

FIFTH DAY

Tuesday 1 March 2022

DRAFT HANSARD

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FIFTH DAY

Tuesday 1 March 2022

Mr 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 10.35 a.m., and invited the Member for Kokopo, **Honourable Emil Tammur** to say Prayers.

‘Thank you father, thank you Jesus, thank you Holy Spirit. Father, today as mipela bung long dispela Haus bilong pipol bilong dispela beautiful kantri. Long dispela morning, mipela tok thank you for the many blessing that you have bestowed upon our lives, for the many blessing for the people of this beautiful country of ours.

Father, mipela ino stret pela man na meri lo eye bilong yu. but yu gutpela God bilong mari-mari na forgiveness. Long dispela moning, mipela lusim Prime Minista bilong mipela, Opposition Lida na olgeta Membas long tupela sait wantaim long dispela Haus igo long han bilong yu. Father, go pas long olgeta toktok long dispela day taim mipela toktok long ol important issues we bai affectim kantri bilong mipela. Salim Holy Spirit bilong yu bai go pas long mipela olgeta long bung bilong mipela now, Amen’.

QUESTIONS

Bereina - Apanaipei Road

Mr PETER ISOAIMO – Thank you, Mr Deputy Speaker. My question is directed to the good Minister for Works. I want the Minister to be aware of the controversial contractors who are currently working on the Trans-Island Highway between Bereina and Apanaipei Bridge. They have gone ahead without paying the Aipiana land owners for the gravels they have taken. In fact, they brought in rogue policemen with high powered guns, chased all the villagers away and have taken full control of the gravel pit area where their camp is.

(1) Is this the kind of attitude we want to display to our fellow Papua New Guineans?

I guess the concerns raised by the Apiano villagers is in line with what Sir Puka Temu has raised last week where local contractors can be considered seriously so we don't have to encounter such things, like what is happening now. The biggest issue here is, let us learn to respect one and another. Such attitude displays a lot of negativity on different regions of Papua New Guinea where we come from. Every human being is unique and so I guess when you provoke them, they will treat you in the same manner.

(2) Is the Minister aware of the issue that is happening along the Hiritano Highway; the National assert road for the Government of Papua New Guinea, or not?

Laloki-Brown River Road Funding

I would also like to appreciate some works that are happening in Laloki -Brown River portion of the road. But, can the Minister with his commitment on the World Bank funding for that portion of the road, can it be fast tracked because the volume of traffic?

This National road project is taking up every second of all the good work and intentions by the department.

(3) Who's responsible for that road, the dusts and other issues?

02/05

So, I want to ask the Minister that the World Bank has approved funding for this road sealing and when will it commence. These are my only two questions.

Thank you, Mr Deputy Speaker.

Mr MICHEAL NALI – Thank you, Mr Deputy Speaker, and I thank the Member for Kairuku-Hiri for raising these questions again regarding road.

Mr Deputy Speaker, when talked about controversial contractor, I want to say that if the contract is a small proforma costing up to K200,000 or K300,000 or below K500,000, it falls under provincial works. So, the responsibility is with the provincial works, but I will look into that matter.

Mr Deputy Speaker, the contractor has no right to obtain road base materials from a group of locals without their permission. There is a provision to buy those materials and if a contractor receives materials without paying, then it is totally wrong. Normally, there is some form of payment for every cubic extracted from the locals.

Mr Deputy Speaker, I am guaranteeing the honourable Member that I'll find out which contractor hasn't been paying the materials received from the locals. So, I will provide the answer to him in this term of Parliament sitting.

Mr Deputy Speaker, in regards to the road sealing from Laloki to Brown River, it is an important road section. The road sealing stops at Laloki, but from Laloki to Brown river the road has fallen apart.

Mr Speaker, the contract has already been awarded and funding came through from the World Bank, but the terms and conditions is very strict, especially when it comes to the environment. So, anytime soon when contractor submits the environmental plans for that particular section of the road, then it should be upgraded.

Mr Deputy Speaker, having said that, the government also has plans to continue from Laloki river going up to Brown river; we need to upgrade it. If need be, we can even open it up to a four-lane road and then, we move the city up that way.

Mr Deputy Speaker, this is not a new idea that I am proposing. If you drive along the Hiritano highway, you will see a lot of major companies operating from there, which provides a lot of employment as well. When we have an opportunity, it's better for us to open up to as far as Brown river.

So, the Prime Minister has mentioned that already and as soon as we are able to find some money hopefully through a bank loan with BSP. That will be good opportunity for us to expand the city as long as local people are happy with that proposal.

Mr Deputy Speaker, to conclude, we have awarded the contract over K80 million, but the delay is because the terms and conditions of the World Bank is so strict. I am sure as soon as the environmental plans is submitted by the contractor and approved, the road work should start.

03/05

I will instruct the Secretary for Works to find out with the contractor and update me on the progress of the work done and I will get back to you in writing.

Russian invasion of Ukraine

Mr GARRY JUFFA – Thank you Mr Deputy Speaker. I want to direct my questions to the Prime Minister and it's in relation to the alarming event on 24 February 2022, where Russia invaded Ukraine.

Mr Deputy Speaker, there are serious consequences of this event on trade and no doubt PNG economy will also be affected in some way or another.

My questions are:

(1) Is the Government monitoring this situation and its impact?

(2) What are the observations and what possible steps will the Government take to mitigate any negative situation arising from this event such as the increase in prices?

Mr JAMES MARAPE – Thank you, Mr Deputy Speaker. I appreciate the Northern Governor's important questions because it has strong implications for the wellbeing of our country and citizens.

The crises taking place in Ukraine is between two neighboring nations and has a global effect. The effect of what happens in different parts of the world does cascade to different economies globally. We have seen how Covid-19 has had impacted the economy globally, likewise the present crises within Russia and Ukraine have taken direct hit on the global economy.

This morning, I was supplied a brief from Treasury that the price of crude oil for instance, has gone past \$103 a barrel. We are monitoring carefully because it does cascade on our own local economy here.

But our economy's import is dependent on almost 80 per cent of all our goods that we take, including fuel. And we are working closely with some of the major fuel importers like Puma and ExxonMobil to see how best we could minimise the effect of increased prices in our common household goods. Every Papua New Guinean are likely to feel the direct effect of such burden imposed by what is happening in Ukraine.

In relation to our position on the Ukraine-Russia war, we have allowed for our Ambassador at the United Nations to participate in a high-level UN Security Council that is taking place. Our countries statement will be released and we want both sides to find peace through peaceful means, reconciliation and dialogue. And to, respect the sovereignty of each nation and that statement will be released by our Ambassador.

But locally speaking, with the possibility of increase in cost of goods and services as a direct result of the global economy affected by the crises in Ukraine, I have asked ICCC to have a look at how best we could control the increase in prices especially of common goods like fuel and food and everyday consumption.

There is a need for subsidies to be given if the inflation related to the crisis thus blows up in our face, so the Department of Treasury has been directed to work with ICC and on our path, if need be, we might come back to Parliament to subsidize the most basic needs in our country. Firstly, we will look at food and fuel so that the burden of this crisis is not felt in a big way our in local economy.

We are also observing the positive aspect and that is the price of oil and gold has increased so, there will be a trade balance. The increase in the cost of goods and services in the country can be matched it the National Government through our Treasury picks up more from the benefits associated with the increase in prices of oil, gas and gold in our country. That can be balanced, so below at the consumer's level, we are looking at how best the National Government could subsidize, or provide discounts. This will be looked into by Treasury in due course.

We will make an announcement to the country on our response to inflation, caused by the happenings in Ukraine.

Transport of Medical Supplies

Mr DOUGLAS TOMURIESA – My question is directed to the Minister for Health. A few days ago, I received a phone call from my doctor and he mentioned the outbreak of a flu-like infection that is causing pneumonia and is causing people to panic. And the much talked about Covid-19 that has affected the nation. My questions are framed this way; about six months ago, we were able to receive six cartons of various medical drugs from the Health Department.

I was reliably informed that there are contractors who are supposed to be taking charge of the freight of medicine and drugs to all provinces and districts but a lot of this contractors get the drugs down to Alotau and they forget that there is an island called Kiriwina-Goodenough. They dump it in Alotau and expect the cargo to transport itself to the island. In the last seven years, the Kiriwina-Goodenough DDA has taken charge of our own supplies of drugs and medicines.

Borneo Pacific Pharmaceuticals supplies our drugs and we have it transported through Tropic Air, direct to both islands. We cannot continue taking on the responsibility, as this task has been contracted out and the contractor is being paid to supply medicines to our islands and province.

With this outbreak of a flu-like infection leading to pneumonia, when will the Health Department pull up their socks and make sure remote places like Kiriwina-Goodenough receive

their supplies. If you cannot supply direct to the island or any remote area for that matter; please leave them here in the city, just contact us that these medicines are ready. We will pick them up and find our own way to transport them. When you send them to the provincial centres, most of the time, the drugs stay there and are expired or damaged, while waiting to get to their final destination.

When can the contractors who are contracted to deliver needed medical drugs deliver the supplies on time?

