

SEVENTH DAY

Thursday 23 March 2023

DRAFT HANSARD

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PARLIAMENTARY DEBATES

CORRECTIONS TO DAILY HANSARD

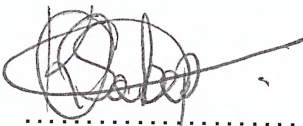
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KENNETH SEBEPMIN

Acting Principal Parliamentary Reporter

SEVENTH DAY

Thursday 23 March 2023

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

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

Sitting suspended.

The Deputy Speaker (**Mr Koni Iguan**) took the Chair at 10.25 a.m., and said the Lord's Prayer.

QUESTIONS

Retired Public Servants' Entitlements

Mr THEO PELGEN – Thank you, Mr Deputy Speaker, for recognizing the people of Nawae. My questions are directed to the Minister for Public Service and the relevant ministers can take note.

My questions are as follows;

(1) Does the Minister know how many Public Servant retirees are in the country, that are still waiting to be paid out for their long service entitlements?

(2) Has funding been made available for these entitlements within the 2023 Budget?

(3) How long will it take for these outstanding entitlements to be paid out?

(4) Can the Minister report back within the next Sitting?

I have knowledge of two retired personnel waiting for their dues that have since passed away.

(5) Can the Minister, ensure that the entitlements of those deceased retirees be paid to their relatives?

Thank you.

Mr JOE SUNGI – Thank you, Member for Nawae, for these important questions. I take note of the question and will report back to him with the specific number but the budget has been already allocated so we have a budget.

So, from Personnel Management, all the records are in order in terms of the number of retirees and the amounts; however, my department does not allocate the funding.

The funding is allocated by Treasury and Finance so once all the paperwork is done, the funds are released and the retirees are paid accordingly.

I will come back with the details in the next sitting, thank you.

Mr NOAH KOOL – Thank you, Mr Deputy Speaker. I have reserved my questions since last week but since the Minister for Health is not around, can I direct my question to the Prime Minister?

Mr DEPUTY SPEAKER – Honourable Governors, I will ask you to retract your statement by addressing the Chair as Deputy Speaker and you can continue on with your questions.

02/07

Appointment of Kundiawa General Hospital Board

Mr NOAH KOOL – The Kundiawa General Hospital board's term of office has expired six (6) months ago and the board, there is a management issue of serious proportions resulting in people dying from preventable diseases.

My questions are as follows;

(1) Why has it taken five months to get the hospital board appointed and gazetted? Is it the process or incompetency of the system?

(2) Please give me a timeframe as to when this hospital board will be appointed and gazetted.
Thank you.

Mr JAMES MARAPE – Thank you, Mr Deputy Speaker. I would like to appreciate the Governor of Simbu for his questions, but before that, let me inform the House that the Minister for Health is attending to a family matter. His senior brother is in a serious medical condition so he

sought medical leave from me as the Prime Minister to attend to this matter and therefore is not present in the Parliament.

However, I want to inform the people of Chimbu and others for that matter, whilst I appreciate the hospital board, the appointment of the board has been delayed and I will get into this matter as soon as possible. I want to inform the House that the functionality of hospitals should not be stalled because of the delay in the appointment of hospital boards. The hospital can still function and operate. The doctors and HEOs are there and the hospitals should be serving the people and they shouldn't be dependent on the board that is not yet affirmed or confirmed. However, for the benefit of the people of Chimbu and the Simbu Provincial Health Authority, I will return an advice to the Governor later this afternoon on the status of the board appointment and we will get the process to be expedited.

Thank you.

Enforce Minimum Wage

Mr RICKY MORRIS – Thank you, Mr Deputy Speaker. My questions are directed to the Deputy Prime Minister and the Acting Minister for Labour and Immigration.

Mr Deputy Speaker, over the years, the government has been flexible in our investment decisions and some of those decisions were to attract business investments, especially in the agriculture sector under clause 7 of the Minimum Wage Determination No.1 of 2014. We have exhibited the agriculture sector under clause 7, to allow for a minimum wage of K3.50 to be applied to workers.

While we welcome those decisions, my questions to the Minister are:

(1) Does the department have an oversight over the compliance and monitoring of the minimum wage of K3.50 in all the sectors?

(2) Can the Minister make a commitment to undertake a review on the minimum wage clause 7 that exempts our workers in the agriculture sector to participate under the minimum wage determination?

Thank you.

Mr JOHN ROSSO – Thank you, Mr Deputy Speaker. I would like to appreciate the good Member for Alotau for these very important questions. These questions are of national concern and I think it is good that I answer them so that our people can hear.

The exemption on the agriculture sector on the minimum wage is important because some aspects of the agriculture sector are in the rural settings so they have applied to the board to have their minimum wage accepted so they don't meet the criteria to go towards K3.50, but in all sectors of urban areas, the minimum wage is at K3.50. Many people used to say why don't we increase the minimum wage up to an amount like K10.

03/07

In English minimum means the limit, the lowest you can go. For all those on social media that's what minimum wage means. When you want to increase the wage, you can pay them K5 or K10, no one will stop you, you can even pay them K100 per hour, it is up to the company or employer that hires them. Minimum wage is called minimum wage, that's English. However, a lot of companies do not pay the minimum wages especially in shop and inside organisations like security agencies. A lot of our poor security guards are paid 80toea per hour or K1 per hour and that comes back to compliance on the part of the Department of Labour, which I currently have under my cap as the acting Labour & Immigration Minister.

For the good ears of Parliament, I have issued instructions six weeks ago to ensure the Department for Labour bring to me a budget and tell me why they are not enforcing the minimum wage. I have asked them why they are not enforcing the minimum wage and I am going to ensure that once that budget and a workplan forward is done and brought to me, I will find the money so that they will roll out the minimum wage enforcement in Port Moresby, Lae, Hagen and all our major centres.

Every single person must be paid the minimum wage of K3.50 per hour as set by law. A lot of people have asked for the minimum wage to be increased to K5per hour but if we are not enforcing the law at K3.50per hour, what's the point in increasing it to K5per hour? Let's enforce the law first and then we can increase it to K5 per hour and again enforce the law.

The problem is enforcement and compliance and that is what our departments must do. And that is our job as ministers to ensure that they do that. So, in my capacity as the acting Labour Minister, I've already instructed our department to go out and do their compliance. It is their day-

to-day job and they should be doing it. So, we will enforce the minimum wage in all sectors of our country because if you pay minimum wage, for example in the security industry itself, there's 25,000 security guards in this country. If all of them were paid the minimum wage of K3.50 per hour they will be able to take home a good salary of between K400-K500.

Unfortunately, that doesn't happen today because a lot of people are not being paid the minimum wage. Another thing that we will be doing in this term of Parliament, is ensuring that we bring amendments to the Floor for companies who knowingly pay below the minimum wage, they will be penalised for K100,000. Companies who knowingly hire and pay their staff below the minimum wage will also be paying a fine of K100,000. Right now, the K5,000 penalty fee that is currently in our law is insufficient hence these companies are not afraid of enforcing the minimum wage requirements and are treating our people with indifference, that it is not right. So, with that, I hope that clarifies the question from our good Member for Alotau, which is a very good question and I'm glad you asked it so that our citizens can be aware of it as well as our Parliament. Thank you, Mr Deputy Speaker.

Mr GARRY JUFFA – Thank you, Mr Deputy Speaker. Before I ask my questions, I just want to make a comment in regards to the Deputy Prime Minister, if he can have his department to have a look into the three work training plans that the Labour Department is supposed to enforce on expatriate workers especially on middle management positions. Many Papua New Guineans cannot ascend to that level because these plans have never been followed.

Mr DEPUTY SPEAKER – Honourable Governor, ask your question.

Status Update on Protected Areas Bill

Mr GARRY JUFFA – Thank you, Mr Deputy Speaker I will go to my question now but still a very relevant point, I must add. My questions are directed to the Minister for CEPA and Climate Change and I would like the Minister for Forestry to also take note.

04/07

Firstly, I would like to commend the Minister for CEPA and Climate Change who has been doing a magnificent job in that ministry by cleaning up the mess there.

Mr Minister, can you please give us an indication of where we are with the Protected Areas Bill, which I believe was lying in readiness to be presented in Parliament for some time but has not yet progressed?

I am being asked by relevant NGO's and members of our community who are concerned about this bill and wants it to come to the Floor of Parliament to be passed and debated on. Thank you.

Mr SIMO KILEPA – Thank you, Mr Deputy Speaker. I would like to thank the good Governor of Northern Province for raising this very important question regarding the Protected Areas Bill. The bill was first drafted in 2017 and was submitted to the State Solicitor to be issued the certificate of necessities.

The State Solicitor reviewed the bill and issued the certificate of necessity in 2017. In 2018, it was submitted to the First Lady of Council, proving that the bill was ready to be progressed to NEC to be issued the certificate of compliance.

However, the NEC rejected the submission in 2018 because of the omission of climate change and REDD+ provisions. The bill was taken back to CEPA and has taken two years for them to revise and re-draft the Protected Areas Bill with the inclusion of climate change and REDD+ provisions.

In late 2021, it was then progressed to the State Solicitors again for the certificate of necessity and it was issued again with a revised drafting instruction. In early 2022, an NEC decision No.39 of 2022, clause 4, directed the FLC to draft the proposed Protected Areas Bill in accordance with the approved drafting instruction.

Mr Deputy Speaker, unfortunately CEPA did not get the certificate of compliance from FLC prior to the elections. So, the Protected Areas Bill is still with CEPA. I have now tasked the new acting managing director to process and progress the bill.

Mr Deputy Speaker, through you, I have the Protected Areas Bill ready to be submitted to NEC and to be brought to Parliament, probably in the next sitting, for reading and enactment.

Thank you, Mr Deputy Speaker.

National Gold Refinery Project

Mr SOLEN LOIFA – Thank you, Mr Deputy Speaker, for recognising the people of Menyamya. My questions are directed to the Prime Minister in regards to the national gold refinery that was posted and talked about on social media. My questions are as follows;

- (1) Can the Prime Minister explain what is the national gold refinery?
- (2) Is this project going to put the alluvial gold miners out of business or not?
- (3) How is this project going to affect our industry?

Thank you, Mr Deputy Speaker.

Mr JAMES MARAPE – Thank you, Mr Deputy Speaker. I want to thank the Member for Menyamya and the Vice Minister for Treasury for asking these questions as a matter of public interest. There has been a lot of debates and discussions on the proposed gold refinery that our government wants to do.

05/07

I want to make it clear that this is a good proposal but we will need to advance it to a state where it does not affect our alluvial miners, existing players or individuals who are engaged in the transaction of buying and selling gold. For the big existing companies that have contracts, we will respect their contracts.

Those who are already in the industry, whether in buying or producing, we will not offset the current business that they are running, but I want to make it clear to the country that some people have been misleading the public on social media about the proposed law that is in circulation. That proposal was old and has been in the government policy circles since 2012 or 2013, and so we are looking into it holistically.

That proposal came to our desk in 2019 thereabout, in respect to the government's focus to add value to our resources, with the focus on downstream processing, it came in that context.

Mr Deputy Speaker, most of you are aware by now, this Government's major focus is on adding value to what we produce locally and to send as finished products outside of our country. This includes gold, oil and gas, timber, fisheries and agriculture resources.

We've been advocating in terms of downstream processing for so long and we want to get into that space but we will not rush into that space in an agreement that is not beneficial to our

country that doesn't protect our existing industries, we will shift in a manner which is good for our country.

So the proposal that is floating around, Members of Parliament, Mr Deputy Speaker through you, is not the proposal that will go through the full length. We are relooking at it holistically.

The Government under my watch has tasked a certain committee from here. There was a committee established here in the last Parliament that had a report submitted to us and we are going through the due processes. No final version of the current project or refinery has been approved by the Cabinet as yet. It is still work in progress. We want to do something that is solid and beneficial to our country and to all the industries whether at the large scale level or at the small alluvial levels. Those who are players in the industry should all have a part in this new structure going forward.

The end result is simple, Mr Deputy Speaker, we want to have a gold refinery in our country; a gold mint in our country rather, but the final stage of this must be something that is beneficial to the country and something that we all want.

Mr Deputy Speaker, most of you would know under the leadership of James Marape, I work and I live to get better deals for our country. Not in a rushed manner, not in an agreement that is not friendly to all stakeholders and more importantly to our people and our country.

I want to assure this Parliament through the question asked by the Vice Minister and Member for Menyamya that we will not rush through to reach a gold mint or refinery that is not beneficial to the country. It must be beneficial to the country.

We have been producing gold in our country since the 1920s. All of our gold were exported and processed in the Perth Mint. So, why are we not talking about processing gold in our country? The idea is simple to get to that stage, but we will not rush into agreements that are not beneficial to us. For instance, the proponent that they proposed in the proposal that is now in circulation previously in 2013-2014 sits on 70 percent for proponent and 30 percent for the country.

Under our watch, we were consistent with our views to split the majority for us and minority for them. Whatever it is, like Porgera, we have 51 per cent for PNG beneficiary and 49 per cent for the investor. With this strategy, we still hold on and do more.

The bill or the project did not take the final stage yet. It is still going through processes of negotiation and observation so that we are not affecting any current business, at the same time, we are not arriving on a final project that is not beneficial to our country.

06/07

I want to assure this House that we are sensitive when we talk about gold because it's a big step. We will be ruffling feathers of those in their comfort zones; meaning those who earn a lot of money.

At this moment, there are an unaccounted amounts of gold leaving our country. Therefore, we the government want to place on record our appreciation for the former Mining Minister, Johnson Tuke, one of the champions in PNG in introducing the first policy reform in our country.

Before when the gold left our country, it had to be declared in Form 27. But now under my instruction and the reform introduced by the former Minister, Honourable Johnson Tuke, we advised all the mining companies such as Lihir Gold Mine, Ok Tedi Copper and Gold Mine and the other companies producing gold to link their production in the production room by data at Mineral Resource Authority (MRA) where they will take stock of how much gold is produced in the respective mine sites.

