roads connected in the next three years going forward. I will check on this year's allocation whether it is already with Works and Implementation to use it for its purpose.

Policy Demarcations for the Three-tier Government

Mr WILLIAM POWI – Thank you, Mr Deputy Speaker, I direct my questions to the Minister for Justice and Attorney-General and I ask the Minister for Inter-Government Relations, Prime Minister and relevant government departments to take note.

My questions are in relation to the concept of ‘funding following functions of government’. There is a policy documentation in relation to this and it clearly highlights the levels of functions of government and the responsibilities under each level of government.

(1) Do we have this policy available or not?

I think this policy document has been given some serious consideration by the National Economic Fiscal Commission. And the intention of Government over the last two years or so is to legislate this important document to clarify the functions of government in so far as whole service delivery is concerned.

For instance; in Education we have all stages of schools starting from elementary, primary, high schools, secondary schools and colleges. This mentioned document clearly spells out which level of government is responsible for what functions; National Government, provincial and local-level governments. This same principle applies to roads, whether they come under districts, provinces or National Government. The same also applies to Health services such as aid-post, health centers and hospitals. This will ensure there is synergy, cooperation and clarity in governance and service delivery going forward in this country.

(2) Will a legislation be brought before Parliament?

Mr BRYAN KRAMER – Mr Deputy Speaker, I thank the Governor of Southern Highlands for his important questions on these ongoing issues that we are currently facing, especially functions of National Government, provincial governments, districts and local level government.

To answer his questions, in short, I am not aware of a specific policy that details what the Governor is actually describing. But what we are actually doing now is implementing the policy on principle. But I do agree that prior to my term there may have been a policy which I am not aware at this stage. The questions were asked without notice but I am happy to go and enquire, as he made reference that it was two years ago and it may have been under previous governments. But it is certainly an issue that needs to be addressed because under this government we have seen record funding in billions going down onto provincial government and districts where districts now are taking responsibility for implementing roads. There are issues between the function of Works and issues of funding of K5 million or K10 million going down to districts to build hospitals and there are also issues of functions of PHAs and the department. So, we clearly need a defined policy that may be on record which I will check and the request for legislations.

The first area is to define a policy to establish an accepted working relationship between the functions of the National Government, provinces and districts. There will not be one that will meet all as we all work in different environments geographically and will face different challenges.

So, we will have to look at either a regional based extensive consultative process to provincial governments and districts and take note of the issues between personalities, politics and so forth as well as the departments. Not every department is functioning as effective and efficiently and most of us came in fixing measures and we are still fixing it.

But this is an important issue and once we have a clear policy that will be able to be tailored specifically to meet the needs of each provincial governments as well as the districts and local-level government, we can then consider legislation to ensure compliance with that policy. To bring in a legislation without a clear policy would risk issues coming up where no one will comply.

Glasgow Conference Delegation Report

Mr NAKIKUS KONGA – Thank you, Mr Deputy Speaker, for giving me this opportunity. I direct my questions to the Prime Minister and I ask the Minister for Environment, Conservation and Climate Change to take note.

05/07

Mr Prime Minister, we were told that you sent no less than 62 members to the conference in Glasgow, Scotland. Let me preface my questions with the following observations. Our delegation was the largest from the Pacific including Australia and New Zealand. We are ranked 45 out of the 200 countries that sent their delegations.

Papua New Guinea's Special Ministerial Envoy, Honourable Wera Mori, stated that Australia and the United Nation provided much of the money to meet the cost of sending our delegation. The Prime Minister has come out with a statement -

Mr Wera Mori – Point of Order! Mr Deputy Speaker, with due respect to the Honourable Governor, the delegation was 62 but that was not paid for by the United States or the Australian Government.

(Members interjecting)

Mr Wera Mori -No! let me clarify the situation.

Mr DEPUTY SPEAKER – Honourable Minister, the question is asked to the Prime Minister. You cannot raise a point of order to make a clarification on the question, so I will ask you to resume your seat. Honourable Governor, go ahead with your questions.

Mr NAKIKUS KONGA – Thank you, Mr Deputy Speaker.

You should sit down and try to listen! Your trip has incited the people to prepare themselves for the windfall.

Mr DEPUTY SPEAKER – Honourable Governor, please raise your questions. I did not ask you to make confrontational statements. The Chair has already made a ruling.

Mr NAKIKUS KONGA – Mr Deputy Speaker, the Prime Minister has come out with a statement that K5 million is nothing compared to the gains made from the Climate Change Conference.

Mr Deputy Speaker, my questions are;

(1) Can the Prime Minister provide a list of all who have travelled on tax payers' money to the conference and what their specific tasks were?

(2) Can they give separate individual reports on what they have gained from the special envoy?

(3) How much has Australia and the United Nations paid for the delegation and why?

We are supposed to be a sovereign nation and why are we begging for money to attend meetings?

(4) Can the Prime Minister tell us the benefits that Papua New Guinea has gained from the conference and how big a delegation was necessary instead of a smaller one?

And finally, a general question on manners that our Prime Minister can perhaps educate us.

(5) Can he advise all other Ministers and officials to stop fiddling with their smartphones in the middle of conferences? It is embarrassing.

Thank you, Mr Deputy Speaker.

Mr JAMES MARAPE – Mr Deputy Speaker, I thank the Governor of East New Britain for asking these questions for clarity. Let me preface my answers by providing a backdrop.

Mr Deputy Speaker, let me confirm that the Climate Change Conference (COP26) that was held in Glasgow on 26 October, 2021, was attended by every country on the face of planet earth.

If we were not faced by the Covi-19 pandemic, I would have gone. But I also realized that I had made a speech on the issue of the environment at the United Nations conference, therefore, I stayed back and instead allowed Honourable Wera Mori to lead our delegation. This is not a small event; many global leaders convened in Glasgow to discuss the most sensitive and current issue affecting our planet outside of Covid-19 and the economy.

06/07

That is climate change, global warming, the future of earth and what happens especially in response to climate change mitigations.

And for us, Papua New Guinea, our show-up at Glasgow, we did not show up as a country to hear what they said, no. We showed up as a substantial resource owner insofar as forest is concerned on the face of earth. Some countries went there as victims of climate change. Of course, on record we have experienced the first climate change refugee. Our Carteret Islanders in the Autonomous Region of Bougainville were resettled on Bougainville mainland. So, we have high stakes in that Global Climate Change conference.

Half of the number mentioned were never funded by PNG insofar as the funding of the trip is concerned. A young organization called Coalition of Rain Forest funded the trip themselves, approximately 30 and let me be honest, I have not confirmed the exact number yet.

But the entire delegation that attended COP 26 are from the NGO group of NS Young and an organization called Coalition of Rain Forest. Their trip was funded by self-funded and not funded by the National Government so the people must know this fact.

The staff from Environment and Conservation, Forestry, Prime Minister and NEC travelled with the leaders were around 30 in total, based on what I was advised. So, from the government side, we went to ensure we pitch our country as not such a victim to climate change but more importantly reservoir of this global assets.

The 13 per cent of world tropical rainforest, which has six to seven per cent of world biodiversity has we've been advocating. Our team went there to tell the world that we are not the victim of climate change but we have this global asset. When colleague leaders of other countries called me and said; 'why aren't you in Glasgow' I had spoken in New York during United Nation conference and what more will I say. My envoy is coming there to present our issue that we are victims but at the same time we are forest.

Mr Deputy Speaker, this is the big conversation because our forest sector contributes almost spin a billion-dollar industry domestically in our country. So, the conversation Minister

Mori and team went and pitch against other nations. That, I want to inform the country that Minister Mori has our country special envoy had audience with Great Britain Leadership, Australian leadership, Prince Charles, multi-Stakeholders in the Climate Change Conversations and to name a few.

Especially, in our bid to ensure that our carbon credit rankings and ratings is secured. We are the oxygen producing nation and the great carbon sink and our forest today cleanses the global atmosphere of over 90 to 100 million metric tons of carbon dioxide every year.

The conversation Minister Mori pitch to them was; we clean your pollutions and we only emit to 10 to 15 million metric tons of carbon a year.

Mr Deputy Speaker, contrary to what many may have thought, we were not going there to uploading photos like what some staff would have done, not going there to play around and leisure. Our leaders went there to strike business and to ensure that our forest is given due recognition.

You want me to stop harvesting trees in my country which would contribute to a better climate but has consequences so whatever it is worth, if it is a billion-kina industry in my country, well someone must supplement this income.

I pitched this at the highest level in the United Nation. The industrialized nations globally have advanced their economy based on industrialization. There is carbon emission and the carbon foot print today and there would be in the future too, you are pursuing a part for carbon reduction from planet earth. Well, who makes these reductions happen? It is my forest. My forest that cleanses.

Mr Davis Steven – Point of Order! The more the Prime Minister gives us his lecture the more we dwell away from the questions which are very specific.

07/07

I tend to remember the last one, whether the Prime Minister will admonish his delegates not to look at *Facebook* and all their phones in the midst of very important congresses. That's one of the questions and what the Prime Minister is laboring is a proper place for a ministerial statement which is required on every Minister that travels. The Ombudsman Commission releases Ministers on the provision that when they return, they provide reports to the NEC that eventually comes here. So please, Mr Deputy Speaker, some of us want to ask questions too, get to the point.

Mr JAMES MARAPE – When serious questions are asked, it demands a serious answer and so we are trying in the businesses of laboring to deliver a serious answer. Any way I'll come

back and in the interest of our time the good leader demands also to ask a question he deserves that respect also.

Let me say the issue on climate change is present day contemporary business and discussions. Climate change and for Papua New Guinea we went to Corp 26 not just as a victim but as great reservoir of carbon sink. Our 2.5 million square kilometers of ocean and our 462 kilometres of land of which 70 per cent are forested, have global assets in as far as cleansing the atmosphere of carbon and carbon pollutants. So we went there not to just monkey, monkey around on *Facebook*.

For instance, Governor Juffa represented Oro province and the team assisted him. We have signed on an MoU with IGraft & C4 an organization that is private sector-based mobilizing private sector capital and we've already identified Oro province as a trial province to migrate away from unsustainable forestry and move into sustainable land use management practice in Oro Province. That shift from unsustainable forestry to sustainable land use must have monetary compensation. And so, Governor Juffa went there for business, not for holiday. But before he arrived in Glasgow, he had a team that he worked on for the last few years. They were already in country, they have done the job, we went there and the Managalas Conservation and Land Management Program was entrenched, signing dollar in his own timing. He will announce the value of investment dollar and partnership dollar that Managalas project in Oro Province will secure.