05/05

Mr JELTA WONG – Thank you, Mr Deputy Speaker. I thank the good member for Kiriwina Goodenough for this very important question. Our Government is trying to solve this issue in the next coming months through a new program that the Government using the drone delivery system.

But getting back to the drug distribution in our country, as the good Member has said, its lucky delivering right to the door of the rural areas. So I'll be doing an investigation with the Milne Bay Provincial Health Authority; the authority on the ground, and we will get to the bottom of this and find out why the logistics companies are dumping medicine at the provincial headquarters instead of delivering them to the rural areas which is what they are paid to do. Within the next month or so, we should have this drone program delivered to the National Executive Council so that it cuts out all this middle-man and delivers straight to our rural areas, so with that, thank you.

Western Province - Road Funding

Mr TOBOI YOTO – Thank you, Mr Deputy Speaker, for giving me this opportunity to ask my question. My question is directed to the Minister for Works; the father of our roads in the country.

In 2020, the Connect PNG program was initiated and we funded a project in Daru and in the middle of Orimo Wipim. We awarded this project to a contractor on the ground, the Western Provincial Government has already paid its share of the counterpart in Daru Island. The contractor did what they could do and now the Contractor has stopped work and is waiting for the National Government's component funding. So my first question in relation to the Daru town roads;

(1) When will the National Government pay its share of the component to the contractor?

(2) My second question is in relation to Orimo Wipim road to Sota. I would like to acknowledge the National Government for recognizing that road under the Connect PNG Program. In 2020, we engaged a contractor who received funding for 2020, but has not received the 2021 component. The contractor has nearly completed the road and is now asking; will they be receiving some more funds or not?

Thank you Deputy Speaker, these are my questions.

Mr MICHAEL NALI – Thank you, Mr Deputy Speaker and I would like to thank the Honorable Governor of Western Province for these very important question. Road is something we all have been crying for everywhere.

Mr Speaker, I know that in Daru, the major problems are funding and places to obtain materials. It is very difficult. That is why we need more money, when we want to build roads in places like Daru. Mr Deputy Speaker, I need to let the Governor know that, I will need to go back to the Department and find out the status of this particular roads. Last year, some allocations were made. In 2022 there are some allocations for Daru and that is why contracts have been awarded.

06/05

But for us to continue to carry out these projects, we will need money. Unfortunately, I want to say, at the department, we did not receive the full amount of the allocation for the 2020 and 2021 Budgets.

Warrants have been released and cheques have been written as well as the outstanding ones. I will respond to the Governor in writing. I don't want to guess the figures and give you incorrect information. Thank you, Mr Deputy Speaker.

Resettlement of Displaced Bulolo Settlers

Mr BELDEN NAMAHA – Thank you, Mr Deputy Speaker. My question is directed to the Prime Minister. My question is in relation to the re-settlement of settlers in the care centre at Bulolo.

Mr Deputy Speaker, I just want all of us to refresh our minds and remember, on 17 May 2010, there was a big ethnic conflict in Bulolo which resulted in a lot of citizens being displaced. They are now at the Bulolo care centre. Most of these citizens are from Sepik. They

were displaced and their homes were burnt down, and a lot of problems escalated as a result of that.

Mr Deputy Speaker, on October 2010, the Somare – Polye Government, represented by the then Acting Prime Minister Don Polye, brought K2 million as an intervention program to re-settle and resolve that issue.

That was a good intervention to resolve the ethnic conflict at that time, but Mr Deputy Speaker, the people are still at the care centre. And these people are citizens of our country. These people have contributed to the development of Bulolo, Wau and Papua New Guinea.

Since then, Mr Deputy Speaker, there has been no intervention by the Bulolo District Development Authority, Morobe Provincial Government or the National Government.

My question to the Prime Minister is, these people are now living in the care centre and there is an increase in law and order, health and social issues. I want to ask the Prime Minister about the plans of the National Government in regards to the resettlement of the people and the citizens of Papua New Guinea in the Bulolo care centre.

Its almost 12 years now and nothing has been done on all three levels of Government, Bulolo District Development Authority, Morobe Provincial Government and the National Government. Thank you, Mr Deputy Speaker.

Mr JAMES MARAPE – Mr Deputy Speaker, I would like to thank the Opposition leader for asking a very important question about the people at the Bulolo care centre.

Firstly, I want to apologise to the people at the Bulolo care centre, for neglecting this outstanding issue. Using this question, I will get government agents to work on this and we will give a respond to the nation, but more importantly, the people at the care centre where we will find a permanent solution.

Most of these are second and third generation of people living in Bulolo, like in many parts of this country where Papua New Guineans moved from their original home to their settled home. We must have solutions for this second and third generations Papua New Guineans who are elsewhere.

Lest we forget, we are one country, one people, one nation. We must have solution for them and I just want to apologise to these people in the Bulolo care centre on behalf of the National Government for not responding to them promptly.

07/05

We will try and look into a program for those who were without aid of specific policy on this. As a Prime Minister, I am just making reference to what might happen for those who want to go back to their original home of origin, we could work on a repatriation program. But, for those who want to remain in this place they call home, because they are second or third generation, the National Government will look at finding a permanent solution so that they can settle without disturbances from original land owners or settling on land that is earmarked instead of squatting on land that is not theirs. We'll look into a plan that will give them a permanent solution.

I just want to thank the Opposition Leader for raising this important National issue that has not been addressed for so long.

Porgera Power Plant Transfer

Mr MANASSEH MAKIBA – Thank you, Mr Deputy Speaker, for giving me this opportunity.

My questions are directed to the Minister for Petroleum and Minister for Mining, but since they are not present, I will redirect them to the Prime Minister.

It is in relation to the gas to electricity project power plant in Nogoli Hides Gas which supplies power to Porgera Gold Mine. The gas in the Hides project has supplied electricity to Porgera Gold Mine over the past 30 years. I am aware that the new Porgera Gold Mine negotiation that is going on involves the continuous supply of gas to provide electricity to the mine.

In PDL 9.6 licence base beneficiary agreement, it expressly talk about State acquiring this power plant which was previously owned and operated by the Porgera Joint Venture and currently by Oil Search. But the clause on LBBSA PDL1 states that the State will acquire it from the current operator and transfer it to the Provincial Government and land owners so that they can own the power plant on a fifty-fifty basis.

Has the State or Government taken any steps to transfer this power plant to the Provincial Government and the land owners or not?

If not, why has it not happened and when will it happen?

Thank you.

Mr JAMES MARAPE – Thank you, Deputy Speaker. Let me appreciate the question by the Member for Komo-Magarima. In his electorate, I think the PDL1 Gas resource straddles in. The Government's position is quite clear, if the section he refers to in LBBSA for PDL1,

clause 9.6 is the reference point he is pointing to, then that was the latest or the current Government position in as far as the Hides Gas to electricity project is concerned. So, I will direct our Government department to have a look into this provision and see whether we could activate this.

Just for the record, the Hides Gas to electricity project at the moment, I think it is not operational. It shut down due to the excess of gas from the Hides Gas resource from the well head one, two and three, especially well heads one and two has been depleted as the LNG resource is taken from the other part of the PDL1 reserve.

But having said this, to answer the question, the current PNG LNG also has a small provision for DMO to access some additional gas from the current site in the PNG LNG gas plant.

08/05

We are looking to work on a program to access gas-fired electricity from the current LNG supplier also and not just for Hela province, but to supply the five highlands provinces to complement the supply of electricity from the Yonki hydro plant.

So, there is a work in progress for us to access gas from there. Let me assure our landowners and provincial government up there that the clause is already in there. It's a matter of getting the instruments to be tied it and we could work on a transfer that is within the meaning of the clause in LBBS agreement that Member made reference to.

In fact, just mentioning it brings to my mind a clause the original Hides gas to electricity deal that after ten years from 1990, that transaction would have take place. That did not take place up until the PNG LNG agreement was signed.

So, it is outstanding, we will have a look into this one and hopefully the National Government should put a conclusion to this at the very earliest opportunity possible.

Thank you.

Higher Education – Tuition Fee Subsidy

Mr CHARLIE BENJAMIN – Thank you, Mr Deputy Speaker. I direct my question to the Minister for Higher Education but since he is not here, I redirect it to the Prime Minister.

All the colleges and universities are charging upfront payment of 75 per cent before attending classes. School fees are not like in the past, they are now charging K20,000, K14,000,

K10,000, and many parents cannot afford to enroll their child at school. Some of them have two children, they have decided for only one to attend university.

My question to the Prime Minister is:

(1) Can find some way to bring 75 per cent down to 40 per cent so that the parents can afford it.

We are well aware that beginning of this year, the accounts were still closed and we couldn't access it to assist them. And now that we are going into election, normally, if Ombudsman Commission closes down our account, we will not be able to assist the student using PSIP AND DSIP funds.

(2) Are other ways, we can instruct colleges and universities to reduce those fees, and overtime during the year, the parents can pay while student attend classes because it is a real issue at this time.

Thank you, Mr Deputy Speaker.

