

SECOND DAY

Wednesday 11 January 2023

DRAFT HANSARD

Subject:

Page No:

QUESTIONS	1
Rural Service Development Project.....	1
LLG Elections	3
Outstanding Allowance for Ward Councillors.....	3
Supplementary Question-Illegal LLG Election in Jiwaka	5
Students Missing Out On Selection	6
Australian Prime Minister's Visit	8
US Ship Rider's Program Update	11
Update of PNG-US Defense Cooperation Initiatives	11
Komo – Tari Road Sealing.....	13
MOTION BY LEAVE	15
SUSPENSION OF STANDING ORDERS – REARRANGEMENT OF BUSINESS	16
INVESTMENT PROMOTION (AMENDMENT)BILL 2022	16
First Reading	16
Second Reading	16
Third Reading	22
ASSOCIATION INCORPORATION BILL 2022	23
First Reading	23
Second Reading	23
Third Reading	25
ADJOURNMENT	29

SECOND DAY

Wednesday 11 January 2023

The Assistant Speaker (**Mr Johnson Wapunai**) took the Chair at 10.am.

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

Sitting suspended.

The Assistant Speaker again took the Chair at 10.40 a.m., and invited the Member for Kairuku, **Honourable Peter Isoaimo**, to say Prayers;

‘Aita guriguri, Dirava Lohiabada Tamamai. Oi gubai onohomu; tanobada na oi aemu iadaena gabuna. Aina oiemu urai aonega bona laloparara bona emu orea taunimanima ohenidia bai eme abimai hidi, bahe gunalai, ina tanobada Papua Niugini baia gunalaia ina Palamen rumana lalonai. Dirava Lohiabada anoinoimu, emu blessings bahenimai, emai Prime Minister, ena Deputy bona Opposition Leader, ena Deputy ida. Minister dagidia eabi iboudiai danu, Vice Ministers bona Governors danu emu blessing bahenidia. Negamomo tanobadai anohomu dainai asi ame rakavairamu oi emu ura karadia asi akaramu. To dirava bagoadamai, siahu bahenimai opi baia hegunalaimu namonamo, oi emu buka helaga ehethore hegeregerena bona Papua Niugini taravatuna henuna lalonai, Amen.

02/02

QUESTIONS

Rural Service Development Project

Mr FRANCIS SIUNE – Thank you, Mr Assistant Speaker, for recognising the people of Kerowagi and giving me this opportunity to speak.

My question is directed to the good Minister for Provincial and Local Level Government Affairs.

03/02

Some years back between 2015 to 2017, there was a program called Rural Service Development Project or RSDB for short.

The project was funded by the World Bank to be implemented by the Government of Papua New Guinea directed towards LLG operations for the Provincial and Local Level Government Department to administer.

Mr Assistant Speaker, it is estimated that close to US\$23 million growth was projected and Chimbu Province was one of the benefactors of this program.

Four districts in Chimbu were piloted and Kerowagi Electorate which is my electorate, was one of them.

Mr Assistant Speaker, since then this program has gone into hibernation and it has gone dormant not to be heard of. People up at Kundiawa are working and there is a program co-ordinator there. My District Development Authority is ready to partner with such rural focused programs for better service delivery.

Mr Assistant Speaker, can the good Minister inform this Parliament and my people the progresses, updates and plans on this program?

Mr SOROI EOE – Mr Assistant Speaker, I thank the Member for Kerowagi for this very important question.

04/02

I do support the view that this project was co-funded by the World Bank including the Australian Government to assist our provinces and districts. It applies to Kundiawa but let me check that information and then come back and give a full statement as to what has happened and whether projects have been funded or promised to be funded but funds were not released, and also of the fact that the office has been established in Kundiawa. This also applies to other provinces

05/02

It has been utilised in other provinces right throughout the country. Let me gather the information and I can make a detailed presentation in the next Parliament Sitting.

LLG Elections

Mr SOLEN LOIFA – Mr Assistant Speaker, thank you for recognising my people of Menyamya. My questions are directed to the Minister for Provincial and Local-Level Government.

06/11

My series of questions are regarding the Local-Level Government Elections. A lot of people are lobbying around in the villages talking about the upcoming LLG Elections and many of them want to contest for the council seats.

(1) Can the good Minister inform this House and the country whether the LLG Elections will take place?

Secondly, the councillors also have some outstanding allowances which they are still waiting to receive. A lot of them approached me regarding this matter when I visited the village. They raise their grievances to me regarding their allowance continuously and I am now running out of excuses to give them.

Outstanding Allowance for Ward Councillors

(2) Can the good Minister clarify this matter to this House and the country on when the Government will settle the outstanding allowance for councillors?

Thank you, Mr Assistant Speaker.

07/02

Mr SOROI EOE – It seems that it is my day. Thank you, Mr Assistant Speaker and I thank the honourable Member for Menyamya for his two very important questions.

The LLG Election is a very important election that has been delayed but Government needs to carry out it out. Last year, I presented this issue in some details in relation to the laws that relates to LLG Elections.

Currently, the law states that LLG Elections are supposed to be conducted concurrent with the National General Elections. In the case of 2022 National General Elections, we have already conducted the election and the leaders are now seated here. But, by law after three months, the National General Election is conducted and writs are returned, the LLG Elections are supposed to be conducted.

As a country, we have had some problems in relation to conducting of elections since 2012, as we all can recall. In 2012, we were unable to conduct the LLG Election immediately

and was deferred to 2013. In 2017, it was again deferred to 2019, and 2022, we are facing the same type of problem.

My department is in consultation with various stakeholders including the Attorney General, the Prime Minister's Department, and Electoral Commission in trying to find solution for this particular issue. If we follow the current practice, it may mean that our councillors will serve only two and half years. They might not serve the full five-year term as councillors. And therefore, we've been looking at how best we can address this issue.