Mr Speaker, Minister Saki Soloma and the Honorable Francis Maneke were also part of the delegation to sign the deal that we've agreed upon with Fortescue Group who are a private sector investment group that is now moving into clean energy away from hydro carbon-based industry. Cleaner energy and the Fortescue Group has given commitment to ensure that they harvest hydrogen molecule and ammonia combined for cleaner energy based out of West New Britain Province. Governor Maneke and the Honorable Saki Soloma were not on a leisure trip to Glasgow. They went there for business, to ensure the State secured something in as far as our potential for clean green energy is concerned.

Mr Deputy Speaker, our thirty men delegation board from Environment and Conservation went there to ensure that not just the main meeting that Minister Mori attended but many of the side meetings that were running concurrently. In fact, over ten side meetings were adequately attended representing our country's placement as a carbon sink and net carbon remover on planet earth as well as a climate change victim be advocated at a highest level. This is so that some of the climate change mitigation funds that are proposed by the industrialized nations, a \$100-billion-dollar facility that was proposed, we can get our fair share to ensure our nation conserves our forest

in as far as our contribution to the world. But, importantly, we are placing in the conversations around climate change and are given the due respect we deserve as a nation.

So Mr Speaker the list wasn't 62 paid by state, I must admit possible around 30.

08/07

They did not receive any special allowance to go and come back. I do not know the exact amount but the Minister will deliver to Parliament in his statement. Through that we will give a full report in response to our Governor. I got no control over what someone does with his phone. We are all leaders and our ethics of sitting in meetings is an individual choice. I wish I had full control over what we all do but sometimes you have to allow discretion.

Mr Deputy Speaker, in the greater scheme of things, the 30 plus team went there for business, to tell the world that our forest is available if you need it otherwise, we will continue to harvest it in order for our economy to survive and go forward into the future.

Council Presidents Elections and Remuneration

Mr KENNEDY WENGE – I wish to direct my question to the Minister for Inter-Government Relations. It is almost time for the national elections and also the council elections.

My questions are as follows:

- (1) With regard to the council president; will our people vote for our councillors?
- (2) Will the council president elections be before the National General Elections or after?
- (3) Can our councillors be put on a fortnightly salary? If not, why not?

They do a lot of work in our rural areas therefore I think they should be put on our government payroll. Many have difficulty accessing our main centres for basic requirements for the people. It is very expensive and costly for one to travel given the remoteness of many areas that we have. The little allowances that they get is usual insufficient for their perusal.

Why can't they travel in vehicles like we do? They do a lot more work than what their allowances pay; therefore, I think they should be paid on a fortnightly salary just like us. Let's consider putting these leaders on the government payroll.

Mr PILA NININGA – I thank the Member for his questions.

With regard to President elections; I must say that it is the responsibility lies with the NEC. In the last NEC meeting, we decided that our councillors will elect the council presidents however,

there has been a lot of criticisms that the people should be electing the council presidents. We have to take the issue back to NEC to make a final decision as to who will vote our council presidents.

With regard to council elections; the Department is considering extending the council term to five years. Their past term is only two and half years but I think it will only be fair if we extend it to five years. I think it is only proper that when we go for National Elections; there should be others who run and administer our electorates. After the National General Elections then we can have council elections.

With regard to being put on the payroll; he is correct in stating that they are only on allowances. They are only paid their allowances when funds are available. I however, would like to thank and commend them.

09/07

The Marape Government have agreed through the NEC that our councillors will be put on payroll. I would like to inform the Member, now that you have asked the question many times, I will put them on payroll from next year and onwards.

The NEC had directed my department and the department of Treasury, Finance and Planning to work together to put the councillors on the ALESCO payroll system which the public servants and we are on. How much we will pay them will depend on how much money we have but they will receive K300 or K250 fortnightly next year.

With that, I would like to take this time to thank the Councillors for doing important work in the community. They also become doctors, councillor, lawyers, and do almost all the roles as leaders but we never look after them.

I've got my personal experience as a son of a councillor. My father has served as a councillor for too long and I am aware of the word they do. I would like to take this opportunity to thank them for the work they do. We are not forgetting them; we will put them on payroll starting next year.

Illegal Foreigners' Arrest Status Update-Northern

Mr GARRY JUFFA – Mr Deputy Speaker, I would like to ask my series of questions to the good Minister for Immigration. It is in relation to one of the operations that has occurred in Oro province in August 2020. We reported that there were many foreign illegal workers who were working in the logging camp.

When the good Minister and his department did a good search operation on the allegation, 16 foreigners escaped from the province while the other 48 foreigners were arrested on August

2020. Since then, we made a follow up with the Minister to know the status of the case and the Minister has said he will give a report. But we did not receive any report. Not long ago, I met the Minister and asked him on the status of those foreigners who were arrested, apprehended and prosecuted and the Minister responded that their case was dismissed. I was surprised and told the Minister that I want to see the report of how the case for those 48 illegal foreigners who were found in my province were dismissed. This is because it is very clear and with proven evidences that they were illegally in the province and in the country. They were without work permit and visa, and how was this case was dismissed? To date, I did not receive the report.

(1) Can the Minister inform this Parliament, what happened to these 48 foreigners and the 16 foreigners who fled from Oro province? Are they still in Papua New Guinea?

(2) Is your department making an effort to track them down find them and deport them, prosecute them?

(3) Have you prosecuted the companies responsible? What do you intend to do about the cases that were dismissed?

Mr Deputy Speaker, the good Minister has done many good jobs so far.

(4) Will there be an increase in penalties for these migration offences or not?

This is because the current penalty is at K5000 and that is too small and probably the smallest penalties in the entire world. So, can you bring in some amendments so can increase it up to a minimum of K50,000.

Thank you.

Mr WESTLY NUKUNDJ – Mr Deputy Speaker. I thank the honourable governor for Oro for the series of questions. Firstly, we went there not in the interest of the Immigration, but through the governor's request. The Oro provincial executive council requested for us to investigate those foreigners who were working in two logging companies based in his province. We accepted the request and the department sent some staff in August and September to investigate.

The investigation was to ascertain if there were really some foreigners who were working there. We are firstly, in order for the foreigners to come into our country, they need a visa and to establish what sort of employment they will be doing for work permit purpose.

So when we received the request from the honourable Governor, our staff at Immigration and related agencies went there and conduct an investigation. It is true that when the Immigration team arrived at the site, the 16 foreigners fled. They knew that the Immigration team were at the site so they fled on a helicopter.

I think, he has asked the same question and I have answered him that we are aware of their whereabouts and the helicopter company that picked them up.

So our staff carried out their duties and laid two charges against them and they included Violation of Immigration; they have violated the immigration laws under the visa. They were here without the visa and or they have but they over stayed.

10/07

The other charge that was laid against them was no work permits. There were about 20 of them who were charged and taken to court.

In November last year, they pleaded guilty by the district court in Popondetta. They also admitted to the charges that were laid against them and the court was adjourned to first week of November to make its decision to sentence them.

When the day came for the court to make its decision, something surprisingly happened which the Governor himself and everyone here won't believe. What happened was that the magistrate had overturned his decision from guilty to not guilty and dismissed their case. He even refunded their bail which was paid.

So, the situation was like that and when the Governor approached me, I sent my team over around May to go and collect all the necessary court documents and files for us to prove that the decision made was incorrect. We proved that the decision made were the opposite over the decision he made before adjourning court for sentencing.

To answer the Governor's question, all the documents are with me and the Department so if he requests for them, we can be able to provide him all the information he needs.

Regarding those sixteen that escaped, it has our attention but we have restrictions. We cannot go and play the role of being police.

Mr Deputy Speaker, there was a question raised by the Member for North-East, regarding foreigners coming in to make business in our country. Along those areas, it is our responsibility because we watch the movements of foreigners coming in and going out of the country.

I also would like to take this opportunity to thank the Marape Government that through legislation, we have amended the labour work permits.

Mr Garry Juffa – Point of Order! Thank you, Mr Deputy Speaker. The Minister is actually misleading Parliament, because Immigration does have powers to act on the breach of the provisions of the visas that have been issued.

So, if these individuals are in breach of the provisions of the visa issued by Immigration, they can actually act on that. To say that they cannot act on this or that, it is actually improper or incorrect.

Thank you.

Mr DEPUTY SPEAKER – Thank you, Governor. Your Point of Order is in order. I will allow the Minister to continue with his response.

Mr WESTLY NUKUNDJ – Thank you, Mr Deputy Speaker. Actually, I did not state that the Immigration does not have the powers. We have all the powers that you can think of.

(Members laughing)

Mr WESTLY NUKUNDJ –. I am referring to some specific areas and the Governor is aware that there are foreigners in his area working on some projects, for example; immigration cannot go and remove the driver of a dozer and tell a Papua New Guinean to operate it.

That is not how it works so, that is what I am referring to when I made mentioned of restrictions.

11/07

It needs a concerted effort from all the relevant government agencies to work together to remove such attitudes. And that's the point I am trying to get across.

Mr Deputy Speaker, if you happen to visit one of these shops owned by Asians at East Boroko, Gerehu or Morata, you will find Asians operating the cash register and working as shop assistants. Is it Immigration's job to go and chase them out? It's not and the simple thing is to cancel the visa, but how can I cancel the visa? It's the responsibilities of Labour and Trade and Commerce.

But now, I thank the Marape government because the functions and powers to grant work permit has been transferred to the Department of Immigration and Border Security last week Friday. I want to inform all Members that if you have engaged some of these different colors to work for you in the country then don't complain because in the next two weeks we have scheduled our operations to commence.

Mr Garry Juffa – Point of Order! May I ask the Minister to refrain from using the term ‘different colors.’ Some of us also have a different colour sitting in here as well. Just say expatriates or foreign citizens and that’s better, thank you, Mr Deputy Speaker.

Mr DEPUTY SPEAKER – Honourable Governor, your Point of Order is in order. Mr Minister, please refrain from using that term.

Mr WESTLY NUKUNDJ – Mr Deputy Speaker, unless you give me an appropriate word to use for foreigners then I would assume that ‘different colours’ would mean foreigners.