Mr JAMES MARAPE – Thank you, Mr Deputy Speaker, I thank the Governor of Manus for this important question. His static suggestion is for us to talk to the universities councils and colleges administrators to ensure there's a lighter request on our parents and citizens not to pay in majority up front.

Certainly, a good suggestion, we have already sent signal to our universities and colleges in as far as school is concern, particularly to look at how the Student Higher Education Loan program is administered and should be used to assist students who need that income supplement.

The school fee can be supplemented with the Help program as well as to normal HECAS and TEASAS school fee that we are rolling out. I just want to assure the Governor of Manus we will send word out to all school administrators to see whether they could ease their restrictions on our parents and let the balance to be paid in the second or third quarter. And to also use government higher education loan program as well as government's TEASAS and HECAS program to keep the students in the school instead of imposing heavy demand on parents and citizens at the very earliest.

Thank you, Mr Deputy Speaker.

Milne Bay - Foreign Fishing Vessels

Mr CHARLES ABEL – Thank you, Mr Deputy Speaker. I've got a question for our hard-working Fisheries Minister now that he is present on the Floor.

I had some communications with him so he will be very much aware of this particular issue I am raising.

09/05

But before that, I want to pay my respect and acknowledgement to the late Grand Chief Sir Michael Thomas Somare. Seeing that it's the first anniversary of his passing, we continue to acknowledge this great man on this Floor, throughout the country and our people are acknowledging him as well.

We, the Abel family had a special relationship with the late Grand Chief particularly through Sir Cecil Abel who was Grand Chief's lecturer at the Administration College back in the 1960s. He was also one of the standing fathers of the Bully Beef Club and of course the Pangu Party and Sir Cecil Abel went on to become the first regional member for Milne Bay. He was once the advisor to Grand Chief, I had many fond memories of sitting in Waigani listening to Grand Chief, Sir Cecil Abel and Sir John Guise cracking jokes and telling stories and its wonderful listening and benefitting from words of wisdom from these great men.

Mr Deputy Speaker, the issue that I raised with Minister for Fishery in relation to five long line fishing vessel that entered the waters of Milne Bay and anchored at Alotau in January of this year.

The public noticed those vessels and informed of. I then informed our Governor, PEC Chairman for Fisheries and the Provincial Administrator. But unfortunately, none of them were aware of this boat and what they were doing in Milne Bay waters. I messaged the good Minister to get further information on that, but a week later I received a two-page brief from our fisheries division from our provincial government that these vessels were here to fish in Milne Bay waters through the National Fishing Authority and were going through the final licensing requirement.

In recent times, we have had disaster in terms of the licensing of the Beche-de-mer fisheries season in Milne Bay resulting in massive depletion of the stock and even associated law and order issues in relation to the harvesting of the Beche-de-mer due to wholesale licensing from Port Moresby. There was a lack of proper consultation with the provincial government, resource owners, LLG authorities. My questions are:

(1) Is this another example of this trend?

(2) Who owns these boats and why was there no awareness with the resource owners, LLG or the public in general about this activity? These boats have appeared to have left the harbour.

(3) Are they currently fishing in Milne Bay waters?

(4) What assurances do we have that they will not take stock from Archipelagic Waters of Milne Bay as currently seem to happen with illegal fishing boats from South East Asian countries?

(5) Can the Minister ensure that proper engagement and consultation is conducted for this and any other future licensing of fishery activity whether it be in Milne Bay or other provinces as well?

Last week, the Member for Esa'ala raised questions on consultation regarding Jomard Passage. I also notice the concern raised by Honourable James Donald in relation to P'nyang on consultation with LLGs, landowners and with leaders which is very important and another casing point.

Dr LINO TOM – Mr Deputy Speaker I thank the Member for Alotau, Honourable Charles Abel for his questions.

In regard to the first question, he notified me regarding the boats in Alotau and I forwarded the messages to the Managing Director of NFA at that time to respond to the Member so that he is aware of the issue.

10/05

I realized that the answers to his questions which the office was supposed to furnish and relay to him was not being done. I will speak to my officers and I will reply to him tomorrow.

In terms of awareness to the boat owners regarding licensing, all approvals are done by the board. The only licensing that comes under my jurisdiction is around the waters in Daru and the border areas of our country. As a Minister these are the only areas that are in my jurisdiction; otherwise, other licensing come under the jurisdiction of the board.

As you would be aware and understand, the board has an independent process that actually considers everything. Firstly, there must be some management plans in place, once these plans are in place and based on these, the board issues the licenses. These are some areas that I am not actively involved in and since the Member for Alotau has raised these issues, I will look into them and advise accordingly.

In terms of licensing, as I have already mentioned, the board makes the decision based on the management plan where a particular commercial fish species is to be harvested. The process is quite independent and is under the jurisdiction of the board of NFA. In cases like this, I will now take it up to the board as I do not directly influence the board just because I am the Minister responsible. I have to bring it to their attention and under their management plans and we discuss, and they give me the feedback to respond accordingly.

Air Niugini – Cash Handling Fee

Sir PUKA TEMU -My question is directed to the Minister for State-owned Enterprises. It's a very simple question and requires just one answer. It was brought to my notice about our citizens who wish to fly from one part of the country who do not have a bank card. We are aware that majority of our people do not have bank accounts, therefore they do not have cards.

So, when they turn up to pay their tickets they are charged a cash surcharge fee of 10 per cent. I believe that our national flag carrier can look at other options for revenue rather than this particular option. Some of the reasons they were giving were, this is the fee taken for handling cash.

How much do you have to do to handle cash from Air Niugini to Air Niugini bank account in BSP, which is just down the road? This is causing a lot of inconvenience for our rural majority who want to use our flag carrier to fly. Please look into this and please remove this surcharge to allow for all people from this country to move freely.

Mr WILLIAM DUMA – Thank you Mr Deputy Speaker. I would also like to thank the Member for Abau for his question. I can confirm that this is happening and I assure the Member the Parliament and our people that this is not something that was directed by this Government.

11/05

It was entirely a commercial decision entirely made by Air Niugini as a company operating on its own in competition with others. Most are aware that banks like BSP are charging similar fees. I would ask the good member to allow me time to seek justification from Air Niugini management why that is the case, and I can confirm that it is happening. I personally as an individual do not believe that this is the right thing to do. Thank you, Mr Deputy Speaker

**DEPARTMENT OF JUSTICE AND ATTORNEY GENERAL –
ANNUAL MANAGEMENT REPORT 2018, 2019, 2020, 2021 – PAPERS AND
STATEMENT – MOTION TO TAKE NOTE OF PAPERS**

Mr BRYANN KRAMER, (Madang – Minister for Justice and Attorney General) –: -
Pursuant to statute, I present the following papers:

Department of Justice and Attorney General Annual Reports 2018, 2019, 2020 and 2021

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

Leave granted.

Mr. Speaker, in accordance with Section 32 of the *Public Service (Management) Act* 1995, I present to this Honourable House and the people of Papua New Guinea, the Department of Justice and Attorney General (DJAG) Annual Management Report (AMR) 2021 and AMRs for the preceding years, 2020, 2019 and 2018.

The key implementing document for the DJAG is the DJAG Corporate Plan 2019-2023. The five (5) strategic priorities that the activities of the DJAG have been aligned to are;

- (1) A focused and revitalized Village Courts System;
- (2) A revitalized crime prevention approach;
- (3) Strengthened communications and information management systems;
- (4) Integrity and professionalism in DJAG business;
- (5) Infrastructure and capital works program;

Mr. Speaker, tremendous effort has been put in by the staff of DJAG to address the five strategic areas in 2021.

The key highlights against these strategic priorities are:

- (1) A Focused and Revitalized Village Courts System and Infrastructure and Capital Works Program.

The Crime Prevention through Revitalised Village Courts System Strategy was endorsed by the NEC Council. The Crime Prevention through Revitalised Village Courts System Strategy is well underway with implementation activities commenced in 10 provinces including work on building of Village Courts houses and completion of audit of Village Courts in the Autonomous Region of Bougainville (AROB), Morobe and Hela provinces. The Village Court

Policy 2020-2030 was developed and endorsed by NEC in December 2021. The implementation of the policy will complement the work of the Crime Prevention through Revitalised Village Courts System Strategy.

(2) A Revitalized Crime Prevention Approach

Funding support under a established MOU arrangements was provided to partners to address and reduce Gender-based violence including Sorcery Accusations Related Violence (SARV). MOUs with Ijivitari (Oro Province) and Kandep (Enga Province) for construction of Community Justice Systems Centres (CJSC) have been concluded. The Community Justice Service Centre (CISC) coordinators training, deployment, supervision and coordination were part of the activities towards the revitalized crime prevention approach strategy. Funding support was also provided to assist with the renovation of the prison chapel at Boram (East Sepik Province) and Giligili (Milne Bay Province) for the Correctional Service Facility renovation.

(3) Strengthened Communications and Information Management Systems

DJAG has established relationships with the National Judicial Staff Services, National Cyber Security Centre and CISCO Australia to work towards strengthening DJAG communications and information management systems. The Department's ICT Policy has been developed. New Parole Board, Release on License, Human Rights and Power of Mercy database has been designed.