We need to amend the legislation in such a way that when National Parliament dissolves to go for elections, then another form of government such as the LLG or third-level government should be in existence. That's option we are looking at.

We have already prepared the Cabinet submission and withheld it because of ongoing problems with Electoral Commission. This ensures that current ward members will perform their tasks until 2024, meanwhile we will look at amendments of the various legislations governing LLG Elections to allow it to be conducted and run its own course rather than in concurrence with National General Election.

So, that when one government is out of operation, one government is in operation. So, those are the options that we are looking at. The matter will be brought to the Cabinet for approval of the proposal then will be advising the nation either through the Parliament or the Cabinet.

That's the situation. In summary, we will be conducting elections but be fair to the serving councillors so that they can serve their full term until 2024.

08/02

Mr Assistant Speaker, for the second issue with the allowances, I am fully aware of it. We as the government have done what we can up until the end of last year to access K21 million. That K21 million is to cover allowances and salaries for ward members from April to December of last year, and including January of this year.

I have been assured by the Finance Minister that funds will be accessed and secured, so that we can pay our councillors throughout Papua New Guinea. Let me apologise to our councillors for waiting for a very long time. You play a very important role as the face of the government on the ground, that is why this government highly commend and support what you are doing.

It is now incumbent on us to release the necessary funds to ensure that our councillors are paid. Thank you, Mr Assistant Speaker.

Supplementary Question

Illegal LLG Election in Jiwaka

Mr WAKE GOI – My question is again directed to the Minister for Provincial and Local Level Government Affairs. I raised a point about elections in Jiwaka last time that you took note of, and made good comments about helping us but nothing has happened yet. They went ahead and started the elections.

I want to know if that is constitutionally right or wrong. Investigations should be carried out in the province. In the past, when people abuse the provincial government and LLG Elections, they are suspended.

We can suspend the elections in Jiwaka LLG or the entire province if they continue to carry out illegal activities. I want that to happen. I do not allow new presidents to attend my DDA meetings. There was a case that was brought to the department but they still continue on. I do not feel good about that.

This government which I am a part of, do not want provincial governments and LLG to misuse funds. They did not deliver or implement what was agreed on. Punitive action must be taken so that they will know that this government means business.

To the presidents that I will be responsible for, I want investigations to be carried out by the department in Jiwaka. If not, suspend the LLG elections in Jiwaka until fresh elections can be conducted.

Thank you.

Mr SOROI EOE – Thank you, Mr Assistant Speaker. When the Honourable Member raised the issue, it was in relation to vote of no confidence. I replied that the vote of no confidence is part and parcel of the political process.

If that is the issue, then the process has taken place. If it is still creating a problem for Jiwaka Province, then I will ask my acting secretary to investigate the matter and establish what is going on.

Right now, I have no idea what is going on because the question is not very clear. You need to asked proper and precise questions so I can answer your questions in detail. Thank you, Mr Assistant Speaker.

Mr DOUGLAS TOMURIESA – Thank you, Mr Assistant Speaker, and I apologise for the blunder. Good morning to the Prime Minister and a Happy New Year to my brothers and sisters.

09/02

Mr Assistant Speaker, my question is directed to the Minister for Higher Education but since he is not present so can I be allowed to direct my question to the Prime Minister?

Mr ASSISTANT SPEAKER – Yes, you may direct your question to the Prime Minister.

Students Missing Out On Selection

Mr DOUGLAS TOMURIESA – Thank you, Mr Assistant Speaker. Before I ask my question, I would like to inform the Leader of Government Business that due to health issues the Opposition Leader won't be available for this session.

My question to the Prime Minister is in relation to selection for higher education. We all know that the grade 12 exams were completed in November last year and our students have already graduated. Most of them are receiving their offers to attend universities and institutions throughout the country.

I want to raise a concern here on behalf of parents, despite these trying times our parents have strived to ensure their children complete grade their 12 education. They have dug deep into their pockets to make certain that their children receive the best education.

Some of the students come from families who struggled to put them through to grade 12. These students scored straight A's were expected to be selected on their first or second choices instead they missed out on their first or second choices and were selected on their third or fourth choice. Meanwhile other students have missed out altogether or selected for choices that they did not make on their school leaver application.

I have a very good example, where a school in Milne bay province which I will not name had a particular student who did so well, had good GPA but missed out on his first and second choice and was given his third choice while another student who did not do well was given his first choice at the UPNG. It gives me a question to ponder upon, where is the best or the cream of Papua New Guineans being thrown to.

The Vision 2050 clearly outlines that Papua New Guinea must be number one, smart, happy and healthy. We want Papua New Guinea to be a smart nation, yet the best smart students that we have were selected on their third or fourth choices, or choices that they did not apply

for. Parents who want their children to do well and achieve the best are left to wonder what is going on.

Some who have done so well have completely missed out on offers and if I can recall correctly this question was raised a year or two years ago. The Higher Education Minister then assured us that something would be done about this.

Can we review the selection criteria system?

Let us deal with the core issue before we begin to spoil the human resource of this nation. If we want best leaders for this nation, we must begin now and sort it out.

10/02

Mr Assistant Speaker, I raise this point with the hope that the Prime Minister through his wisdom can get rid of people who are operating that system and replace them with credible people who can make certain that the best of the best would be the future leaders of this nation.

Thank you, Mr Assistant Speaker.

Mr JAMES MARAPE – Thank you, Mr Assistant Speaker. I thank the Deputy Opposition Leader for his very important question concerning the smart and clever students who completed grade 12 but did not secure a place in tertiary institutions to continue their studies.

As a government, we are also concerned about the high level of school dropouts as well. Not only those that got poor grades and didn't secure a place in a tertiary institution, but also those students who left school at grade 12, 10 and 8 with no continual education. You are aware, in the last three years, we have tried to address it and bring those dropouts so that they can complete grade 12.