This reform has already been completed and the next step we are working on now is to make sure all our gold is processed in our country. This idea will not stop, we will still process it. But the final agreement including the different foreign investors that we invite into our country must work with the landowner company such as Mineral Resources Development Company (MRDC) and the National Government's Kumul Minerals Holdings Limited and the existing business houses in the mining sector in the country.

We will never rush it to Parliament or the government to process but diligently, the final product should be handled transparently and that is something that the country will be truly proud of going forward.

I want to remind all of us that gold is a national economy security matter and processing of gold in our country is an aim of this Government. The current proposal that is being circulated will be tailored in a manner in which the country has a greater control of gold in our own country.

Thank you very much, Mr Deputy Speaker.

Arawa – Water Pollution from Alluvial Mining

Mr SIMON DUMARINU – Mr Deputy Speaker, I want to direct my questions to the Minister for Mining and I want the Prime Minister and the Minister for Health to take note. The Health Minister is not present so the Prime Minister can note.

My questions are in relation to water pollution in Arawa township of Bougainville. There are two rivers that flow downstream where the town is located. These two rivers right now are contaminated because of the alluvial mining in operation at the top of the river. These two rivers normally supply water to the township of Arawa. Recently, they found out that mercury is present in the water and is contaminated and not safe for human consumption. The town doesn't consist of Bougainvillians only but people from other provinces.

(1) This poses a health concern, therefore, is the Minister for Mining aware of the activities there?

07/07

(2) Can the Minister and responsible authorities take immediate action to ensure that the health and lives of people using this water are not at risk?

Alluvial mining has a good market price around the world and people are going crazy for it? Mining activity is happening at the riverheads where water flows to gardens and accessed as drinking water.

(3) Is there any policy in place to guide the people conducting alluvial mining in parts of Papua New Guinea?

Thank you, Mr Deputy Speaker.

Sir ANO PALA – Mr Assistant Speaker, I thank the Honourable Member for those important questions. I am generally aware of what is going on in Arawa town and the effects of alluvial mining; my office is fully aware.

As to the environmental issues, my office is also aware of it but it is a matter that comes under the Minister for Environment, Conservation and Climate Change. However, the problem in my office is that all the mining responsibilities have been transferred to Bougainville under the *Mining Act of Bougainville*.

We are concerned and want to do as much as we can, but we understand the limitations, what we can do and what we cannot do. But I have asked my department to see how they can come in and help through our bilateral relationship or our arrangement based on the interest of each other.

Mr Deputy Speaker, while most of the powers have been transferred, the only power that has not been transferred to Bougainville is the safety issues, it is still under MRA. So, I was thinking as you were asking the questions, if these environmental issues become a concern of safety, yes, we can come in. So, I can give you the assurance.

Mr ASSISTANT SPEAKER – Honourable Minister, can you address the Chair.

Sir ANO PALA – Thank you, I think you are quite good looking so, I have to look at you.

(Laughter in the Chamber)

Sir ANO PALA – Thank you, Mr Assistant Speaker. Yes, we can come in through safety issues, so I think that is the way we are going to address it. But the most important issue is that the systems have been transferred and the power is now with you, but we also understand that the institutional memory and the backup services are not with you at the moment.

We want to make sure that MRA continues to provide all that institutional supports because it might take you a while to acquire all those experiences. But MRA is continuing to work with you closely so that the institutional support and all the other experts support can be provided to you.

But having said all that, we will find a way outside of the specifics of the law but on the understanding of our friendship and relationship to come in to assist you and have a look at it. So, I'll get back to you and get my department to work with your MRA in Bougainville and find a solution.

Thank you.

08/07

Public Service – Re-employment after National Elections

Mr ELIAS KAPAVORE – Mr Assistant Speaker, my questions are directed to the Minister for Public Service and if the good Prime Minister could take note.

Mr Assistant Speaker, I raised during the last Parliament session a debate with regard to the amendment of *Public Service Management Act Section 55 of 2021*. This is with regards to the public servants who resigned to contest the 2022 General Elections, the law says that they cannot have direct entry to public service until after five years. Mainly for public servants, especially the experienced ones are affected, they are still waiting to be re-employed to public service today. Some are doctors, some are lecturers of universities and other tertiary institutions.

(1) Can the Minister give an update on this matter?

Appointment of Departmental Heads to Overseas Missions

My second question is in regards to a front-page article of Monday's paper, on the NEC decision to move three of our most experienced departmental heads for Works, Planning and Finance to an overseas mission.

Mr Assistant Speaker, we know that two of these secretaries are members of the Central Agency Coordinating Committee(CACC), that's the Secretary for Finance and Planning. At the moment, two other secretaries are on acting capacity; the secretaries for Department of Justice and Attorney General and the Department of Provincial Affairs after the unfortunate passing of Dr Gelu this year.

This leaves only the Secretary for DPM who is the substantive holder and whose decision it was for this mission to be done. The CACC provides an important role to the Government with regard to many matters of our country.

(2) Considering the decision and its possible impacts on CACC credibility, can DPM, the department responsible for managing contracts of departmental heads, advise the Government again on this particular decision and if necessary to revisit that at such a time when the CACC members are fully appointed to the respective positions?

Mr JOE SUNGI – Mr Assistant Speaker, the questions are very valid.

In terms of the issue on the public servants going out for election and coming back, the amendment as it is stands, all public servants whether they are doctors or police personnel or any public servant that go out for elections will not come back until after five years. We have not changed that. As it is now it still stands because we want to protect the integrity of the public service. The public service has been totally abused by public servants and also ourselves as politicians.

We need to put some integrity and discipline into the public service. But that doesn't stop the case for doctors. We discussed that as an administrative matter. I thank the Honourable Member for Pomio who is a very experienced public servant himself and former Minister for Public Service to understand that we would like to make sure also that we don't contaminate the public service by allowing public servants going out to contest and coming back.

In the case of doctors, there is some discussion with the Health Minister and the Secretary that there can be a provision to engage them on a consultancy or advisory basis. They can work alongside under the PHAS where there is need. They will not automatically be employed as public servants until after five years.

In relation to the three current departmental heads who have been appointed to take up overseas missions, the only authority that appoints departmental heads and agency heads is the National Executive Council. No one else makes appointments apart from the NEC, when it sees fit and right to make changes. Sometimes we question it from the outside.

The *Post-Courier* put the article on the front page.

09/07

The instruments have not yet been signed in NEC, however, it has found its way to the daily newspapers. This confidential NEC matter is still being processed. We would like to highlight to the mainstream media that the only person that is authorised to get the NEC decisions is the Prime Minister, who is the Chairman. No one else. At the moment the affected departmental heads have not being advised as yet in the normal process. Yet, these issues are in the dailies.

Mr Assistant Speaker, there must be some degree and measure of control on these important confidential matters which are public matters and not private or personal matters. We are dealing with the lives of human beings.

Mr Assistant Speaker, the decision that has been made by the NEC is in the interest of the State. There is a provision in the contracts of state agency heads that stipulates that, in the event that there is an interest of State coming into place, the NEC can make changes either to relocate, redeploy or even to make changes in the interest of the State. For this case, the NEC feels that it should make some changes and these senior departmental heads have a length of experience in the public service and to have them as ambassadors or heads of missions, uplifts the profile of the country.

This Government is proud that they will bring in a lot of credibility and experience to China, Brussels and Philippines and these countries are very important to us.

Mr Assistant Speaker, it is also good for them because it gives way for deputies and other line officers to come in. There may be two or three of them who have been appointed for second or third terms. It's good for them to move on but not to be pushed out.

Mr Assistant Speaker, if you look at all angles, all these are done for the good of the country and it is for the interest of the State. It takes precedence over our own personal and political interests.

The NEC has made a decision and that is the final authority that makes appointments, and I bring in the submission and the authorities decide.

I hope I have answered the questions and as it is, we stand by the decision that is made and it is all for the good of the State.

Works Secretary – Contract Terms

Mr DOUGLAS TOMURIESA – Mr Assistant Speaker, there was a question built into the question that was raised by the Member for Pomio with regards to the importance of CACC.

Secondly, the Works Secretary was appointed on a permanent basis last year, will he be paid out in order for him to commence on his new role?

Mr JOE SUNGI – Mr Assistant Speaker, yes, my apologies for missing that part out.

The current Secretary for Works is in his third term now and so in the interest of the State, anywhere in between the contract term, NEC can make a decision to redeploy but so long as it is within the terms and conditions and everything else is not affected.

10/07

They are redeployed at the same level or higher so he is well taken care of in between his own contract, so if he takes up the position, it doesn't affect him because he still maintains his contract as it is.

Mr Assistant Speaker, the CACC is still in place, and it still exists. If the current substantive holder goes on leave or takes up another position, there will always be an acting departmental head so when that time comes the acting appointee is automatically a member of the CACC. So CACC will not be affected in any way at all, the CACC still continues and functions.

Mr Assistant Speaker, I would like to also make it clear that all the big government programs are run by the government so we should not bring in the departmental heads to try to participate. The departmental heads are there to implement the government policies. The Government is in control of those policies. So, when the Government sees fit to make changes, it can do so, but government policies will still be run and they will not be affected because there are a number of public servants out there who are capable of stepping in and assisting.

Thank you, Mr Assistant Speaker.

Review Electoral Process

Mr MARSH NARAWEC – Thank you, Mr Assistant Speaker, for allowing me to ask my questions on behalf of my people of Wau-Waria and Morobe Province.

My questions are directed to the Right Honourable Prime Minister, Member for Tari-Pori, and Minister responsible for Electoral Commission.

Mr Assistant Speaker, after the 2022 National General Elections there were over 100 election petition cases filed against the 97 elected seats of Parliament. Most of these allegations and election petitions are related to the common roll, illegal voting, double voting, ghost name voting, names missing, etcetera. This issue is not new; it has been happening after every general election –

Mr Keith Iduhu – Point of Order! The nature of the question raised by the honourable leader is one pertaining to a matter that is before a Special Parliamentary Committee at the moment. I believe that is a subject of an inquiry and probably does not have the privilege to be raised in this forum in the House today.

Thank you, Mr Assistant Speaker.

Mr ASSISTANT SPEAKER – Honourable Member for Hiri-Koiari, the point is noted but the Member has the right to ask his question.

Continue with your question, Member for Wau-Waria.

Mr MARSH NARAWEC – The inquiry has been going on, but let the people know what is happening.

After being elected the unopposed Prime Minister of this country, the good Prime Minister mentioned some key challenges that face the country. One of the key challenges is the Electoral Reforms, he stated the principle of ‘one person, one vote’, must be achieved.

Mr Assistant Speaker, this is a very high benchmark set by our good Prime Minister and it is a very good one that requires the Electoral Commission and NID to work together and synchronize their legislations, policies, and processes including the technologies to work together.

11/07

Mr Assistant Speaker, the questions to the Prime Minister are as follows:

(1) Is the Electoral Commission and NID working together to ensure voting using our NID is compulsory in 2027?

(2) Can the Prime Minister make a commitment to this House and to the people of this country that the Electoral Commission will test the system and pilot one of the by-elections to ensure the citizens of that electorate exercise the principle of one person, one vote.

Mr Allan Bird – Point of Order! In support of what the Member for Hiri-Koiari has said, *Standing Order 141* forbids asking questions on matters that are before the Committee. I refer the Clerk of the Parliament and his Advisory Committee to *Standing Order 141*.

Thank you

Mr ASSISTANT SPEAKER – Honourable Governor of East Sepik, I think the matter has not been referred to the Committee.

Mr Allan Bird – If you read the *Standing Orders*, it is quite clear. A question may not be moved on any proceedings that is before a Committee. If it is not yet reported on the Floor, it cannot be asked on the Floor and *subsection d(ii)* is very clear. Its pre-emptive and a Minister or a Prime Minister cannot express an opinion on a matter that is before the Committee. It's clear in the *Standing Orders*. Just because we haven't used it in the last five years, we see it as irrelevant, Mr Assistant Speaker.

12/07

Sir ANO PALA – Mr Assistant Speaker, if I may be of some assistance, the committee is a sub body of this Parliament. This matter has been referred to that committee. So, the business of Parliament discussing that matter should be suspended until such time that the matter is brought back. And that provision basically says we should not be discussing the matter in a way that pre-empts a decision or discussion of Parliament, so that's it.

Mr ASSISTANT SPEAKER – Thank you, Honourable Member for Wau-Waria. You can hold back your questions until the committee brings this matter to this Parliament and we can debate the matter when it's presented to Parliament.

Mr Peter O'Neill – Point of Order! The Member's questions and the interventions by other members are quite relevant and in my view Mr Assistant Speaker, the member is asking about an event that is about to take place in the form of a bi-election while the committee's proceedings are taking place. He is asking about the process that the Electoral Commission will take while given the facts surrounding the 2022 Elections.

So, I think the Minister should answer or the Prime Minister should answer the questions in relation to the bi-elections that are going to take place over the next few months. I'm aware that the committee's report will not be ready for this Parliament over the next few months. So, I think the member should be given an opportunity to have an answer to that question. Thank you, Mr Assistant Speaker.

Mr ASSISTANT SPEAKER – Thank you, Honourable Member for Ialibu-Pangia. I have already made a ruling that his question will be reserved until the committee presents the report back to Parliament and then we can debate that in our next sitting.

MOTION BY LEAVE

Mr JELTA WONG (Gazelle – Minister for Fisheries & Marine Resources) – I ask leave of Parliament to move a motion without notice.

Leave granted.

SUSPENSION OF STANDING ORDERS – REARRANGEMENT OF BUSINESS

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

That so much of the *Standing Orders* be suspended as would prevent Notice of the day No. 31 and Order of the day No.30, Government business, being called on forthwith.