(4) Integrity and Professionalism in DJAG Business –

DJAG engaged Kumul Soft Limited, a 100% locally owned company, to develop and formalize a fixed asset management system as part of the relocation exercise from the Sir Buri Kidu Haus to the WNB Haus. Continued Legal Education (CLE) for lawyers has been rolled out again in 2021 with support of the Australian Government where lawyers underwent CLE on Legal Reasoning and Analysis by Australian Government Solicitor and on Contracts in Resource Sector by Ashurst Lawyers. The Department's relocation of the 22 branches into the newly built West New Britain Haus will allow ease of accessibility for clients.

12/05

Mr Speaker, in 2021 the department was appropriated the operational budget to sustain its operations until the end of the year, including assistance from the Government of PNG, development funding and donor support to some of our core functions.

The financial executive summary are captured and annexed in these respective reports, however, I make reference to the 2021 financial executive summary, since it's the most recent

annual management report going before Parliament. There was an increase of K9.8 million in addition to the original budget appropriation of K122.9 million which adds to the total warrant released of K132. 8 million in the 2021 financial year. The details of the increase are in the financial executive summary.

DJAG main operating account is where all the requirement expenditure recount development is drawn from. The bank reconciliation report statement enables reconciliation of the requirements cash book, transactions against its bank account held with Bank of PNG.

Result of the statement would be a debit balance and would be shown when the reconciliation is complete, once the IMF ceased and access is restored to DJAG.

The reconciliation report indicates that there is good stewardship on the main operation account and the department and will be produced once completed. The DJAG financial report for period from the 1st of January to the 31st of 2021, is produced and presented in summary expenditure only for the recount budget of 2021 according to the requirements of the *Public Finances Management Act* and its financial instructions.

Mr Speaker, the key highlights in 2021 on DJAGs key result areas include;

- 38 Bills given legal clearance and passed by Parliament in 2021. Of the bills, six bills were high priority bills for the country and DJAG and were fully drafted and facilitated by the department and passed in last Parliament sitting in November 2021. These are the *Lawyers Ammendment Act*, *Control Substance Act*, Consequential Amendment to the *Dangerous Drugs Act*, *Electronic Transaction Act*, *Public Solicitors Act* and the consequential amendment to the *Attorney General's Act*.

- Providing support to the Marape-Basil government effort in addressing the Autonomous Region of Bougainville referendum and related affairs.

- Supporting the social law and order sector agencies by assisting with their policies and programs for approval in Cabinet.

- Facilitated and progress 45 sponsored and supported NEC submissions to Cabinet.

- The Office of the Solicitor General successfully defended and dismissed a compensation claim worth K1.5 billion in the National Court. Human Rights case of Rashid Dullah and 642 others versus Patrick Thomas and the State.

- Administratively established the State audit and recovery team comprising of DJAG officers in collaboration with other governments department to order failed projects, contracts and initiative legal proceedings against defaulted contractors or state awarded contracts worth millions of kinas.

DJAG is anticipated through the State Audit Recovery Team to save the State millions of kina worth of revenue. Drafting of four DJAG annual management reports and statutory report for the National Lands Commission and probational services, parole services and juvenile state justice services.

Mr Speaker, there were many challenges and experiences throughout the year at various levels of Government, including the hacking of the Integrated Financial Management System (IFMS), that caused major setback and implementation activities. Despite all the odds, much was accomplished by DJAG.

In support of the progressive work done thus far, is recommended that going forward activities such as the State ordered recovery team and others be adequately resourced by the Government to safe-guard State commitments and ensure monitoring and accountability of procurement processes of State contracts.

DJAGs Annual Management Reports for 2020 to 2018

Mr Speaker, DJAGs annual reports of 2020 to 2018 highlights achievements by DJAG throughout the three years. In an interest of time, I would mention only a select few as all the details are in the reports and the full version of the speech.

Year 2020

Despite the negative impacts of the Coronavirus pandemic (Covid-19), DJAG delivered its key result areas. Among the achievements were a passage of four pieces of legislation; namely, the *Pandemic Act of 2020*, the Organic Law on the Independent Commission against Corruption, the *Whistleblowers Act of 2020*, the *Public Curator Act 2020*, and the gazettal of the State of Emergency regulations, emergency orders and directives.

Year 2019

Mr Speaker, in 2019, DJAG approved six corporate adjectives and five strategic priorities, captured and updated in DJAG Corporate plan of 2019 to 2023.

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The strategic priority areas include, refocused and revitalized village court systems; revitalized crime prevention system; strengthened Communication and Information Management System; integrity and professionalism in the DJAG's business and operations; and infrastructure and capital works programs.

Amongst the achievements were the New Control Substance Bill and Whistle blowers Bill.

Year 2018

Mr. Speaker, the year 2018 marked the end of and delivery of the five-year DJAG Corporate Plan 2014 - 2018.

Mr. Speaker, some of the achievements of the year include; passage of four pieces of legislation, namely, *Summary Offences (Amendment) Act*, *Parole (Amendment) Act*, *Village Courts (Amendment) Act*, *Probation (Amendment) Act*.

DJAG plans going forward for 2022

Mr Speaker, for the year 2022 going forward, the priority focus is set on implementing the "Crime Prevention through Revitalized Village Courts Strategy 2020-2030" (the Strategy) to be led by Village Courts and Land Mediation Secretariat as the flagship of the DJAG.

Mr Speaker, implementation activities of the Strategy include audits, review of *Village Courts Act* and regulation, review of the training manual, etcetera, that is vital to the performance of appointed village court officials nationwide.

Mr Speaker, all work-plans and strategies reported in the four DJAG AMRs present progressive updates that all work together to mitigate emerging social and law and order issues that constantly challenge law enforcement at the community.

Finally, I would like to take this opportunity to thank the leadership and management team of DJAG, in particular Dr. Eric Kwa, Attorney General and Secretary for Justice and the members of the Senior Management Team of DJAG for their efforts in keeping DJAG on track with implementation of the DJAG Corporate Plan.

I want to sincerely thank all the staff of the Department for their respective contributions towards the discharge on justice services.

Mr. Speaker, I submit the annual management reports of 2021 and I note that this will be record for any department to bring a previous year's submission in the first two months as well as the outstanding 2020, 2019 and 2018 to this Honourable House.

Motion (by **Mr Jelta Wong**) agreed to –

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

**CONSTITUTIONAL AND LAW REFORM COMMISSION –
REVIEW OF EX PARTE PROCEEDINGS REPORT 2013 –
PAPER AND STATEMENT – MOTION TO TAKE NOTE OF PAPER**

Mr BRYAN KRAMER (Madang – Minister for Justice and Attorney General) – I present the following paper pursuant to statute –

Constitutional Law Reform Commission Review of Ex Parte Proceedings Report 2013.

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

Leave granted.

Mr Speaker and members of this Honourable House, it is my pleasure to present to Parliament the Constitutional and Law Reform Commission's Review of Ex Parte Proceedings Report 2013.

In 2006, in accordance with Section 12 of the *Constitutional and Law Reform Commission Act 2004*, the Minister for Justice then, Hon. Bire Kimisopa, issued a Term of Reference No. 3 to the Constitutional and Law Reform Commission to review the ex parte proceedings in Papua New Guinea.

The commission, with the assistance of a Working Committee comprising of member representation from my Department, the National Judicial Staff Services, Magisterial Service, Office of the Public Solicitor and PNG Law Society, conducted a one-day seminar, regional consultations, round-table discussions, and one-on-one meetings with individual stakeholder agencies to gauge views and recommendations that form this final report.

The Final Report on Review of Ex Parte Proceedings

Mr Speaker, ex parte is a Latin phrase that means 'of the one part, one-sided'. As such, an ex parte statement is a statement of only one side and an injunction granted ex parte, is an injunction granted after hearing only one side. Simply put, ex parte proceedings are legal actions brought by one person in the absence of, or without the representation of another party.

Mr Speaker, the purpose of the review was to ascertain whether the rules in civil litigation where the State is a party, relating to matters being heard ex parte should be modified, and if so, how should it be revised so as to better serve the interests of justice to all parties concerned.

The Commission was tasked to conduct inquiries and report on how Ex Parte applications affect the State.

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The issues involved matters of public finance, the administration of justice, the performance of ministers of state, officials, lawyers, and the apparent loss of huge amounts of public monies.

Courts issue ex parte orders when such circumstances arise:

An official; or office-holder is sacked, seeks judicial review of the sacking, and the court orders the interim, without notifying the State, a temporary re-instatement while the full case is being prepared for trial, and grants the application for leave to apply for judicial review, with the State lawyer being in court, or the court makes an award of damages against the State, because no government lawyer was in court at the hearing, perhaps and generally, because the State was not properly notified of the hearing.

Mr Deputy Speaker, the concern at the time this term of reference was issued was around the courts granting ex parte orders which had great impact on individuals and the State as they were not given the opportunity to represent themselves or give their statement in court proceedings.