For the particular issue he raised on students meeting requirements for tertiary institutions on their first choice but missed out, I want to say that we are all aware that different tertiary institutions have different entry requirements. Couple of years ago, the online selection system was introduced and we have one or two occasions where students felt that they were qualified by the marks that they received to go into certain universities but missed out and were placed elsewhere on their second or third choice.

There was an indication of a review in the process to find out why this glitch took place. I assure the Deputy Opposition Leader, this is a genuine concern, we will have a look at this

and in the next Parliament session, I will report to the Parliament by way of answering the question on the matter the honourable leader has raised.

Thank you, Mr Assistant Speaker.

Australian Prime Minister's Visit

Mr WILLIAM POWI – Thank you, Mr Assistant Speaker. My question is directed to the Foreign Affairs Minister but because of the significance of this question, I want to direct it to the Prime Minister.

We heard and read in today's newspaper that the Prime Minister of Australia will come to Papua New Guinea on Thursday.

My questions are as follows:

(1). I also read that the Australian Prime Minister will address the National Parliament, is that true?

The President of China, the former Prime Minister of Australia, the Prime Minister of Solomon Island and prime ministers of other neighbouring countries have visited Papua New Guinea, but since I came to the Parliament, I have not seen any prime minister of another country address our Parliament.

(2). So, who invited him to come and address our Parliament?

We need to be aware of this. I think, PNG is an independent country and we must know this and be aware of whether it involves some special arrangement or has special significance. I think, the Prime Minister, through the government can explain to the people of Papua New Guinea about this arrangement.

Thank you, Mr Assistant Speaker.

Mr JAMES MARAPE – Thank you, Mr Assistant Speaker. Once again, I thank the Governor of Southern Highlands for the questions regarding the visit of the Prime Minister of Australia to Papua New Guinea.

I want to confirm that the Australian Prime Minister is on schedule to visit us. According to the programme, he will be arriving on 10 a.m., and there will be a guard of honour with 19-gun salute offered to him as he arrives at our APEC terminal area. And then at 10:30 a.m., he will make a courtesy call to our Governor-General at the Government House and then at 11 a.m., he is on schedule to address our National Parliament at our Government's invitation with the Speaker's concurrent and clearance by the Clerk of Parliament, that its provision in our *Standing Orders*; that is to allow strangers, is define as stranger to come into our National

Parliament to make an address. We will work out the provision of the *Standing Orders*, then allow him to come as a special guest to our country to make an address to Parliament.

11/02

I want to assure the people of the country, that an address from the Head of State or a special to another nation's parliament is not uncommon. We have for instance, the Pope addressing US congress when Pope went to visit US or I think few years back the Chinese President addressed the Australian Parliament, if I am not wrong when he, President Xi Jinping visited Australia.

For Papua New Guinea to host the Australian Prime Minister in our Parliament is also part of our plan towards our 50th Anniversary Program that is coming up in 2025. If you look at the National Parliament as we were introducing to this 11th Parliament our Speaker and our National Parliament has given title to this Parliament; and I have it in our Parliament notebook; for instance, it says, 'ushering in 50 years in nationhood'.

It's a term that is running for this parliament. In this 11th Parliament, we are crossing over 50th Anniversary of our nationhood in this term of Parliament especially 2023, 2024, and 2025. We got parliamentary programs lining; legislative intentions of government will be put to us and how we reform, refurbish, strengthen and entrance our democracy and our nationhood to live beyond 50 years.

Mr Assistant Speaker taking this question to inform our country it was this time 50 years ago when a Labour Prime Minister in Gough Whitlam broke down all barriers in Australia to prepare our nation for self-government in 1973 and our eventual nationhood in 1975, September 16, more so, when we gained Independence.

So, as a nation amongst we are preparing to live beyond 50 years of nationhood. Fifty years, is a time when an organization, associations or a country celebrates a golden celebration, or golden jubilee. As we approach a golden jubilee, we must refurbish our house called PNG and prepare for life beyond 50 years.

The arrival of the Australian Prime Minister coincides with the time where Parliament is in session, we felt it was advisable for him to address us on nation to nation issues in our Parliament. I will reciprocate tomorrow, on our nation's behalf and also make a response to his statement and we entrench our own bilateral relationships for the better going forward.

We have more business to business, person to person, and government to government relationships with Australia then with all other bilateral relationships we have. And I repeat we

have more business to business, person to person, and government to government relationship with Australia than we have with all other bilateral relationships. That is not to erode the value of the specifics of other bilateral relationships we have. We have good relationships with all other nations and when leaders of these nation come to us, special protocols and special privileges will be accorded to other leaders who chose to travel to visit us here in Papua New Guinea, vice versa, when we travel to their country's we are given protocols and accorded different aspects that those nations have on us.

The current Australian Prime Minister is the leader of the Australian Labour Party. A party that partnered with PANGU Party in 1973 when preparing our country for independence. It is time to prepare ourselves to live beyond 50 years after arriving. The other issue between PNG and Australia, that needs tidying, for instance, is the visa relationship with Australia, and the business to business relationship with Australia. Sometimes we feel that it is lopsided, its more beneficial to Australia than to PNG, there is no better place than our issues raised on the Floor of Parliament and the leader of that country in our Parliament hearing our issues straight in the people's House.

12/04

It's really in that context, it is not something that is light. we have had a deep look into this proposal and we felt that Australia being the country that granted us independence, a country that we shared togetherness before 1975 at this point in time he addresses us and I on behalf of you and our country will make a respond to him and after that address, we will adjourn Parliament and we will have our bilateral at the APEC. It is a matter we did not thread lightly. It is a conversation and a meeting that is taking place as our nation prepares ourselves for nationhood beyond 50 years as a country. Thank you, Mr Assistant Speaker.

Mr KEITH IDUHU – Thank you, Mr Assistant Speaker. My question this morning is directed to the Minister for Foreign Affairs, the Minister for Defense, Internal Affairs and Customs can take note.