TREATY DOCUMENT – AGREEMENT BETWEEN THE INDEPENDENT STATE OF PAPUA NEW GUINEA AND THE GOVERNMENT OF THE REPUBLIC OF PALAU RELATING TO AIR SERVICES – PAPER AND STATEMENT – PAPER NOTED

Debate resumed from (...).

Motion – That the question be put – agreed to

Motion – That Parliament take note of the paper – agreed to

Paper noted.

MOTION BY LEAVE

Mr WALTER SCHNAUBELT (Namatanai – Minister for Transport and Civil Aviation) – I ask leave of Parliament to move a motion without notice.

Leave granted.

TREATY DOCUMENT – MOTION TO WAIVE 117(3) OF THE CONSTITUTION

Motion (by **Mr Walter Schnaubelt**) proposed –

That in accordance with *section 117 (5) (a)* of the *Constitution*, this Parliament waive *section 117 (3)* of the *Constitution* which requires a treaty document to be presented to the Parliament for at least ten sitting days before Papua New Guinea can be bound to a party insofar as that provision applies to ratification of the agreement between the State of Papua New Guinea and the Government of the Republic of Palau relating to air services.

13/07

The motion requiring an absolute majority of 59 Members as required by the *Constitution*, the Assistant Speaker ordered that the bells be rung.

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

14/07

AYES – 86

NOES – 0

Motion so agreed to.

15/07

SPECIAL ECONOMIC ZONE AUTHORITY (AMENDMENT) BILL 2023

First Reading

Bill presented by **Mr Richard Maru** and read a first time.

Second reading

Leave granted to move the second reading forthwith.

Mr RICHARD MARU (Yangoru-Saussia – Minister for International Trade & Investment)

– I move –

That the Bill be now read a second time

Mr Assistant Speaker, thank you for giving me this opportunity to present to this Honourable House and the people of Papua New Guinea, the Special Economic Zone Authority (Amendment) Bill 2023.

Mr Assistant Speaker, *section 3* of the *Special Economic Zones Authority Act 2019* states that the Minister for Finance is the Minister responsible for Special Economic Zones and the Special Economic Zones Authority. On the other hand, schedule 7 of the Ministerial Determination No. G690 of 31st August 2022, states that the Minister for International Trade and Investment is the Minister responsible for the Special Economic Zones Authority and the Special Economic Zones in the country.

Mr Assistant Speaker, pursuant to *Section 148, subsection (1)* of the *Constitution*, the Prime Minister has the prerogative to appoint any Member of Parliament to be Minister responsible for any state agency or department by way of a Ministerial Determination.

Mr Assistant Speaker, if an enabling legislation defines a certain minister to be the minister for a certain state department or agency whereas the Prime Minister through a Ministerial Determination appoints another named minister, there will certainly be confusion as to the

governance of this state institution. This is evident in this case and therefore it needs to be corrected so that laws are consistent with each other and state institutions are allowed to function effectively.

Mr Assistant Speaker, *section 3* of the *Special Economic Zones Authority Act 2019* says that the Minister for Finance is the Minister responsible for Special Economic Zones Authority and the Ministerial Determination G690 of 31st August 2022, states that the Minister for International Trade and Investments is the Minister responsible for Special Economic Zones. This is legal uncertainty as to who is the minister responsible for Special Economic Zones Authority and the Special Economic Zones.

Mr Assistant Speaker, to correct this legal flaw, the *Constitution* supersedes all other laws including all *Acts* of Parliament.

This is consistent with *section 11* of the *Constitution* which dictates that "The *Constitution* and the *Organic Laws* are the supreme laws of Papua New Guinea and all acts whether Legislative, Executive or Judicial that are inconsistent with them, are to the extent of the inconsistency, invalid and ineffective".

Subsequently, this means that the Ministerial No. G690 of 31st August 2022, takes precedence over *section 3* of the *Special Economic Zone Authority Act 2019*.

Mr Assistant Speaker, to correct this legal uncertainty, I present the Special Economic Zone Authority (Amendment) Bill 2023 to this Honourable House which corrects and repeals *section 3* of the *Special Economic Zone Authority Act 2019*.

Mr Assistant Speaker, this amendment bill defines 'Minister as the Minister designated by the Prime Minister in accordance with *section 148, subsection 1* of the *Constitution*, to be the minister responsible for the administration of this Act'. This amendment basically means that the minister appointed through a Ministerial Determination from time to time, by the Prime Minister, is the minister responsible for the administration of the Special Economic Zone Authority and the Special Economic Zones.

Mr Assistant Speaker, this important amendment Bill is necessary to affirm legal correctness and support the prerogative of the Prime Minister, from time to time, when he or she designates any Member of Parliament as Minister responsible for the Special Economic Zone Authority and the Special Economic Zones.

16/07

Significantly, it will enhance and complete the leadership and management structure of the Special Economic Zones Authority, for the prudent management and governance of the Special Economic Zones throughout this country.

Mr Assistant Speaker, I now seek the support of the Parliament to pass this critical amendment.

Thank you, Mr Assistant Speaker

Motion – That the question be now put – agreed to

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

Bill read a second time

Third Reading

Leave granted to move the Third Reading forthwith

Motion (by **Mr Richard Maru**) proposed –

That the Bill be now read a third time

Motion – That the question be now put – agreed to

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

Bill read a third time

MINISTRY OF WORKS AND HIGHWAYS – CONNECT PNG PROGRAMME FINANCING AND IMPLEMENTATION – MINISTERIAL STATEMENT – MOTION TO TAKE NOTE OF PAPER

Mr SOLAN MIRISIM (Telefomin – Minister for Works and Highways) – Mr Assistant Speaker, on behalf of our rural population who are for the first time seeing and experiencing roads connecting them under the Connect PNG program, including my remote people of Telefomin, thank you for giving me this opportunity to provide an update on the progress of financing and implementing the Marape-Rosso Government's flagship road infrastructure development program

Also I am fulfilling my obligations under the *Connect PNG (Implementation and Funding Arrangements) Act 2021* to report to Parliament twice a year.

Mr Assistant Speaker, Before I do so, let me acknowledge the Prime Minister, Honourable James Marape and the Members of Parliament for the ongoing support for this vital nationwide program to fully connect PNG with roads.

17/07

Mr Assistant Speaker, there is a strong relationship between the country's economic development and road connectivity, and the quality of roads has played a very vital role in the economic and social development. As at 2014, we had more than 70 per cent of the country's roads in poor or failed condition due to continuous under-funding situations that resulted in a K40 billion maintenance bill to replace overdue maintenance backlog to the asset owner (the State).

This situation added to the ever-increasing transportation and logistics cost and the overall cost of doing business and delivery of public goods and services.

Mr Assistant Speaker, the deteriorated state of the existing roads and the under development of road connectivity and accessibility is already a huge bottleneck in the progress of our government's goal of diversifying and growing the economy to achieve a K200 billion GDP in 10 years.

Mr Assistance Speaker, considering the short-term and long-term impacts of the declining conditions of the existing roads and limited road connectivity, the Marape Government developed the Connect PNG Economic Road Infrastructure Development Program 2020-2040 in 2020.

Connect PNG aims to both improve the existing roads in poor conditions and build the missing link roads totalling 16,000 kilometres. This will open up the country and meet the growing demand for road connectivity and accessibility to support socio-economic development of PNG. Bridges are being upgraded and constructed too under the programme.

Mr Assistant speaker, Connect PNG is a K20 billion program to be rolled out over a 20-year period and for the success of the program, Parliament has legislated the financing of the program to allocate 5.6 per cent of the annual budget commencing in 2023. Using the forward projections for the budget expenditure, this commitment will amount to over K1.3 billion on average per year until 2027 for the phase 1 program.

Mr Assistant Speaker, our Government is taking a long-term view in developing economic lifeline highways and major link roads that respond to future growth and demands of local and national economy.

Mr Assistant Speaker, the Connect PNG Program is a K20 billion worth of long-term program to build economic lifeline highways of future growth and demands of local and national economic development aspirations.

Mr Assistant Speaker, using the forward expenditure this commitment would amount and will give a total sum of K7.89 billion investments for the 2022 - 2027 institutional reforms to address historic problems of underfunding issues and weak delivery systems affecting implementation of development policies in the past.

Mr Assistant Speaker, as a result of the legislative reforms, the implementation of our Government's Connect PNG program is now underpinned by the *Connect PNG Implementation and Funding Arrangements Act 2021* which gives stable long-term funding commitment of 5.6 per cent.

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Mr Assistant Speaker, in line with the 5.6 per cent budget commitment, the National Government has committed K7.98 billion investment pipeline for phase 1 (2020-2027) program to implement four main sub-programs.

Mr Assistant Speaker, in line with our government's commitment to boost the capacity, efficiency and productivity of the main economic highways, an allocation of K3.5 billion investments at K700 million per year from 2023-2027 to upgrade and improve 4,200 kilometers of National Highways comprising Hiritano, Magi, Highlands, Ramu-Madang, Wau-Bulolo, Sepik Coastal, Kokoda, Buluminski, Enga, Manus and not forgetting Sepik inland Highway to international standard two-lane highways.

Mr Assistant Speaker, up to 2022, a total of 2,700 kilometers, or more than 50 per cent, of the highway sections have been upgraded and improved. This includes the improvement of 85 per cent of 430 kilometers of the Highlands Highway section from Nadzab to Kagamuga, under the ADB co-funded Highlands Highway Investment Program; 95 per cent of 135 kilometers of Hiritano Highway; 70 per cent of 115 kilometers of Bougainville roads; and 100 per cent to Buluminski Highway, as well as other major improvements on other main highways around the country.

Mr Assistant Speaker, the improved conditions of the national highways are already contributing to travel-time savings and massive reductions in vehicle operating costs by the trucking companies and PMV operators. We will continue and complete upgrading and improving the balance of the 1,500 kilometers in the 2023-2027 period.

Mr Assistant Speaker, this Government will invest K200 million annually, commencing in the 2023 Budget to reach K1 billion by 2027 to construct an additional 1,800 kilometers to connect one million people who are yet to be connected by road and provide access to unlock economic potential.

The priority is to complete and open the missing link section between Aseki and Epo on the Trans-Island Highway by 2025, to meet the government's short-term goal to open up this highway coinciding with our country's 50th Independence Anniversary. For this, we have completed 60 per cent of the 141 kilometers and we expect to complete 100 per cent by 2025 to coincide with the 50th Independence Anniversary. This Government is confident it will achieve all of this.

All in all, we have recorded some major achievements on the construction of the new missing links roads including:

- Maramuni missing link road – 100 per cent open,
- Erave-Semberigi – 100 per cent open. Connecting the Southern to the Northern Region,
- Baiyer to Madang – 40 per cent opened,
- Aitape-Vanimo – 100 per cent opened to traffic,

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- Fisika to Lae, 80 per cent open – will fully open this missing link by 2025,
- Central to Milne Bay, 50 per cent open,

- Tabubil to Teleformin, 80 per cent open and by September this year (2023) this missing link will be opened fully,

- Gumine-Karamui to Gulf, 40 per cent opened, and

- Pomio to Kandrian-Gloucester and to Kimbe and further connect to other missing links.

We will continue to complete the remaining kilometers on the current projects and commence on other priority roads.

Mr Assistant Speaker, Connect PNG is implemented on the all-roads-leading-to-socioeconomic-growth-matters approach. Accordingly, our rural communities will continue to benefit from the Connect PNG K1.5 billion investment under the rural roads sub-program which involves upgrading and improving 9,000 kilometers of sub-national roads in partnership with local authorities.

This component will also include major arterial roads for the regional cities of Mount Hagen, Port Moresby, Kokopo, Lae and other major towns to urban road standard in partnership with the municipal authorities to provide opportunities to grow the local economies and encourage investments with improved access to markets, service hubs and industrial centers.

Mr Assistant Speaker, up to 2022, more than 1,066 kilometers of roads have been improved to good condition, that is over 35 per cent achievement. We are on track to bring to good condition about 3,000 kilometers of this sub-program by 2027.

Mr Assistant Speaker, K450 million worth of contracts are in progress on the main city roads including K380 million for Lae-Nadzab, four-lane section 2a and 2b; K50 million for Mount Hagen city, four-lane road safety improvement works; K70 million for Lae city concrete standard roads; K20 million for Hagen city roads and K10 million for Kokopo airport road. We also have a four-lane road tender out and it's going to be given to a contractor to deliver from Tokua to Kokopo city. Kokopo is the fourth city in the country.

Mr Assistant Speaker, under sub-program 4, we will upgrade and replace 1,000 meters of overdue bridge structures on the main highways. This Government is committing a total cost of K1 billion. This component also includes 2,000 meters of rural standard bridges on the rural roads to increase rural accessibility. This will cost K200 million per annum between 2023 and 2027, to improve all the bridges from one lane to two lanes.

To date, we have completed 165 bridges (bridge lengths in meters to be confirmed). Out of the 2,000-metre target on national highways, we have achieved 591.44 meters with 71 major bridges on the Highlands Highway at design stage.

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We have supplied and constructed 2,000 metres of bridges for rural roads, which is already increasing the rural access for the rural population at 20 per cent from what used to be in impossible conditions.

Mr Assistant Speaker, my department sticks to ensure investment decisions are continued to be made on the basis of proper cost-benefit analysis with appropriate designs to ensure fit-for-purpose engineering standards and not only those standards, but safety standards and world's best practice are adequately accommodated and reflected in the final results and the outcomes.

Mr Assistant Speaker, some of these reforms in the design standards and road building technologies are best practice we adopted and are already giving improved results and their input are as follows.

(1) Pavement recycling and stabilizing technology. About 300 kilometres of roads on the main highways have been rehabilitated and stabilized through the sections of Enga highway, Highlands's Highway, Ramu-Madang Highway and Lae-Nadzab four-lane sections of the Highlands Highway. These technology stabilising gives longer service life and saves on maintenance cost.