The ex parte proceedings and orders resulted in the State incurring huge debt when individuals and organizations sued the State for civil liabilities. Sometimes the claims are found to be false or misleading after the orders or payments have been made; prompting a review of this practice which became critical, hence the Term of Reference to the Commission.

Mr Deputy Speaker, there were other related laws that were reviewed upon the completion of this report in 2013 after conducting regional consultations with key stakeholders.

One primary piece of legislation that is important in the ex parte application process is the *Claims by and Against the State Act 1996*. In essence, the Act is to prepare the State to defend civil lawsuits brought against it. It provides jurisdiction for the State to be sued and furthermore, governs court practice and procedure for matters by and against the State. Hence, if the State defaults in complying with the current law and practice in either defending or prosecuting a claim, the claimant may of its own motion move the court for proceedings in an ex parte application.

Mr Deputy Speaker, the commission looked at the legislative framework, practices and procedures relating to ex parte proceedings for purposes of recommending relevant reform

proposals aimed at better managing ex parte proceedings. The capacity of the State to effectively defend civil matters and prevent default judgments was also a concern raised by many citizens during the commission's consultation phase.

Having considered all information before it, the commission produced the final report in 2013. The recommendations for law reform proposals aimed at protecting the State from unwarranted liabilities resulting from ex parte proceedings; without limiting the rights of the aggrieved parties. The recommended proposals are aimed at strengthening the grounds, circumstances, processes and procedures for ex parte proceedings against the State to which both the aggrieved and the courts must observe and adhere to.

Mr Deputy Speaker, the recommendation made in this final report for reforms in civil litigation particularly where the State is a party recommends for amendments to be made to the *Claims By and Against the State Act 1996* and consequential amendments to the *Police Force Act 1998* and the *Wrongs Miscellaneous Provisions Act 1975* to complement the proposed amendment to the *Claims by and Against the State Act*.

Way Forward

Mr Deputy Speaker, my Department is currently reviewing the Act to identify loopholes, and provide possible legislative amendments incorporating relevant current practice for better delivery of justice. Updating this piece of legislation will reflect necessary changes recommended by this report.

It is important that these reform proposals are considered to save the State from unnecessary claims that continue to incur huge cost on the State.

With that, I now submit the Constitutional and Law Reform Commission's Review of Ex Parte Proceedings Report 2013 to this Honourable House.

Thank you, Mr Deputy Speaker.

Motion (by **Mr Jelta Wong**) agreed to –

That Parliament take note of the Paper and debate be made an Order of the day for a subsequent sitting.

**CONSTITUTIONAL AND LAW REFORM COMMISSION'S
REPORT ON REVIEW OF ENVIROMENT AND MINING
LAWS RELATING TO THE MANAGEMENT AND DISPOSAL OF TAILING –
PAPER AND STATEMENT –
PAPER NOTED**

Mr BRYAN KRAMER (Madang – Minister for Justice and Attorney General) – I present the following paper pursuant to statute:

Constitutional and Law Reform Commission Report Review of the Environment and Mining Laws relating to the management and disposal of Tailing.

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

Leave granted

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Mr Speaker and members of this Honourable House, it is my pleasure to present to Parliament the Constitutional and Law Reform Commission's Final Report on the "Review of the Environmental and Mining Law Relating to the Management and Disposal of Tailings".

Mr Speaker, in 2007, the then Minister for Justice Honourable Bire Kimisopa issued a Term of Reference to the Constitutional and Law Reform Commission to review the environmental and mining laws relating to the management and disposal of tailings in Papua New Guinea. The reference was issued in response to the publicity given to a study of alleged toxicity levels in the river system and surrounding environment of the Angabanga River, owing to tailings waste disposal from the Tolokuma gold mine.

The primary objective of the reference was to inquire into and review the systemic development and reform of laws relating to the management and disposal for tailings; including containment and treatment of toxic chemicals and heavy metals with the intention of making them consistent with the industry and world best practice standards.

The commission was required to review the *Environment Act 2000* and the *Mining Act 1992*, to ascertain whether the existing legal framework provided effective mechanisms to secure the health and wellbeing of our people and the environment.

The commission was also directed to consult with relevant stakeholders including the industry practitioners to establish the actual practice undertaken in managing and disposing mine tailings. The commission set up a working committee comprising relevant government departments and organisations which undertook the review. Public and stakeholder consultations were undertaken from April 2013 to April 2014. A draft report containing all the reform proposals was developed and discussed at a public seminar in July 2014 which led to the final report that was completed in 2015.

Final Report on Environment and Mining Laws Relating to the Management and Disposal of Tailings – Report No.6

Mr Speaker, the commission found a lot of loopholes and gaps in the legal framework on management and disposal of tailings in the country. The final report contains 18 recommendations proposed for both legislative and administrative reforms.

For example, recommendation No. 5 of this report proposes for an amendment to the *Mining Act 1992* to provide for a total ban on riverine tailing disposal method for future mines. This method of tailings disposal is only practiced in two countries Papua New Guinea and Indonesia.

Other important reform proposals are contained in the final report. Some of these recommendations are immediately implementable whilst others require additional action or direction from the Government. Therefore, it is important that Parliament considers this report.

Mr Speaker, I take this opportunity to thank the Commission and the working committee for conducting the review and compiling the Final Report.

Mr Speaker, with that I now submit the final report on the review of environmental and mining laws relating to the management and disposal of tailings to this Honourable House.

Department of Petroleum and Energy Ministerial Statement

Thank you, Mr Speaker, I stand in this Honourable House to deliver this important ministerial statement that will inform the Members of Parliament and our people on the progress of transition of the Energy Wing of the Department of Petroleum and Energy to the new entity, that is, the National Energy Authority. However, before I continue into the main content of my Statement, I want to on behalf of my people of Okapa Electorate and my family, take this opportunity to thank the Honourable James Marape, MP, and Prime Minister of our beloved country Papua New Guinea for appointing me to the portfolio of the Minister for Energy and Rural Development in his Government.

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Mr Deputy Speaker, it is very challenging given the difficulties in the transitional period, however, most importantly, as we should appreciate that reforms do come with major challenges, especially changing of institutional structure, systems and processes and the reorganization and movement of human capital to ensure the administration is set to focus on new renewable energy programs and projects as well as clean energy, going forward.

I must commend the leadership of our Prime Minister, the Honourable James Marape, for recognising and personally ensuring that the new independent energy regulator, the National Energy Authority, is properly established and gets off the ground. In hindsight, I must also commend the Ministers appointed before me, initiating the groundwork for the reform, and being responsible for progressing the changes in the energy services sector and the electricity industry.

This initiative for reform started some years ago and came to fruition in the year 2020, hence in my view is one of or if not the most critical and important decisions made by our Parliament as we work together progressively towards achieving our MTDP and Vision 2050.

Mr Speaker, the reform to the electricity sector and the establishment of the National Energy Authority is profound. This has the potential to industrialized the PNG economy, Mr Speaker, on 21 April 2021, this Honourable House passed the *National Energy Authority Act 2021* and the *Electricity Industry (Amendment) Act 2021*. The Acts became operational upon gazettal on 6th July 2021. The publishing of the notice in the Gazette gave effect for the establishment of the National Energy Authority which is now effectively responsible for regulation of electricity supply industry, for both the technical and economic regulation of the sector.

Mr Speaker, our Honourable Prime Minister James Marape launched in August 2019 the country's National Energy Policy 2017 2027 some months ago. In his speech, the Prime Minister stated the need to "bring electricity to our people" and I again echo his statement for each of us and those that may replace us in the future to take to heart this statement and continue to pursue this noble vision.

Mr Speaker, the Prime Minister said and I quote;" In contemporary PNG, energy is key to unlock PNG from present state of under development, progress and wellbeing of our people. Electricity is a key enabler for economic and human development. Without cheap and reliable electricity our country will not progress much."

Mr Speaker, there has been much talk on how best we must address the electricity and power issues of the country as there has also been much debate on the performance of our SOE,

PNG Power Limited. The government's effort to establish the National Energy Authority is the correct step to address the energy issues. The creation of the NEA now removes the regulatory function of PPL and ICCC and all policy matters and technical and economic regulation of electricity and energy services are now with the NEA. This now gives the opportunity for a comprehensive reform of PPL to be a fully viable entity through the sale of power to consumers.

Establishment of the National Energy Authority

Mr Speaker, following the gazettal of the *National Energy Authority Act of 2021* and the *Electricity Industry Amendment Act of 2021*, in consultation with the Department of Personnel Management (DPM) and the Salaries Conditions and Monitoring Committee (SCMC), first approved an interim structure and then followed through with the approval of the permanent structure.

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I am happy to inform Parliament that the NEC has approved the appointment of the NEA Board. The non-ex-officio members are Mr Joseph Gabut, an experienced and senior Papua New Guinean in the energy field and Mr Raymond Unasi, a young Papua New Guinean and a qualified environment scientist as Deputy Chairman. The ex officio members are the Managing Director of the NEA and the secretaries of the Departments of National Planning and Monitoring and Treasury.