I would like to preamble my question with a very short and brief background. As part of the 2018 APEC summit, Papua New Guinea engaged with the United States highlighting mutual commitment to strengthening bilateral security arrangements and operations.

Mr Assistant Speaker, there has been significant publicity and elements of this enhanced corporation being discussed in the media in the last three years with engagements and exercises with our partners. Specifically, this relates to the United States; this includes participating in a

ship rider program with the United States coast guard. This program is collectively intended to combat illegal fishing, logging, and illicit activities that is carried out in the maritime region of Papua New Guinea. The program involves our Defense, Police, Customs and I believe Fisheries will benefit also. It involves working on board US vessels; so our personnel will be working on board United States vessels patrolling our territory combating these illicit activities in and around Papua New Guinea waters. This gives us great firepower against international cartels, criminal elements and activities, but also increases the skills and technical capacity of our personnel. This is a great agreement or option that is being availed.

A program that has been undertaken in numerous or multiple Pacific island nations and done quite successfully. Our Defense Force has also taken part in joint training with the US Army, this includes Exercise Tamiok Strike focused on medical training, jungle survival and strengthening operational and tactical security capacity.

We have also engaged United States Navy Construction Battalion or the CBIS who come on shore and participate in community building activities like building classrooms and aid posts and civil works. My district of Hiri Koiari once benefitted from these activities in the past.

I believe my district was also a subject of a drug trafficking activity; a kind of drug we have never seen or heard of in the past in Papua New Guinea. But that's on land. We do not know what's going on, in our waters.

My question is;

US Ship Rider's Program Update

(1) Can the Minister for Foreign Affairs update this House on the intended cooperation with the United States Coast Guard in the Ship Rider Program?

Update of PNG-US Defense Cooperation Initiatives

(2) Can the Minister update the House on the status of the significant Defense cooperation initiatives with the United States and bilateral and other regional partners that are currently being advanced?

(3) Finally, considering the delicate state of global politics at the moment, particularly the large economic powers, does our engagement in the program undermine or does it enhance our long haul policy of friend to all enemy to none?

Thank you, Mr Assistant Speaker.

13/02

Mr JUSTIN TKACHENKO – Mr Assistant Speaker, I thank the Member for his very important question when it comes to regional security throughout the Pacific and our region.

After nine years of negotiations and having the ship rider's agreement document on the shelves gathering dust, we are finally ready to sign the agreement and rectify the ship rider's agreement between the United States of America and Papua New Guinea.

Just yesterday, I was speaking on the phone with the Deputy Secretary of State on the conclusion of these issues and I am very pleased to announce that the ship riders Agreement through long negotiations along with the Department of Attorney General and the Department of Defence through their officials have finally come up with a proper understanding and agreement that will be ratified next week.

This is a very important agreement between the United States and Papua New Guinea. It will allow for all the illegal fishing, logging, human trafficking smuggling and other activities in our waters to be finally secured and policed not only by physical vessels where Papua New Guineans security personnel will be with their United States counterparts but also use of satellite navigation and security of our waters, to find out where those illegal fishing or operations are.

This is the first of its kind that has happened for Papua New Guineans for a long long time. But in addition to this ship rider's agreement which will be finalised next week, late last year we signed the SOFA Agreement with the French Government which has the same situation of monitoring our waters and the region in the Pacific, policing it and protecting it from illegal activities.

Mr Assistant Speaker, the regional security coming ahead over the last two years especially with the United States, Australia, New Zealand and also Indonesia who share our biggest border. We are closely working with our traditional partners to counteract not only the defence side but also on the illegal activities side that are happening in our waters.

I would also like to mention that we are working closely with the United States of America after a very successful summit that the Prime Minister attended in Washington DC on the Defence Corporation Agreement between the United States and Australia.

Many countries throughout the world have these defence corporation agreements between close allies and partners to work together for regional security and security of one another.

This defence corporation agreement is still in its infant stage and we are working closely with the Defence Department, the Attorney General Department, Customs, Internal revenue

Commission to ensure that all aspects are covered in this regard. Our officials have already had meetings in this regard as well.

When it comes to regional security the United States has definitely stepped up and a lot of these agreements have already been initiated but never implemented.

14/02

I am pleased to announce that next week will be the first implementation of the Ship Riders Agreement. We just don't want agreement to be just a document gathering dust after it's ratified. We want it to be actually implemented physically, where we see Papua New Guineans on board US Coast Guard Ship monitoring our waters, assisting with illegal activities in our region.

It's good to have these agreements but implementation of it is more important because that is what this is all about. So, for the Ship Riders Agreement and for the regional security, our government is moving forward for the first time in a big way to secure our waters and to make sure that our areas and country is safe.

Thank you, so much, Mr Assistant Speaker.

Komo – Tari Road Sealing

Mr DANIEL TINDIPU – Thank you, Mr Assistant Speaker, for giving me this opportunity. I would like to thank the Prime Minister, Deputy Prime Minister, Opposition Leader, Governors and colleague members.

Secondly, I would like to thank my people of Komo-Hulia for having confidence in me and electing me into this term of Parliament. This is my first time to raise concern for my people.

My question is directed to the Minister for Works and Highway and Prime Minister can take note. The Komo-Hulia Electorate which I represent contributes almost 95 per cent of the PNG LNG. PDL one alone contributes 80 per cent of the PNG LNG and including PDL 6 and 7 in Morao contributes almost 100 per cent of the PNG LNG projects.

Komo to Tari road was under Oil Search tax credit scheme for sometime and it came to a complete stop in 2010. This road connects Kikori to Kutubu to Komo, Beneria and Tari. It is also connecting Highland Highway from Mendi to Moro to Tari. Komo to Tari road was part of Oil Search tax credit scheme project for some time starting 2002 and about 22 years ago. The contract was awarded to the local contractor Moran Development Company. MRDC

delivered a quality road, however, it did not commence to date. We have approximately 35 kilometers yet to be completed.