(2) Concrete pavement technology. About 70 kilometres of Lae city roads have been built using the rigid pavement standard, changing the pothole city name to cement city in the last five years of continuous effort and work. The concrete pavement gives longer service life at low maintenance cost as they are climate resilient.

(3) Shift from project loans to program loans. Shifting from project base loans to program loans to ensure work continuity on major highway sections. For example, the 430 kilometre section of the Highlands highway is now being improved under the ten-year ADB program financing.

(4) Design and build construction model. Design and feasibility studies are compulsory requirements of the project delivery process to ensure large investments on large highway sections are done with confirmation of technical feasibility and economic viability that delivers high returns on investment.

(5) Independent project management. All big projects are now managed by independent project managers who act impartially with high work ethics and practices to ensure projects are delivered to the standards specified in the contracts and at high quality.

(6) Mr Assistant Speaker, long-term maintenance policy. In order to prolong the life of the roads built at high capital cost, we are introducing long-term maintenance on the newly improved highway sections.

Mr Assistant Speaker, at the end of the day, we want to grow our GDP through increased economic activities, as roads connects investors and develops our natural resources.

Mr Assistant Speaker, major investments in key roads are already generating the expected returns and benefits. For example; along the corridor of the newly built Lae-Nadzab's four-lane section, the highway is booming with developments.

Some of the critical impacts and benefits that have been generated out of these improvements in roads and bridges include:

(1) creating 10,000 rural and technical jobs for PNG on construction sites all around the country; boosting income for PNG families,

(2) creating twenty new small to medium contractors in direct and sub contract arrangements at a total contract value of K1.2 billion,

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(3) K600 million worth of royalty and land compensation payments on project sites, boosting local economies and increasing household income for rural families.

(4) three hours of travel-time savings on the main national highways in proportion to the 50 per cent road condition improvements.

(5) K300 million savings in vehicle operating costs from wear and tear on the main highways from improved road conditions.

Mr Assistant Speaker, in responding to one of the long standing public concerns and interest on the abuse of road maintenance funding, critical achievements have been recorded. Since 2013, the Department of Works and Highways has referred all claims to court instead of the usual out of the court settlement practices.

With the support of the State Solicitor, the courts have dismissed false claims and subsequently save almost K700 million. We will continue to defend any false claims and I will

inform everyone out there; contractors, claimants and government officials, there is no room for false claims any more under the Connect PNG laws that protect abuses and insulates against abuses and misuse of road-related funds.

Mr Assistant Speaker, the program activities cover the entire country and the benefits as well, both direct and indirect, both immediate and long-term benefits are expected to spread widely. This is the true meaning of 'leaving no one behind' in every development effort of this government.

Mr Assistant Speaker, we have various funding streams; including the Government of PNG, concessional loans, grants, tax credit scheme funds, and commercial loans. These various funding streams have their own governance and accountability arrangements.

Mr Assistant Speaker, on the same note, I am happy to say that of the 5.6 per cent allocation, K1.6 billion in 2023 will be managed through a dedicated trust account with high level oversight by the NEC-approved whole-of Government Connect PNG Program steering committee chaired by the Secretary for National Planning and Monitoring.

Mr Assistant Speaker, the Connect PNG Program is not just mere talk. However, since its inception in 2020, more than 230 projects have been procured and implemented under the various sub-programs which I have already highlighted. Out of the planned K5 billion budget, we have procured K3.6 billion worth of projects, including a K6 million in arrears payments for legacy contracts inherited from the previous and past governments.

Mr Assistant Speaker, on the back of our achievements so far, we will be implementing a massive K5.6 billion worth of road maintenance and capital works contracts representing the biggest road works ever to be undertaken in the history of our country in the next five years, from 2023 to 2027.

Mr Assistant Speaker, it is very important to highlight that the Connect PNG Program aims to cover all four regions, provinces, districts and all communities as the benefits will be spread widely, both now and into the future, right down into the rural districts.

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Mr Assistant Speaker, at this juncture, let me acknowledge our development partners who are contributing more than 50 per cent of the capital investment in the Connect PNG program with loans and grants funding. They include Asian Development Bank, World Bank, Australian aid,

Japanese aid through JICA, Chinese EXIM Bank, Australian Infrastructure Financing Facility Loan, Oil and Petroleum Exporting Countries (OPEC), and Indian EXIM Bank.

I also acknowledge the private companies that fund projects through the tax credit scheme that include Ok Tedi, ExxonMobil, and New Britain Palm Oil and others that are not mentioned.

Mr Assistant Speaker, sub-national road authorities are supported by increased funding through the department of National Planning and Monitoring and technical support from the Department of Works and Highways. Decentralization of technical functions and powers requires proper Capacity and resources to subnational authorities is taking place progressively to effectively implement road management and maintenance responsibilities.

Mr Assistant Speaker, this transfers across all provinces and districts is important to deliver local road projects effectively and boost local employment and economic activities.

Mr Assistant Speaker, just in three years Connect PNG is progressing very well with massive achievements on the main Highways. Rural roads, bridges and opening up key missing links, to touch the untouched with socioeconomic impacts that will add value to major investment cost that we are doing

Mr Assistant Speaker, we are very confident that with the current level of political and funding commitment with strong project management and monitoring efforts, Connect PNG will deliver the results in timely manner to transform PNG from a low income country to an upper middle-income country.

Mr Assistant Speaker, it cannot be a business as usual, minimum funding commitments made under the law must be made available to make sure we do not turn back but continue to move forward to achieve 100 per cent road connecting activity by 2040 and PNG shall never be the same again.

I leave two quotes to us the Members of Parliament from John, F, Kennedy: firstly, 'It's not our wealth that built our roads, but it is our roads that built our wealth'; secondly, 'if not us' who? If not now. When?'

Yes, together, we can do it now for our beautiful country. God bless Papua New Guinea.

Thank you, Mr Assistant Speaker.

Debate (on motion by **Mr Jelta Wong**) adjourned.

23/07

**MINISTRY OF TREASURY –
MOVING FORWARD –MINISTERIAL STATEMENT – PAPER NOTED**

Mr IAN LING-STUCKEY (Kavieng – Minister for Treasury) – Mr Assistant Speaker, the PNG economy is facing many challenges. In this statement this morning, I want to provide a high-level context for the many more detailed actions that are underway in our individual ministries.

The focus will be on moving forward, constructively learning from the mistakes of the past.

On Growth where it Matters.

Mr Assistant Speaker, the Pangu-led coalition Government is committed to lifting our people's livelihoods. We know that the vast majority of our people, especially in rural areas, are struggling.

As Treasurer, my focus is on lifting sustainable, equitable growth as high as possible, with low inflation, and of course a sustainable budget.

The Marape-Rosso Government has committed to lifting growth to at least five per cent per annum in the most important part of the economy; the non-resource sector. This is where over 90 per cent of our people earn their income in agriculture, fishing, shops, transport, construction, finances and government services. This is known as the 'non-resource' parts of the economy. The 'non-resource economy' is all of the economy, except the resource sector such as mining and gas.

Unfortunately, from 2012 to 2018, the non-resource growth was very poor under the PNC. Mishandling of the drought, meant that no resource growth went backwards by over four per cent in 2015, the worst outcome in our nation's history. What happened? Well, PNC didn't care about struggling families. PNC did not introduce a K1,177 million household assistance package. Beware the crocodile tears from someone opposite-they have shown they don't care for struggling families.

Mr Assistant Speaker, this Government's objective is returning to strong growth. We must have a forward-looking growth agenda, and growth where it matters for our families.

What has been the recent experience for real non-resource growth? There is good news.

Despite the global economic downgrades by the IMF and World Bank, the IMF has noticed that PNG's domestic recovery is going stronger than initially expected. This is also reflected in

external sources such as the very positive results from the latest Business Advantage 100 CEO Survey. The IMF has actually now lifted PNG's real non-resource growth rate estimate from 4.6 per cent at budget time up to 4.9 per cent in its latest staff report in 2003.

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PNG is now nearly at triple the average growth rate for the rest of the world at 1.7 per cent.

And looking forward, where specifically do we see growth coming from? Between 2022 and 2027, PNG's nominal GDP is expected to increase from K107 billion to K145 billion, we've heard this number many times before. PNG is on its way to a K200 billion economy by about 2030. The good news is that we are expecting strong growth, across almost all parts of our non-resource economy. Real growth rates over these five years include 42 per cent in the information and communication Sector, 32 per cent in water supply, 31 per cent in transport and storage, 30 per cent in retail and wholesale trade, 28 per cent in manufacturing and 25 per cent growth in construction.

The basic message is that there are excellent business opportunities across the economy. Now is a good time to invest in Papua New Guinea.

On Living standards

Mr Assistant Speaker, with at least five per cent real growth per annum in the non-resource sector, and a population growth of 3.1 per cent, this means living standards per person, will be increasing by a steady and realistic level, of 1.9 per cent per annum.

Well a 1.9 per cent improvement in living standards, in the single year, has little impact yes, however, after 10 years, on average, people's living standards will be 21 per cent better off. After 25 years, our children will be 60 per cent better off. In 37 years in 2060, our people's living standards will be double current levels. Development takes time.

As we move forward, I certainly want to avoid the PNC record, when real non-resource GDP per capita went backwards on average by 0.5 per cent each year from 2012 to 2018. Living standards then in PNG were falling.

Let us return to at least the growth rates of the Grand Chief years of the 2000s. And once there, let us increase these growth rates even higher

On Jobs

Mr Assistant Speaker, there has been a lot of discussion about jobs lately, and rightly so. So, what creates jobs in the economy? The answer – the same good policy settings that create our growth.

Most commentators, only look at the formal employment figures for the private sector, primarily in urban areas, as measured by our Central Bank.

During the Grand Chief-years of the 2000, we were creating 15,000 jobs a year in the formal private sector. However, from 2013 to 2018, jobs numbers went backwards. Backwards by nearly 30,000 jobs. Once again, let us learn from our mistakes, including, remembering someone sitting opposite, talking about the importance of jobs, but then fails to mention the loss of 30,000 jobs under his policies. As one of my colleagues said last week please come to the debate, if your hands are clean.

25/07

Mr Assistant Speaker, I am pleased we exceeded our 10,000 jobs per year target in the 12 months to June 2022. Formal private sector jobs growth increased by 9,586 in the year to June 2022, the latest available figures. Most of that growth occurred in the construction sector, reflecting the government's massive infrastructure spending. In addition, there are an estimated 1,633 new jobs in the mining sector even with the Porgera closure, and 1,640 new jobs in the manufacturing sector.

Mr Assistant Speaker, let me talk a bit more about jobs in the manufacturing sector, as there has been keen interest in that area with talk about the big biscuit, Lae company and tariffs, affecting two other manufacturers. On the specific issues around those firms, I am pleased, that the Manufacturing Council, has been meeting with my office and Customs, to understand the underlying issues and find solutions.

For the manufacturing sector as a whole, there is some interesting news that no-one seems to be talking about, including their spokesperson. The number of manufacturing jobs has reached record levels. I repeat, manufacturing employment has grown strong under the Marape Government. It has now climbed to the highest levels in PNG's history.

A couple more facts. From 2013 to 2018, under the PNC watch, there was a loss of 5,726 manufacturing sector jobs. Under the Marape Government, there has been an increase of 7,157 jobs. Recovering lost ground, and then moving forward again.

Mr Assistant Speaker, returning to jobs growth across the whole economy, the increase of over 9,500 jobs in the formal private sector, needs to have added, the strong employment gains for our teachers, our doctors, health workers and police. The best available estimate, is that there has been an increase in these service delivery jobs, by around 4,000 jobs last year, including these public service increases. We estimate over 13,500 jobs being created in the year up to June, already exceeding our yearly target of 10,000 jobs for the formal sector. With the 100 CEO Survey that 64 per cent of firms expect to increase the numbers of their staff in 2023, up from 46 per cent in 2022, then the prospects for formal sector jobs is strong.

International Engagement and the IMF

Mr Speaker, the IMF and Australian loan funding, is all built into our financing framework, it is not additional financing on top of what we planned. It is included in the plan that sees the debt to GDP ratio falling from 52.3 per cent of GDP in 2023 down to 46.8 per cent of GDP by 2027.

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Our annual financing levels, are set out in the budget repair plan. We then work to get the best deals for this fixed level of financing. The IMF is a good deal at 2.4 per cent. The IMF is not a bail-out, it is a good deal! I am pleased to announce this afternoon that overnight in Washington, the IMF Executive Board has approved US\$980 million or K3.25 million package over a three-year period subject to successful completion of our reform package initiated by this Government and not initiated outside our country.

Someone opposite, makes the extraordinary claim, that only two or three other countries are in IMF programs. Just another lie! Since the pandemic began in 2020, the IMF has supported 93 countries. There have been 18 new programs over the last year, and the IMF now have an additional 28 requests for support from the fund. The IMF is more popular, than it used to be!

The Opposition talks of public service cuts, rubbish! The only plan is getting rid of ghost workers from our payroll, a clear government objective. They talk of new taxes being forced upon us, but the reality is that, we are just planning to pass the simplification rewrite of the Income Tax Act, that we have been discussing with businesses for over three years. They talk of budget cuts, when all we are agreeing to, are the figures that are already in our 13-year plan.

And on the roadmap for monetary and fiscal reform, no specifics have been agreed. Nothing has been agreed on a devaluation, and we will ensure PNG's national interests are protected, balancing the gains for kina convertibility and competition, with the costs.

Mr Speaker, it is interesting that the Opposition are using scare tactics about the devaluation. The Opposition has already announced, that they are in favour of a devaluation of 20 per cent announced in February. Indeed, remember that the person opposite, raising these concerns, saw a 39 per cent devaluation of the kina under his watch. Beware of hypocrisy!

