

NINTH DAY

Wednesday 1 December 2021

DRAFT HANSARD

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PARLIAMENTARY DEBATES

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.....
HARRY MOMOS

Principal Parliamentary Reporter

NINTH DAY

Wednesday 1 December 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 Speaker (**Mr Job Pomat**) then took the Chair at 11a.m., and invited the Member for Gazelle and Minister for Health, **Honourable Jelta Wong**, to say Prayers;

‘Heavenly father, yu yet yu wokim na mipla stap. Givim mipla gutpla tingting tete lo ol decisen mipla wokim tudei lo kantri blo yumi.

Blessim Prime Minister, Opposisen lida, ol ministers, members na speaker waintaim lo gutpla prei blo yu bai yumi stretim kantri wantaim displa mi prei, Amen’

QUESTIONS

Electoral Boundaries Review

Mr PETER ISOAIMO – Thank you, Mr Speaker. My question is directed to the Prime Minister and it is in relation to the Boundaries Commission.

Before, I ask my question I would like to give some background on what I am trying to ask.

The Boundaries Commission has concluded its review of the separation of some big electorates. I believe that my electorate qualifies to be split into two separate electorates.

Kairuku-Hiri is a vast electorate in the Central Province with a total landmass of 100 800 square kilometers and a population of over a 121 584 according to the 2011 Census. With the annual population growth of 3.1 per cent, it should be in the vicinity of 170 000 or close to 200 000 by now.

There are five districts in the Central Province, and two districts fall under my electorate. When the Prime Minister announced that the Boundaries Commission was funded to go out throughout the country to review the electoral boundaries, I was very happy because the Governor

of Central Province and myself had already agreed on splitting my electorate. We confirmed that we would have Kairuku District at Bereina and Hiri District at Mirigeda.

We want these split because in politics and other things it is okay but when it comes to service delivery and distribution of DSIP it is very difficult for me.

(1) Now that the Boundaries Commission awareness has been concluded, when will its Report be tabled?

(2) How does the Government review this Report, will it happen in this term of Parliament or next term?

Thank you.

02/09

Mr JAMES MARAPE – Thank you, Mr Speaker. I thank the Member for Kairuku-Hiri for his questions.

The Electoral Boundaries Commission has done their job and the report has been finalized. I know we are running very late into this term of Parliament, in respect to the number of days we have left for Parliament to sit to give respect to the recommendations contained.

From preliminary reports a bigger Kairuku-Hiri does qualify amongst other 3 or 4 electorates that has big population. So, let me assure the Member as soon as the report come to Cabinet, the Parliament will have custody of this report and deliberation.

Thank you, Mr Speaker.

Ban Cheap Potato Importers

Mr WILLIAM POWI – Mr Speaker. I wish to direct my questions to the Minister for Trade and Industry.

I have five electorates, 20 LLGs and coming from a province with a very difficult law and order situation, I have initiated the ‘take back’ process in our province as one of the major policies of government.

We have no other resource but we have a potato factory and through that the Provincial Government has been embarking on the policy of empowering and making our people useful in the communities.

I have been having a number of consultations with the former Minister and the Department of Trade and Industry, but when will you support and empower the small potato growers. The factory is there but the low potato price is discouraging the people to grow potatoes to supply the factory.

In previous caucus meetings, I mentioned free importation of cheap potato from Europe, Australia, New and Zealand which has adversely affect our local supply of potato in the province. This is a very serious matter.

On one hand we are saying, empowering our people through Small Medium Enterprise (SME). I have a factory with suppliers and potato farmers coming from Enga, Western Highlands and Jiwaka. It's a huge project and the product is already under market but our people are discouraged to work because of the low factory price.

I want to empower my people; I have had enough consultations with the department. Out of five electorates and 20 LLG's, I have registered two SME companies and I want to launch it.

Whom will I go too? I am now asking the department; can we stop the importation of free cheap potatoes from Europe, New Zealand, Australia so, that we have a good and fair price in our country? I want the department to inform me and my people.

The Governor is supplying free potato seeds, but we don't want to work because the price is low. This is important, we need to support our factory on the ground.

So, I want the Minister and the Government to take note of this and give me assurance of when he will stop the free importation of cheap potatoes from Europe, Australia and New Zealand.

03/09

My question is that, because there is a free importation of potato chips from Europe, Australia and New Zealand. It is discouraging our people to grow potatoes because the factory is not paying a good price.

So my question is, as part of the government's "take back" to empower the people, can the Government stop the importation free chips and potatoes from Europe under our bilateral relation or whatever arrangement they have with us. There is a free influx of potatoes into this country from Europe, New Zealand and Australia. Because of the free importation, a potatoes are being sold freely at the markets and the potatoes at the factory where the people have worked hard to farm are not getting a good price. Therefore, I am asking on behalf of my people; can the Government look into this matter and stop the free importation of potato chips, because we have a factory on the ground and we want to get a good price for our potatoes.

Mr WILLIAM SAMB – Thank you Mr Speaker and I thank the good Governor for Southern Highlands for asking an important question.

Mr Speaker, it's an important question and I don't want to mislead Parliament. I know you have had a series of meetings with our department so I'll get some information and report to Parliament tomorrow.

West Papua

Mr POWES PARKOP – Thank you Mr Speaker for giving me the opportunity to ask my questions without notice. My questions are directed to the Minister for Foreign Affairs.

Today, the 1st of December is the 60th anniversary of West Papua's declaration of Independence, in 1961. When they declared Independence, they had their official flag raised, the "morning star," they had a legislator already in place, the West New Guinea Counsel, they also had an Executive Government, a standing army and all the national symbols of a State, including their National Anthem "ai tanaku papua," in english "oh my land papua". Their territorial boundaries were precise and demarcated.

Mr Speaker, in 1962 as we all know, Indonesia invaded and the rest is history.

Since then, we have adopted a policy that may I say, is shameful and unethical. Hiding under a policy of "friends to all enemy to none" might be a good policy against the rest of the world but is a total capitulation to Indonesian aggression and illegal occupation.

Mr Speaker, may I say, it's more a policy of "see no evil, speak no evil, say no evil against the evil of Indonesia".

Mr Speaker, so much has happened since. We should be bothering on our conscience. How do we sleep at night when our people on the other side are subject to so much violence, racism, death and destruction? How can we call ourselves Christians when fellow Christians are subject to so much abuses on their land? How can we hold ourselves high as the biggest Melanesian state, when the other half of our land, who we share the same ancestors, same culture, languages, tradition, songs, dance, rivers, mountains and seas, continue to live as if they don't exist?

In the recent past, Mr Speaker, priests have been killed, thousands of people have fled their homes and become internal refugees. Some have crossed over to our side of this island. No one has complained or expressed concern, or attached protest and at this juncture, I want to note the Prime Ministers raising the concern at the United Nations; I give credit to him

04/09

The people who crossed over are from the same tribe as the Min people on our side of the border. They speak the same languages and share the same ancestry. We however, have not said much or almost nothing.

My questions are as follows:

(1) Are we going to devise a policy towards West Papua and adopt a more ethical, morally courageous policy?

(2) Do we have plans to raise the matter in the Melanesian Spear-head Group? If so, when and what would be our position in the MSG?

(3) What have we planned to do to apply pressure on Indonesia to allow the United Nations Human Rights repertoires to visit the territory to inquire into specific human rights complaints and a general human rights condition in West Papua, consistent with the resolution of the Pacific Islands Forum in 2019? On the same note, I give credit to the Prime Minister for raising this matter in the Pacific Islands Forum in 2019.