I hope I have answered all the questions raised by the Governor of Oro. I will provide all the documents that he wanted to see and prove for himself on what Immigration has been doing over that particular case.

But we will not stop, Honourable Governor. Through you, Mr Deputy Speaker, I assure him that the officers will go there even though the court has set free these people. But now that you have raised the same question on the Floor of Parliament, we will consider this as a new complaint and we will visit your province to see for ourselves who is legally or illegally in the province. Therefore, we would need your support in assisting us to carry out the duties that you require from us.

Finally, the work permit functions have been transferred to Immigration already so we will be effectively discharging our responsibilities around work permit. So, I am advising all the Members of Parliament and all the foreigners who are working in the country that Immigration Officers will check all the corners of the country to make sure that you are doing the right job as per the work permit that you were issued with.

MOTION BY LEAVE

Mr TIMOTHY MASIU (South Bougainville - Minister for Information and Communication Technology) – I ask leave of the Parliament to answer an important question that was raised on this Floor of Parliament on Tuesday by the Member for Alotau, which I reserved my right to reply in detail.

Leave granted.

12/07

ANSWERS TO PREVIOUS QUESTIONS

Coral Seas Cable System

Mr TIMOTHY MASIU (South Bougainville – Minister for Information and Communication Technology) – I seek leave of Parliament to respond to previous questions.

Leave granted.

The answer to the question of the Coral Seas Cable System (CS2) is as follows;

The Coral Seas Cable Systems or CS2 is a 4700-kilometre, fibre optic submarine telecommunications cable that links both Papua New Guinea and Solomon Islands to the major east coast internet hub in Sydney, Australia.

As we all know, that CS2 was gifted by the government of Australia. The aim was to provide faster, affordable and more reliable internet connection to Papua New Guinea and the Solomon Islands. The CS2 has a 4-fibre optic, per core, situated in one physical cable expanding from Australia over 2500 kilometres to a branching unit in the Coral Sea where the 4 fibre per core is split into 2 cables.

Each containing a 2 fibre per core, that when in Port Moresby and Honiara, in the Solomon Islands. Through the CS2 Papua New Guinea has bandwidth access of up to 20 terabits per second. This capacity is well beyond Papua New Guineans forecasted demand.

It should be noted that previously, we were dependent on a PNG 2C cable which is an aging, long capacity submarine structure from Sydney to Port Moresby. The deployment of CS2 is to improve the internet reliability, speed and quality and affordability to unlock opportunities for economic growth and connectivity for Papua New Guinea to key industries, such as tourism and Agri-business industries, offering easy access to business and social services and boosting general business communications.

In the first instance, we should acknowledge PNG DataCo as the custodian of the cable and government wholesaler, access provider for the FH to continuously reduce wholesale price, since 2013.

In 2013 the wholesale access rate was as high as K6017.45, which in US dollars is K1700 per gigabyte, per month.

By mid-2016, DataCo made a reduction to about K1575.16 per month and from there it fell further to K601.74 per month in 2017.

Since the declaration of wholesale services, their maximum wholesale price for international submarine cable transmission capacity in Papua New Guinea is now determined by the National Information and Communication Technology Authority (NICTA).

In March of 2021, NICTA announced a reduction of wholesale price of K209 per month. NICTA continues to consult closely with PNG DataCo on the wholesale cost modelling.

However, the ministry under my leadership has recognised CS2 is not a sufficient intervention for our people to experience lower cost and benefit of a growing digital economy.

And this is evident in the fact that while the majority of NCD is now experiencing lower 4g data rate from Telikom, majority of our people in the rural areas are still not experiencing the benefits of the Coral Sea Cable.

There is a number of reasons explaining why retail internet prices in Papua New Guinea are still higher than in comparable countries. Each factor acting independently

13/07

Each factor acting independently contributes to higher prices not to mention for the last two years. The Covid-19 pandemic and associated impacts on the PNG economy have also delayed the full effects of CS2 cable.

The retail mobile market has been for some time almost a monopoly with Digicel accounting for 90 per cent of the mobile market of the mobile voice and internet market. In general, the more concentrated the market the higher the prices. Despite the Telikom cost reduction and the large decline on price of the fiber optic international wholesale capacity due to the CS2 cable, it has not had a large impact on retail prices because the cost of international capacity is a small fraction of the total cost of 2 to 8 per cent of supplying retail internet mobile services. This effort is not strong enough to bring downward pressure to overall market prices.

Mr Deputy Speaker, consider a super highway being built from Lae to Port Moresby, even with the super highway we would still require hundreds of feeder roads to be constructed so that our people have access to and benefit from this super highway.

In the same way the Coral Sea cable is the internet wholesale super highway. The question is where is the feeder roads to our people to benefit from the CS2 super highway and how much do these feeder roads cost.

The Government's additional investment through PNG DataCo for the Coral sea cable network is deployed to 15 operating cable landing stations throughout the country and has been the next step to get wholesale access to the people.

Mr Deputy Speaker, moving from this position the onus is now on the retailers both SME and Telco operators to connect from the landing stations to the provinces and districts.

Our biggest challenge as a government now is to encourage retail competition from big Telco operators to;

- (1) Utilize the wholesale access;
- (2) Extend this access to the rural measures;
- (3) Intensify competition to further reduction of retail pricing

You will be aware that the Ministry of ICT has been encouraging a third operator to commence operations as soon as possible. NICTA has been undertaking 4G upgrade across the country through the universal access scheme UAS program.

We have just concluded the ICT summit 2021 and the findings on the competition barriers will now be addressed in the upcoming National ICT Policy 2022.

Mr Deputy Speaker, my message to the fellow colleague members of this Honourable House is that we must also do what we can to support our local ICT SMEs. Particularly the ISP service providers in our provinces and districts as they are the medium through which benefit from the Coral Sea Cable can be delivered to our people. And this is evident in the fact that while the majority of NCD is now experiencing lower 4G data rates through Telikom the majority of our people in other areas are still not experiencing the benefits of the Coral Sea Cable.

Mr Deputy Speaker, there are a number of reasons explaining why retailing internet pricing in Papua New Guinea are still higher than in comparable countries.

And so, Mr Deputy Speaker, that concludes my answer to the question from the honourable Member for Alotau. Thank you very much.

14/07

ANSWERS TO PREVIOUS QUESTIONS

Province and Districts Business Opportunities Stalled

Sir JOHN PUNDARI (Kompam-Ambum – Minister for Finance) - I seek leave of Parliament to respond to previous questions.

Leave granted.

Thank you, Mr Deputy Speaker, and thank you to the Parliament for giving me leave.

The first question was, is the Minister aware of the red tape that hinders the ability of the second level of government, provinces and districts to establish and operate business arms?

Mr Speaker, provinces and districts are empowered by the *Constitution* and the *Organic law* to establish business arms using public money to raise revenue to support them to deliver goods and services to the people. The *Constitution* also, Mr Deputy Speaker, gives power to the *Public Finances Management Act* to ensure usage of public money is guided so it is expended within the Public Finance Management Framework, so the general public can receive maximum benefits in terms of goods and services in a more centrally coordinated way.

Mr Speaker, my department's function is to ensure public money is expended transparently under the guidelines of the PFMA so it can be correctly accounted.

Mr Speaker, my department under the *Public Finances Management Act* ensures that business arms are established and operated in the public's interests, by ensuring that all shares are named fully to the provinces and districts and not to any individual citizen.

Mr Speaker, this is only to protect public money from abuse and malpractices to the management of the business arms, so when provincial and LLG change, the shares of the business arms are protected under the State so no one takes right over those companies or shares under individual names.

Mr Speaker, my department does not interfere in the management of the business arms because they are empowered by the *Constitution* and the *Organic Law* to raise their revenues and reports of the business arms are captured in the provinces and district books.

Amend National Procurement and PFMA Acts

Question two; The *National Procurement Act* and the *Public Finances Management Act* dictates the establishment and operations of business arms; can the Minister make amends to make provinces and districts to establish business arms within the *Companies Act*?

Mr Speaker, the *Public Finances Management Act* ensures that provinces and districts business arms are registered and shares are fully named to the state, province and district and does not interfere in its operations and management.

So, Mr Speaker, the *Public Finances Management Act* makes sure that the shares are under the districts or provinces and not under any person's name and the business arms are not under the Department of Finance.

Mr Speaker, business arms in the provinces or in districts are required to submit their procurement plans and procurement requirements under the province or district as it comes towards their budget appropriation and it does not interfere in its operations.

Mr Speaker, these processes are established to ensure public funds are safeguarded from misapplication and is used to deliver goods and services to the public transparently and accountably.

Question three; Does the Minister have plans to allow provinces and districts to operate their business arms separately similar to the Kumul Consolidated Holding Limited (KCHL)?

Mr Speaker, my department only ensures shares are fully named to provinces and districts as I have mentioned earlier, and ensure that their procurement plans and requirements are captured under their respective provinces and districts.

Mr Speaker, as the business arms are guided by the *Organic Law* and they are revenue generating arms of provinces and districts, my department has no oversight on its management. Their books are captured under their respective provinces and districts.

My department has been reforming the Public Finance Management processes and it is ongoing and if there is a need to reform the arrangement of the provinces and district arms, it will be going forward but as it is, the business arms are revenue-making activities for the provinces and districts. And as I mentioned, my department has no oversight on this revenue and activities.

15/07

With regard to question 4 on whether or not a letter from the Governor's office on the creation of the Central Provincial Business Arm has reached the Department of Finance; Mr Deputy Speaker, respectfully, according to my department, the said letter was drafted in September 2021 but it reached the Department on 16 November 2021.

Mr Deputy Speaker, as part of the vetting process on the establishment of business arms as alluded to earlier, the Central Governor's office was advised to consolidate and furnish few papers before an approval is granted.

Mr Deputy Speaker, the good Governor's Office can liaise with my department and work within the existing framework and follow processes and procedures so our public funds can be protected.

Mr Deputy Speaker, I will be working very closely with the Central Governor in assisting in this regard and in the questions that he has asked.

MOTION BY LEAVE

Mr WILLIAM SAMB (Goilala- Minister for Transport and Infrastructures) – I ask leave of Parliament to move a motion without notice.

Leave granted.