I am also happy to inform the Parliament on the appointment of the Acting Managing Director in January by the NEC. Mr. Ronald Meketa, a professional in the petroleum and energy space, who was previously the Chief Petroleum Inspector to the Independent State of Papua New Guinea and a key technical advisor to the recently concluded P'nyang and Papua LNG Project Gas agreements; another milestone by the Pangu Government.

The new Acting MD has already introduced key governance initiatives to operationalize the authority to operate more effectively and efficiently. The Acting MD has already progressed the Off-Grid Electricity Regulations aggressively and NEA is in the final consultation stage before submitting to the NEC for its blessings, Acting MD has also further prioritized key policies and regulations that has to be approved before the government goes into recession.

Regulatory, Licensing and Compliance and Policy Responsibilities

Mr Deputy Speaker, the NEA has started performing its legal mandate by starting discussions with relevant stakeholders in regard to its regulatory, licensing, compliance and

policy matters. I give an update of consultations we have undertaken since becoming operational:

- PNG Power Limited (PPL) and Independent Consumer and Competition Commission (ICCC).

- The NEA has been meeting with PPL and other stakeholders on the progress of the Ramu 2 power project.

Meetings are also held with the National Planning Department with donor agencies and PEP countries on their pledge for support to the Energy Sector during the 2017 APEC meeting.

NEA is in continuous consultation with the Department of National Planning and Monitoring and the World Bank on the National Electrification Roll-out Plan (NEROP) agenda.

Mr Deputy Speaker, there are some issues now emerging with the PEP initiative coming from the 2018 APEC summit. NEA has provided a brief to the Prime Minister and an NEC paper for government directions as to how to address this and it could have a serious effect on the effort of the government in regard to electricity and energy services.

Mr Deputy Speaker, this country lacks major policies on energy and a key mandate for the NEA is to look into and bring to government, working with key government departments and stakeholders, legislation policies relating to hydro, solar and geothermal energy and other renewable energy sources. I am happy to inform Parliament that the NEA is progressing work into these and is concluding discussions on the country's off- grid policy.

Mr Deputy Speaker, the off - grid policy will cater for the majority of our people not covered by the PNG Power grid. This is important for the government as we talk about taking back PNG and promoting small business and economic development for our people. The off-grid policy will seek to guide the generation of power and electricity services and to be inclusive of the community wanting to get into power generation and electricity services at a lower scale but important for communities.

Mr Deputy Speaker, as per the NEA *Act*, linked to bring this off-grid regulation to the Governor General for his signature to make effective the regulation in the first-quarter of the year 2020.

Mr Speaker, I'm happy to also inform Parliament of an official signing of the master development agreement with Australian company, Fortescue Future Industries, for the development of emerging global new energy source hydrogen and ammonia.

Industrialized countries like Japan has set its energy target to reach 10 per cent of its total energy mix using hydrogen by 2030. The investment decision in the hydrogen and ammonia space sets the pace for Papua New Guinea to be a leader in the clean green energy and reach our net carbon zero targets.

Mr Deputy Speaker, I thank the Honourable Prime Minister for appointing me as the Prime Minister's envoy to Glasgow, Scotland for the signing ceremony, which was an honor for me to meet the billionaire, Dr. Andrew Forest.

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Mr Deputy Speaker, despite the many critics, I must state, that the travel to Glasgow and especially for this signing is historic and places our beautiful country Papua New Guinea on the map of leading countries embarking on saving the Earth amidst the climate change concerns.

Our signing with Fortescue Future Industries will see the company in partnership with the State develop seven hydro projects and eleven geothermal projects. And likely projects to start early are the Kikori Waburo hydro project and the West New Britain geothermal projects, with development investment worth an estimate of K500 million with the projects plan to start on about 2027 to 2028.

However, the country will be massive including employment for workers and professionals alike, spin off benefits and many more benefits.

Mr Deputy Speaker, the signing of the Development Agreement will see the start of future and further negotiations with the State going towards project development. May I take this opportunity, on the Floor of this Parliament, to comment on future industries and Dr Andrew Forest for the commitment to engage with PNG in this significant project which will be our country's friendship border project as a commitment to the 2050 Vision of 100 per cent renewable energy using the country's initiative and support the government in turn to bring electricity to 70 per cent of our shores by 2030 and 100 per cent by 2050.

Mr Deputy Speaker, this is an exciting and very important project initiative for our country and further announcements will be made pending the finalization of discussions. That's why I take this opportunity to encourage young Papua New Guineans to go into the field of physics, chemistry and molecular studies, especially in hydrogen and other energy resources studies.

The future is no longer fossil fueled but clean and renewable energy, and therefore I urged our young people to study subjects for our future. In other major projects, NEA will

continue discussions with Enviro energy park project in Lae city, Morobe Province is proposed by Maiyu Resources. Our concerns on the use of coal remains our priority to ensure we look at alternatives.

The NEC has already approved in principle, the massive the 300 megawatts Usino solar powered pump project in the Ramu Valley. The Edevu hydro power project, a 54 megawatts power project in the Central Province will be commissioned shortly this year.

The Divune megawatts hydro projects in the Oro Province has been commissioned and is up and running, collecting on grid and providing electricity services. Discussions are progressing on Karamui Hydro Power project in Simbu Province.

That power project will be facilitated by both Niupower limited and Dirio Power Limited outside of Port Moresby city has been commissioned and is in operational. PPL will launch its solar powered project on the historic island of Samarai in Milne Bay Province by this year.

NEA is in initial discussions with the Livestock and Development Authority for a partnership agreement for the development of solar farms on LDA land around the country to support the LDC livestock program for its energy needs and for the provision of electricity to surrounding communities.

NEA is in discussion with PNG Power and its partners for major solar projects in East New Britain and a possible roll out across the country. Total Energies, the leading global energy business and the operator of Papua LNG Project is considering producing power renewables, especially hydro and solar for its LNG Project both upstream and downstream of the business value stream respectively.

Administrative, Finance and Operational Work Funding

Mr Deputy Speaker, whilst we have embarked on major projects and as the saying goes ‘hit the ground running’, where we have progressed as a new authority with some good support from the government.

The Department of Finance have assisted the NEA to open its operating account and is in discussions with the Department of Treasury and have accessed some funding for its operations while awaiting further release of the remaining support.

Mr Deputy Speaker, NEA is in close consultation with the Department of Treasury, National Planning and Monitoring to continue coordinate funding to support bridging and grant options. NEA is also seeking the same support through National Executive Council, and also regional and international partners, especially our PEP partners.

Mr Deputy Speaker,

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Transition

Mr Deputy Speaker, transitioning out of the Department of Petroleum and Energy, there are legacy issues we must move to resolve quickly. We cannot afford to run a public service type of approach to managing our electricity industry and the energy services sector.

Mr Deputy Speaker, the emergence of the National Energy Authority is to establish a "one-stop-shop" organization that is responsible for the technical and economical regulations and licensing of the electricity and energy business in the country. An authority that is efficient and effective in monitoring, issuance of approvals and proper compliance handling. Therefore, it important all impacted stakeholders can work closely with NEA as the sole regulator of the electricity and energy business in the country.

Mr Deputy Speaker, the establishment of the NEA is the beginning of reforms in this sector. But also while we demand effective work and compliance, the NEA must also be compliant to the modern practices of management as the regulatory and policy body managing the electricity industry. The Industry and the people demand this from NEA.

Permanent Structure

Mr Deputy Speaker, the smooth transition of the NEA is being seriously affected by funding issues and barriers being faced and I urge all relevant minsters and department heads to work in harmony and to assist with the establishment the NEA.

As I earlier stated, the approval of the National Energy Policy 2017-2027 and the *NEA Act* establishing the National Energy Authority, is the single most critical and important decision of the Marape-Basil government to achieve the Government's vision to take back Papua New Guinea.

Mr Deputy Speaker, this is the foundation and enabler for Papua New Guinea to become economically independent and is the only State Institution created by the Prime Minister Honourable James Marape MP in his term as the Prime Minister.

This is the legacy for the Prime Minister and our government to bring electricity to Papua New Guinea and to establish the stepping stone towards economic independence.

Mr Deputy Speaker, while I stated that the NEA has difficulties in the receipt of funds, on the one hand, the NEA was already given an approved permanent organizational structure by the Salaries and Conditions Monitoring Committee (SCMC) and the Department of Personnel Management (DPM).

This is important for the NEA as we need to begin to recruit technical and professional personnel and start the real work.

Mr Deputy Speaker, we have a project to deliver by 2030 and 2050 and I urge State agencies responsible for funding and personnel to be able to support us as we begin this massive exercise to power up Papua New Guinea.

Work Plan and other Stake Holders

Mr Deputy Speaker, the NEC has approved the NEA work plan going forward and the NEA will be organizing workshops with all stakeholders to discuss the roll out of electricity services to 70 per cent of our population by 2030 and the entire country by 2050.

This meeting with relevant stakeholders as per the Work Plan Schedule's including current and proposed IPPs, provincial governments and other stakeholders with these discussions scheduled to begin this month but pending the release of funds.