(4) What stand are we taking, to assist the ACP countries escalate the resolution adopted in Nairobi, Kenya, on West Papua to the United Nation? I also give credit to the former Foreign Affairs Minister and Member for Aitape-Lumi, Honourable Patrick Pruaitch and the Member for Esa'ala and former Minister for Justice and Attorney-General who were courageous in raising the issue there. It was a resolution of 192 countries of the Asia-Africa-Pacific and Caribbean countries.

(5) Considering that Papua New Guinea is a key member of the MSG, which has recognised under the United Liberation Movement for West Papua as an observer member of the MSG; what plans do we have to provide support to the United Liberation Movement for West Papua? Can we allocate them funds from our budget? Or can we allocate them space here in PNG to set up an office so that they can pursue their legitimate rights to self-determination?

Mr Speaker, imagine in 1974 when the late Grand Chief Sir Michael Somare got our House of Assembly to declare us as a self-governing state; Indonesia invaded and nobody uttered a word. Imagine where we would be now. Imagine too that in 1980, France manipulated Jimmy Stevens to carry out a secession then. We must give credit to Sir Julius Chan who was the then Prime Minister to have sent the Kumul Force. Without that intervention, maybe Vanuatu would not be independent now. This is the dilemma and the plight, that the West Papuans find themselves in. We on the other hand continue to remain silent. We continue to live in fear and allow fear to dictate our policy and our actions. When are we going to summon the courage to speak? Why are we afraid of Indonesia?

Mr James Marape – Point of Order! With the greatest respect to the Governor for NCD, the *Standing Orders* clearly states that questions cannot be raised to challenge government policies or make inferences, assumptions or references. These are sovereignty matters. The Governor has every right to ask his questions so can he get straight into them instead of making statements that borders onto government policies.

Mr SPEAKER – Your point of order is in order! Please go straight into your questions instead of making references to government policies.

05/09

Mr SOROI EOE – Thank you, Mr Speaker. I thank the Honourable Governor for NCD for the series of questions. These are the issues that affects our people on this side as to how they relate to our people on the other side.

Obviously, it's a sovereign issue as Prime Minister has alluded to in the interest of the governor as well as those of our people who are interested in this important issue. I'd like to ask the governor to put those questions in writing so that I can respond appropriately in order to do justice to the questions that have been raised.

Mr Speaker, I want to give my assurance to the governor and I'd like to take this matter back to Cabinet to deliberate and make its position on the issue because it's not the issue for the Foreign Affairs Minister. It is against the sovereign issue and that requires collective decision of the government.

With that, I thank the governor for raising this very important questions.

PIP Projects Monitoring

Mr PETER NUMU – Thank you, Mr Speaker. My question is directed to the Minister for Planning. Before I proceed with the question, I'd like to thank the Prime Minister and the government for releasing the PIP funds to Eastern Highlands in the beginning of February. I want to say that the PIP funds for Eastern Highlands province were captured in the 2021 Budget and was reflected in the provincial budget in 2021.

However, those funds were given directly to the districts for the implementation of PIP funds. Most of those projects that were submitted from my office and we have pictured how the roads will be like in 3 or 4 years and it has spread over a period of 3 years to fully fund these roads when the roads were given to the districts.

So, my question is; the province is finding difficulties in monitoring these projects because the warrant was released directly to the districts and not to the province as per the budget.

So, does the National Planning have the capacity to monitor those projects and to ensure that the project as per the scope spread over the period of 3 years can be fully implemented as desired by government on the ground? As I've said, I'm finding difficulties in monitoring these funds in the province and how effective will the department of National Planning monitor the project's implementation to its complete state? One good thing that was done is that, the funds were given to the province for Goroka district and it was properly procured. I'd like to thank the Member for Goroka for following the right process by putting it out on tender and the province has release the funds and now he is sealing the road. In that way, we see projects are being monitored on the ground and fully implemented.

Can the Minister inform my people that the department will fully be on the ground to ensure this project is fully implemented? Otherwise, I would like to thank this Government for the release of those funds.

06/09

Mr RAINBO PAITA – Thank you, Mr Speaker. I thank the good Governor for Eastern Highlands for his questions.

The issue on monitoring and evaluating projects that we fund from national agencies and in yesterday's debate, we talked about road allocation for the provinces and districts. This question brings to light the dynamics between the Governors and the Open Members.

When we have PIP projects reflected in the Budget, the Governors have to identify and do submissions for their roads and if there is a road in his district for example; the Lufa Road, Henganofi Road or any other road, an Open Member would say that it is the same submission I did for that particular road as well.

Sometimes when there is no good cooperation between Governors and Members, it becomes an issue. This question brings to light that, sometimes we need to clearly identify what type of roads that the provincial governments take custody over and what type of roads does Members take custody over.

The Loloata Accord was clear that provincial roads are roads that connect two districts and district roads are roads that are within the district.

When you are trying to build the road between Lufa, Okapa and Kainantu, that is a provincial road. If it is a road within Goroka alone, it is a district road. That is what we have done in this Budget.

In terms of his question regarding funding and submissions that are coming through the Department of Planning, that is an ongoing issue and I thank the Minister for Works that he has not been territorial. We have come to an understanding that the Department of Works will now concentrate on roads, national roads and ongoing maintenance.

All district roads will now be captured in the Department of Planning and all provincial roads will be captured in the provincial budgets. We will send your funds straight to your provinces and districts, so we do not create an issue when you want to dispense or implement the Budget.

I thank the Governor for his question which has been an issue for some time and now we have rectified it in the Budget that we have passed.

By next year, your provincial road funds will come straight to you in order to create less tension between you and your Members. The district road funds will go into the districts and we created a cash flow for them up to K5 million. Now they can expand above K2 million to K5 million through the NPC process, the district members will concentrate on the district roads, the governors will concentrate on provincial roads and the Works Department will concentrate on Connect PNG and national roads. That is the general understanding that we have now framed going forward.

Secondly, the question on how the Department of National Planning Monitor Projects when we fund them?

Mr Speaker, I must admit that we lack capacity. When you look at the number of roads for example; we had 131 district roads. Do I have the manpower or capacity to go and monitor in previous years? No.

Sometimes we get implementing agencies to go and assess the progress of the work. If the work is not done, officers in charge sometimes give bias reports of the work.

In this Budget we have allocated some funds for monitoring and evaluation component. So, we outsource the function of monitoring and evaluation to an independent body, which they can go and monitor the work and give report according to the work that has been done.

Going forward, I hope the Governor is now well aware of how we are structuring it so that we do not have issues when dispensing and implementing the Budget. If there are other issues, we are looking forward to working with him and his provincial government to ensure that the work. Continues in Eastern Highlands Province

07/09

Appointment of Ombudsman Commissioners

Mr DAVIS STEVEN – Thankyou Mr Speaker, I want to direct my question to the Prime Minister as the Chairman of the Ombudsman Appointment Committee.

Mr Speaker, I want to express here that this is one of the highest committees in the land which comprises of Chief Justice, the Leader of the Opposition, the Prime Minister, the Speaker and the Chairman of the Public Service Commission.

This is the Committee that is responsible for the operation of the Ombudsman Commission. Right now, the Ombudsman Commission needs attention in terms of its effectiveness and in discharging its functions.

My questions are:

(1) Can the Prime Minister explain why the Ombudsman Commission is operating with two Commissioners only instead of three?