SUSPENSION OF STANDING ORDERS – REARRANGEMENT OF BUSINESS

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

That so much of the Standing Orders be suspended as would prevent Notice Nos. 270, 271 Government Business, and Notice No. 272, Private Business, being called on forthwith.

CONNECT PNG IMPLEMENTATION AND FUNDING ARRANGEMENT BILL 2021

First Reading

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

Second Reading

Leave granted to move the second reading forthwith.

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

That the Bill be now read a second time.

Mr Deputy Speaker, before I make my speech, on the outset, I want to thank the Marape Government for giving me the opportunity, the privilege and the trust to continue to be the Works and Implementation Minister coming from the previous Government. I started in 2017 as Minister for Works and Implementation and will be ending come 2022.

Mr Deputy Speaker, during this time, the Marape Government has assisted me. I am proud to say that I am satisfied that I have done the job with the support of the government and the department in that a couple of major reforms has taken place.

16/07

First is the *Road Management and Fund Act* and secondly, without the support of this Government I would not be sitting here presenting this very important bill. It is something that is in our nerve and very demanded by our people. So, thank you very much the Prime Minister, the PANGU Party and the Government.

Mr Speaker, thank you for giving me the opportunity to present the Connect PNG (Funding and Implementation Arrangements) Bill 2021 to the honourable House.

This bill represents the next phase of the ongoing road sector institutional reform that the Marape Government has been progressively implementing in line with its vision to restructure the road management and funding arrangements necessary to develop and sustain adequate road network that can support national, regional and local socio-economic development prospects of PNG in the next 20 years.

Mr speaker, this bill is very important to secure adequate long-term funding commitment necessary to support the effective implementation of the government's 20-year economic road transport infrastructure program.

Mr speaker, our road network continues to serve as the backbone of the country's transport system catering for the movement of 85 per cent of passenger and freight traffic as the cheapest and most convenient mode of transportation in the country.

Our roads links investors to natural resources, workers to jobs, students to schools, sick people to health facilities, businesses to customers, farmers to markets and basic government services to 85 per cent of the people who live in rural areas.

Our roads will therefore continue to remain essential part of our socio-economic development and poverty reduction quests for PNG in the many years to come.

Mr speaker, it is a sad reality that PNG's road network has suffered from 20 years of continues underfunding and neglect of maintenance. Major roads including the Highlands Highway, Hiritano, Magi, Sepik, and East - West New Britain, Ramu-Madang, Enga and Bulominsky and many other urban roads and feeder roads connecting majority of the rural population have deteriorated alarmingly, raising transportation cost and reducing availability of transport services and, most critically, suppress economic and social development.

Mr Speaker, indeed, while budgetary allocation for road construction and maintenance has increased over the last 10 years to K11.5 billion, 50 per cent was allocated for non-priority and unsolicited road projects and 30 per cent for unplanned subnational roads, leaving only 20 per cent for priority programs which had no significant economic impact.

To date, we have accumulated a massive aging stock of run-down road transport asset stock amounting to a replacement cost of more than K45 billion (both national and provincial roads) at K2.5 million to K3 million per - kilometre rate.

Until the government finds enough funding to address this growing trend, the situation is expected to reach unmanageable levels in the next 10 years which will adversely affect the government's future socio-economic development aspirations.

Mr Speaker, at the same time, PNG's population is projected to reach 11 million by 2030. As a consequence, the demand for improved road network capacity to connect industrial zones, important towns, remote districts and villages not yet connected by roads has been exponentially growing.

17/07

This is illustrated by the fact that PNG is the only country in the world where the capital city Port Moresby, is yet to be connected to major cities and towns such as Lae, Popondetta, Alotau or to parts of the agriculture hubs of Highlands and Momase regions which is located on the same land mass. To address these issues, many successive governments over the years had developed many development strategies and plans that identified poor road conditions and inadequate transport services to reach economic potential areas and zones as main constraints to business activity and investment in PNG. One of them was the PNG Strategic Development Plan (PNGSDP) 2010-2030, which mapped out a clear 20-year development pathway to transform PNG into a middle-income country by 2030, through the economic transport corridor development concept. Ten economic corridors were identified for development which promised high socio-economic returns that outweighs the cost of implementation.

Mr Speaker, though we are now halfway through the 20 - year program period of the PNGSDP 2030, we are still nowhere near to achieving the ultimate goal of making PNG become a middle-income country by 2030. Again, due to continuous inadequate funding, lack of political commitment and changing budget priorities, the targeted infrastructure has not been built and consequently, the targeted economic development goal cannot be achieved by 2030. This last 10 years will go down the history as another wasted period of development and lost opportunities.

Mr Speaker, I would like to thank this Government for making the Connect PNG Policy as one of the most important pillars of nation building and road infrastructure. Without the support of the Marape Government, we will not have come to this point where this Government is trying to lock in money for major infrastructures, so I thank the Prime Minister and the Government.

Mr Speaker, to address the looming impacts of the growing threats and demands of better road services, the Marape Government has developed and progressively implemented the Connect State PNG Economic Road Transport Infrastructure Development Programme 2020-2040, commonly known as Connect PNG. This has always been spoken about many years ago, but no we did not have the guts to come this far.

Mr Speaker, indeed, it is no exaggeration to say that Connect PNG, is the largest infrastructure development program ever undertaken by any government; this is a game changer for PNG. It provides a strategic pathway for implementing the national Corridor development plan that will connect services and economic development opportunities to over six million people through a 100 per cent road connectivity by 2040.

Mr Speaker, in addition, Connect PNG is a program that has been carefully developed to mainly unlock economic potential and so the plan is well aligned with other key development programs in the agricultural sector, the mining sector, the tourism sector and public utilities (such as telecommunications, power and water) to maximise the economic benefits of the program. Full connectivity will therefore impact every economic sector in a positive way including minerals, hydro-carbon, tourism, timber and agriculture.

Mr Speaker, the Connect PNG investment strategy plans to develop, rebuild and sustain 16,000 kilometres of strategic roads comprising 4200 kilometres of the national priority roads, 1800 kilometres of strategic missing links and 9000 kilometres of provincial and district roads and 2000 meters of bridges and other cross drainage structures. This will create short - term and long-term opportunities for industries and communities in National, regional and local levels.

18/07

Mr Speaker, having said this, I must announce to this Parliament that in the last two years the Marape Government has pumped in a lot of money in the districts and provinces. And as a nation we have expanded almost K2.5 million but on record, let me say about K2.1 billion in road infrastructure. It's no joke, Mr Speaker, silently, but surely it was done.

Mr Speaker, the 20 years, Connect PNG Program will be implemented in three phases through a multi-year financing plan with approximately a minimum of K1 billion per year, which is the figure the bill is expected to set aside from the annual National Budget. The phases are:

phase one from 2020 to 2027 to deliver 7,531 kilometre of national roads and 2,700 kilometre of provincial trunk roads, phase two from 2028 to 2034 to deliver 6,000 kilometre of roads, phase three from 2035 to 2040 to deliver 3,000 kilometre of roads.

Mr Speaker, these are big commitments from our Government, in phase one which is from 2020 to 2027, the Connect PNG Programme will connect the entire mainland by connecting the Highlands and Momase Regions; one to the Southern Region by rebuilding and extending the existing national road network; fill in the 'missing links' within and between the regions, and connect major provincial roads, to create a fully connected PNG and ensure its full economic and social development goals are realised.

In addition, key highways within the New Guinea Islands provinces will be rehabilitated and extended to provide intra-regional connectivity on the island provinces including Manus, New Ireland, New Britain, and the Autonomous Region of Bougainville.

Mr Speaker, as I stand here, its November now, not long and it will be December, and its Christmas, and not long and it will be January, February, March and April and we will go for elections.

Mr Speaker, indeed, in support of this goal, major works have already commenced under the Connect PNG Program: four key highways have been prioritised for rehabilitation and construction: Highlands Highway, Momase Highway (Vanimo-Lae), Central-Milne Bay Highway, Morobe-Gulf Highway, and Baiyer- Madang Highway, East-West New Britain Highway. The target is to have single national road network connecting Momase and Highlands Region into Southern Region on the mainland by 2025, with spending of K1 billion on the provincial and districts roads in partnership with the Department of Works and sub-national authorities. In the last two years, more than 1, 400 kilometre of the provincial and district road networks have been improved by the Department of Works Rural Road Standard.

More than 250 kilometres of new missing links have been opened to standard class; three roads including the Erave-Samberigi section of Gulf-SHP Highway, Vanimo-Aitape section of the Sepik Coastal Highway, Kerema-Kikori Road, the Trans Highland Highway and the Wabag-Maramuni Road to increase national road network capacity from 9,000 kilometres to 12,000 kilometres by 2025.

This road works achievement shows what is possible if secured and guaranteed funding is consistently available over the program period. PNG cannot go backwards by repeating the same mistakes of the past, which we are experiencing the impacts today, but we can build a better future for our children and our people by remembering the impacts of the wasted opportunities of the past.

Mr Speaker, if we are to transform PNG from a low-income country to a middle-income country, it cannot be 'business as usual'. Therefore, the proposed Connect PNG (Implementation and Funding Arrangements) Bill 2021, is to secure a legislative footing for a long-term funding commitment that will ensure that this important plan does not remain another dream but is fully realised.

19/07

Mr Speaker, as the Honourable Members would be aware, Connect PNG is not a program that can be delivered in one year and after that we can all pack our bags and go home, no, it is a multi-year commitment and that is why it must be supported by a legislatively secure multi-year financing plan. For example, the Central-Milne Bay Highway Project, which for the first time will connect Port Moresby with Milne Bay, is a five-year program that commenced this year. The Trans-National corridor project that will connect for the first time since Independence, the Momase Region with the Southern Region is a seven-year major infrastructure project for its development phase alone.

Mr Speaker, consequently, it is critical that funding for Connect PNG is insulated and quarantined from the impact of shifting budget priorities to ensure that it can be fully implemented. This will ensure that major road projects under Connect PNG can Be fully completed and not stopped half-way as funding is suddenly cut, and the value of the investment is lost.

Mr Speaker, yes, this legislation brings short-term pain in the form of increased budget commitments today but in the long-term, it ensures greater national prosperity, economic growth, and poverty alleviation, as PNG transforms from a low-income level country to a middle level income country, in line with the PNG Vision 2050, the PNG Development Strategic Plan 2010-2030, and the current Medium-Term Development plan.