Conclusion

Mr Speaker, we must learn from our mistakes, and move forward. On growth, we must focus on what matters and which will most help our struggling families and our children's future prospects, and I am pleased that all credible sources, indicate we are starting to make good progress.

27/07

We must move away from policies that destroyed 30,000 jobs from 2013 to 2018, and build on the policies that have seen over 13,500 jobs created in the last year, with prospects for even higher job growth.

We will work with our international partners, all within our budget repair plan, sustainable levels of cheap debt, and economic reforms that support our policies; not ones imposed from outside.

Our starting point economically is not good. Too many of our people are in poverty. There are not enough jobs, and there is not enough income. By learning from the mistakes of the past, and moving forward with positive policies, the Marape-Rosso government is taking back PNG with the aim of leaving no person, no family, and no district behind.

Mr PETER O'NEILL (Ialibu-Pangia) – I move –

That the Parliament take note of the paper

Thank you, Mr Assistant Speaker. I thank the Treasurer for his statement to Parliament. The statement is a very good one and soon we will be all living in paradise; everything will be okay.

This is the second statement in less than two weeks on the economy by the Treasurer in this Parliament. I have been in Parliament for almost 20 years and I have never seen this before.

Obviously, there have been challenges in our economy and I think the Treasurer has noted that but to take things lightly, for me, I do not mind being insulted, intimidated, and arrested because I am a public figure, but you will never silence me, as long as I enjoy the mandate of my people, I will speak for them.

Mr Assistant Speaker, speaking on the economic data before us, since the good Member for Kavieng and the Treasurer was in Opposition, he has been writing the numbers to suit his argument for a while. He ignores the numbers that are presented by the official agencies like the Bank of Papua New Guinea, National Statistical Office, and all the other agencies, even the independent studies. So, I don't mind him continuously presenting these numbers, that is his business.

Mr Assistant Speaker, I did not interrupt him when he was insulting me. Why can't he just shut up and sit down?

Mr Ian Ling-Stuckey – Point of Order! My point of order is on the allegation by the honourable Member, that I have not been using credible sources, but it has been clear that in delivering nearly 14 statements in three and a half years, I have always referred to the Central Bank data, the Department of Treasury, the National Statistic Office and even our multi-lateral partners.

I am surprised that the honourable Member suggests that those sources are not credible and that they are not accepted by himself or myself. So, I would ask that he retract that statement for fear that he might be insulting himself.

Thank you.

Mr PETER O'NEILL – Mr Assistant Speaker, I think we must be reading two different reports. I am reading the same report and the numbers you are presenting are not correct. I have a summary of all the numbers here with me and I can give it to you and you can read it at your leisure when you are having lunch.

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Mr Assistant Speaker, let us say that you have your position and I have mine but we know that the economy is growing or the GDP growing and that is largely due to the boom in the resource

commodity prices that we enjoy today. It's got nothing to do with the Treasurer's performance, absolutely nothing. These commodity prices are a reflection of what is happening outside the global economy. The gold, copper, and LNG prices are at record levels today.

Mr Assistant Speaker, the growth of GDP does not mean that there is prosperity for everyone in this country and that is a fact. Instead of focusing on the issues that are before us, the Treasurer comes here and makes a grandiose political statement.

But, Mr Assistant Speaker, let me say this, forget about insults and everything else but focus on a few things and I'll be very constructive. Focus on the issue about cost of living in this country. Let me tell you what cost of living means, if the Treasurer does not know, it is the price of goods and services that is affecting every family in this country and its affordability.

Mr Assistant Speaker, if you have not been to the shops lately, please try go shopping once in a while, you will see the real struggles families are going through.

The second issue is about living standards in this country that you just eloquently presented, it is about access to infrastructure. I'm pleased to know that the government is continuing some of the work that we have started on building roads, ports, and airports. These are things that will improve the living standards of our people. Try and focus on those.

Mr Assistant Speaker, the third issue is access to reliable, quality health and education. These are challenges that our people are facing today. Access to quality health and education improves the living standards of individuals and families right across the country.

Mr Assistant Speaker, the fourth issue is about peaceful society. Address law and order which is now getting out of and in this country. Those are things that will improve living standards of people. When they are living in peace, they enjoy good health and education when the prices of goods are down. Those are things that the minister should be focusing on. I can tell you Minister, 90 per cent of the population don't believe in what you are saying because of the reality they are facing today.

Mr ASSISTANT SPEAKER – Honourable Member for Ialibu-Pangia, address the Chair, do not address the Minister directly.

Mr PETER O'NEILL – Mr Assistant Speaker, we need to be careful on what we do and what we say in this honourable House.

Mr Assistant Speaker, let me also add to the fact about the job numbers. Fortunately, I went through the National Statistical Office that you went through yesterday and saw the numbers. In 2014, the unemployed was 2.6 per cent. In 2016, the rate of unemployment was 2.5 per cent. In 2018 it was 2.4 per cent. In 2020, it went up to 2.7 per cent, and in 2022 and 2023 they are expecting it to be at 2.8 per cent. Those are the numbers that your departments are producing. I don't know which page are you reading from about job losses and things.

We are familiar with the unemployed people because if you've got the real numbers from people like Nasfund or Nambawan Super, they will tell you how many people have been put out of jobs. The growth of jobs that you are talking about today, nobody can see it and feel it. The people have no income and that's what they want you to take leadership about. When you are talking about creation of jobs in a manufacturing sector, yes, we know, you met with the manufacturing council and you've posted a lovely picture.

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Of course, some of them are your relatives. Some of their businesses might have some growth but the rest of the industry is suffering. As far as we know, there are cuts all the time. We have seen the front pages of the newspapers so I don't have to explain to this house and the Treasurer but the reality is that people are losing jobs everywhere. The only place there are steady jobs is the government because we are protecting it, as we should.

And of course, Mr Assistant Speaker, if the good Treasurer cared to take a look at reports, even an independent report by National Research Institute who did a sample survey in Port Moresby and they say that almost 68 percent of the young population from eight to fourteen to I think thirty-five are out of jobs. These are grade 8, grade 10, grade 12 school leavers, some university drop outs, some skilled workforce that are not able to find jobs and here you are, telling the Parliament that jobs are available and people are getting jobs but they are not seeing it.

So, Mr Assistant Speaker, I think we need to be honest about what we are saying to our people. We need to be honest, It's not about political point scoring in here. The Treasurer needs to stop. You need to put your own mark on the economy of this country and let people judge you, don't judge that you are doing all these wonderful jobs yourself. Let the people judge you that you are doing the right thing. I think the only person that believes in you is your Prime Minister but

that's fine, we know that you two are working together and trying to rescue our economy but let's do the right thing. Let's focus on a few things.

Let's focus on cost of living. Let's try and get inflation under control. Let's try and promote more jobs by making sure that we have a conducive business environment. If you look through, and you can name me, Mr Assistant Speaker, I maybe wrong, but tell me over the last three or four years apart from Total, what was the last foreign direct investment announced in this country? I know there were some hundred billion and K40billion projects announced somewhere in Morobe and Eastern Highlands and few other places but those announcements have come to nothing. These are the sort of investments that create jobs, Mr Assistant Speaker.

So, stop talking and let's get some of these projects off the ground. Get Total off the ground or Papua LNG off the ground which you are doing and we all support that. That will create thousands of jobs for Papua New Guineans. Try and get Wafi off the ground. That has been on the discussion table for the last six or seven years. Let's try and get Pasca and Pyngyang and especially Porgera off the ground. Porgera, we have lost almost K3billion, a billion kina a year in revenue for the State. That's the money that you are now borrowing from the IMF.

You don't have to go to IMF, if you had kept Porgera going but stop treating dates that we cannot afford to meet, giving people false expectations. Papua New Guineans, over 3-4,000 lost their jobs there. Countless SMEs, truckers, contractors, sub-contractors, now the landowners are not receiving any benefits. It's because we have not handled this transaction well. So, stop talking and let's get it off the ground, give it priority.

I think you will find jobs in those sectors. Let's get agriculture moving, tourism moving, fisheries moving and I think the country can be back on track but we are at a stage of very crucial stitch and I'm warning our Parliament and our country. We have a boom in our resource sector today, just like we did and I agree of course, during Chief, Sir Michael Somare's time, we enjoyed some boom. We had in fact surplus budget and we had surplus money in the bank account, about K6 billion but how we spent that is another story.

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I want to say that today we are enjoying prizes; we need to save for the future. Some of the bonuses and windfalls that we are receiving, we need to save them for the future. What you are doing today by borrowing from IMF is very simple.

The Treasurer will always disagree on this, but I did not say that IMF did not lend to other people. They did lend to about a hundred people during the Covid-19 Pandemic. IMF only lended to three countries, us being the third, on budget support; that is call bail out.

During the Covid-19 Pandemic, IMF was obligated to support countries around the world. IMF's charter is very clear. They come in and intervene when countries have balance of payments issues and when there's stress in the economy.

Mr Assistant Speaker, the Treasurer should inform this House and the country that we have been under their 'staff monitoring program' for over a year. IMF has an office in PNG already. They have staff monitoring the Treasurer's performance. I was up late last night reading the IMF's press release like you did. Let me quote one of the references that they made, 'building on the progress under staff monitoring programs in PNG' and them urging the authorities on the need to accelerate structural reform programs.

If you read the statement, you will see why they are lending you the money. You are not telling us the conditions that you are borrowing on. They are asking about reforms in the Central Bank and the public sector, strengthen ICAC and reforms in the overall monetary fiscal policy.

You have to inform the nation on these reforms that are coming through. Do not make flowery statements saying everything will be alright. We have gone through structural reform programs with IMF before, and we know the experience that we have had. We are not the only ones but everywhere around the country.

Mr Assistant Speaker, one of the other reasons why our economy is not performing is because the government departments are not receiving the funds that you have budgeted for. For the first time in the history of our country, the day-to-day issuance of warrants are controlled by the Treasurer under the supervision of IMF. The staff monitoring performance –

Mr James Marape – Point of Order! For the Member for Ialibu-Pangia's inference that IMF is controlling the Treasurer for the issuance of warrants, that is completely false. IMF has no direct oversight on the day-to-day running of the programs of government. As per what we budgeted. That is an assertion and inference, and the point of order does not allow for that. He needs to withdraw this.

The Treasurer is working on weekly programs as defined by the budget management committee that he chairs over with a composite of ministers. Thank you, Mr Assistant Speaker.

Mr PETER O'NEILL – Mr Assistant Speaker, the intervention by the Prime Minister is noted. I did not say that the IMF is issuing the warrants. The structural reform programs that they are putting in place, includes reforms at Treasury.

The Treasury is now in control of issuing the warrants to the departments. That is the fact which I have stated. I have been a treasurer before, but I do not go and do daily signing for individual warrants for each payment. That is the Secretary's and other officials job.

The Treasurer is performing those duties of what the officials should be doing. Because of that, funds are not moving faster to the departments and they are not able to operate

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That is the reality that we are facing today, but the reforms are serious. I urge him to table the documents on the Floor in next sitting so Papua New Guineans can see the conditions in which IMF is lending to us.

Mr Assistant Speaker, let me say this in conclusion, I know that it is not going to be easy and I want to commend some of the efforts that the government has done. That includes since 2018 and 2019, the revenue of our government has gone up, but I commend two agencies of government; the PNG Customs and IRC. They have done an excellent job and of course our internal revenue has increased from K13 billion in 2019 and now projected to be about K19.5 billion in 2020.

The revenue is increasing Mr Assistant Speaker, but we are still borrowing big sums of money to fund our budget because our budget deficits are also increasing. This is because we are increasing our expenditure. This is a time when we need to control our expenditure. Just because we have surplus revenue does not necessarily mean that we continue to spend. Prices of commodities that are going up will come down, that will create serious problem for us. While the debt levels are going up, as the Treasurer has said the ratios may be a bit different, there is no argument that it is going up and soon it will exceed 55 per cent of GDP.

Mr Assistant Speaker, creating new ministries will not help, it just going to blow out the budget. Make the ministries that you have work, make them to work. These are the kind of non-priority things that you need to delay and when you have the funding, you can come in with the budget to support it.

Mr Assistant Speaker, all in all, let me say this, there are challenges in our economy, and our people are struggling. We in Opposition want to support constructive things, but the Treasurer's statement certainly lacks that.

As I have said, I have been around for a while, I have seen the Treasurer come to the Parliament and leave. I will still be here when he comes back, but I will keep on saying what is good for the people of this country. Our own people deserve a break. They deserve our Treasurer and the government to give them hope that everything will be okay, that tomorrow, that they will have a meal on the table for their families and they will earn an income when they get a job, that is what they want to hear

Thank you very much, Mr Assistant Speaker, for giving me this opportunity to say a few words.

Mr Ian Ling-Stuckey – Point of Order! To conclude the leaders comment on the IMF and to keep the discussions balanced and to correct him, he is very wrong for comments about the IMF.

Firstly, the IMF that is here in the country today Mr Assistant Speaker, is established on the invitation of our Government.

Finally, Mr Assistant Speaker to conclude, and to correct his very selective comments on the IMF report, the same report that he tabled today also says and I quote, 'medium-term outlook is positive', there are good prospects of new investment in the resources sector which will boost growth exports and fiscal revenue collection.

Thank you, Mr Assistant Speaker for the opportunity to correct him.

Mr ALLAN BIRD (East Sepik) –Thank you, Mr Assistant Speaker. I think first of all it's refreshing to see that we were constructive this afternoon. I want to thank the former Prime Minister for his very reasonable contributions. I think we have passed the buck enough times between governments on the issue of jobs for our people.

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I remember in 2009, when we were discussing the new LNG Project at that time, the issue of jobs came up but nobody took any serious notice of it. And when we were working on Vision

2050, the issue of jobs also came up and I can recall in these discussions that the policy makers weren't interested in it.