(2) Can the Prime Minister explain whether or not the appointment of the Chief Ombudsman took into account considerations under the *Constitution* especially *Section 254* of the *Constitution* which is a guide for an important office like that, whether the Constitution itself says that in the appointment to important officers, consideration must be given to the fact that, persons who are appointed are not from the same area, province or place?

Right now, the Commission is being managed by two Commissioners from the same Region.

From the records that is available to us in this side of the House the appointment of the Chief Ombudsman was not without controversy and we are aware of the advice provided by the State Solicitor and also the Chief Justice recommending that disciplinary actions or investigation take place.

(3) Is whether Chief Ombudsman is referred for investigations by the Ombudsman Commission or the Tribunal setup under Organic Law called the Tribunal on rights and interest of Constitutional Office Holders?

(4) If that referral has not been made than can the Prime Minister give an under that the Ombudsman Appointment Committee be convened so such a decision can be made so that whistleblowers and people complaining against this particular individual can be rest assured that we are all about transparency at the highest level in our country?

Mr JAMES MARAPE – Mr Speaker, I thank the Member for Esa'ala for his questions.

I stand to be corrected but a little bit of correction on his reference that the Speaker is in that Appointment Committee. I don't think Speaker is in that Committee. But the Ombudsman

Appointment Committee is Chaired by the Prime Minister, Opposition Leader, the Chief Justice and the Chairman of the Parliamentary Appointments Committee.

08/09

Mr Speaker, coming to the issue on when would the third appointee be filled, the Ombudsman Appointments Committee in the last sitting, the Opposition Leader was represented by the Deputy Opposition Leader, the Honourable Dr Allan Marat. We sat in the last meeting for the appointment of the third person, a very distinguished female senior lawyer was appointed. We set the criteria and prescription for the appointment of the Ombudsman Commissioner's, including the Chief Ombudsman.

Four Member Committee serving at digression of their own, we all come to the table. The process would have funnelled to us the recommendations, including the merit-based appointment process that kicks in and that is run by the public service commission and then the secretariat sets out the agenda for us to discuss.

And there was a very fine, senior Papua New Guinean female lawyer who was appointed but she respectfully declined the appointment. She's from the New Guinea Islands Region. She declined that appointment and I think the appointment has gone back to the process and we are waiting for the process to be completed for the third Ombudsman Commissioner to be appointed.

On the referral for the Chief Ombudsman Commissioner, I am not at this stage equipped to inform this House on what this issue is about. My office is not adequately being informed or briefed on this. I stand to be corrected but I don't recall an investigation or a referral for that matter. And so, I will come back to Parliament or write back to the leader and inform the country because the question is asked. The country needs to know about this matter.

I will get back in due course as to whether there is a complaint on foot and the investigation on the present Chief Ombudsman Commissioner. The public will be informed in due course including a letter to the Member for Esa'ala in that regard. Thank you, Mr Speaker.

Fisheries-Illegal Fishing By-catch

Mr CHRIS HAIVETA – Thank you Mr Speaker. My series of questions are directed to the Minister for Fisheries but since he is not here, may I ask the Prime Minister to see if he can take the questions and make commitments to or respond at a later date?

Mr Speaker, my questions relate to a conversation that I have been having with the Minister for Fisheries and this is in respect to two fishing vessels called Caps 1 and Caps 2 which are owned by a South Korean national through his company known as the United Fisheries.

Prime minister these two vessels are licensed this year to fish in an area called Dogleg, in Western Province on the borders of Indonesia, Papua New Guinea and Australia. Three years ago, prime minister, Caps 1 was caught by the Australian Authorities for illegally fishing in Australian waters. Prime Minister this vessel was confiscated and brought to Cairns where our own Foreign Affairs Department officials and National Fisheries Authority (NFA) officials negotiated for that vessel to be returned back to Papua New Guinea and the Korean national and the company to be fined.

Caps 1 was caught between the 1st of October – 8th of October and reported to be fishing in Gulf Province waters. Gulf Province waters are 200 – 300 kilometres away from the Dogleg area and the vessel was caught on its transporting, as information was passed to me and I therefore contacted the minister and it was confirmed that the vessel had been fishing illegally in our waters.

The result of this is that, the vessel was recalled and when it came back, a catch of over 100 tonnes of lobsters has been confiscated now and are waiting at the old wharf for the states to make a decision to be brought ashore.

The lobster is a by-catch of the prawn trolling industry in Gulf Province and all by-catchers are the property of the provincial governments and local level governments in whose waters the by-catchers are caught.

So, my question is very simple, to you, Prime Minister,

(1) Can you turn over the by-catch that has been illegally caught in Gulf waters to the Gulf Provincial Government?

This particularly company and the boat has been caught in Australia illegally fishing.

09/09

The state took the responsibility three years ago to have it released back to PNG where it is now being caught illegally fishing again.

(2) What is our government going to do in applying the penalties? Are you going to take the boat away because it has been caught illegally fishing in gulf when it should be fishing in the dog-leg area in the Western Province?

We organized for the by catch with national fisheries to be turned over to the Gulf Provincial Government and to also defray the cost of the operations of the officers and I want to thank the NFA especially those officer's despite being under duress provided information so that we stopped at least one example of illegal fishing in our waters.

Mr JAMES MARAPE – Thank you Mr Speaker, and I also thank the Governor of Gulf for his questions. Firstly, on his second question we do not encourage illegal fishing. And if it is confirmed these are illegal fishermen doing illegal fishing activities and NFA was already instructed to terminate their license and for us to initiate the due processes. We are not a country that wants our business partners to come in and break laws either in fishing or any other areas.

NFA has already been instructed to look at the operations of that company and if there is illegality in their dealings, terminate their license. On the catches being passed onto gulf, NFA has also been instructed to look at the law as it is and if it can be done, then it will be done later on during the day I will get back to your governor on what NFA is doing on this matter.

2021 Close of Accounts

Mr ALLAN BIRD – My questions are directed to the Minister for Finance. As we know due to the hacking incident that affected the IFMS software, most provinces and districts were not able to operate or pay anyone for about two months. In the case of East Sepik, we managed to transfer the funds on Friday and we are in the process of clearing out what we owe to the people who have provided goods and services to the province, given that close of accounts will be done in about two weeks' time.

(1) Is it possible for the Finance Department to extend the close of accounts to give everyone time to clear out the creditors that we owe till the end of the year?

The second question is in relation to outstanding warrants to my province but I believe other provinces as well are being affected. I have written a letter requesting that the K47 million in PIP and various grants owing to my province be paid to the province before the close of accounts and I would like an assurance from the Minister that these cash payments will be made. I am a little bit concerned because at the end of the year we tend to sweep all the funds together during the close of accounts and those monies get shifted to other priority areas.

(2) Could the Minister assure the people of East Sepik that the funds promised to them in the 2021 Budget will be remitted before the close of accounts and perhaps the same assurance can be given to the other 20 provinces and the special region of Bougainville?

Sir JOHN PUNDARI – In reference to the first question, the accounts will be closed as of 31st December 2021. Hopefully we will have a short space of time to close accounts and to roll over into 2022. That is for the information of the people of East Sepik as well as all the leaders represented here and our goods and service providers.

10/09

Mr Speaker, as far as the provincial grants are concerned, in Provincial Public Infrastructure Program grants, I acknowledge the fact the East Sepik Governor alluded to K47 million outstanding. I can commit to the Governor that Finance will work very closely with the Department of Treasury and the good Minister.

As we are winding down the financial year and close of accounts, we will work hard and hopefully pay out what we owe the provincial governments in the appropriations this year.