In this regard, the Price Waterhouse Cooper road user charges review report commissioned by my department noted that, the short-term pain for spending large amounts to clear the backlog of 10–15 billion PNG Kina required to raise the national road network to at least 'good' standard will generate long term gains of PGK200 million annually and can be considered net savings to the economy. It is not the economy that builds the roads, it is the roads that build the economy. This is the principle that many countries around the world have adopted. Globally, the development of infrastructure creates significant growth to many economies including China and many other emerging economies like PNG. As noted in the PWC study, "in a developing country, these impacts are amplified, and further development and maintenance of these assets result in pivoting economies".

Mr. Speaker, the proposed bill will address both the chronic underfunding and inconsistent policy framework by placing funding for the Connect PNG Program on a legislatively secure footing over the long- term.

Specifically, the Connect PNG (Implementation and Funding Arrangements) Bill 2021 will: (1) Subject to Treasury five-year economic and budgetary forecasts, commit the State to allocate minimum annual funding of 5.6 per cent of the annual national budget up to 2040 to fund Connect PNG for the life of the programme. This amounts to approximately PGK1 billion per annum up to a total amount of PGK20 billion over the 20- year life of the program.

(2) Enable the state to borrow for the financing of Connect PNG, strictly in line with the *Public Finance (Management) Act 1995*, and range of legislative safeguards in other loan related acts.

(3) Ensure the security of the funding by establishing the Connect PNG development trust fund in accordance with the *Public Finance (Management) Act 1995* and placing under the control of the PNG Road Fund.

(4) Further ensure the security of the funding by designating the PNG Road Fund Board as the sole authorising body for expenditure from the Connect PNG Development Trust Fund in accordance with the provisions of the proposed bill, the *Road (Management and Fund) Act 2020*; and the *Public Finance (Management) Act 1995*.

The PNG Road Fund Board membership is drawn from the secretaries of key central and implementing agencies,

20/07

Mr Deputy Speaker, I want to emphasize this again, under the PNG Road Management and *Road Fund Act*, we have done away with outside involvement and given it the desired board that is required such as the departmental heads of National Planning, Treasury, Finance, State Solicitor and Works to be the members and make it Government business and not just Department of Works.

As the PNG Road Fund Board membership is drawn from the key central implementing agencies, it will ensure the security of the funding and that it is disbursed in line with Government development priorities.

Mr Deputy Speaker, this approach also ensures a whole-of government approach to the funding of Connect PNG, as every key minister is represented on the board by their respective secretaries: Departments of National Planning, Finance, Transport, and Treasury. In addition, the State Solicitor sits on the board to ensure legal probity and key road users are represented by the Road Transport Association and the PNG chamber of Mines and Petroleum.

Mr Deputy Speaker, placing Connect PNG funding under the PNG Road Fund also ensures that there are proper governance arrangements in place, as the PNG Road Fund is subject to multiple legislative safeguards in various other acts, including the *Public Finance management Act 1995* and the *Road (Management and Fund) Act 2020*.

To ensure timely and effective procurement for Connect PNG, as a program of strategic national importance, it enable the PNG Road Fund to procure goods and services up to a threshold level of K10 million, any amount above this has to be approved in accordance with the *National Procurement Act 2018*.

(5) Mr Deputy Speaker, to ensure legal integrity and to protect the State, major procurement contracts will be subject to legal review and clearance by the State Solicitor.

(6) To ensure the security of Connect PNG fund, under the proposed bill provides for substantial penalties for the misuse of Connect PNG funds, subject to a range of defenses for acts done in good faith and protection from personal liability for PNG Road Fund Board Members.

(7) To ensure transparency and accountability, the Minister for Works is required to report annually to Parliament and monthly to the National Executive Council on the progress and funding of Connect PNG.

This is in addition to the normal reporting requirements under the *Public Finances (management) Act 1995* and the *Fiscal Responsibility Act 2006*.

Mr. Speaker, in addition to this Bill, Connect PNG is supported by a number of key implementing measures:

(1) To ensure a whole-of-government approach and that the Government's development objectives are met and the program is oversighted by the high-level, multi-agency Connect PNG Program Steering Committee.

This will ensure that the priorities under Connect PNG always remain aligned with overall development priorities and do not operate in isolation.

(2) Evidence-based feasibility studies and road designs to ensure that there is a strong business case for each road project under the program. Already a K100 million allocation has been set aside for feasibility studies and design work for phase one.

21/07

A requirement is that the business case for each Connect PNG project must demonstrate a return of at least K4.5 for each K1 spent. Indeed, Mr Speaker, the rehabilitation of the highlands highway has already generated a return of 17 percent and we are only just starting to see the positive benefits.

(3) The use of enhanced technical standards new and innovative technologies that will ensure the longevity of the rehabilitated and newly constructed roads. Already we have commenced the use of special road stabilisation technology on our 200km of main highways including Enga, East and West New Britain, Highlands and Ramu-Madang highways that is greatly extending the operational life of the roads. This will ensure Connect PNG will create a more sustainable and robust road network appropriate for PNG's challenging environmental, topographical, and including impacts of the accelerating climate change.

(4) The establishment of the PNG Highway corporation under *Section 14* of the *Road Management and Fund Act 2020*, as the operational implementing vehicle for Connect PNG program. The PNG Highway Corporation is a unique hybrid model that combines the flexibility of a company with the legislative safeguards of a statutory body.

Only such an arrangement provides the commercial flexibility necessary to deliver Connect PNG, while still ensuring the highest standards of legislated accountability, transparency, and good governance. In addition, besides having both the Minister for Works and the Minister for Treasury as the trustee ministers, the corporation's board has representation from all the key agencies, including the secretary of provincial and local level governments, to ensure a whole-of-government approach in implementing Connect PNG.

Moreover, to ensure there are no conflict of interest and that the highest standards of accountability and probity are maintained in the implementation of the Connect PNG program, establishment of the PNG highway corporation separates the policy and standard setting role (DOW), the funding role, (PNG Road Fund) and operational management role (PNGHC).

Mr Speaker, PNG is at a critical turning point in terms of road connectivity throughout the country. Improving the country's road transport network underpins improved passenger and freight transport, people's standard of living and the economic and social future of the country.

As such, I commend the Bill to the honourable members and seek your full support to enact it. This will not only ensure PNG's prosperity but be a lasting legacy of this Parliament for future generations. I thank all of you for your attention and support for better road for a better PNG - together, we can do it. Thank you Mr Deputy Speaker

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 announce that I have received a message from Excellency the Governor-General dated 24 November 2021, recommending the expenditure of public money of Papua New Guinea insofar as the Bill relates to and provides for such expenditure.

Third Reading

Leave granted to move the third reading forthwith.

Motion (by **Mr Michael Nali**) proposed –

That the Bill be now read a third time.

Mr ELIAS KAPAVORE (Pomio) – Mr Deputy Speaker, I thank the Minister for Works and Implementation in presenting this important paper today to connect PNG. I firstly take note of this Bill and would like to debate on it.

Mr Deputy Speaker, on behalf of my people of Pomio, this Connect PNG program does not cover my people of Pomio. I have mentioned this several times to many previous Works Ministers including National Planning.

My land district covers a landmass of over 11 071 square kilometres out of the land mass of East New Britain of 15 734 square kilometres. It's over 70 per cent to 80 per cent of landmass that is in the Pomio District. If you look at connecting the Simpson Harbour in Rabaul to Palmalmal in Pomio to Kandrian-Gloucestera, it is over 430 kilometres of coastline.

Mr Deputy Speaker, I do not see this covered in this Connect PNG presented today by the Minister for Works and Implementation. Most of the coffee, cocoa and copra currently supplied comes from my area. We have a ship connecting my area and Kandrian-Gloucestera. In regard to that, I thank the Minister for Transport and Infrastructure and his team in supporting us. Team NMSA recently issued us a Coastal Trading Licence to continue support my people.

However, I stand here today to debate that the Minister made references to Papua New Guinea Development Strategic Plan 2030 (PNGDSP 2030) in which he mentioned 10 economic corridors in the country. The 7th economic corridor talks about the South Coast Economic Corridor

but I do not see it on the map. What is here in red is not part of the South Coast Economic Corridor. My population is about 80 000 to 90 000 plus people along the coast all the way to the Kandrian-Gloucester District and so in total it would be about 200 000 plus people. But we are not connected according to this paper. We are not complaining but coming back to the PNGDSP, we are not reflected in this Connect PNG Plan that is presented to us today. It is important that the Government consult this important plan and make sure that we make decisions that are consistent with the policies that we currently have in our country.

Mr Speaker, I want to put on record that I am not pleased with this paper as it does not include my people of Pomio and, therefore, I will not be supporting this paper. Thank you.

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, Mr Speaker ordered that the Bells be rung.

The Parliament voted (the Speaker, **Mr Job Pomat**, in the Chair) –

AYES – 78

NOES – 5

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

Bill read a third time.

23/07

LAWYERS (AMENDMENT) BILL 2021

First Reading

Bill presented by **Mr Bryan Kramer** and read a first time.

24/07

Second Reading

Leave granted to move the second reading forthwith.

BRYAN KRAMER (Madang- Minister for Justice and Attorney General) – I move –

That the Bill be now read a second time.

Mr Speaker and members of this Honourable House, it is with great pleasure that I present to Parliament the Lawyers (Amendment) Bill 2021. The Bill sets out the proposed amendments to the *Lawyers Act 1986*.

Mr Speaker, the Act was last amended in 1997. After 24 years, this law is being amended the second time since its enactment in 1996. Since 1986, the legal profession has grown significantly. The number of registered lawyers has increased from 456 in 1999 to more than 1200 at present. There are more than 350 law firms currently operating in the country.

Mr Speaker, the expansion of the legal profession also gives rise to an increase in issues that affect the profession. First is the promotional issue of the profession. Second is the issues related to the regulation of the profession.

1. Regulatory Issues of the Profession

Mr Speaker, the regulatory issues of the legal profession include allegations of continuous breaches of the Lawyers' Standards, abuse of Practising Certificates and growing concerns in relation to lack of professionalism by lawyers.

First, allegation of continuous violations of the Lawyers' Standards is due to lawyers engaging in illegal activities. For example, there are allegations of lawyers charging inflated legal bills. The general public has also raised concerns about the conduct of lawyers generally.