We always assume that our people would live in villages, grow their crops and do their little SMEs and that's how they would survive. So, we kind of carried that legacy for the last 40 years. There has been very little attempt to shift our economy and make it into a modern economy. We just lived for the day with the majority of our people living in villages.

Now as each government pushed that out then it stops with us now because it's never been resolved. When we were building PNG LNG, some 14,000 people from overseas came to work here and then they left and Port Moresby experienced the boom.

Today, we still have landowners in those resource project areas complaining. I want to come back to this point, that it's important for us to be constructive. With that, I thank the former Prime Minister for being gracious in his remarks somewhat. And another point I want to make is that, everybody forgot that when this government first took office, after six months Covid-19 spread and affected the entire world for two years.

So, the loss of jobs from the period 2020 to 2022 is quite reasonable and many companies have closed down. All the airlines stopped flying and shipping companies stopped shipping cargoes. It wasn't only us but the entire planet that was affected and jobs lost. Its best we have to find out where the main root of the problem is rather than many of us still denying that Covid-19 ever really happened.

The largest economic country, China opened its training facility just two months ago. And then this knock-on effect of China has affected the entire world not only us. The fact remains that we have to figure out a way to do more with the K1.1 billion package that went to taxpayers which we have to be honest with that.

The people who were paying taxes through their salary were relieved. But the pool of tax payers is so small and the effect of tax cut wasn't felt across the economy but minority felt it.

We have about 300,000 workers in the country and a population of 15 to 17 million people which are not enough workers to collect tax from, therefore we leaders must change our mindset. We get excited easily with SME thinking that it is the solution but the problem is, who will buy the products. The working-class people are their clients but if we have few working-class people then it seems that the fundamentals in your economy don't exist.

Therefore, we need to build that middle-class which we don't have because every economy in the world has a substantial middle-class people. Our substantial group of people are living in villages. About 70, 000 of this village people and urban areas finish school every year but no jobs are created for them. All other agencies of government need to facilitate in creating jobs.

The former Prime Minister raised an important point mentioning that our government revenues have increased substantially but it's not fruitful.

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Why is it not fruitful? I think that's the question we should be asking. Is it because we are committing too much money to DSIP, PSIP, and all these other things? Is that the reason? I know many of us will not be happy because we are excited about DSIP and PSIP when we come to Parliament and check the Treasurer on when we are getting our DSIP.

But is it having the intended result on all these projects that we are working on, in our respective ministries and provinces. Are they having the result that we think they should? If not, then there's going to be a reprioritization of the budget. That is our key document whether you are in Opposition or Government, our key operational document is the annual budget.

If a loan is approved and funding arrives, that money with the funds we raised from our loyal tax payers must go back towards providing services. Not just services, I think it's a mindset that we need to change now. Many roads that we built are for service delivery only, they are not economic roads.

The bulk of the spending by the government is on services. We are not spending on the economy and yet later we are debating on the economy. Who is going to fund the economy? The Treasurer in his last report indicated that only K900 million out of a K24 billion Budget was intended for the economy, not even one per cent. Therein, I think lies the fundamental problem.

We build roads and Connect PNG is a brilliant program. We are negotiating bilateral arrangements with countries likes Indonesia and China like we will sell something to them. What are we going to sell to them? We want to ship cows from Papua New Guinea to Indonesia, well who is breeding the cow. What are we doing to help that person to raise the cow that we want to sell.

Where's the palm oil? Are we taking the steps to producing it so that we can have one million litres of palm oil to sell to China? We are not actively intervening.

Mr Ereman Tobaining Jnr – Point of Order! Thank you, Mr Assistant Speaker. Can the Governor withdraw the statement on economy road? That's the vital; building and constructing the roads in Papua New Guinea. Some of us need roads to build economy like cocoa, copra, and everything.

Thank you, Mr Assistant Speaker.

Mr ASSISTANT SPEAKER – The Point of Order is in order; Governor withdraw your statement.

Mr ALLAN BIRD – Mr Assistant Speaker, I think he is misunderstanding my debates so we will discuss later outside.

The debate is this, the jobs needs to form a core part of the government agenda going forward and I think that's the crux of my debate. So, it's really good to see and I've been in Parliament and it's my sixth year now. I can honestly say that in the first three or four years, there were hardly any discussions on jobs on the Floor. But I have seen that in the last two years, there were many discussions regarding jobs.

I think it's an important genesis that we are seeing in terms of the thinking of the House, because the demand is coming from outside. When we were working on MTDP 2 and we did the consultations and many parents said, you have not included jobs in the MTDP 2. I am a mother, father and my child is graduating but you have not included jobs in the MTDP 2.

But none of the policy makers took that into account at the time, now I think we are working on MTDP 4, if I'm correct. I'm hoping that for our people who design MTDP 4 there will be a significant prioritisation of funds toward jobs in MTDP 4. Because that is the guiding documents for the Government or it ought to be in terms of framing the budget. We have to be framing our budget in relation to the Medium Development Term Plans that's actually by law, if you look at the *Planning Act*.

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I think Honourable O'Neill, when he was Prime Minister, his Government passed that law and I'm not sure if we are even following it. In any case, policy makers listening here now, I would

like to see when MTDP 4 is presented, that there is a significant component that talks about jobs and how we get those jobs. Beyond just roads, bridges, classrooms, drains and toilets. Jobs must form a part of that equation or discussion.

Coming back to IMF, I have always complained on this Floor that we don't have a check and balance system in our Government and that's true. And I'm happy if an external entity like IMF can place some conditions on us to force us so we can do things like ICAC and we can prosecute corruption, then why not. All our agencies have corruption present, we know that and we need to fix it.

Mr James Marape – Point of Order! With respect, I want to have an in session to the ICAC debate. ICAC is a classic example of the 32 measures that this Government initiated and IMF endorsed. There's a difference with IMF imposing and IMF endorsing. We initiated the 32 measures including 30 of ICAC, based on the credibility of the reform, we proposed, they endorsed. So get this correct, IMF never imposed, we proposed, we setup and they endorsed what we proposed.

Thank you, Mr Assistant Speaker.

Mr ALLAN BIRD – Thank you, Prime Minister, it sounds better when its proposed, so I am happy about that and I'm glad that we initiated it. And as you know Mr Prime Minister, I was one of your key supporters for the passage of that bill on this Floor. After a whole bunch of Members of Parliament ran away within a day of us passing the bill. In any case, that's another story.

We have to improve on our records, particularly in our agencies who deal with corruption. We have to fix our procurement processes, we have to look seriously at how we are contracting and how we are getting results because that is where the blockage is.

I just want to conclude by saying that there is a lot more work that needs to be done, Mr Assistant Speaker. And the fact that we are criticizing less and becoming more constructive in what we are adding to the debate, is encouraging. But we have to build that into something tangible, we can't just keep running to Treasury with our little request for money to fund our little projects. When those little projects are not adding to things like jobs.

The issue of jobs growth must become something that we discuss as a matter of course on this Floor. To be honest, when we talk about things like road, bridges and classrooms, I get tired and go outside. We have been having that discussion for more than 40 years. We need to shift our discussions towards jobs for empowerment of our people, not just men but women also. So we start to engage all our people into the economy, so that their production from their hard work is actually adding to the economy. We cannot wait for the resource programs which are important by the way but with these resource projects, it affects just a minority of the people and the Government. It doesn't affect everyone.

We need to expand our thinking as a leadership group and then we need to start to force our agencies to go down this path so that our young people are able to come out of school and have access to equal opportunities. The opportunities need to be equal regardless of where they come from and regardless of their gender. There must be opportunities that they can walk into or they can aspire for because those are the opportunities that we had in our generation.

When we were finishing school, you were walking into jobs. These days our young people aren't doing that. So we have to lift our discussions, lift our thinking, to a point where we are focusing on those things.

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We need to stop that and start focusing on what's important for the people. What's important for them is jobs and opportunities. That has to be now, a key feature in every single economic debate going forward because without jobs and opportunities for our people, we can send them to school, they can graduate with a piece of paper but if they can't get a job then that entire 10-14 years' investment has been wasted. And, that's not good for the parents, for the community for the Government and certainly not good for the country.

Mr LUTHER WENGE (Morobe) – Mr Assistant Speaker, let me thank you for acknowledging me and my people to contribute to this debate.

Firstly, let me thank the Treasurer for presenting a report on the financial status of our country and highlighting that our country is experiencing tough times but we are getting by in the economic sector. And I commend him for painting a very positive picture here in Parliament.

I also commend him for painting a positive picture on the issues of employment and opportunities for young graduates who are able to go out there and explore their options.

And it is heart-warming you have rose to assure our nation. These are what I have gathered through your presentation.

Mr Assistant Speaker, let me also thank the former Prime Minister for his wisdom and his knowledge as an economist by profession and being a former Prime Minister for long while he knows what he is talking about on unemployment issues, and our financial status. I am grateful to you for your contribution in rebutting the bold presentations of the Treasurer.

I am not an economist, never took economic classes so I would not understand the finer details of all the technical monetary aspects covered in the speeches. I speak for a lot of members who also don't understand all this.

We are not well versed with the economic subject, so if you spoke the truth, only heaven knows and if you misled and lied to us, only heaven will know.

I acknowledge all the debates and contributions by the Governor, Treasurer and the former Prime Minister, they were very informative.

In saying so, Mr Assistant Speaker, today I am speaking in Pidgin because I want my people of Morobe to listen to what I am saying.

My people of Morobe will tell you that I am a citizen who lives in the block that is in the settlements. I live amongst my people because they have mandated me to represent them and I will die amongst them and they will sing my traditional songs bury me amongst my people.

Mr Speaker, I will tell you the experiences of the grassroots and people who live in settlements and in blocks on the employment issue.

I have three sons who have graduated from the University of PNG; one as a lawyer, another an architect and another in agriculture science. I raised them in the settlements and not in an urban apartment. But despite all the education and achievements, they are struggling to be employed.

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Many send their children to universities, tertiary colleges, and other colleges that the government has provided or private-owned institutions or even church-run institutions in our country. They complete their studies but there is no employment so they go back to the blocks, and settlements, and villages.

Many of these smart children who cannot find employment tend to join the wrong crowd and start doing things that are not acceptable in society because they just want to show their frustration to the government for not addressing the issue of employment.

Mr Assistant Speaker, I live in the block and I see this happening so if you want to prove it, I invite you to come to my block and you will experience it. That is if you want to prove what I am saying. I am talking about Morobe Province; this is what we are experiencing. I do not know about other provinces maybe they are okay so the report is reflecting them.

Unemployment is a very serious issue, we do not send our children to go to school to come back and go catch fish and work in the garden back in the village like we used to do in the past. We send our children to go to school to work in factories, stores, industries et cetera.

Mr Assistant Speaker, in Papua New Guinea, we all belong to a clan or tribe so whatever the child achieves is not only for the parents but the clan or tribe. When I was not a member and I was back at home, my brothers would come and give me a K20 on their fortnights to help me sustain myself. So, the money earned by the child working belongs to the clan or tribe.

So, Mr Assistant Speaker, if the children are unemployed, where are they going to get the money to bring back to their families, clans, or tribes?

Mr Assistant Speaker, this issue is really affecting my province so we can not tell lies in this House.

Mr Assistant Speaker, in 1994, the Chan-Haiveta Government deflated the reservoirs and floated the currency and they thought that the agriculture sector and the other sectors would bring money in and it would be the same strength as our currency. Our currency exchange rate at K1 was equivalent to US\$1.30 and they thought that we would remain like that, but the opposite happened.

Our currency was running high and then it fell very low. The value of the currency dropped, and companies were shutting down because the prices of goods were very expensive. That is why there was no foreign currency in this country. This really affected unemployment in the country.

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It is of common knowledge that when more companies are operating, it will create a lot of positions and many people will be employed. So, now that our companies have been shut down, who will provide employment?

Mr Assistant Speaker, our children complete colleges or universities to find jobs. They do not graduate from school just to hunt in the jungles for protein. That is a thing of the past. People nowadays want to have processed food from the store like tinned fish for protein.

Mr Assistant Speaker, the devaluation of the kina has created a lot of problems. Like today, we are suffering from the inflation. Where is the Papua New Guinea reserve? Can the Treasurer tell me how much and we have store in our reserve stores? If we have billions of kina in our country, our currency ratio would be K1 to \$1.30 cents or maybe equivalent to US\$2.

Mr Assistant Speaker, if we have this reserve, we won't be facing problems in this country. The prices of goods will be lower and people will get better pay with strong money power. When they shop in the supermarkets and stores, they won't be checking and comparing prices of the goods. They will just pack their shopping trolley and buy them because they have a lot of money due to having strong currency power.

That's the reason why we continue to talk about building roads but we will not bring machineries from overseas to build our roads. We cannot buy machineries with our currency direct from overseas because the value of our money is low. Our PNG kina does not have value so they will reject it.

Mr Assistant Speaker, this is why I asked a question to the Treasurer yesterday. The people of Morobe are badly affected. It's very hard for us to build feeder roads and provide water supply for them.

When you look at the K10 million DSIP and PSIP received by each district MPs and provincial governors, you will think that it is a big amount but it has no strong value. When you want to buy things, you will find it hard. That is the only thing that is affecting most of the things in the country.

We continue to talk about building reserves and the so-called sovereign wealth fund but we are not doing it. We are just talking and talking and our people are tired of listening and don't want to listen anymore. They want to see results from the money we receive from gold and oil. We must build our reserve with the money we receive from the mining and petroleum industries so that by the time we have K10 to K20 billion or K100 billion, it can strengthen the value of our money.

Mr Assistant Speaker, when the value of our currency is strong, the prices of goods and services will drop. We will be living happily because all our children will go to work because

many companies will operate and a lot of jobs will be created. The children won't give problems because there will be enough money to send them to school.

Mr Assistant Speaker, when we have enough money, we will adequately fund the Police Department to minimise law and order problems. When people are found to be misbehaving and causing problems, police will severely deal with them.