Supplementary Question

IFMS Hacking

Mr Garry Juffa – Mr Speaker, my supplementary is in regards to the issue of the ransomware attack.

My questions are short and they are as follows;

(1) Can the Minister explain whether there was an actual ransom that was asked? That is the usual purpose for a ransomware attack.

(2) Can the Minister inform this Parliament if he intends to carry out a cyber security audit, and if so, when?

(3) Can the Minister inform this Parliament as to when the IFMS will be up and running or what would be the alternatives for procurements?

(4) Mr Speaker, I also take this opportunity to state here that all the provinces have issues with functional grants. So, if there is an arrangement to pay East Sepik province their outstanding functional grants, can the Finance Department make sure all the provinces' functional grants are paid before the end of the year, to be fair?

Sir JOHN PUNDARI – Mr Speaker, I thank the Governor for Oro for his series of questions. Firstly, if a ransom was asked when we had the hacking of the IFMS, and also a cyber-security audit.

Mr Speaker, I must inform Parliament that the National Intelligence Organisation and the Department of Prime Minister are providing leadership for the investigations.

Mr Speaker, I would rather opt for the NIO to get an independent IT organisation to enter into a cyber security audit in the Department of Finance.

Mr Speaker, when Finance Department was asked to take lead of the investigations, I did not want my department to take the lead, simply because I wanted to protect the integrity of my office, the department and the officers engaged in the department.

We wanted to keep the investigations independently as to protecting any negative perceptions in so far as an independent investigation and audit is concerned.

I know that the NIO is progressing well with its investigation and sooner or later as soon as funding is made available to them, they will be able to recommend or engage an independent cyber security audit into the hacking that occurred recently.

Mr Speaker, however, work is in progress in regards to the third question, insofar as the IFMS is concerned, upgrading, protecting the system and going forward but there are other alternatives that are under consideration for a new system or for us to revert to the PGAS system.

However, at the present time the alternative arrangement as we all know is progressing well for the districts, provinces and our national entities to access funding to pay for any services already rendered.

Mr Speaker, in regards to the fourth question, yes, the answer relates to all the provinces in the country.

11/09

**TREATY DOCUMENTS – DOHA AMENDMENT TO THE KYOTO PROTOCOL AND
STATUTE OF THE INTERNATIONAL RENEWABLE ENERGY AGENCY (IRENA) –
PAPER AND STATEMENT – PAPER NOTED**

Mr WERA MORI (Chuave-Minister for Environment, Conservation and Climate Change)
– Mr Speaker, I present the following Treaty Documents pursuant to statute:

a) Doha Amendment to the Kyoto Protocol; and

b) Status of the International Renewable Energy Agency (IRENA)

I ask seek leave of Parliament to make a statement in connection with the Treaty Documents.

Leave granted

Thank you, Mr Speaker. It gives me great pleasure to present to the National Parliament today, the notice to rectify the Doha Amendment to the Kyoto Protocol.

The Doha Amendment refers to the changes made to the Kyoto Protocol in 2012 after the first commitment period concluded.

The amendment adds new emission reduction targets for the second commitment period 2012-2020 for participating countries.

The Doha Amendment establishes the Protocols second commitment period from 2013-2020. It was adapted by decision No. 1 CMP8 at the Eight Session of the Conference of the parties serving as the meeting of the Kyoto Protocol in Doha Qatar in 2012.

The amendments will enter into force when 124 parties or three quarters of parties to the Kyoto Protocol have submitted the instruments of acceptance to the depository.

On 21 December 2012, the Doha Amendments were circulated by the Secretary-General of the United Nations acting in his capacity as the depository to all parties to the Kyoto Protocol in accordance with Article 20 and 21 of the Protocol.

Pursuant to Article 21 paragraph 7 and Article 20 paragraph 4, the amendment is subjected to acceptance by parties to the Kyoto Protocol in accordance with Article 20 paragraph 4.

The amendment will enter into force for those parties having accepted on 19 days after the date of received bio depository of the instrument of acceptance by at least three. This means that a total of 144 instruments of acceptance are required for the entry into force of the amendment.

On 17 January 2018, the president of COP23/CMP13-CMA 1.2 and the executive secretary of the climate change secretariat issued a letter to all the parties of the Kyoto Protocol urging them to accept the Doha Amendments as soon as possible.

12/09

Mr Speaker, in paragraph five of decision 1/CMP8. The CMP recognized the parties may provisionally apply the amendment pursuant to entry into force in accordance with Article 20 and 21 of the protocols, and requires parties intending to do so, to provide notification of any such provisional application to the depository.

Furthermore, Mr Speaker, in accordance with paragraph six of the same decision. Parties that do not provisionally apply the amendment under paragraph five will implement their commitment and other responsibility in relation to the second commitment period in a manner consistent with their national legislation or domestic processes as of 1 January 2013 and pending the entry into force of re-amendment.

Mr Speaker, on the status on the ratification of the DOHA Amendment as of 16 June 2020, 140 parties have deposited their instruments of acceptance.

Mr Deputy Speaker, Papua New Guinea status as it is on a later dated 17 January 2018. The core presidency of COP 23, CMP13 forceless CMA 1.4, His Excellency, Frank Bainimara and Her Excellency, Patricia Estinosa, Executive Secretary of the United Nation Framework Convention on Climate Change urges all governments, who are parties to the Kyoto Protocol to accept the DOHA Amendment as soon as possible.

Mr Deputy Speaker, Papua New Guinea share's the view with all parties that pre-2020 implementation and ambitions are of outmost importance to entry into legal force of the DOHA Amendment to the Kyoto Protocol as a valuable part of global climate action for the years leading up to 2020 and critical for the rigorous and successful implementation of the second commitment period.

Mr Deputy Speaker, Papua New Guinea will ratify the DOHA Amendment of the Kyoto Protocol, that will commit parties, especially the annex one parties to contain the emission of greenhouse gases and reaffirming its stand on climate action globally.

Mr Deputy Speaker, the second commitment period, that is 2013 to 2020, of the second Kyoto Protocol, now called the DOHA Amendment, includes new commitment of parties to the protocol to take drastic actions for this commitment period and revise its lists of greenhouse gases to be reported.

Mr Deputy Speaker, ratifying the DOHA Amendment will now reaffirm Papua New Guinea's commitment to climate action by aligning the government's Climate Plan to be taken that stated in our action documents such as the Vision 2050, the Medium-Term Development Goal Three (MTDG 3) and the National Determine Contributions (NDC). It will also encourage other developing countries, mainly Pacific Island countries to ratify.

To undertake this approach in order to attract investment from developed countries to implement our plans as stated in the current National Determine Contributions (NDC) and the current amended NDC which is scheduled to be submitted to the UNFCCC in December 2020.

In actual fact, Mr Deputy Speaker, Papua New Guinea was one of the first few countries in the world to do so, and it was launched by Prime Minister Honourable James Marape on the 18 of December 2020.

The Kyoto Protocol is based on the principle of equity and common, but differentiated responsibilities and respective capabilities. It places obligations on developed nations annex one countries to undertake mitigations targeted to reduce emission and provide financial resources and technology to developing nations.

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Thus, developing countries like Papua New Guinea have no mandatory mitigation obligation or targets under the Kyoto Protocols. The ratification will now pave the way for the country to negotiate future investments in our mitigation actions which can be achieved as per envisioned.

Honorable Members, I seek your support in endorsing the ratification of the Doha Amendments through the Kyoto Protocol.