Second, the allegation of the abuse of Practising Certificates relates to lawyers who are issued Restricted Practising Certificates to practice under their employers, who carry out work as holders of Unrestricted Practising Certificates. Lawyers get involved in such practices to lure clients and mislead the Courts.

Due to such illegal practices, the judges usually ask lawyers to present their Practising Certificates prior to appearing before them.

Third, there are serious allegations against lawyers for lack of professionalism. Many lawyers fail to provide duty of care to the Courts and their clients. The first duty of the lawyers is to assist the Courts in dispensation of justice.

The Courts continue to raise concerns about some lawyers going to court unprepared thereby, unable to assist the Courts. These allegations are also raised by the clients of lawyers.

Further, the judiciary has been vocal in raising the concern on misconduct and professional negligence by lawyers. These allegations paint a bad image of the legal profession in the country.

2. Promotional issue of the profession

Mr Speaker, in terms of promotional issues of the profession, lawyers are concerned about the lack of initiative by the Law Society in promoting the legal profession in the country. This includes no or very few lawyers conference, continuing legal education, lack of policies and mechanisms in place to encourage locally owned law firms in the country and the lack of presence of the Law Society in the provinces.

The promotional issues of the legal profession can be addressed by utilising the existing legal framework, *sections 7 and 8 of the Lawyers Act*, provide for the Law Society to undertake educational and training programs for lawyers.

Mr Speaker, legal reform and effective implementation of the existing systems will address the issues. Hence this proposed Bill.

Mr Speaker, the proposed Bill addresses four key areas. They are:

- (1) Adjustment of the penalty fees;
- (2) Correction of grammatical errors, amendment to ambiguous legislative sentence structure in the law and improves clarity of provisions in which are generalised;
- (3) Improvement of admission requirements; and
- (4) Improvement of requirements for issuance of practicing certificates.

25/07

Mr Speaker, the penalty fees for offences under the laws are much lower compared to the penalty fees for similar offences in other countries. Also, the penalty fees are very low in comparison with the current market value of the currency, hence, such low penalty fees will not have a deterrent effect on the Members of the Law Society and other prospective perpetrators. The proposed amendment will now address this issue by increasing the fines for breaches from K1 000 to K5 000 and in some cases up to K10,000.

Mr Speaker, the grammatical errors, ambiguous legislative sentence structure in the law and provisions affect the effective application of the *Lawyers Act*. The proposed amendment provides more clarity to ensure effective application of the *Lawyers Act*.

Mr Speaker, the main reason to improve the admission requirements is to ensure only qualified persons are admitted to the Bar to maintain the high standard of the legal profession. This pertains to not just academic qualifications but the attributes and standing of a persons..

Mr Speaker, one of main reasons for the proposed amendment is to the requirements for the issuance of Practising Certificates to lawyers, particularly in relation to individuals with domestic or foreign academic qualifications, who intend to practice law in the country. These individuals must meet the academic and practice qualifications, as well as being a fit and proper person. There are also unreported cases of individuals who are practising as lawyers in the country without being admitted to the Bar, signing the Roll of Lawyers and current Practising Certificate.

This proposed amendment is aimed at addressing these complaints (about fake lawyers engaging in activities that only qualified lawyers should do).

Mr Speaker, finally, I take this opportunity to thank the leadership and the management team of the PNG Law Society, in particular Mr Robert Mellor - Secretary of PNG Law Society the Department of Justice & Attorney General, in particular Dr Eric Kwa - Secretary and Attorney General, and all hard working staff of both organisations, for their effort in making possible this Draft Bill.

Mr Speaker, with that, I humbly submit the Lawyers (Amendment) Bill 2021 to this Honourable House.

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

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

Bill read a second time.

Third Reading

Leave granted to move the third reading forthwith.

Mr BRYAN KRAMER (Madang—Minister for Justice and Attorney-General) – I move

—
That the Bill be now read a third time.

Thank you, Mr Speaker, before the ruling is made on the third reading, I just want to contribute to the debate in short. I have noted that this Amendment was drafted by the Department and I understand that most of them involved were lawyers and what I didn't note in the draft Bill was a no criminal offences in relation to bad practices by lawyers. I just want to contribute by debate and notify this House that other Amendment will follow to bring in criminal offences in relation to lawyer's conduct. The other issue in relation to a fine of K10 000 is clearly not enough and we also seek to bring an Amendment to increase that to K100 000, thank you.

26/07

Mr GARRY JUFFA (Northern) – Mr Speaker, I would like to contribute to the debate on this particular Bill.

Mr Speaker, I support the Bill and I think it's well overdue. I just wanted to make a few comments in relation to the lot of our lawyers that are working for the state.

Most of the times we have an issue with retaining good lawyers in the state because we simply cannot pay them well enough. We simply can't retain them for their worth in the open market.

While having this opportunity to debate, I would like the Justice Minister to seriously look at how we can improve the wealth and benefits of the lawyers that are employed by the state. They perform a very important role in nation building and it is vital that we have a look at how we can look at ensuring that we retain good lawyers in the state so that they can continue to give the government and state good advice, defend the state against various legal actions and

be able to contribute to building our nation. I am also happy to see that there is an effort to improving the standards of the lawyers out there performing throughout Papua New Guinea representing clients or at times misrepresenting clients I would say; it's happening too.

Most times we are confused by whether this person is a lawyer or he just walked off the streets. We have to have standards and law is where we must start. When we enforce those standards - and that is why I agree with the Minister - there must be an effort to enforce and penalise those who are not performing according to a standard that we must set and maintain.

If a lawyer cannot perform in accordance to these standards, there should be strike against that lawyer's licence until eventually those strikes exhaust his ability to be recognised as a licensed lawyer and be allowed to perform as a lawyer.

I think this would improve the performance of lawyers in the country significantly. Now that we are also looking at this, I feel that we should also look at other areas where we must have standards.

One of the biggest problems in this country is that we don't have standards. That is why it is very difficult for us to expect those that come into this country as investors or visitors to respect our laws and standards when there are not even there.

Well, the laws are there but the standards are not there. And the effort that has been undertaken by the Justice Minister is much commendable. I would like to encourage his fellow ministers to do the same. Bring laws to improve and enforce standards in your ministries and departments so that we can have standards that can be respected by those who come into our country.

The reasons why many of our laws are not respected in this country is because there are no standards or there are standards but they are so minimal or so low that they can't even be seen.

For example, the public sector. Many government departments today are not like those of the 1970s and 80s that we all knew. You go into government departments today, some of the most senior officers will shuffle in, shake your hands, take betelnut out and you will be confused whether this person is a public servant or betelnut seller from the streets. And then he will introduce himself as a senior public servant, maybe a director or someone like that and you will be quite surprised. But we in here allow that. We are the ones who are supposed to set the standards.

Mr Speaker, I am not blaming the public servants. I am blaming us sitting in here. We are not setting the standards. Many times, we overlook this. And many times, we encourage this because we also encourage the employment of persons who are not qualified. And we even push to have them placed in a particular position. And that is how standards deteriorate.

Mr Speaker, I will be supporting this Bill and I just wanted to conclude with those few remarks. I commend the Minister for Justice and I encourage him to bring similar bills so that we can continue the most needed efforts in this country to establish standards so that we can be respected as a nation. Thank you.

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

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

27/06

The Bill requiring an absolute majority of 56 members, Mr Speaker ordered the Bells be rung.

The Parliament voted (the Speaker, **Mr Job Pomat**, in the Chair) –

AYES – 87

NOES – 0

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

Bill read a third time.

28/07

DANGEROUS DRUGS (AMENDMENT) BILL 2021

First Reading

Bill presented by **Mr Aiye Tambua** and read a first time.

Second Reading

Leave granted to move the second reading forthwith.

Mr AIYE TAMBUA (Goroka) – I move –

That the Bill be now read a second time.

Mr Speaker, in the last few years, we have seen a steady increase in the number of instances where dangerous drugs have been imported, cultivated and distributed within and outside of Papua New Guinea.

Recently, we have witnessed an arrest of a person on firearm charges but not for being in possession of dangerous drugs. Although we have a *Dangerous Drugs Act Chapter No 228* in place, the penalty is such that it does not act as a deterrent to those who are in the business of dealing with dangerous drugs.

Mr Speaker, the Department of Justice and Attorney General is currently working with the office of the Legislative Council to come up with a comprehensive piece of legislation to address the issue of dangerous drugs that are imported into the country and for related purposes.

Mr Speaker, this amendment is basically to amend *Section 3* of the *Dangerous Drugs Act* to increase the penalty of making, importing and possession of dangerous drugs as a short-term measure while we wait for relevant government agencies to review and come up with a stronger law to combat the making, importing and possession of dangerous drugs.

Mr Speaker, I commend the Bill to this Honourable House.

29/07

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

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

Bill read a second time.

Third Reading

Leave granted to move the third reading forthwith.

Motion (by **Mr Aiye Tambua**) proposed –

That the Bill be now read a third time.

Mr JAMES MARAPE (Tari-Pori–Prime Minister & Minister for Bougainville Affairs) –
Mr Speaker, I would firstly like to commend the Member for Goroka. Despite being a first timer in Parliament, he saw a vacuum in public policy and our laws in our country and stepped in quickly utilising provisions of our National Parliament to pass a law. It is going to fill the vacuum and put a stop to drug peddling in our country.

Our country must not be a place for drug peddlers. Our Justice Minister is coming on with a comprehensive law to anchor what the Member for Goroka is doing. I want to commend the young Member who has taken the initiative. He is increasing penalties and prison terms for those who are peddling drugs. This is a signal that Members of Parliament of this country have no place for those who are peddling drugs. Thank you.

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

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

Bill read a third time.

MOTION BY LEAVE

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

Leave granted.

SUSPENSION OF STANDING ORDERS – REARRANGEMENT OF BUSINESS

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

That so much of Standing Orders be suspended as would prevent:

- (a) *the Minister for Treasury presenting the 2022 National Budget and associated papers,*
- (b) *the Appropriation (General Public Services Expenditure 2022) Bill 2021, Appropriation (National Parliament 2022) Bill 2021, Appropriation (Judiciary Services 2022) Bill 2021, being presented together and debated as one; and*
- (c) *separate questions being put on the second and third reading.*

MESSAGES FROM THE GOVERNOR-GENERAL

Mr SPEAKER – Honourable Members, I have to announce that I have received the following messages from His Excellency the Governor-General dated 25 November 2021:

- (a) A message recommending the expenditure of public monies of Papua New Guinea in accordance with *section 210* of the *Constitution* insofar as the Appropriation (General Public Services Expenditure 2022) Bill 2021 relates to and provides for such expenditure.