The hundreds of millions of kina from Oil Search tax credit scheme which was supposed to deliver this project was invested in the national football stadium at the cost of K170 million and APEC building in Port Moresby at the cost of K120 million in 2018.

My electorate has become a milking cow and honey breeding ground for the State for 40 years. Since the British Petroleum company came into operation in 1980s, then to Oil Search, now currently Santos and Exxon Mobil and it is still continuing today. Oil Search then the Santos and Exxon Mobil period now.

Can the good Minister for Works and Highways assure my people of Komo-Hulia, when the Komo-Tari road sealing will commence?

Mr SOLAN MIRISIM – I thank the good Member for Komo-Hulia for raising this important question. We know that his electorate is hosting huge LNG projects, close to 95 per cent. The big projects like PDL 1, PDL 6, and PDL 7.

15/02

There are projects happening there, but our people do not have sealed roads or have access to good services for a long time now.

I want to take this time to thank the Prime Minister for travelling to those places during the Christmas period. There are big projects there but the people are not benefiting from them. The Prime Minister made a very good decision to travel from Tari to Kikori. I was not there with him but I know he has seen what needs to be done in those places, not only in Komo and Hulia but also in Kutubu and Kikori.

There were some tax credit funds to start from Komo but they stopped. I enquired about tax credit from ExxonMobil, and they said that this year we will sit down and talk.

Thank you for your questions. It is not only ExxonMobil but also Santos; we will talk about their tax credit schemes for the road connecting Poroma to Kutubu and Kikori. It is good that the Prime Minister travelled through those rural places to see what needs to be done.

Under the Connect-PNG Program, we will partner with the tax credit schemes of these companies to construct roads. For example, for the road from Komo to Tari, I will discuss with the tax credit and inform you.

While I still have the time, I want to talk about what we will be doing this year. We will start a missing link from Komo to Bosavi. Another identified missing link will be from Kiunga

to Nomad. That was one of the places that the Prime Minister spent a night when he travelled there during Christmas. He has advised my department to focus on Komo, Kutubu and Bosavi areas to be linked up.

They are home to our oil and gas, yet they have not benefited from it. The Prime Minister visited some of the places that we have yet to see. This government is trying to solve legacy issues. We will link Komo to Bosavi, Kutubu to Bosavi and some of the roads will be constructed by Santos and Exxon Mobil to be sealed through their tax credit schemes.

Mr Peter Ipatas – Point of Order! Can the Minister be precise and answer the Member's questions? How much money is he supporting this country that he does not want to talk? Thank you.

Mr SOLAN MIRISIM – We are fully aware of this. I just want to give a background about the issue and inform you all that the Prime Minister have seen everything through the Connect-PNG under this government. We are aligning the tax credit and Connect-PNG funds to try to help places like Komo and Kutubu. For instance, Ok Tedi has started sealing roads from Kiunga to Tabubil. We will start all these work this year.

I want to assure the Member

16/02

Mr ASSISTANT SPEAKER – Honourable Members, question time has lapsed.

MOTION BY LEAVE

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

Leave granted.

**SUSPENSION OF STANDING ORDERS –
REARRANGEMENT OF BUSINESS**

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

That so much of the *Standing Orders* be suspended that would prevent Notice Nos 15 and 16 Government Business being called on forthwith.

**INVESTMENT PROMOTION
(AMENDMENT)BILL 2022**

First Reading

Bill presented by **Mr Henry Amuli** and read a first time.

Second Reading

Mr HENRY AMULI (Sohe -Minister for Commerce and Industry) – I move -

That the Bill be now read a second time.

Mr Assistant Speaker, today I am tabling the Investment Promotion (Amendment) Bill 2022 for subsequent endorsement and enactment by Parliament. At the outset, I pay tribute and acknowledge the prior work done by previous Ministers, particularly the most recent Minister, being the late Honourable William Samb.

I am honoured to be here today to present the results of the work done through their efforts. As you will recall the previous government tabled the Foreign Investment Regulatory Authority(FIRA) Bill in response to concerns that SMEs were facing unfair competition by foreign businesses.

The FIRA Bill went too far in restricting business activities and was damaging PNG's reputation and attractive destination for foreign investors. After in depth consultation with the public and business community the Government accepted a balanced policy proposal put forward by the Investment Promotion Authority and this balanced policy proposal addresses SME concerns while providing investor confidence.

Mr Assistant Speaker, key changes are;

- Changing the foreign certification system to processes the application quicker and automatically rejecting applications for reserved activities to support SMEs
- Review the Reserved Activities List at least every three years.
- Introducing more reporting obligations on foreign investors and providing powers to cancel certification where key business laws are breached.
- Improving IPA's enforcement and compliance and making better allowances for cross-agency enforcement.

17/02

- Creating a dedicated Registrar of Foreign Investments to oversee the system with powers to speed up wanted incoming investments, automatically deny unwanted investment and enforce compliance.

Mr Assistant Speaker, this is good news for SMEs. Additional activities can be reserved for citizens' involvement with controls to prevent SMEs being hit with additional input from lower domestic competitions, and we will have better enforcement. We'll target non-compliance foreign businesses.

Mr Assistant Speaker, this also supports our wanted foreign investors. Applications for certification will be faster. The rules for determining reserved and restricted business or activities will be clearer and more consultative and grand-fathering of existing wanted foreign direct investments will be permanent.

Mr Assistant Speaker, these are part and parcel of the positive reforms being undertaken by the Commerce and Industry Ministry.

The Marape-Rosso Government is serious about the development of PNG-owned SMEs whilst at the same time encouraging foreign direct investment to stimulate the growth of our economy in this country. This reform is in line with the stated intentions. This reform will demonstrate that the Marape-Rosso government is a government for the little people especially the thousands of small business owners that operate to sustain themselves and their communities. We are a government willing to lead from the front, ensuring that equal playing field for the development of the private sector.