Thank you, Mr Deputy Speaker

Motion – That the question be now put – agreed to

Motion – That the Paper be noted – agreed to

Paper noted.

MOTION BY LEAVE

Mr WERA MORI (Chuave-Minister for Environment, Conservation and Climate Change)
– I ask leave of the Parliament to move a motion without notice.

Leave granted.

TREATY DOCUMENTS – MOTION TO WAIVE SECTION 117(5) OF THE CONSTITUTION

Motion (by **Mr Wera Mori**) put –

That in accordance with section 117 sub-clause (5)(a) of the *Constitution* that this Parliament waives *sections 117, sub-section 3* of the *Constitution* which requires a Treaty Document to be presented for at least 10 sitting days before Papua New Guinea can be bound as a party insofar as that provision applies to ratification of the:

- (a) *Doha Amendment to the Kyoto Protocol, and*
- (b) *Status of the International Renewable Energy Agency (IRENA).*

The Motion requiring an absolute majority of 56 Members to be carried, Mr Deputy Speaker ordered that the bells be rung.

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

AYES – 49

NOES – 0

Motion so negatived.

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MOTION BY LEAVE

Mr KERENGA KUA (Sinasina-Yonggamugl – Minister for Petroleum) – I ask leave of Parliament to move a motion without notice.

Leave granted.

RECISSION OF RESOLUTION

Motion (by **Mr Kerenga Kua**) agreed to –

That the results of the vote be rescinded and the vote on the motion be made an order of the day for a subsequent sitting.

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**TOURISM PROMOTION AUTHORITY ANNUAL REPORT 2019 –
PAPER AND STATEMENT – PAPER NOTED**

Mr ISI HENRY LEONARD (Samarai-Murua - Minister for Culture and Tourism) –

Mr Speaker, I present the following Paper pursuant to statute –

Tourism Promotion Authority Annual Reprort 2019

I ask leave of Parliament to make a statement in connection with the report.

Leave granted.

Mr Speaker, I am delighted and honoured to present to this House the 2019 Tourism Promotion Authority's Annual Report.

Mr Speaker, this is my first statement to Parliament as Minister for Tourism, Arts and Culture and so on behalf of my people of Samarai-Murua Electorate and my family, I wish to take this opportunity to thank the Marape/Basl Government for the trust and confidence in bestowing me this important responsibility as a Minister in their Cabinet.

I commit myself to serve the Government of the day and the people of PNG to the best of my ability as Minister for Tourism, Arts and Culture.

Mr Speaker, I wish to also commend the Board, Management and Staff of the Tourism Promotion Authority for consistently producing a fully audited financial report to Parliament as per the legal requirements of the *Public Finance (Management) Act*.

Mr Speaker, I am happy to say this is the 16th consecutive annual financial report by the Tourism Promotion Authority since 2003.

Mr Speaker, while the report contains the full audited financials of the authority for the year ending December 2019, it also highlights major tourism programs and activities undertaken throughout our beautiful country Papua New Guinea in those 12 months.

Mr Speaker, as we are all aware, the Corona Virus pandemic devastated the travel and tourism industry in the later part of 2019 and continues to this day.

This has greatly affected the global travel and tourism industry worldwide and I will expound on this in the end part of my speech today.

Mr Speaker, the performance of the Tourism Promotion Authority is generally measured by the total number of international visitor arrivals to our country in any given calendar year.

Therefore, in 2019, Papua New Guinea received a total 210,000 international arrivals which was an increase of eight per cent or 16,000 visitors more than the 194,000 international visitors in 2018.

Most of these visitors were on business and leisure visits through air travel and cruise ships.

Mr Speaker, I must alert Parliament at this juncture, that we may not see any such increases in 2020 onwards given the ravaging impact of Covid-19 which has not only affected air travel but has completely shutdown the cruise ship tourism sector.

Mr Speaker, before November 2019, Papua New Guinea had a thriving cruise ship tourism sector visiting remote islands, atolls and archipelagos in our beautiful country.

These cruise ships were not only bringing in large volumes of tourists but were more importantly bringing direct cash revenue to these remote and far-flung island communities in Milne Bay, East New Britain, Madang, Autonomous Region of Bougainville and elsewhere in PNG.

Mr Speaker, sadly, we will not see such visits by cruise ships in a long while from now until the situation with Covid-19 is improved and international borders are opened and travel restrictions relaxed world-wide.

Mr Speaker, the full financial report and the divisional briefs of the Tourism Promotion Authority are fully presented in the 2019 Annual Report and I urge all Members to take the time to read and appreciate it.

As I mentioned earlier, I wish to now touch on the impact of Covid-19 on the tourism sector and highlight some key achievements in my first six months as Minister for Tourism, Arts and Culture.

Mr Speaker, the dreaded Covid-19 Pandemic has decimated the world travel and tourism sector, costing billions of dollars, closing international borders, causing loss of businesses and leaving millions unemployed world-wide.

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I must emphasise here that the tourism sector is the major employer of youths. Most youths are engaged in the tourism sector as drivers, waiters and waitresses in different working environments in the tourism sector, either in hotels or remote bungalows. Youths are the major employees in the tourism sector.

Mr Speaker, as you would understand, our country, Papua New Guinea, has not been spared by these global plagues and it has greatly affected our international and domestic tourism numbers since late 2019. Many of our local PNG tourism operators and businesses have been closed, jobs lost and many families and households seriously impacted as a result.

Mr Speaker, this is also clearly reflected in the international visitor arrivals statistics to our country in the first six months of this year 2021.

After recording healthy growth in international visitor arrivals to PNG in 2019, international arrivals in 2020 was hit hard by the Covid-19 pandemic and this downward trend is expected to continue in the next two years so, who knows, with the current changes in weather the virus are mutating and it will be for long.

Already in the first six months from January to June, 2021, statistics confirm that there was a 76 per cent fall in international visitor arrivals to Papua New Guinea.

Mr Speaker, this is about 25,000 fewer arrivals compared to the 33,000 international visitors received in the same period last year ,2020. All segments of arrivals including business, leisure, employment and others to the country dropped. The cruise ship tourism sector, in particular, as I highlighted earlier, recorded zero arrivals as there were no cruise ships visiting our country since 2020.

Mr Speaker, while the Marape-Basi Government has done its level best by introducing the economic stimulus package for our SMEs and MSMEs, unfortunately many in our tourism sector and, especially, our cottage industries have never really benefitted to this day.

Mr Speaker, my humble appeal now to the Government and to this Parliament is to fast track this process so we can save what is left of our SMEs and MSMEs particularly in the Tourism.

Mr Speaker, however, that is not to say all is lost for PNG Tourism; not all is lost, SMEs and MSMEs, not all particularly in the tourism space. Mr Speaker,

The Tourism Promotion Authority under my leadership as Minister has been working very hard to maintain some consistency and flexibility in the tourism sector in our country by undertaking some major impact projects.

These include Promoting Domestic Tourism; driving a virtual expo using the internet with our buyers and sellers in Europe and across the globe, developing the first PNG Tourism Satellite Account and also working with other lead government agencies in our country's preparations towards the World Exposition in Dubai starting in October 2021.

Mr Speaker, as we are all aware, PNG has a big domestic tourism market and TPA has been working with our key stakeholders such as Air Niugini, major hotels and resorts, local tourism operators and tourism product owners to sell tourism at affordable rates in order to encourage our people to visit other provinces and destinations in PNG. Yes, we were local, we know what is best and that is our culture; our environment promoting tourism, let's go local, promote domestics tourism. We can have used domestics tourism to promote tourism at this time, in this time within our country.