(b)) A message recommending the expenditure of public monies of Papua New Guinea in accordance with *section 210* of the *Constitution* insofar as the Appropriation (National Parliament 2022) Bill 2021; and

(c) A message recommending the expenditure of public monies of Papua New Guinea in accordance with *section 210* of the *Constitution* insofar as the Appropriation (Judiciary Services 2022) Bill 2021.

30/07

**APPROPRIATION (GENERAL PUBLIC SERVICES EXPENDITURE 2022) BILL 2021;
APPROPRIATION (NATIONAL PARLIAMENT 2022) BILL 2021; and
APPROPRIATION (JUDICIARY SERVICES 2022) BILL 2021**

First Reading

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

Second Reading

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

That the Bills be now read together a second time.

Mr Speaker, once again it is an honour for me and my people of Kavieng, and as Treasurer in the Marape Government, to stand here in Her Majesty's House to introduce the 2022 Budget. This is my third annual Budget, as well as presentation of my third Supplementary Budget.

Mr Speaker, I stand here much more optimistic about PNG's future than I was 12 months ago. At that stage, we had a deeply divided Parliament. We have now re-united under the stewardship of our leader and Prime Minister, James Marape.

The world economy is recovering from the worst health crisis in a century. We are seeing the benefits of the Marape reform continue to bloom. And as I will set out today, we have a specific, costed fiscal plan, that will see the benefits of our economic reforms, deliver historic gains to the economy, returning PNG to budget surplus. And the options from then are bright indeed - including the option of reducing our countries debt, to absolutely zero.

The Journey so far

Mr Speaker, let me quickly cover key parts of the journey already travelled over the last two and a half years.

We have cleaned up the former government's fake budgets, through the due diligence exercise with IMF assistance, in late 2019.

31/07

We set out 10 clear principles, guiding our fiscal repair and reconstruction program, all in line with Vision 2050 and our Medium-Term Development Plan III.

We have been setting a responsible, balanced pace of fixing the budget. Within that budget repair and reconstruction, we moved more to the capital budget. In the last two and a half years, we have spent K18 billion on infrastructure, an 80 per cent increase on expenditure. We are rebuilding our districts, our provinces and our country. We moved to good, cheap concessional financing.

We put a real focus on the infrastructure and health sectors, responsible investments in these areas, to grow our human and physical capital.

We responsibly dealt with the worst economic crisis in a century. The global Covid-19 pandemic, so soon after our first 2020 full Budget, started devastating economies and budgets around the world.

In the midst of this crisis, we delivered on the 2020 Budget responsibly, absorbing the extra Covid-19 costs.

Our 2021 Budget, set out a continuing plan of responsible, steady, budget repair and reconstruction, further major increases for infrastructure and health, further reductions in the budget deficit, more good, cheap financing, lowering our interest costs.

The 2021 MYEFO Report made careful adjustments mid-year to keep us on course, while lifting infrastructure, health and education spending further. Action, action, action.

There are many, many more detailed steps along the way and considered choices; often the hard choices, to keep on the steady path of budget repair and reform. Some of these choices were not easy.

There are always those calling out for more special deals. But, the Marape Government is working as a team. We know we must work in the interests of the team. It is wonderful having a team captain, that is not just interested in building his business empire. Unlike some!

He cares about the people of PNG. He cares about our land, our gardens, our oceans, our forests and the beauty and potential of PNG. He has a vision for our future.

Mr Speaker, it is an honour for me today to announce our 13-year fiscal plan.

"Why 13 years?" some may ask. "Why are you going further than the usual 5-year fiscal plans?"

Mr Speaker, as a business person, I need my short-term cash flow, profit and loss and assets and liabilities statements, but I also, must have long-term strategic plans for my business going out 10 or 20 years. And it is not just some visions or high-level statements, but costed plans, that fit within my revenue and financing estimates.

It is good that PNG's fiscal planning goes beyond just one year, and out to five years. But I was concerned, it wasn't long enough to help shape our strategic thinking and possibilities.

32/07

So, I directed, that a long-term fiscal plan, must be prepared.

Mr Speaker, I am pleased today to share the results. The usual five-year budget plan, using the usual Treasury assumptions, would have shown a small, but continuing deficit at its end.

By extending the plan by just one year from 2026 to 2027, the next term of Parliament, we see something very, very different. Something very important for the first time since 2010, our Government - the Marape government - has a plan to return our budget to surplus!

In 2027, our earnings, are finally greater than our expenses.

Mr Speaker, as a business person, I like it when our sales exceed our costs. We can start paying back our creditors. Monies we borrowed. Finally, finally, after 17 years, getting back to a budget surplus. eight years down due to the former government, one year down due to Covid-19, and eight years up under the Marape Government. Finally, out of the budget deficit hole. Which I had warned would take years to achieve.

Mr Speaker, let us look forward just one more year to 2028. We reach another milestone. We would have reduced our debt to GDP ratio back below 40 per cent of GDP, the level set out in the *Fiscal Responsibility Act*. This can be delivered two years earlier than originally set out, when we said the debt ratio would be back under 40 per cent within ten years. Few believed that it could be possible. Sit back, watch and learn! Our steady budget repair path, has made that possible.

Mr Speaker, the options for our country, then start becoming very exciting indeed. Powerful options reveal themselves over the next six years. So, let me talk about one of those choices now.

Mr Speaker, by extending the budget repair course through to 2034, we have another very exciting option. The option to pay off, all our debt, yes, repay all our debt! Repay all the debts of recent years, built up because of the economic mess inherited in 2019, from the former government, of an irresponsibly high budget deficit, and then having to cover the estimated K10 billion in debt costs from Covid-19. Repay all the explosion of nearly K30 billion in debt and hidden debt under

the former government. Repay all the K8 billion in debt, built up under all the earlier governments going back to Independence.

Mr Speaker, for the first time in our history, we have the option of having zero debt. Economic freedom and independence, by not being dependent on any banker or financier.

Mr Speaker, the zero-debt option is available in 2034. This is why I have chosen a 13-year fiscal plan framework. In 13 years, we have the choice to have zero debt for the first time ever.

33/07

Mr Speaker, we can achieve this zero-debt outcome, even with very positive development outcomes through the budget.

Once we reach budget surplus in 2027, the plan allows for an acceleration in the numbers of teachers and health workers and police. The plan makes provision for population growth of 3.1 per cent and wage growth of 5 per cent and a "better service factor" of 1.9 per cent for all our essential services estimated at 70 per cent of the public service workforce. 1.9 per cent per year does not sound much, but as a mathematics major, let me assure everyone, of the power of compounding growth rates.

For between 2027 and 2034, this allows for a reduction of 14 per cent in key service ratios. So instead of a teacher having 40 students in a classroom, there would be 35 students. There would be 14 per cent more police for every single person in the country. There would be 14 per cent more doctors and nurses for every person in the country. And if the fiscal path was set even further forward, we would continue to see these improvements.

Mr Speaker, the 2022 Budget demonstrates once again, the benefits of steady budget repair and how the government's economic stimulus plan, of protecting the budget is helping the economy.

Mr Speaker, I am pleased to announce that in 2022, we become a K100 billion economy. The economy will grow from K93 billion to K101.7 billion.

Our vital non-resource economy is expected to increase by 3.5 per cent in real terms, including the mining sector, growth is estimated to be 5.4 per cent reflecting the expected recommencement of Porgera, and improvements in Ok Tedi production.

This continued resumption of growth, helps lift revenues. Overall, tax revenues are expected to grow by 12.6 per cent This is in line with 15 of the last 31 years in terms of tax revenue growth. This growth is supported by new taxes on the banking and telecommunication sectors, where market concentration means monopoly type super-profits. Despite the scare campaign and

threats, from a particular telecommunication company, we will work with our regulators, to ensure that any license holders comply fully, to their obligations in our rural areas.

There are also important non-tax measures, including the introduction of a bill, to ensure that most of the fees collected by government agencies, actually come back into the Government's central account. We are also expecting higher dividends from the resource sector, as commodity prices increase. There is also a recognition that the level of donor grants, has been understated in recent years. In addition, for the first time in nearly twenty years, the Australian government, is providing direct grant funding, to support our budget.

34/07

This has been directed towards our education and health programs, support that is greatly appreciated.

Mr Speaker, on the expenditure side, even within this budget repair, we are continuing with our program of redirecting more of the budget to investment spending. There is a major increase in the PIP Capital Budget of 19 per cent increasing from K4,824 million to K5,758 million. Overall, our Public Investment Program funding, has increased by 167 per cent from K2155 million in 2018 to the current levels.

Mr Speaker, as has been set out by our Prime Minister and the Minister for Works, this funding is having very concrete impacts on the ground around Papua New Guinea. The signature K20 billion Connect PNG Program is already underway with 2,242 km of roads already being improved as we've heard earlier today.

Mr Speaker, we have 323 projects underway as we heard earlier today, most of them at local level, generating jobs and incomes for our people. If each of these 323 projects as we heard today, employed even only 50 workers, that is over 16,000 jobs being created.

We are connecting our country through missing links projects such as:

- Erave-Samberigi of Gulf-SHP Highway
- Vanimu-Aitape of Sepik Coastal Highway
- Kerema-Kikori Road
- Wabag-Maramuni Road.

The following projects will also be starting early next year:

- Highlands Highway tranche 2-Bridge replacement program K1.0 billion.
- Lae Nadzab four (4) lane highway- K379 million
- Sepik Coastal Highway-K146 million

- Manus Highway-K99 million
- Magi Highway-K213 million
- Northern Highway and Kokoda-K51 million

And always last, often forgotten, our beloved Buluminski Highway K50.9 million only.

Mr Speaker, the Marape Government is the infrastructure Government. This is a responsible budget and it is clearly a budget for the Covid-19 era. I undertook to protect our key services in 2022, at least keeping up with inflation. But we have done so much more. The Marape Government, lightening the burden on families, through major health and education programs

Mr Speaker, I am very proud to announce, the 2022 Budget will deliver massive on-going increases in health spending of K810 million extra in 2022, lifting from K1,745m in 2021 to K2,555m in 2022.