Mr Assistant Speaker, the main idea is that the strength of our money will speak. When we have surplus of money that has strong value, everything would be fine.

However, the ordinary people are aware of the money we receive from annual Budgets. Do not think they are not aware. Our budget has grown from K2 billion to K5 billion and then to K20 billion. We are continuously talking about money.

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Just by talking and we get excited thinking it is a large amount, but its strength is like a kaukau. As some kaukau it might be good on the outside but wet and spoiled on the inside when cooked. Mr Assistant Speaker, our money is just like that.

If we say K24 billion then the strength of the money should come from that K24 billion. About the strength of the money, yesterday I was talking about the gold refinery. Mr Treasurer and Mr Assistant Speaker, and I meant what I said.

I said Wau-Bulolo has gold deposits, during the colonial times white people extracted some but we believe there are more gold still there. Hidden Valley came in and Waffi-Golpu will come soon but our instincts tell us that there is still more gold there.

If we are not building reserves and the strength of our currency, once our gold is depleted we'll be blown away like a paper, unlike a stone that will go up and come right back. Mr Assistant Speaker, it is time we must build our wealth.

The Honourable Prime Minister has said it and I've heard and I would like to talk. We said we want to make deals with foreigners to help us set up our refinery. I don't know the deal, is it 50-50 per cent or 70-30 percent, the PNG Government and the foreign company deal respectively to build the refinery? I have heard rumors like that. Is there any money? I am also not being informed of the total cost of the refinery. We might have the money for the refinery but yet trying to bring in foreign people.

I have heard from some reliable sources that it will cost us at least K1 billion to build the refinery. K1 billion is not a big money to this country, let's use it to build the refinery where we can purify our minerals.

Mr Assistant Speaker, if we have our gold bullion we won't need to get loan because it will add value to our currency. This is what we need in this country.

We used to say, this country sits on gold, gas, oil, timber and fish et cetera but now you come and tell me that those things are not there and the PNG kina is not competitive in the world market. Are you going to allow the foreign countries to come and exploit everything? And we are going to remain the same and they'll say they've described themselves as rich yet they are not, instead they are like that kaukau. The Kaukau that you will think is good but when you cook it you'll find water inside.

Mr Assistant Speaker, it is time we build the money so we don't go and borrow! Why do we borrow when we have the money? If you have a pig will you go and look for a pig? If you have yam in the house, will you go and look for yam. It does not matter, whether you are, strong, good or bad, it is your wealth that makes you a man.

Why is it that this country can reach such a level? Mr Minister, I agree with your statement but I also want us to be serious. Serious in building wealth in this country and once we do we won't need to get international loans.

I am feeling embarrassed that we continue to seek loan assistance from the Australia and development partners. I am tired of continuously hearing about this arrangement with development partners. The development partners make us weak and they kill our potential in the end by convincing us to over work.

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Mr Assistant Speaker, I want us to build ways to help us. The prices of goods have sky rocketed. For instance, a tinned fish is sold for K5 in Lae. That same tinned fish is sold for K10 in Kabwum and for K12 in Garaina. This is not a joke anymore.

Mr Assistant Speaker, I have been flying over Garaina in your district, and have seen that there are no roads and your people are suffering. I feel sorry for you and your people, but I cannot help you.

The Honourable James Marape has said that we are going to be the richest, black nation in the world. We have the potential to achieve it.

Mr ASSISTANT SPEAKER – Honourable Governor, your time is almost up.

Mr LUTHER WENGE – Thank you, Mr Assistant Speaker for giving me the opportunity to talk.

Mr DON POLYE (Kandep – Minister for Higher Education, Research, Science and Technology and Sports) – Thank you, Mr Assistant Speaker. When the Treasurer presented the paper and the debate started, I heard a lot of points being made.

I agree with some of the points that were raised. When points like these are made, the government will implement these points into the policies of the Marape-Rosso Government. The policies that are made by this government are good policies. For implementation, it comes back to us individuals, the public service and to the provinces and districts.

From my point of view, I want to say that for this time, the circumstances and the dynamics involved, the Marape-Rosso Government is the right government to address these issues through the debates from the Members of Parliament and also from the people from different avenues. We have already addressed some of these issues.

In regards to a debate about a report published by the National Research Institute (NRI), 68 per cent of our young people between the ages of 17 to 35 are unemployed. However, I want further clarification on this report on whether these young people are skilled or unskilled.

Mr Assistant Speaker, I want a clear report for us to properly study and understand if these young people have skills to be employed in an industry or not. I will talk about this issue later when I talked about employability and upskilling.

I also heard an argument being made about roads that brings service to us, but not roads constructed for economic purposes. This is concerning. A service is supposed to develop an economy. For instance, when a child goes to school and eventually completes his or her education from a higher learning institution, they will come back and develop our economy.

If the roads are constructed towards a hospital or health center, then it is part of taking care of the health of our people. Mothers can access the hospital to give birth properly and the children will grow for PNG's better future that will also save the economy. So I want to dismiss the confusion that the road is for service or for the economy, it is the same thing. You will find that service and economy are intertwined because a healthy nation builds a good economy, an educated and skilled population also builds a good economy. So, we must not make trivial differences on roads, roads are very important.

The other point I would like to speak on is employment. Why are employment rates low in this country? It is not the current government's fault that the country is lacking employment opportunities. We must go back and study our history of how we have developed our country.

Mr Assistant Speake I am pleased with some of the debates, when we say let's learn from the past, I am in support of that. But I have observed that most times we don't do as we say and so we forget to learn.

So, I want to establish some points on learning. In the past the Department of Works had a program called apprenticeship scheme. This scheme taught people to operate loaders, excavators, using walker packer and installing culverts; however, when a new government comes in, they remove the scheme. So this is just one example. So all these employment issues arise because people are unskilled. We removed that program, this Parliament has removed such programs in the past.

Now, let me give a recent example, the APEC facilities that we built and the 15th South Pacific Game's infrastructures, I have seen we brought in foreign contractors to construct these facilities. Other major infrastructures like, the recently built Kumul Fly Over and the four lane Highlands Highway, I have seen that we were engaging contractors from outside to build these infrastructures, now that is not wrong, but it must make good deals for the benefit of our country. We allowed these foreign contractors to bring in their own labourers for simple work such as laying concretes, sweeping the floors, controlling the traffic and handling the road packer machines.

So these foreigners took up all the simple jobs leaving our people with none. And so a recent study studies found that 68 percent of the population in the city are unemployed and are seeking employment. Well who created all these? It is ourselves (*laka*).

We must be thoughtful and be honest moving forward. It is easy to talk but it is hard to do when you are in that leadership position. To me it is clear, and I have heard the statement by the

Minister for Works, who stated that over 200 contracts have been given out and about K600 million worth of debt has been paid.

When you properly review the list of those 200 contractors, you will find that the local quotient for the Papua New Guinea construction companies is small and the quotient for the foreign company much greater. So now you know the issues affecting employment. We must not look at the symptoms and cry foul, we must go back and look at the cause of these things.

I want to explain to us, as one of my brothers in this House that has been there for some time and like my other few colleagues have been, I have always said those things.

The decisions we made in the past has resulted in these outcomes. These decisions were not made by the Marape-Government. What I am saying is that government of the day takes the blame for the emerging issues and it is good and it is the role of the Marape-Government to fix them.

I want to make it clear for all of us because you might think that this government caused these issues but that is not the case, these are legacy issues. Some of us talking here have contributed to these problems in a major way.

Now that they are not in the government they have gained clarity and are easily blaming the current Government and the Prime Minister who gets to shoulder all these burden which was originally created by another government.

So, I want to clarify how we are displacing the construction industry. I am pleased to hear that the Works Minister said to prioritize Papua New Guineans contractors in terms of issuing contracts in the country. So you can see that the Marape-Government has started to change the dynamics. And when Papua New Guineas are awarded these contracts they will employ your relatives. Papua New Guineans will be employed. So we must be thankful for such arrangements. Sing your praise where praise is due and rebuke where it is due as well.

41/07

It's unfair to load everything on government because our mindset is structured that way, no. Our mindset should be structural to look within and out.

The other issue on is free education. When it was first introduced, everybody was so happy and praised the government. But then problems emerged with spacing where you find one teacher with 80 to 100 students in one classroom.

My wife is a teacher and she said that there was no space for her to stand and teach as she was surrounded with students and it was overcrowded. She complained about the free education policy saying there is not enough classrooms to accommodate the students.

This same complaint was raised by other teachers also. Which government introduced this free education policy? They should have built more classroom first before introducing this free education.

But now the Marape-Rosso Government is building more classroom to counteract this problem. Therefore, we must thank the Marape-Rosso Government for building more classrooms because we set up the free education policy causing overcrowding by students and teachers had difficulties in teaching the students. The ratio of 30 students to a teacher had doubled because of the limited space. But thank you Marape-Rosso Government for building more classrooms through DSIP and PSIP funds so that we contain that. So this will result in more students getting educated and there will be more educated persons seeking employment outcome of good quality education. So this must be mentioned. What policy did we create that had domino effects inter-generationally and also originally at that present time?

The other issue is on public service. This was debated by a few leaders. We all must monitor and work closely with public servants our districts and provinces.

For instance, in my district of Kandep, I am struggling because although I work with the administrator, those down the line play politics and some of the staff are not qualified for the jobs they occupy. And I am trying to fix it myself and its not an issue for this government to address. Its an ongoing issue that dates back and so each individual member with their governors must work collectively to address this.

Mr Assistant Speaker, I don't think it's fair for the government to do everything for us. We must try to solve some of these issues ourselves and we can do it. Our mindset should not be structured to just debate on this Floor of Parliament and wait for the government to do all the work. We must not have this mindset of thinking that the Prime Minister, the Deputy Prime Minister, the Minister for Treasury or Public Service has the answer to all our problems; the answer is with us individually. Therefore, the public service is the one that we must fix it.

On the IMF issue, this is one that must be properly considered when making points. It's not IMF who is imposing its will or its structural adjustment programs on PNG. The IMF to my knowledge has no structural adjustment program, the only thing they are doing is to assist PNG reform the public service, look at some of our laws and financial system.

I heard the Governor of Morobe encouraging us to do something to increase the value of our kina. The IMF has come to help us to realign, restructure and re-culture the PNG public service system. The conditions are straight forward, the quantity performance criteria is straight forward and we are doing work in line with the government policy to reform the public service to bring efficiency and productivity.

Mr Assistant Speaker, we must not misconstrue the facts. It is not a structural adjustment program but public service, legislative and financial sector reform to make it modern to the current 21st century for PNG to live and perform competently within the region.

Mr Assistant Speaker, it's a right move and if we are not sure of facts then we can easily mislead ourselves and Parliament and PNG as a whole.

The point that we must spent on enablers is a fair point; the other on the national development plan or Medium Term Development Plan four must be done, is a good point.

42/07

So in that way, when the Budget comes through Treasury and we spend funds on those enablers which will grow the economy, but at the same time create business.

Let me finally make some of those points on inflation and employability and I will sit down.

Regarding inflation, I appeal to the Papua New Guineans as well as the Members of Parliament and to all the educated people, you don't have to be an economist to know these things; it's common-sense.

Look at how we are created. We are created with all the abilities in us to understand. Now on the issue of inflation, the critics are thinking that the government is creating it and as a result the price of goods are increasing. Yes, for domestic market inflation within Papua New Guinea, this may happen if there is less supply and more demand, the prices of goods and services will increase. But, there are other causes that we cannot control because it comes with an imported inflation; for instance, goods or vehicles purchased overseas.

And the Papua New Guinea economy is exposed to the rest of the trade in the world. We are so much exposed and you will see that imported inflation will have a play havoc on our domestic inflation and it will affect the price of goods to rise.

So, the issue to address as leaders is not to tell people that the government is not solving the inflation issue, that would be deception. We guide our people and tell them that there's kaukau, taro, yam and other options available. Just because rice is there doesn't mean we eat it. Do we have to use cooking oil and consume Ox & Palm all the time, no. There's kaukau, vegetable and coconut are much better for health and cost effectiveness. Let's teach our people good healthy lifestyle and at the same time what they can do.

Don't give them perception that the government will do everything for them. Then we are creating a cargo cult mentality. We can avoid inflation by going back to toil our own land and eat our own produce until such time when imported inflation subsides.

Mr Assistant Speaker, lets be fair, we've only been in the Government for only seven months. Don't talk to us as it is the end of our five-year term. We have only begun.

Mr Assistant Speaker, from my experience, a policy implementation takes a minimum of two to three years before it can bear some fruit in public service system. That's what I've seen in the past. So, let's not talk as if we can fix everything right now. I think we must speak out those things that the Marape-Rosso Government is doing and give credit where it is due.

We are addressing them. We are living in a very turbulent times. When you compare PNG's economy with others around us, they are facing challenges as well but their leaders are not only criticizing the government. They are telling the people to be responsible. We are all leaders in our rights. Let's tell them the right message that inflation can be controlled by living like this.

These are many things that our people can do. We own the customary land. We grow very good food on the land which are far better than imported food.

Mr Assistant Speaker, I hope that the ICCC is watching and also the National Statistics. Some of these issues that we have raised here does not lie with the Treasurer or the Prime Minister or just with the government alone. We must speak objectively because there some systems of governance who don't do their job.

The ICCC's job is to go out and regulate the prices. The National Statistics Office must go out and do some statistic, so it's not only our government that will stay focus on these issues that

we have raised but also the public service and those constitutional offices; those instruments of government must do their job.

Look at other countries, politicians they do their jobs as legislators and policy makers, but the public service execute those policies and do the work.

43/07

The Prime Minister doesn't need to go around and do micro-management, the Treasurer doesn't always have to go and tell people what to do that. The public service system must work and therefore like I was alluding to earlier, the IMF programs are in partnership with the Marape-Rosso Government, we are addressing those issues to make it better, lean and effective for service delivery and to address inflation and addressing all the other issues.