Mr Speaker, our biggest challenge in terms of domestic travel has been the high costs of airfares and TPA is currently in dialogue with Air Niugini and National Airports Corporation to reduce airfares, where possible, particularly the hidden tax components that increase airfares.

In the next six months, we will be writing to our development partners to seek some technical assistance to do an independent assessment and study into the cost and fee structures of our airline industry to understand where we can do reforms to cut down the cost of air travel in PNG or provide subsidy to help stimulate domestic tourism and travel.

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Mr Speaker, Tourism Promotion Authority has also gone ahead and introduced the Safe Traveller Concept with the formal endorsement of the National Pandemic Control Centre.

This is basically a certification process for the PNG Tourism Industry. It is a program aimed at guiding the industry to maintain and reinforce COVID-19 health and safety protocols in their respective establishments, as per the National Pandemic 'Niupela Pasin' guidelines.

TPA has also gone ahead and conducted awareness on the Safe Traveller Concept in all the Regions of PNG including NCD.

Mr Speaker, one of the most significantly impacted project currently undertaken by TPA under my Ministry in the last six (6) months is the development of the first PNG Tourism Satellite Account. The Tourism Satellite Account is long overdue for Papua New Guinea as a Government and an economy. Tourism Satellite Account or TSA is the standard United Nations (UN) approved method of measuring the direct contribution from tourism to the national economy of any country in the world.

TPA in partnership with the National Statistical Office (NSO) and the Bank of PNG and other key partners has been working on the TSA project which will be completed soon. Once the TSA project is completed, we as a Government, can now be able to measure the real contribution of Tourism to the PNG economy going forward, we need to have that measure. Government must know this measure, then will understand and realise the significant an important of Tourism has a major contributor to the economy of this country.

Mr Speaker, I also wish to inform this House that the Tourism Promotion Authority's contributions to PNG's participation at the World Expo in Dubai is well advanced. We will not only be showcasing the beauty and diversity of our beautiful country to the rest of the world but we are also keen on selling PNG as a great Tourism Investment Destination so multinational Tourism companies can come and invest in our country, here we do things natural, not manmade, our Highlands, our Souls, our Seas, our Sun everything is natural, it's pivot, no man made, everything is pivot. I am aware that other key identity sure as Commerce Industry and Investment Promotions Authority, others will be collaborating with us and pushing same investment messages, particular in the space of areas in tax breaks and incentives for investment in the Tourism spaces.

Mr Speaker, as I address this honourable House, TPA is also compiling a Tourism investment directory portfolio, which will be promoted in Dubai.

Mr Speaker, further, one of the highlights of PNG's participation in Dubai will be the choreographed performance of PNG's traditions and cultures representing all corners and diversity of our beautiful country. Papua New Guinea has a cultural diversity in that we have more than 800

hundred languages, we are a diverse country and we are one of those countries rich in culture, this is one of the countries in the world, that I should say one of best Tourism Destination, because of diversity.

Mr Speaker, the projects I mentioned here are all very important projects and programs currently undertaken by the Tourism Promotion Authority under my leadership as Minister and I would urge the Marape-Basil Government to continue its support to the tourism sector by way of increased budgetary appropriation for tourism development in our country. I thank the Government.

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In next year's appropriation we are given K20 million. That's a huge increase in appropriation from the previous governments. This government has given us K20 million. Thank you.

Mr Speaker, before I conclude, I wish to also inform Parliament, that the reviewed Tourism Promotional Sector Development Plan (TSDP) 2022-2026 and the Tourism Corporate Strategic Plan 2022-2026 is in its final stages of completion and it will be my honour as minister to launch these two important tourism development blue prints which will strategically guide the development of tourism in Papua New Guinea over the next five years.

Mr Speaker, I need the support of all Ministers and Members of Parliament from both sides of the house to drive the tourism development agenda as it is the future in terms of sustainable economic development for our children's future and their children's future.

Tourism, we always say that it is a sleeping giant. It is about time now that we wake the giant and see what it can do to transform the economy of this country and to be a major contributor to the economy of this wonderful country.

Mr Speaker, for now, I commend this, the 2019 Annual Report of the Tourism Promotion Authority to this honourable House. I thank you, Mr Speaker.

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

Motion – That the paper be noted – agreed to.

Paper noted.

**NIUSKY PACIFIC LIMITED (Formerly PNG AIR SERVICES LIMITED),
2017, 2018 AND 2019 ANNUAL PERFORMANCE REPORTS –
PAPERS AND STATEMENT – PAPERS NOTED**

Mr SEKIE AGISA (South Fly – Minister for Civil Aviation) – Mr Speaker, I present the following Papers pursuant to statute –

*Niusky Pacific Limited (formerly PNG Air Services Limited) 2017, 2018 and
2019 Annual Performance Report.*

Mr Speaker, I ask leave of the Parliament to make a statement in connection with the report.

Leave granted.

Mr SEKIE AGISA (South Fly–Minister for Civil Aviation) – Mr Speaker, I thank you and the honourable Parliament for allowing me to present an over-view of the 2017, 2018 and 2019 annual report for Niusky Pacific.

The company annual reports presented today have been compiled on time and had been ready every year for presentation to Parliament but unfortunately due to consecutive ministerial changes, the reports have not been presented in the House.

Therefore, this ministerial statement shall cover the performance of the company over the last three years from 2017-2019.

Just a brief background, the Niusky Pacific, one of the State Aviation Enterprise (SAE) established under the *Civil Aviation Act 2000*. It is mandated as a sole air navigation service provider in Papua New Guinea responsible for managing our airspace with the span 1.6 million square kilometres extending from the sea level up to the 60 000 feet.

Niusky Pacific Limited is governed by the board which comprises of both independent and ex-officio members.

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The Board is supported and advised by two special committees on critical technical aspects of the Company's operations; the Safety Sub-committee and the Audit Sub-committee. NSPL

manages all aircraft movements both domestic and international that use PNG's airspace referred to in the industry as the Port Moresby Flight Information Region (FIR).

Rationale

Mr Speaker, the air navigation services provided by NSPL are critical to the effective functioning of PNG's broader transport network which comprises the aviation, maritime and road transport subsectors. You will agree that the transport sector is a key enabler of socio-economic development in our country. and as you are aware, our rural communities are isolated because of our country's rugged and challenging geography and they rely heavily on the transport network for accessibility.

Many of us in this House will also agree that of the three modes of transport, aviation services remain a vital component of our country's transport system enabling trade, socio-economic development, tourism, education, health, business and investment opportunities for our communities.

I want to reiterate that Air Navigation Services (ANS) and Air Traffic Management functions provided by NSPL are most critical for the aviation sector as these services ensure a safe and efficient air transport system. The aviation industry, the general public and the Government expect a high level of aviation safety and efficiency, and this is significantly achieved through NSPL's modern aeronautical radio Communications, Navigations, Surveillance and Air Management (CNS/ATM) systems. In simple terms, NSPL manages PNG's invisible highways in the sky (skyways) enabling the users to operate safely.

The provision of air navigation services including air traffic management focuses on optimum one aviation safety for the travelling public. Essentially, these services enable aircrafts to operate at safe distances from each other during take-off, whilst airborne or upon landing with the ultimate aim to prevent collisions, which not only could result in devastating consequential social impacts due to loss of lives and property, but also detrimental to commercial and economic implications.