Mr Assistant Speaker, I now commend this bill to this Honourable House.

Mr JAMES MARAPE (Tari-Pori – Prime Minister) – Thank you, Mr Assistant Speaker. Let me rise to commend the Minister for his hard work in this term of Parliament for bringing our work that we started in 2019.

Mr Assistant Speaker, when we took office, our focus was on taking back our country from wrong hands and one major focus was in the space of business and SMEs. We've started a program and gave commitment to empower our people to be engaged in businesses and this is a key focus area that differentiates this government from the past governments.

Our focus is more on empowering our people in the space of business, commerce, and SMEs. We are not just talking, but the country knows in 2020, 2021, 2022 and now in 2023 budgets, we have placed more support and more funding to ensure SMEs get going and move. We also expanded beyond that focus just on SMEs by putting in this year's budget for state equity, participation and money to unlock land for our people to settle properly to do business whether in small business or big business like in the agriculture sector.

Mr Assistant Speaker, the Minister now brings this bill as a first step towards clearly segregating and green fencing business that only PNG citizens can participate in.

I just want to make this comment in support of this bill. This is not the last time. This sort of amendments will be still based on our government's conversation in our own caucus and our discussion to expand further and define clearer, what areas of businesses PNG must do. We feel that we can move beyond the normal cottage industries into high level of businesses but Papua New Guinean citizens and Papua New Guinea businesses can engage in. This is a step in the right direction.

18/02

I commend this bill to the House in support of the Minister. I just want to conclude that this is a first step in that direction, we will be expanding further to ensure we entrench Papua New Guineans in the driver's seat of doing business in their own country. Thank you, Mr Assistant Speaker.

Mr DOUGLAS TOMURIESA (Kiriwina-Goodenough) – Thank you, Mr Assistant Speaker, I also want to support the Prime Minister on this bill from the Opposition. This bill, Mr Minister is well overdue. The people of Papua New Guinea have been waiting for this bill.

This Parliament has spoken about this bill time and time again. It's about time we bring it out, and I commend the Minister, the Prime Minister and the Executive Government, in fast-tracking this bill through this House. SME is a very important sector for the development of

this nation and we all know that. Reserve businesses have to be reserved for Papua New Guineans and not only reserved businesses but employment for Papua New Guineans must also be reserved for Papua New Guineans.

Most of the times the securities that we see at the gates are foreigners, where is the Papua New Guinean who is supposed to be doing that job? When you go into a shop, the cashier you see is a foreigner doing the job? Where is the Papua New Guinean who is supposed to be doing that job? That is why, this bill is the right way forward for Papua New Guineans.

Mr Assistant Speaker, whilst I am happy with you presenting this paper, where is the list of reserved businesses for Papua New Guineans?

Mr Assistant Speaker, it will be better if the Minister published this list so that our people from the general public can see it from the newspapers and be aware and know if a type of business reserved for Papua New Guineans is being illegally run by a foreigner. And if a foreigner is operating a reserved business then it should be in partnership with a Papua New Guinean.

You want to venture into a business that is supposed to be run by our people, you must also have a partnership with our people. A fifty-fifty partnership or any such the arrangement is.

Mr Assistant Speaker, it is encouraging to see that this government through the Minister has brought in this Paper to the Parliament. But we Papua New Guineans must also change our mentality. The way we do things, our laziness has crept into SMEs that has allowed others to come and do it for us. If we need to get into SMEs to make businesses, we need to change our mentality of when to get up and run the business, not to sleep till 10 o'clock and wake up to run that business while others had woken up at 4 o'clock and are doing business.

We need to have a change of mentality in the way of doing business. The other thing is, Mr Prime Minister in your wisdom, you have given a lot of SME funds to the districts, but the money was passed on to people who do not have registered SME businesses. It went to individuals who have used up the money and there is no trace of SME business in the districts or provinces.

So, whilst these bills are important, we must emphasise that Papua New Guineans who are running businesses must be registered, not individuals who are running SMEs that are not registered. In that way we can see many back-up plans and employment for our people and so forth. Thank you Mr. Assistant Speaker.

Mr. JOHN KAUPA (Moresby North-East) – Thank you, Mr Assistant Speaker. I want to add more on SME, particularly I want to add a letter M in front of SME, Micro SME. I want to encourage Micro SME, because before the closing of the previous Parliament Sitting, we had asked a lot of questions about the SMEs and Micro SMEs. I want to commend the Prime Minister and the Deputy Prime Minister through their Minister, they have brought this SME bill that has now relieved us.

19/02

You want to start SME; you have to start with Micro SME first. SME has employees but when you look at Micro SME, people are working for themselves, “survival of the fittest”, especially in the city. That is why this bill is very timely. I don’t know if you have tried it but I say thank you to the Prime Minister for giving me K3 million. I put another K3 million and the Governor of NCD puts another K1 million, that is total of K7 million

Mr James Marape – Point of Order! I would like to make it clear for the sake of *Hansard*. The Prime Minister did not give you, the Government gave the people of Moresby North-East. Thank you, Mr Assistant Speaker.

Mr ASSISTANT SPEAKER – Honorable Prime Minister, your Point of Order is in order

Mr JOHN KAUPA – Thank you Mr Assistant Speaker, and thank you Mr Prime Minister, but where there is a Government, there is a leader. And the leader made the decision to provide the funding, if I am not wrong. Thank you, Mr Prime Minister.

With regards to Micro SME in Port Moresby, the K7 million was given a total of 20,000 plus mothers and some of you may think that it didn’t work. But we need to start somewhere, give an opportunity to our people to start with Micro SME whether it be a small trade store, or selling betelnut or just putting up their markets to sustain their living. They have accounts which we helped them open and then they have that opportunity to grow their Micro SMEs

Now in the settlements, we have foreigners going in to make business but sometimes we Papua New Guineans need to challenge them. Stop leaving shops to them and making them benefit from our own money. This bill has come at a right time and I would like to challenge

the people of Papua New Guinea, are you serious in operating Micro SME to SMEs and becoming entrepreneurs and a business man in the next five to ten years.