The NEA intends to have a Regional Consultative Meeting and will invite all stakeholders to discuss the issues of electricity and energy services, most importantly having dialogue with provincial governments and district administrations to align all plans for the combined electricity roll out.

Mr Deputy Speaker, we do not have much time left. Therefore, the NEA seeks support from the relevant ministers for Treasury, Finance and National Planning and in general all government agencies to achieve the vision for electricity access to 70 per cent of PNG households by 2030. The urgency is real with only 8 years to 2030 hence the urgency to place all efforts and make this the first policy of this government for the NEA to perform its mandated duties and responsibilities to respond to the timeline set by our government for electricity to reach 700/0 of our households by 2030.

Mr Deputy Speaker, our Government is showcasing Papua New Guinea as the emerging Energy hub. Our nearest neighbour Australia has announced it wants to be the regional energy hub thus posing a challenge to our desire to be the regional Energy Hub.

China is expanding its clean energy projects, Mr Deputy Speaker, Papua New Guinea with all its renewable energy resources in place will aim to be the renewable energy hub of the Asia-Pacific region.

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The NEA is working on a Master Energy Development Framework that will encompass all projects currently existing and future, retrospectively.

The way forward is for our government to declare our energy effort as its number one priority as the enabler to economic independence and the catalyst for all other developments in all sectors to make Papua New Guinea a modern nation.

Mr Deputy Speaker, “taking back Papua New Guinea” means nothing if the energy and electricity industry is not given priority. The energy sector is the key enabler to any economic development and the passing of the legislations signals the intention of the government to realign all efforts in the energy sector for the common vision of the government to make Papua New Guinea truly independent.

We have not gone wrong in our efforts. Our country is rich in sources of energy from oil and gas, solar, geothermal, hydro, tidal energy, coal and biomass and if harnessed together well, we can be the energy supplier to the demand for the energy.

Data states in PNG has significant proven reserves of fossil fuel from both oil, gas and coal. We have large River systems that can produce up to 15,000MW of hydro-electric power and another 52,500MW from geothermal reservoirs according to established feasibility studies.

Mr Speaker, Papua New Guinea has 200 days of sunshine and 365 days of breeze for solar and wind power. Fertile soil and natural vegetation in our tropical paradise provides the ideal environment for abundant sources of fuel stock for bio-energy. Numerous channels and passageways in our maritime regions hold untold energy capacity from ocean currents yet to be explored.

All these energy sources are sufficient to meet our domestic requirements for Power transmission and industrial development as well as for regional export to the Asian Tiger Economy.

Mr Deputy Speaker, it is a significant reform we have undertaken. History will judge us one day but for me and the Marape-Basil government, we strongly believe we are in the right pathway for truly taking back Papua New Guinea.

You, me and all of us here are heading for elections very soon. On my part, it is my duty to inform those that will come into Parliament and form government after the elections to continue this agenda.

It is so critical to our future as an independent country. We must continue to strengthen this effort by ensuring all things are done in a competent and diligent manner to manage the National Energy Authority and to bring electricity to our people so we see the positives out of this effort.

Mr Deputy Speaker, year in year out, we talk about bringing light and electricity to our people, yet the majority of our people live in darkness. Our children do not have light to do their school work, our health centres and schools do not have electricity. Our people travel long distances to access electricity for education, health and other services.

Mr Deputy Speaker, we must do this right once and for all. We must place this as our first and foremost priority.

Mr Deputy Speaker, I thank you for giving me the opportunity to speak in this honourable House and I commend this Statement to Parliament.

Mr JAMES MARAPE (Prime Minister) – I move –

That Parliament take note of the Paper.

Mr Deputy Speaker, the National Energy Authority Bill was passed and it is now an act of Parliament. And I just want to thank the members of this Parliament for ensuring that this move into having the National Energy Authority established was supported by both sides of the House, when the Minister presented his Bill in 2021.

Let me from upfront commend the hard-working Minister for Energy, the Honourable Saki Soloma and his team. When he was conferred this portfolio, he took in a portfolio that had no structure, no office except the word Energy.

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Mr Deputy Speaker, all of us know energy is the driver of planet earth and in the universe. The harnessing properly of energy to ensure it is produced into a useable product to sustain and assist us in life is important. As a Government, we deliberately moved to set up this National Energy Authority so that our country with its energy surplus can tap into it, not only for domestic use but also for export into the future. And as Minister did mention in his speech, the source of energy in our country is in abundance. We know that oil and gas have energy sources. We also know the rivers and streams have hydro potentials as energy sources.

But we are now venturing into solar, geothermal and wind as energy source. There is an over-abundance of energy sources in the country, but we must tap into it correctly in a structure that is useable to benefit our country and also for domestic use for trade and commerce to external markets.

With this line of thought we set up the National Energy Authority and the Minister has spoken to us in this regard. Some of you will be wondering about PNG Power, it will be the only company operating in PNG under licensing from National Energy Authority. Currently, we have PNG Power as the regulator to a certain extent and then we have them as the company supplying energy or electricity to our country.

The only way going forward is that we encourage provincial governments to be part of this grid by venturing to having power companies. The Autonomous Region of Bougainville comes first where this could be looked into and places like Manus, New Ireland and Oro provinces, and those outside of the grid.

And so, the National Energy Authority is set up as the government regulator to allow for private power companies to grow and to ensure that we provide electricity as the first source of energy at the very earliest to our people.

I noted that the Minister quoted me in his ministerial statement and I rightfully see that the statement of intent by this Government or any government into the future is the same as it was in the past. For instance, Vision 2050 clearly states that by 2030, 70 per cent of our citizens in the country must have access to electricity. The three MTDPs that we operated thus far is also in line with the Government's view to ensure that 30 per cent target is achieved if not in 2030, the earliest. We are looking at setting up the structure and moving away from the inherent weaknesses and deficiencies we carried through the present arrangement.

So, these reforms are totally necessary for us to unbundle good energy for our country at the very earliest especially electricity to our people so they can have access to good, reliable clean energy.

I want to make reference to a private power investment that is right now happening in Edevu. It started in 2009 when the then Na-led Government issued permit for that construction of that power plant to start.

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I drove through that place unannounced to the Central leadership, and I thank the Member for Kairuku-Hiri and the Governor of Central for their understanding. I drove through and saw a massive investment by a private company, who is now into final stages of completing the Edevu Hydro scheme.

There is abundance of energy in the country, which we need to harness and tap it for our domestic use and maybe to export. Dr Andrew Forest and his team from Fortescue Future Industries came in and were talking about harnessing 25 gigawatts of power. I told him, Mister investor, I do not think our country has need for 25 gigawatts of power right now. It will possibly take another 20 years but he informed me that it is not for our domestic use. He is trying to harness, split hydrogen molecules to create energy, package it and export this energy to users in the world. It is in pursuit of his view of cleaner energy to be harvested from hydro and other energy sources. And these conversations are taking place and our country is a hotspot

for various sources of energy - not just from the minerals and hydro carbon minerals but from all other cleaner sources.

And we are giving support to this important body that we are setting up and we are now legalizing the market and PNG Power just becomes one company and maybe be supplying to where you are operating from but we are also allowing for other private power companies to grow. Other industry-based energy companies will grow in our country as one source of revenue harnessing from the abundance of different sources of energy we have in the country. This in my view is a legacy or law that we have passed to establish this institution and it is a commendation not just for the government but more importantly both sides of the House. Setting up this institution allows for private power companies to operate in a regulated space and it allows for other energy companies to emerge in our country as a source of business and not just for our domestic market but importantly to generate energy of all types to supply and export also in the process going forward.

I just want to close by commending the Minister who has not complained about the task that was given to him. He stepped up and he is now setting up this structure; the National Energy Authority going forward. And this in my view is the authority for the future as the world is driven by energy and harnessing energy properly to ensure it supports our domestic economy and our country, but more importantly going forward for the future is important.

Let me close in passing in as far as our focus is concerned and for whoever comes into the Government after the elections, a big vision that we have set up and some of you may be asking what about the four nations that said they will be assisting, they are investing but they are investing in one or two different areas. When I became Prime Minister, in the first instance, I got the four nations together and said our priority is big super grids that will connect major populated areas, running from maybe Lae into Porgera and Lae into Hides, running from Ramu Valley all the way to Madang and Madang to Sepik, for agriculture and other sectors along that corridor.

Another grid should be from Kerema running all the way to Alotau, from Kimbe to Kokopo, from Kavieng to Namatanai and Buin to Buka. I said, this is the intention of the government, we want this to be done and can you partner us? Once that the grid is established, you generate energy from wherever in the country, you just have to have it infused into the grid and eventually, hopefully in 10 years, this grid system especially in the mainland and island should be interlinked whilst we work on the isolated grid and power generation in some of our rural islands and maritime communities.