Overview of the Company's Modernisation Program

Mr Speaker, please allow me to provide a quick overview of the Company's Modernisation Program. In 2011, NSPL developed a blueprint outlining its long-term strategic vision "to be recognised by the industry as a leading air navigation service provider within the Asia Pacific region and beyond." To achieve this ambitious goal, the Company embarked on a holistic Modernisation Program after NEC approval in 2013. The Modernisation Program has been the key driver of its development priorities, enhancing NSPL's capacity and capability in a short span of time, enabling it to provide modern and reliable air navigation services within the region.

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The Modernisation Program is aimed at streamlining and updating all aspects of the Company's businesses including its service delivery, workforce, air traffic management and operational systems, facilities and technologies consistent with current global trends and world's best practices. A number of projects under the Modernisation Program have been planned and delivered over multiple years, strategically phased out to cater for the number of airports, the number and types of aircraft operated by the airlines, the compatibility and interoperability with other systems operated by neighbouring ANSPs and the installation of operational infrastructure at remote sites including mountain tops.

I am pleased to inform this House that most of these projects have been successfully completed and commissioned over the last five years while the remaining few are nearing completion and will be commissioned as part of a Grand Commissioning event expected to be held towards the end of 2021.

Key Achievements from the 2017-2019 Annual Reports

Mr Speaker, due to time limitations, please allow me to provide this House with an overview of the major milestones achieved over the last three years from 2017 to 2019 respectively, under the Modernisation Program.

Mr Speaker, one of the first projects undertaken under the Modernisation Program is the NiuSky ATM Project. This project was initiated in 2017 with funding support from the Australian Government and counterpart funding from Government of PNG. The project cost 12.8 million Australian Dollars and replaced the old analogue Air Traffic Management (ATM) system with a new fully automated, 'state-of-the-art' ATM system. The main components of the new system were installed and operationally commissioned during the 2018 APEC Leaders' Summit. This enabled our Air Traffic Controllers to successfully and safely manage the unprecedented number of aircraft movements during the Leaders' Summit.

The NiuSky ATM Project is the core project under the Modernisation Program and provides a modern platform that integrates and processes aeronautical data from the numerous aeronautical radio communication, navigation and surveillance systems and facilities located throughout the country. The Air Traffic Controllers use the processed information from the ATM system to effectively deliver air traffic control and management services within the Port Moresby FIR. The key advantage with the fully automated ATM system in terms of safety is that it minimises human interface thereby reducing risks associated with human errors which is one of the critical causal factors of aviation accidents and incidents.

Mr Speaker, the Company also installed a new Voice Communication Switch (VCS) system in 2019, replacing the old version and to complement the new Air Traffic Management (ATM) system. This was important to improve the radio communication between Pilots and air traffic control towers. The project also included the introduction of a terrestrial based surveillance system known as Automatic Dependent Surveillance Broadcast (ADS-B) which was installed at a number of sites around the country to complement the Secondary Surveillance Radar situated at Jacksons International airport.

Mr Speaker, it gives me great pleasure to announce that this advanced ATM system places PNG well ahead of some of the bigger regional ANSPs including Australia and Indonesia and removes any operational limitations within our airspace, allowing the seamless flow of air traffic through neighbouring FIRS.

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Thus contributing towards the realization of the International Civil Aviation Organizations' (ICAO) goal of achieving seamless borders for enhanced safety in the global air transportation network.

Mr Deputy Speaker, the second project that has been successfully progressed over the last three years is the Global Navigation Satellite System (GNSS) air based approaches. This project is fully funded by the Government of Australia (GOA) and the contract for the project was signed in January 2017 to the value of AUD\$3.4 million.

The GNSS Project is aimed at introducing satellite-based Instrument Approach Procedures at 35 airports around the country in order to enable aircrafts equipped with GNSS technology to operate safely and efficiently in our flight information region. GNSS assists pilots to safely maneuver for landing at night, in poor visibility and bad weather. GNSS based instrument approach procedures for the first 23 airports were designed, published and distributed to the industry in 2019.

Mr Deputy Speaker, the third critical project undertaken over the last three years under the Modernization Program is the design, supply and installation of a new High Frequency (HF) aeronautical radio communication facility at Nadzab Airport which replaces the old HF system located at Port Moresby.

The project is funded by ADB through the Civil Aviation Development Investment Program (CADIP) at a value of US\$12.9 million.

One of the key revolutionary projects is the construction of a solar powered multi-functional facility called the Sky Lounge. This iconic building is a pilot project for the company the use of

green energy. This project is a success and the company plans to replicate it across its other facilities around the country.

Additionally, NSPL has invested in using more reliable, sustainable and cost-effective approaches to enhance its operations and business by adopting space-based technologies and minimizing the use of ground-based technology.

Such a move is justified due to the high cost of maintenance associated with ground-based facilities due to inclement weather, land ownership issues, theft of equipment, vandalism and the unreliability of third-party telecommunications and power supply which continues to affect the effective performance of the existing ground-based infrastructure and systems. These ongoing challenges adversely affects NSPL's ability to effectively deliver its safety critical services to the aviation industry.

Mr Deputy Speaker, I am therefore pleased to acknowledge that NSPL's bold move to transition from the problematic network of terrestrial based infrastructure to using modern space-based technologies to enhance the safety of aircraft operations within our airspace, is highly commendable.

Further, that it is an initiative that is consistent with our goal to "establish a resilient and effective air transportation network that links all of PNG to enable access to the flow of goods and services “, as stipulated in the Medium-Term Development Plan 2018-2022.

Benefits

Mr Deputy Speaker, the benefits of the Company's Modernization Program are currently being realized not just by NSPL itself but also by the industry and the travelling public. The HF project will provide a new dual Transmitter and Receiver Station at Nadzab Airport that will be used primarily by aircrafts flying into the remote areas in PNG where Very High Frequency radio communications may not be possible. This project was expected to be completed in 2020, however, due to the unexpected Covid-19 pandemic, the project is expected to be completed in 2021.

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Mr Deputy Speaker, the benefits of the Company's Modernisation Program are currently being realised not just by NSPL itself but also by the industry and the travelling public. The number of incidents attributable to Air Traffic Services have been reduced and eliminated over the past few years resulting in significant aviation safety outcomes.

The modern CNS/ATM infrastructure and systems as well as a highly skilled modern workforce have contributed to NSPL's pursuit of service and organisational excellence. As a result,

the industry benefits from operational efficiencies which result in reduced operating costs, which includes reduced fuel burn and therefore reductions in carbon emissions.

I am pleased to inform this honourable House that the Company's endeavor to transition to a modern State Aviation service provider by upgrading and modernising its technologies as well as its business systems and practices, has had a positive impact with international and regional airlines experiencing an enhanced level of service that is consistent with those provided by some of our larger and more developed countries within the region and beyond.

This positive outcome of improved safety and operational efficiencies in PNG's aviation service standards, has created an attractive environment for more international airlines to use our airspace, in turn, providing opportunities for more flight services in, out and through PNG.

With great pride and appreciation, I reiterate that NSPL now has the world-class capability to provide the highest level of air traffic management services for its domestic and international customers.

Mr Deputy Speaker, NSPL is an independent and self-funding entity that operates a cost recovery business model as legislated under the *Civil Aviation Act 2000* (as amended). The Company's only source of revenue therefore is from the air navigation service fees and charges it collects from the industry.

Since inception, the Company has been operating on a small but steady revenue. For the past few years, moderate profits were declared as a result of stringent financial management practices. These profits are committed to the following;

- 1) purposes of meeting contractual obligations for Development Project Contracts,
- 2) funding the Company's components of Projects,
- 3) funding internal Capital Expenditure Programs;
- 4) funding Maintenance and infrastructure improvement Programs and;
- 5) Maintaining the Company's recurrent budget.