This is a truly historic increase of 46 per cent. Since coming to office, health spending has now increased by a massive 89 per cent. We want to make sure, that if there is ever, another global pandemic, that we are ready. We want our people to have access to better hospitals throughout the country. We want more nurses and doctors and medical supplies, going all the way down to our aid posts to help our people.

35/07

Mr Speaker, on education, we are increasing spending from K1,095 million to K1,417 million, an increase of K333 million or 34 per cent.

We are providing K632 million for full government tuition fee subsidies the highest level of fee subsidy support, ever provided by any Government in our country.

We are investing more in our community services with an increase in funding by 52 per cent, up from K102 million to K156 million. This includes full funding for establishing the Gender-Based Violence Secretariat and support to important NGOs, working to address domestic violence. We have also for the first time, set out a specific section setting out key components of the Women's Budget. Those programs are specifically targeted at meeting the needs of women and addressing issues of gender discrimination and domestic violence.

We are also increasing spending on law and justice by K124 million, a 10 per cent increase.

And in utilities by 35 per cent from K387 million to K524 million. We are doing all of this vital spending in our human resources, and into our physical resources, whilst continuing the process of budget repair and reconstruction.

Mr Speaker, with the revenue increases, combined with expenditure constraint on the operating budget, the budget deficit will fall once again by a very large amount. The ongoing process of budget repair.

From the high point of 8.9 per cent of GDP during the worst of the Covid-19 crisis in 2020, down to 7.1 per cent of GDP in 2021, and now down again to 5.9 per cent in 2022. This drop would have been nearly twice the size, except we are committed to providing for the once every five (5) years cost of K600 million for the National General Elections next year. Responsible government steady falls in the budget deficit, which as they continue, will lead us to the budget surplus in 2027 as I mentioned earlier. All in the midst of the worst global pandemic in a century.

In conclusion, Mr Speaker, the Marape Government has brought back the days of inclusive, sensible economic management. We have moved from budget destruction, to budget reconstruction, we are fixing the broken budget with a responsible, steady path of reducing the budget deficit, whilst protecting core services and giving more to roads and hospitals and other infrastructure. We have announced today, the largest ever investment in our health system, an increase of K810 million, lifting total health spending to K2,555 million.

36/07

We have lifted our Public Investment Program, by another K934 million to K5,758 million, nearly double that in 2019.

The Marape government is, the infrastructure government. We have lightened the burden through targeted tax cuts, for consumers in petrol, cigarettes and beer, whilst asking telecommunications and banking industry to lift some more.

Mr Speaker, we have a fiscal plan. It is the type of plan, that I would expect for my business. It is costed, realistic and credible. It gives powerful choices for our people. It shows the path to surplus. It shows the option, to repay all of our debts, incurred since independence. It shows the option of instead, investing K110 billion in tax cuts and the largest spending programs in our history-all within the framework of debt sustainability. The future is bright under the Marape Government.

Mr Speaker, I thank my parliamentary colleagues, and especially, my ministerial advisers Misty, Paul, Tim, Hitolo and all my other staff, who continue to dedicate their life, for the betterment of our people. The IFMS ransomware hack, has had a major impact on our budget preparations, indeed it has led to the delay in today's presentation. I know good Treasury staff have had to work so hard, that they have slept in the Treasury building for the last week. Secretary Vele,

Andrew, Maryanne, Napae, Roda, Winfred, Larry, Peter, and Miriam, for these exquisite budget books and all of our other dedicated team at Treasury and of course, Ministers and secretaries for National Planning and Finance and all your staff, THANK YOU ALL, for your contributions to deliver yet, another National Government Budget for the people of Papua New Guinea.

Mr Speaker, I commend the 2022 National Government Budget to the House and wish the people of PNG and Members of this Parliament, a Merry Christmas and a Prosperous 2022 New Year!

Motion (by **Mr Joseph Lelang**) agreed to –

That the debate on the Appropriation Bills be adjourned and made orders of the Day for a subsequent sitting.

Debate adjourned.

EXCISE TARIFF (2022 BUDGET) (AMENDMENT) BILL 2021

First Reading

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

Second Reading

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

That the Bill be now read a second time.

37/07

Mr Speaker, this Bill proposes amendments to the *Excise Tariff Act of 1956* to:

(1) Reduce the Excise six monthly increase rate for tobacco and alcohol from 5 per cent to 2.5 per cent. This amendment is intended to provide relief to the industries.

(2) Extend the tobacco second Excise tier to counter illicit tobacco for the next two years starting from 1st December 2021 to 30th November 2023. The second-tier Excise on tobacco has

performed well in raising additional revenue for the government and fairly limiting the level of illicit tobacco in our country.

(3) Increase in Excise rate for anti-social drinks, strength greater than 10 per cent of alcohol content by a further K100 per litre of alcohol to lower the high level of consumption of high alcoholic products which leads to social and health issues.

(4) Remove import taxes on electric vehicles to encourage import of electric cars to PNG to support our green economy.

Mr Speaker, I commend the Bill.

Motion (by **Mr Joseph Lelang**) agreed to –

That the debate be adjourned and made an order of the day for a subsequent sitting.

Debate adjourned.

GAMING CONTROL (2022 BUDGET) (AMENDMENT) BILL 2021

First Reading

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

Second Reading

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

That the Bill be now read a second time.

Mr Speaker, the Bill proposes amendments to make crucial consequential changes necessary to enable the coming into operation of the *Tax Administration Act of 2017*, consistent with the provision of the existing taxation laws administered by the Commissioner General.

Mr Speaker, I commend the Bill.

Motion by (**Mr Joseph Lelang**) agreed to –

That the debate be adjourned and made an order of the day for a subsequent sitting.

Debate adjourned.

GOODS AND SERVICES TAX (2022 BUDGET) (AMENDMENT) BILL 2021

First Reading

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

Second Reading

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

That the Bill be now read a second time.

Mr Speaker, this Bill proposes amendment to make crucial consequential changes necessary to enable the coming into operation of the *Tax Administration Act of 2017* consistent with the provision of the existing taxation laws administered by the Commissioner General.

Mr Speaker, I commend the Bill.

Motion (by **Mr Joseph Lelang**) agreed to –

That the debate be adjourned and made an order of the day for a subsequent sitting.

Debate adjourned.

38/07

INCOME TAX (2022 BUDGET) (AMENDMENT) BILL 2021

First Reading

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

Second Reading

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

That the Bill be now read a second time.

Mr Speaker, this Bill proposes amendments to *Income Tax Act 1959* to:

(1) Introduce a flat rate market concentration levy, which will apply to licensed holders in the commercial banks and the telecommunication sector, with market concentration of over 40 per cent.

(2) Introduce a flat rate market concentration levy, which will apply to licensed holders in the telecommunications sector, with market concentration of over 40 per cent

(3) Increase the infrastructure tax credit rate from 0.75 per cent, extractive sector on 1.5 per cent, agriculture and tourism sector to a flat rate of two per cent.

(4) Make crucial consequential changes necessary to enable in coming into operation of the *Tax Administration Act 2017*.

Mr Speaker, I commend the Bill.

Motion (by **Mr Joseph Lelang**) agreed to –

That the debate be adjourned and made an order of the day for a subsequent sitting.

Debate adjourned

STAMP DUTIES (2022 BUDGET) (AMENDMENT) BILL 2021

First Reading

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

Second Reading

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

That the Bill be now read a second time.

Mr Speaker, this Bill proposes amendments to make crucial consequential changes necessary to enable the coming into operation of the *Tax Administration Act 2017*, consistent with the provisions of the existing taxation laws administered by the Commissioner General.

Mr Speaker, I commend the Bill.

Motion (by **Mr Joseph Lelang**) agreed to –

That the debate be adjourned and made an order of the day for a subsequent sitting.

Debate adjourned.

CUSTOMS TARIFF (2022 BUDGET) (AMENDMENT) BILL 2021

First Reading

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

Second Reading

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

That the Bill be now read a second time.

Mr Speaker, this Bill proposes amendments to:

(1) Address competition issues in the fuel industries by removing the tariff on imported refined petroleum products, diesel and petrol.

(2) Formalise and administered arrangements to address the nations demand for milk by reverting the duty rate for ultra-high temperature (UHT) milk, to its initial free duty rate. This amendment will be retrospective on the 1st of January, 2019.

Mr Speaker, I commend the Bill.

Motion (by **Mr Joseph Lelang**) agreed to –

That the debate be adjourned and made an order of the day for a subsequent sitting.

Debate adjourned.

39/07

DEPARTURE TAX (2022 BUDGET) (AMENDMENT) BILL 2021

First Reading

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

Second Reading

Mr Ian Ling-Stuckey (Kavieng –Minister for Treasury) – I move

That the Bill be now read a second time.

Mr Speaker I proposes amendments to make crucial consequential changes necessary to enable the coming into operation of the *Tax Administration Act 2017* consistent of the provisions of the existing taxation laws administered by the Commissioner General.

Mr Speaker I commend the Bill

Motion (by **Mr Joseph Lelang**) agreed to –

That debate be adjourned and made an Order of the Day for a Subsequent Sitting.

SUPPLEMENTARY (APPROPRIATION) BILL 2021

First Reading

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

Second Reading

Mr Ian Ling-Stuckey (Kavieng – Minister for Treasury) – I move that the Bill be now read a second time.

Mr Speaker, I present the Supplementary (Appropriation) Bill 2021.

Mr Speaker this Act will make provisions for new unforeseen expenditure arising during the course of 2021 and also recognize additional revenues for 2021

I commend this Bill to the House.

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

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

Bill read a second time

Message from the Governor General

A message from His Excellency, the Governor General dated 25 November 2021 was announced recommending the expenditure of public monies of Papua New Guinea in accordance with *Section 210* of the *Constitution* insofar as the Bill relates to and provides for such expenditure.

Third Reading

Leave granted to move the third reading forthwith.

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

That the Bill be now read a third time.

Motion – That the question be now put – agreed to

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

Bill read a third time

40/07

ALTERATION OF DAY (AND HOUR) OF SITTING

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

That the Parliament be adjourned to Tuesday 30, November, 2021 at 10 o'clock a.m.

ADJOURNMENT

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

That the Parliament do now adjourn.

The Parliament adjourned at 2.25 p.m.