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Our four partner-nations are supporting in some areas, and let me say thank you to them. For instance, the Government of Japan is partnering us in running the 132kva grid from Yonki all the way to Lae right now. We now upgrading 132 kva from Mt Hagen to Hides to uplift power from Hides and supply backup there. The missing link between Mt Hagen to Yonki, we now working on a program with the Chinese to get this spot sorted out so we remove the 66 kva line and we step it up to 132 kva line. It will complete the grid from Yonki all the way up to the inner Highlands. We are looking at our program and still talking to the four nations if they could partner us again, just like Japan is partnering us from Yonki to Lae. We should have one grid that should run from Yonki to Madang, Madang to Bogia and Bogia to Wewak for the entire Sepik plain to have access to good power so that we could remobilize Markham Plain, Ramu Plains and Sepik Plains for our agriculture rural industries that we are focusing about.

In the next ten years, what other combination of leaders that come into our country, the National Energy Authority we're setting up for domestic energy as well as expert energy be utilized. But more importantly the first instance at 70 per cent target of Vision 2050 to remain. So the main corridors, where the road and people are if we can overlay with the big power line to carry the reliable electricity as well as the lower distribution line to our people, I believe in my heart to heart that within the next ten years all major areas of our country will have reliable electricity and hopefully in the process with the competition in private power generation we are allowing to come into play to reduce the cost of power and if our country can deliver cheap reliable power within the next ten years, we are truly unbundling potentials of development in our country.

I commend the Minister on the good work he is doing and I just want to encourage the present generation leadership. Energy should remain as we talk about Connect PNG and other big infrastructures, energy must remain a catalyst and our focus for any generational leaders going forward. I commend the Minister for the good work he has done so far.

Mr WILLIAM DUMA (Hagen)– Thank you, Mr Speaker, I'd like to commend the Minister for Energy Saki Hanua for bringing this very important paper to Parliament

Mr PETER ISOAIMO – Point of Order! Honorable Minister, it's Honorable Saki Soloma, not Saki Hanua from my electorate.

Mr WILLIAM DUMA – Thank you, Honourable Member for Kairuku Hiri for your correction. Once again my apologies to the good hardworking minister.

Mr Speaker, the good Minister has and may I dare say one of the important ministerial statements ever made in this Government as well as in the past. We all talk about our dreams to bring electricity to 70 per cent of our people by 2050 and we all talk about the abundant natural resources and God has blessed this country with oil, gas, geothermal, solar power, hydro, coal and biomass and yet as a country we've not been able to establish a regulatory authority like the National Energy Authority which under the leadership of our Prime Minister we've just established.

Mr Speaker, if I can remember correctly way back in 2007 when we were discussing the PNG LNG Project, there were also discussions on the side about the establishment of an NEA to regulate the industry. Unfortunately, despite the passage of more than ten years under two different prime ministers we were not able to establish the NEA. We do have our number one state-owned enterprise which is responsible for production of electricity, PNG Power but unfortunately due to the absence of legislation, in those many years PNG Power due to no choice of its own and effectively become a regulator as well as a provider of electricity service in this country and PNG Power became self-regulatory in that sense.

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And unfortunately for this country, there were no changes until the decision by the Marape government to set up this much-needed authority and with the establishment of the authority we can actually give that assurance to our foreign investors who have shown interest in helping us commercialize all these energy resources we have.

When we have definite legislative framework in place that set out the way independent producers can be able to set up, transmission grids the provision of transmitted lines and the power systems, the number of voltage and so forth, we have to have a regulator to regulate those very important things. So, once you have these authorities set up anyone who wants to invest in the energy sphere will then be able to know with some sort of certainty that investments can be properly regulated and in the end will provide good return for that investment. What we as the government has done is to provide that certainty that anyone who wants to come to this country to invest in our resources will know that we have an independent regulator who will be able to regulate the standards and the collection of wages, especially in conjunction with the rates set up by the independent commission.

Mr Speaker, so what we have now is a system that now will take care of everyone's concerns. And also, Mr Speaker, you have heard about the unbelievable rates that have been set up and approved and being charged by the independent power producers. Mr Speaker, that reflects the absence of a regulator.

Those agreements were signed when this energy authority did not come into place. So with the establishment of this authority, definitely there will be some common sense and any independent power producer who comes to this country and invest will then know that we have an independent regulator who will be able to keep them honest and will be able to make sure they charge rates that are compatible with the existing centres in this country and of course in the regions.

So, Mr Speaker, this is a long overdue matter that fortunately for this country our government underneath the leadership of Prime Minister Mr James Marape has been able to introduce this and I commend the leadership of our Prime Minister as well as the hardworking Minister for Energy for this long overdue energy authority.

Everything that we have heard about from our Energy Minister, I fully support him because this is long overdue and I must once again commend the hard working Minister for this statement. Thank you, Mr Speaker.

Mr RICHARD MASERE (Ijivitari) – Thank you, Mr Deputy Speaker, for recognizing the people of Ijivitari. I would like to commend the Prime Minister and the good Minister for his very important statement that he delivered to the House today.

Energy is very important in our country, as well as around the world. Everything that we do in our life, requires energy. We require energy to come here and sit in Parliament, the light that we use to conduct our business today, requires energy.

Energy plays an integral part of activities of the communities, the government, this House and even in the rural settings too. Energy plays an important part. Some things I want the Minister to consider, which I believe are important and he needs to take on board as part of his Ministry over the next four or five weeks before the elections.

I want to make an important statement here so that when the Parliament resumes after the elections, whoever will be in charge of this ministry must look at how best we can be able to strengthen, grow and develop the energy sector in our country.

One key area to look at is when there is no concession given to key sectors or areas within the country. For example, I have seen that agriculture is an important area in our country and 95 per cent of our rural communities participate in agriculture and fisheries.

These are the kinds of economic sector that we can encourage through cost saving measures in those energy sectors.

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Energy sector, for example, when we want to promote agriculture in the country, it is very important that we look at putting concessional rates for businesses or organisations that is participating in agriculture so that we reduce their cost for electricity. Reducing cost for power in agriculture will encourage more people to participate in agriculture. This will support the rural communities because of the fact that the costs are cheaper. Right now, the agriculture sector is paying the same exact price that a commercial business pays so it disadvantages sectors like agriculture to fight for the market space when we are not giving them adequate advantages over other businesses. So these are some areas that I want the Minister to take on board and put in concessions for electricity rates for businesses that participate in agriculture, fisheries, and tourism so that we encourage local communities and local businesses to grow within that particular sector.

I see in my Ijivitari district that every year we must budget around K1 million – K1.5 million to rollout our rural electrification program and that program has been one of the most successful programs in the district where we have launched. So every year, we budget around K1 million - K1.5 million and it all depends on the DSIP fluctuation every year. So for example, every year when we invest money into solar we buy it for domestic use. So we are supplying for the people in the village. For those of us who live in towns and cities we think that this is not an important project but to a person in a rural community and rural setting, this is a life changer for them. For us in towns and cities, our activity time line starts at maybe 3 or 4 o'clock in the morning because of the comfort of the power. When we switch on power, our activity of the day starts on that particular time. If we wake up and switch on the power at 3 o'clock in the morning and started work, our activity time line started at 3 am in the morning and it can continue right up to 11-12 o'clock in the night because of the comfort of the energy that we are using in the towns and the cities.

The people in the rural villages do not have the same benefits that we are having in towns and cities. So when you look at a fisherman, a farmer, a child that goes to school in the rural areas, their day starts at 6 o'clock in the morning and it ends at 6 o'clock in the afternoon. So their timeline activity is 12 hours a day. After that, they can't do anymore work like preparing the house and doing studies in the house. All their activities cease before 6 o'clock p.m. But when you put a solar lighting system in the rural community, all of a sudden a child can do

homework at 8 p.m., in the evening and instead of peeling the bananas and taros at 3 or 4 o'clock in the afternoon, she can do it at 7 or 8 o'clock because of the comfort of the light. The activity timeline expands by simply implementing and taking advantage of the solar system that we have. Our country is really blessed with so many natural resources. We can use water, we can use wind, we can use the sun, and we can use biogas. The products of bio product or waste the products. We can use them. We've got so much resources available at our disposal but the thing is that as government we are not investing heavily into these areas. If we start investing, like I see that our good Minister is willing to do a big job but his restriction is funding. If our government is serious to fund this type of energy and roll it out into our rural communities, then let's put the money behind this kind of ministry so that we can leave a legacy and our footprint in our communities in the rural areas.

We have also rolled out our programs. We have built eight aid posts in the district and we installed them with solar systems for each of them. In every police station that we build, solar system must be installed. They are changing our communities. A teacher can work in the afternoon because they got solar lights in the classroom. A child can work in a house after 8-9 o'clock p.m. because her or she has a solar light in the house. These are important investments we must consider as a government. When we talk, we must also make some money available to implement it. This, of course, will touch our simple people. If we say that 95 per cent of our people are in the rural communities, then let's start with a simple project like solar energy to change their lives.

With that, I commend the Minister for the good statement but some of the encouragements which I have presented must be taken on board to look at subsidising costs in particular sectors where we can support them and at the same time let's look at expanding our solar programs into our rural communities for education and health. It will change the lives of our people living in the villages.

Thank you, Mr Deputy Speaker.

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

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

Paper noted.

ADJOURNMENT

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

That Parliament do now adjourn.

Parliament adjourned at 1.50 p.m.