The profits and savings also have been used to make upfront payments for various Development Partner funded Projects where the development assistance arrangement is via a claim and reimbursement approach. Another reason is due to the inconsistent disbursements of funds by GoPNG where sometimes warranted funds are either reduced upon disbursement or not disbursed at all.

Due to the single source of revenue generation, NSPL has relied heavily on external partners to fund most of the projects under the Modernisation Program. I therefore wish to extend our government's sincere gratitude to our Development Partners for supporting NSPL throughout their modernisation journey.

As part of NSPL's prudent financial management practices the Company has apportioned moderate amounts from its modest annual profits to its reserve for rainy days. The underlying reason to set aside such savings as reserve is for the Company to continue and sustain its mandatory service obligations, in the event, the only source of revenue is disrupted and/or cut off.

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The possible scenarios which may severely impact the global airline industry and which may lead to travel restrictions are; terrorism, war, natural disasters, biological incidents, pandemics etc. The recent example of the Covid-19 pandemic which has severely impacted the global Aviation Industry is an excellent case in point.

It is important for this honorable House to note that, in spite of such situations, in accordance with the international and domestic regulatory requirements the expected level of service as well as Aviation Safety must be maintained regardless of whether just one aircraft is operating or a thousand are operating within our airspace.

All the systems and facilities used by NSPL to ensure safety of aircraft operations must all be operational and ready 24/7 regardless of the number of aircraft operating in any given time and there is a fixed operational cost that cannot be reduced nor negotiated.

Mr Deputy Speaker, NSPL's prudent financial management practices is highlighted in the Financial Performance section as the Audited Financial Reports in the Company's respective Annual Reports, for the years 2017, 2018 and 2019. For this Financial Reports, I am pleased to inform the House that despite the negative economic environment over the last three years, NSPL remains a vibrant and viable company that continues to meet its legal and statutory obligations as envisioned in the *Civil Aviation Act 2000* as amended.

I am pleased to inform the House that all three Annual Reports have been endorsed by the two Shareholder representatives of the Company; the Honorable Minister for Finance and the Honorable Minister for Civil Aviation during the Annual General Meeting (AGM) for the respective years. The endorsements through the AGMs demonstrate that NSPL is a high performing company.

Challenges

Mr Deputy Speaker, in spite of the fact that NSPL's Modernization Program delivered over the last couple of years will bring significant benefits to the aviation industry and the people of Papua New Guinea. This honorable House must appreciate that such development initiatives will require ongoing funding support from the Government to sustain them.

The past and present Governments, through the National Executive Council (NEC), are acknowledged for initially endorsing US\$75.3 million (PGK223.8million on the exchange rate then) for the Modernizations Program in 2013 and then subsequently honoring this decision by continuously appropriating funds annually to progress the projects.

However, the struggle for the company has been in not receiving the full amounts requested annually from the Government. The actual disbursement to date amounts to K38 million through the annual Budgetary Allocations between 2013 and 2019.

Despite, the GoPNG's ongoing funding short falls, funding from the Government of Australia and ADB were released on time whenever respective project milestones were accomplished and that arrangement has ensured the ongoing delivery of the Modernization Program.

Additionally, the company faced challenges brought about by negative impacts on the business community both locally and globally with the prevalence of the unfavorable economic and fiscal environment.

Despite these challenges, NSPL continued to deliver safe and efficient air navigation and air traffic management services and persevered in progressing its Modernization Program.

Partnerships

Mr Deputy Speaker, as alluded to, one of the main reasons for NSPL's development success over the years is due to fostering and maintaining its key partnerships both domestic and international,

One such example, is by being a member of the Civil Air Navigation Services Organisation (CANSO). CANSO is the global voice of NSPLs such as NSPL.

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The membership with CANSO allows NSPL to participate in discussions on issues affecting the management of the global airspace, sharing of information, networking with the global leaders in the industry and sharing experience and best practices.

Corporate Social Obligations (CSO)

Mr Deputy Speaker, in addition to its core function and responsibilities, NSPL maintains its Corporate Social Obligation. Through its CSO policy, the company has aided various charity programs between 2017 and 2019. The notable support includes contributing to cross-cutting agendas such as Violence Against Women and Women Empowerment, Fight Against Corruption, and Health Care Improvement Services. The two major CSO activities supported by the Company are; the exemption of air navigation services fees and charges for aircrafts servicing rural

communities and the provision of 24/7 Search and Rescue (SAR) Alerting and Coordination Services at the Company's expense. In exempting the air navigation fees and charges, NSPL indirectly puts money back into the operations of the rural airline operators so that they continue serving the remote rural communities. Over the three years, between K800 000 and K1 millions of fees and charges have been exempted for rural aircraft operators. The SAR alerting and coordination services is the company's contribution to assisting with any major aircraft incident or accident because NSPL's Air Traffic Controllers are the first and the last point of contact for an aircraft.

At this juncture, I would like to highlight that in this context, as PNG is a signatory to the International Convention for the Safety of Life at Sea (SOLAS), the International Convention on Maritime Search and Rescue, and the Convention on International Civil Aviation, we must take immediate action to establish a stand-alone National Search and Rescue entity that is appropriately funded and resourced to undertake search and rescue services in PNG. To address this issue, my Ministry is working with the Ministry of Transport and Infrastructure on the Aviation Policy 2021 where Search and Rescue is addressed at the policy level.

Major Transport Policies

Mr Deputy Speaker, NSPL has ensured that all core activities as well as the projects under the Modernisation Program are aligned to the government's key strategic objectives and priorities. All in all, the major policy areas implemented through its program directly or indirectly contribute to the realisation of the relevant United Nations Sustainable Development Goals as well as the Go-PNG's Medium-Term Development Plans (2018-2022) priorities for quality infrastructure, improved service delivery, safety and security, good governance, and social development.

Conclusion

Mr Deputy Speaker, in concluding, I want to emphasise that the optimised level of services currently delivered by NSPL, portrays a positive image of PNG's capability to the world on an hourly basis assessed by international airlines that fly through our airspace. It is therefore critical that successive governments continue to recognise the importance of modernising key aviation infrastructure to remain on par or even exceed the regional and global standards of service and aviation safety excellence, ultimately contributing towards the realisation of PNG's Vision 2050.

Mr Deputy Speaker, as Minister responsible for Civil Aviation, I hereby commend the NiuSky Pacific Limited Board, Management and Staff on their vision for the nation's airspace and on their efforts in continuing to revolutionise and shape a new era in the delivery of air navigation services in PNG.

On behalf of the Government of Papua New Guinea, as Minister responsible, I commit my Ministry to fully support this initiative under the principles of this Policy Statement.

25/09

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

Motion – That the Paper be noted – agreed to.

Paper noted.

VIEWING OF THE CASKET OF LATE MEMBER – STATEMENT BY THE DEPUTY SPEAKER

Mr DEPUTY SPEAKER – Honourable Members, I would like to inform the House that this afternoon our late colleague Member's casket will arrive from Mt Hagen and will be overnighing at the funeral home and tomorrow at 10 o'clock, the casket will be here Parliament for all Members to pay their last respect to the body, so I ask all Members in attendance to come to Parliament tomorrow to show your last respect to our colleague Member.

ADJOURNMENT

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

That the Parliament do now adjourn.

The Parliament adjourned at 1.10 p.m.