Thank you Mr Minister, we have asked so many questions and you have brought us this bill. It might not be perfect but at least we start somewhere and at least we give an opportunity to the mass population, starting from Micro SME and then we go to SME. Therefore, I commend you and I will pump in more funds and make sure that my people in the city must have food on the table and extra money at the bank and more money to be extended into SME to make it bigger.

Congratulations Mr Minister and thank you.

Mr SIMON DUMARINU (Central Bougainville) – Thank you, Mr Assistant Speaker. I would like to commend and support the bill that the Minister has presented. I think this Bill gives us the confidence in regards to law and policy where it protects the people of Papua New Guinea. It protects us from all forms of exploitation. As other members and Prime Minister have stated, said that it's a way forward and a beginning and this Bill is giving opportunities to other areas to come in as well as protect and for protecting Papua New Guineans because citizens of this country are equal to one another in whatever part of the world we are in whether its locally or outside.

Secondly, gives equal opportunity to all Papua New Guineans so that they will participate meaningfully in the economic sector to develop the nation,

20/02

This is a timely bill and I commend the Minister for introducing it to Parliament. It paves the way forward for our country's economic policy. We are in the global community in terms of business development and, Minister, you have laid the foundation for empowering citizens of this country to participate meaningfully in all sectors of the business facets here in PNG.

Secondly, the spirit of the bill is about protecting the ordinary citizens of this country. So it is very clear.

Thirdly, you are giving direction and guidance to the people of PNG to participate meaningfully in this venture.

Well done, Minister, and I support the bill.

Sir PUKA TEMU (Abau) – Mr Assistant Speaker, while I fully agree with all the comments with the promotion of local businesses the Act also includes an important aspect which is an area where we want foreign investors to also come into our country. I commend the Minister because the bill also introduces the registrar for foreign investment. That has never been done before. The World Bank equates us as a hard basket country when it comes to investors coming and registering for business in terms of how long it takes and some give up and go back again. But this law allows automatic approval for registration unless some criteria is not being met and it states that within five days the registration will be granted.

So we invite investors from outside because the climate is now right. We need foreign investors to come into our country and this law allows promotion of businesses for our own citizens but we are also a part of a global community.

I commend the Minister for including the incentives that we need for foreigners to come and invest in this country.

Congratulations, Minister, you have my support.

Motion – That the question be now put – agreed to

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

Bill read a second time.

Third Reading

Leave granted to move the third reading forthwith.

Motion (by **Mr Henry Amuli**) put –

That the Bill be now read a third time.

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

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

Bill read a third time.

21/02

ASSOCIATION INCORPORATION BILL 2022

First Reading

Bill presented by **Mr Henry Amuli** and read a first time.

Second Reading

Leave granted to move the second reading forthwith.

Mr Henry Amuli (Sohe – Minister for Commerce and Industry) – I move –

That the Bill be now read a second time.

Mr Assistant Speaker, today I am tabling the Association Corporation Bill 2022 for subsequent endorsement and enactment by Parliament. At the outset, I pay tribute and acknowledge the prior work done by the past ministers, in particular the most recent Minister being the late Honourable William Samb. I am honored to be here today to present the results of the work done through their efforts.

Mr Assistant Speaker, the draft Bill is bringing positive changes to a law that has not been improved for over 50 years since its passage. It will also achieve the following;

- Ensure that Papua New Guinea's compliance with international obligations regarding anti-money laundering.
- Overdue change in the internal governance and transparency of cooperated associations.
- The ability to fully utilize the advantage of an efficient electronic registry.

The Commerce and Industry Ministry through the Investment Promotion Authority (IPA) will administer the law through an electronic online registry system. I am pleased to inform Parliament that the IPA is implementing a major upgrade this half of the year and the success of this project will be greatly enhanced by this new law.

Mr Assistant Speaker, the following are the key changes that this Bill will bring;

(1) Process to become an association, the current *Act* requires an association to provide basic information only when it gives notice of its intentions to incorporate. However, the Bill calls for more information to be submitted. This ensures that the public is fully informed of the details of an association and can decide whether to object to its incorporations

(2) Sub types of incorporated associations, the current *Act* takes one size fits all approach to associations. This is an issue since associations are usually setup for two broad reasons which are not necessarily the same.

- Charitable or religious mainly to benefit public
- Mutual benefit mainly for a group of people with similar interest

Based on this the Bill provides for two sub types to capture the broad reasons for incorporation, public benefit associations and mutual benefit association; three essential elements of an association or incorporated associations.

22/02

The Bill introduce a new residency requirement, under which at least one committee member and a public officer must be an ordinary resident in PNG. This is consistent with the current laws regarding companies incorporated in PNG, which requires at least one director to be a resident in PNG.

(4) Grounds for objections to the formation of the association

The current *Act* does not provide sufficient grounds for objections to be raised to the incorporation of a particular association. The Bill expands the objection grounds to include things such as; a proposed committee member, as a criminal conviction or that none of the committee members are ordinary residents in PNG.

(5) Governance and transparency

The current *Act* is very weak on internal governance and transparency. The Bill addresses this by having clear provisions and requirements relating to rights and responsibilities of committee members, responsibilities and duties of public officers, accounting records, financial reporting, annual general meetings and reports for members, and filing of annual returns with the Registrar.

(6) Overseas associations

The current *Act* does not contain provisions allowing for the registration of foreign entities that operates for charitable or religious purposes in PNG. The Bill corrects these

oversights and requires overseas associations to comply with a new regulatory regime, that will help ensure they are pursuing appropriate activities in PNG.

(7) Transition, re-registration

There must be a way to smoothly transition from the existing law to the new one. The Bill requires all incorporated information on both existing and newly incorporated associations.

Mr Assistant Speaker, these are part and parcel of a positive reform being undertaken by the Commerce and Industry Ministry. The Marape/Rosso Government is serious about ensuring governance and accountability in all sectors.

This reform is in line with the stated intentions. This reform will demonstrate that the Marape-Rosso Government, is a government for the little people too, especially thousands of rural population that forms associations to benefit their committees.

It is a government willing to lead from the front by ensuring, governance and transparency are embedded in PNG laws. It is a government willing and able to champion change, that is long overdue.

Mr Assistant Speaker, I now commend this Bill to this honourable House. Thank you.

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

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

Bill read the second time.

23/02

Third Reading

Leave granted to move the Third Reading forthwith.

Motion (by **Mr Henry Amuli**) proposed –

That the Bill be now read a third time

Mr KERENGA KUA (Sinasina-Yonggamugl - Minister for Petroleum and Energy) – I commend the Minister for the Bill that he has produced to the Parliament, this would be the first reform in a long time to the Association's Incorporation Act so, we welcome this reform to incorporate contemporary practices so it is up to date.

Associations are incorporated in principally to deal with charitable business so what it means is that one of the core features of the associations is that they do not declare dividends to their members. Profits can be declared but dividends cannot be paid to the members of that association. The profits are usually recycled back to promoting the objectives and functions of the association.

In essence it is non-profit entity, it does make profits but cannot declare dividends and that is the area that needs scrutiny. Most associations do the right thing but as Christians I noticed that some of the smaller Christian churches do not follow this particular requirement and live off the profits and they pay themselves dividends these tithes and revenue generated from the activities of their smaller churches, which are incorporated as churches.

I'm not saying that all of them do that but there are few who do and we have observed as members of the public. They are indirectly benefitting from their associations activities and businesses they have developed which are church association and the assets they have built up.

And when they retire it seems to be transferred to their children. It is inherited by members of the church but by their family, while acquired in the pretext and operating an association. The Minister is doing the right thing in trying to create a privilege and exempted area of operation for such entities like this but in that small area there needs to be some level of scrutiny; especially when it comes to smaller churches which are incorporated and operating in the country to make sure that they operate strictly for the benefits of their church members and not for themselves. That is the only thing that I think is an area where the good intentions of this legislations have been to an extent abused. I draw the Minister's attention to that for some level of scrutiny in that space.

Mr KEITH IDUHU(Hiri-Koiari) – Thank you, Mr Assistant Speaker, I also join the Minister for Petroleum and commend the Minister for Commerce and Industry for bringing these two very important legislations to make them contemporary and relevant for commercial practice today.

The *Association Incorporation Act* as outlined is intended for particular purpose and there's two points that I would like to raise and perhaps the Minister could take on board with his team. I would also like to thank the Prime Minister that in his initial debate outlined that there would be further reviews in this Parliament in the context of commerce and trade or industry in this portfolio.

What is important is, the dispute resolution component is a concern. The courts are already congested with disputes. It is welcoming to see that there is a regulatory reserve list published and also a proposal to embed it in a body of legislation. It is also welcoming to see that there are sources in incorporation act being reviewed to make it more relevant and more practicable but implementation and enforcement is what I'm concerned about.

Who is going to look over this policy shift or this legislative reform? How are we going to implement this? And is it possible in the further review to consider the introduction of a tribunal within the Investment Promotion Authority. For instance, if there are breaches in the context of reserved activities or associations conduct being breached instead of parties running to the courts or IPA burdening itself by taking enforcement if there were avenues which I see there isn't, there is an absolute need and necessity to introduce enforcements of these areas. Perhaps in the future, that is something that the good Minister could take on board and also consider with some great concern.

Thank you and I also commend this amendment Bill to the House.

Mr DAVID ARORE (Ijivitari) – Thank you, Mr Assistant Speaker. Whilst supporting the two bills that the Minister has brought to Parliament today, I also want to thank the Minister for Petroleum and also advice for us to be very careful with some of these associations that are popping up in the country. Some of these associations operating in the country have been used like milking cows for certain individuals and people. In my place, for example, some associations and NGOs have been operating for 40 years under various names and organisations. As soon as the required three to five years' is over for a particular project or program, they immediately jump to new funders and donor agencies to secure money to continue different activities that the government don't seem to be having scrutiny over. That is something that the IPA should deal with and try to monitor through the *Association Act* because so much money has come into certain communities over years and they are unaccounted and unscrutinised, and there are certain people walking away with them.

So, whilst I commend these two Bills, that is my concern. Like the Minister said, there are certain new churches or church organisations or ministries popping up in some places and they are acquiring land to set up these small ministries. The pastor ends up being a businessman, buying vehicles and owning hire cars. This practice is common in Northern Province. I'm bringing this to the attention of the government that we should start scrutinising some of these associations that are popping up in the country.

Otherwise, I am in support of these two bills and I comment them.

Motion – That the question be put – agreed to

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

25/02

The Bill requiring absolute majority of 60 Members as required by the *Constitution*, Mr Assistant Speaker ordered that the Bells be rung.

The Parliament voted (the Assistant Speaker, **Mr Johnson Wapunai** in the Chair).

26/02

AYES – 91

NOES – 0

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

Bill read a third time.

Mr RAINBO PAITA – Mr Assistant Speaker, I thank the Parliament for sitting through, at the same time I thank the Minister for Commerce and Industry for bringing these two very important pieces of legislation for us to enact and I also thank Parliament on both sides of this House for supporting the two legislations. With that Mr Assistant Speaker, I ask that we move to 10 a.m. tomorrow. Thank you

ADJOURNMENT

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

That the Parliament do now adjourn

The Parliament adjourned at 12.30 p.m.