I heard about the devaluation of the kina and that's a fair issue and it also depends on the market too. Let me just say that the Government is taking a very astute stance on this. The Minister for International Trade has now established by Cabinet decision a stock market in Papua New Guinea. The stock market is what creates a domestic market.

When you talk about money, you don't know how to borrow but you have all the entities who have the money to now trade within Papua New Guinea and you will find that the money is there. If an entity or the Government needs to use money to do work at an affordable pricing, Papua New Guinea's local money market does that and that is what the Marape Government is doing now. We have to give praise to that, that is the right thing. I remember, I used to talk about creating a local money market, now it's taking place. Through Minister Maru and the Prime Minister's programs, we will see that taking place. It is a good thing.

Finally let me talk about employability. We talk about employment, let us not overlook employability, the skills and the relevance of it.

Mr ASSISTANT SPEAKER – Minister for Higher Education, your time for debate has lapsed but I will give you two minutes to end your debate.

Mr DON POLYE – Thank you, Mr Assistant Speaker. I will just summarize it up.

So the skills development through the space that I am entrusted with. I am humbly doing my best to make sure that we create the skills in Papua New Guinea at the highest standards so that we can send people out there.

So we are seeing the mining boom, seeing the LNG boom, seeing the other manufacturing processing sector coming into place. But it is my duty to create the skills in Papua New Guinea, I'm doing that, please support me to create skills in Papua New Guineans so that we will have many skilled Papua New Guineans and then you will find them to be skilled enough to outlast competitors and we will retain our jobs.

Even if we have jobs here, it will be difficult for our people to get the jobs because the companies and even the public service will reject them for being unskilled. I am addressing the skilled issue and the Marape-Rosso Government will address that and in the next three to five years we will have a remarkable skilled development program for Papua New Guineans to be proud of. I dismiss those negative comments, I welcome the positive comments and the Marape Government is the right Government to address those issues and we are addressing them head on.

Thank you, Mr Assistant Speaker.

Mr WAI RAPA (Western Highlands) – Thank you, Mr Assistant Speaker. I would like to take this opportunity to thank the Treasurer. The Marape-Rosso Government has been in Parliament for the past seven months and I have seen the Treasurer hard at work. Amongst the ministers here in Parliament, he works the hardest. And I believe the Treasurer is only a human being and he is doing his job. A lot of people are criticizing him and making negative remarks but he works really hard and I thank the Prime Minister for electing him to be the Treasury Minister

44/07

It is now our job to fix Papua New Guinea. We all know that Papua New Guinea has been criticized for our economy and many other things but I will support what the Minister for DHERST has said, we can't blame each other on this Floor.

I have served only seven months as the Governor of Western Highlands Province and I have seen that we are still blaming each other. I think that whatever transpired in the past during O'Neill Government's is in the past, we must support this current government for the good of our country. We all have a part to play to contribute positively to this country.

I started as a ward counselor and ascended to the post of Deputy Governor and eventually the Governor of Western Highlands Province. Many leaders on this Floor do not know how our people are sustaining themselves, so we should stop blaming each other and we all have to submit to this current Government. We are in an era where there is so much distraction and turbulence.

I would like to thank the Treasurer for your hard work in getting IMF to approve funds to help us to develop our country. I feel that Mr Treasurer is working really hard so with the leadership of the Prime Minister we are moving in the right direction. We will now look at how we can help our economy recover.

Once upon a time, our forefathers created a strong economy as the Governor of Morobe mentioned in the past the K2 note was devalued at one point in time and some of these legacy issues have carried on from there into our time, 30 to 40 years on.

Today, many strains that we are experiencing are global strains and we should not be blaming the Prime Minister and the Treasurer. I encourage all the members, governors and ministers to continue working on making positive changes in our country and support the Prime Minister. We can all be working very hard but the attitudes of our people too is causing a lot of chaos; law and order and many other things. So much money is being pumped into Internal Securities to address these issues. If only our people are disciplined, then this Government can focus on other things to improve our country so the problem is with us all, starting from the leaders all the way down.

I feel that only a few leaders are working while many of us are just talking. As I am speaking there are many seats that are empty but Parliament Meeting has not yet ended. These are some of the problems we are creating and yet we blame the Treasurer. With that, I thank Assistant Speaker.

45/07

Mr RICHARD MARU (Yangoru-Sassia) – Minister for International Trade and Investment) – Thank you, Mr Assistant Speaker, I too would like to contribute to this debate.

Firstly, I would like to thank the Treasurer for presenting this statement and the response from the Opposition Leader.

I would like to start by saying that this issue of unemployment and the other strains that we are facing today are not the result of this Government. This is a result of our bad policies since Independence to the present. Because as a country, we over relied too much on the resource sector for a very long time. This is half of our problem.

If you go to the Philippines and Thailand, they do not have resources like us. They never relied on the resource sector. They were into manufacturing and industrialization, using special economic zones which is how they became powerful economies in the Asia region. We call them the 'Asian Tiger Economies'.

Mr Assistant Speaker, we have a big problem because we cannot bring in investors when the land is owned by the people, it is very difficult. We have law and order issues, and the high cost of doing business; these are not the current government's fault but this is something that we have all inherited or we have all contributed to.

Mr Assistant Speaker, today I would like to place on record in this Parliament, that I would like to thank the Marape-Rosso Government for making one of the most important decisions in the history of this country for passing the Special Economic Zone Act of 2019. China was transformed by using economic zones. In the Philippines, within 10 years they created 1.5 million new jobs using the special economic zones; about 420. The biggest employment driver is SEZ.

I want to commend the Prime Minister and his government for making one of the most important decisions which will transform this nation. If we are to create a logging SEZ in Port Moresby, do you know how many jobs it will create? Like the Prime Minister has seen in Africa, we could create 16, 000 new jobs in only one zone. This is the future and the government is on the right track.

I am not just saying it because I am the Minister responsible but I have seen the data from all over the world. I have seen the experience. We depended too much on mining that now we have the highest unemployment rates, highest crime rates, highest national debt etcetera. We all must accept responsibility for the mistakes of our past leaders and ourselves, today. I accept responsibility because I have been around for 11 years but we have learned from our mistakes, we are not sleeping. We are working very hard.

On the 8th and 9th of May, I will be inviting all the Members of Parliament to attend Papua New Guinea's First International SME Summit in this country. You will learn how the Philippines and China were transformed using the Economic Zone Model, how many jobs it created, what are the dos and don'ts of SEZ, and how you can transform your districts and provinces using that vehicle. That is how some other countries have transformed.

Mr Assistant Speaker, our country is on the right path and I want to thank you in front of the Nation. We will deliver the policy, master plan, laws, and even the land reform that needs to

go with it. This is the start of the transformation. This is the future. The Government is certainly on the right track. It is not easy because we have so many legacy issues like I mentioned, no power, high cost of doing business, law and order but we are going to get there.

It's exciting, in fact, in the last few weeks, I have found an investor who is willing to build two coconut refineries to process all our coconut oil in this country for the first time in our history and this is what this government will deliver before the end of this year. This is what this Government will deliver before the end of this year.

We are looking at Africa, to come in and put in the logging SEZ, so we can start to process all the logs in this country.

46/07

The Marape Government is on the right track. Yes, we won't create the jobs overnight but we are going to create them. It's coming and we have five years to deliver that.

So I want to assure Papua New Guinea and this Parliament that it is not all gloomy. We are starting on some major initiatives which has the potential to transform this country and create the jobs that we are all looking for. Philippines has done it, Thailand has done it, Malaysia has done it using the same vehicle and we are on our way.

We must not over rely on mining and petroleum any more, we must focus on agriculture, on fisheries and go into downstream processing. If we build one more PMIZ tomorrow, we'll be creating 10 to 15,000 jobs using SEZ model. This is the way other countries have gone and this is the way we will follow and the Government is already on the right track.

So I want to give confidence to the people and the Parliament that it is not all doom and gloom. We have started on the right path and we are determined to succeed. So I would like to give us a more positive look and assure everyone that there is hope and this year, we will see some major investments that will come and we will start on this part.

Thank you for a good debate and I want to assure the Parliament that we are on our way and the Marape-Rosso Government in the next four years will deliver major transformation to the economy.

Thank you, Mr Assistant Speaker.

Mr JAMES MARAPE (Tari-Pori – Prime Minister) – Thank you, Assistant Speaker, and I congratulate you for taking up the Chair. I am privileged that you are seated there and steering our meeting today. My apologies to the Member for Central Bougainville, sorry you stood up but I stood up to talk. I will try to keep my debate short.

I would like to assure the Parliament and the country that the Treasurer the Honourable Ian Ling-Stuckey knows what he is doing, times are tough.

When we took office in 2019, the economy of the country was not at a good place. We were in a very weak situation with so much debt. The Central Bank at that time said our debts was under 30 per cent but when we came we wanted to restore the credibility of our economy so we let ADB, IMF and World Bank to assess our financial records. And when they did this was sponsored by Treasury not IMF.

They established that the total debts; including the debts of the Works contract; the K800 million from BSP to fund the port relocation location, all these were added together and totaled up to 39 per cent. From the 39 per cent, we started to work and in the last three years, it hasn't been easy but if we go back to our history, we have a situation where our population growth rate is above three per cent and the average of the economy is under three per cent. That's our record for the last 48 years. Of course, the variables of every year, the economy sometimes exceeds three per cent but in the long running average, the economy was tracking below three per cent and our population was growing above three per cent.

This means that the total population of people to feed, educate, provide health services, construct roads for, the cost is more than the actual money we have in the country. That's the record from 1975 until today.

In these sort of situations, our Government and previous governments including other nations around the world, they do borrow. I want to ask our elite and those who are present here today in Parliament to see; for example, in Japan, today they have a debt to GDP of 200 per cent and above. The debt that they have has accumulated over time.

47/07

After the war in 1945, they went on an expansionary pathway to rebuild their country. Today they have over 200 percent debt to GDP on their record but the fact is that their people today live

in a better country, developed country, well rounded and developed infrastructure and so I want to ease the minds of our citizens. We are trying our absolute best in tough times to grow our country.

The last three years has not been an easy; Covid-19, war in Ukraine, imported inflation, and all the inherent weaknesses we inherited, but the Treasurer under the guidance of our six major policies, on how the Treasury and the Government will work. And I would like to give this summary to the country in support of the Treasurer's statement. One of our principle's is to grow the internal revenue first and foremost.

Today, you see this on record over the last four years, not just last year. The former Prime Minister, Member for Ialibu-Pangia said our earnings are assisted by the price increase. Price increase happened just last year. In 2021, 2020, two hard years, through the diligent work of IRC and Customs, they have increased our internal revenue. Plenty businesses are operating on a black economy.

Recently we have seen headlines on confiscated goods and this shows that the IRC and Customs have been hard at work. IRC and Customs are work under the Minister for Treasury. And in the last two years, we started to increase the funding for IRC and Customs to further increase their efficiency.

So, our first priority having realised the weak situation we were in was to grow the internal revenue. Number 2; to match the need of the country when borrowing, if we were to borrow, we must borrow responsibly and borrow cheap money. We will not borrow expensive money and that is what we have been doing the last three years under the guidance of our Treasurer.

Number 3; We will increase the funding for PIP. If you look at the budget record over the past four years, we've increased allocation to PIP and we've tried our very best to maintain funding for recurrent budget at the same level if not, an increase that is not more than the increase in PIP.

Number four; we will cut down waste in the public service including paying out long arrears in the public service, pay increase and public service back pay as well as retirement benefits, which the past governments failed to pay. We did that in the last three years in office.

Number five; we decided we must spread the wealth throughout the country. That is why Connect PNG has a nationwide footprint, that is why our PIP allocations has a nationwide footprint, that is why we are fair in our DSIP and PSIP allocation to all parts of our country because we must spread the wealth of the country nationwide instead of containing it one or two places only.

Number six; we must grow and diversify the economy and rely more on the non-mining sector. That is why Minister Maru is focused on the special economic zone.

Mr Assist Speaker, I want to reassure the country and this Parliament that our Treasurer knows what he is doing in running our economy. He knows exactly what to do. Treasurer in his own life, has earned his own standing as a successful businessman through the hard way, unlike some people who earned their money through illegal activities. He knows what it means to work hard, earn money, grow business, and now he is focused on the country and how to fill its basket by growing the economy and hopefully in the process when we look back 10 years to 15 years from today, history can judge whether the input the Honourable Treasurer put into the economy is successful or not.

48/07

It is not easy to secure employment. I acknowledge our children who have left school and are currently unemployed. We have allocated money to the SME sector to assist them to grow their businesses.

Last week, I read an encouraging story that emerged from National Development Bank (NDB). A young Papua New Guinean who was paddling in the streets of Port Moresby, hustling and bustling, now owns a PMV bus after seeking assistance from NDB. That is a motivational story. It shows that someone who has never completed school and was struggling to survive in the city, after saving his money, utilised our government program through NDB.

In 2021, I travelled to Maprik in East Sepik Province to open the NDB branch there, a woman from Maprik during that time had just bought a new bus. She borrowed money from NDB at a discounted rate in partnership with the government program. The woman named her bus 'Smell Fish'. I heard her tale on why she named the bus as such. Her reason for that name was because when she used to sell fish at Wewak and Maprik markets, people laughed at her and told her that she smelt like fish. Today, assisted by the government through a funding support by NDB, she has a 15-seater bus.

Mr Assistant Speaker, I will inform this Parliament during the May or June sitting on how the Government support through BSP and NDB in lending money to all small Papua New Guineans is giving them the opportunity to create businesses in our country.

Mr Assistant Speaker, we are working hard in these tough times. It is true that we are focusing on going forward. Our country is living through an extra-ordinary tough times during a global tough time.

The Treasurer is trying his absolute best to work in these tough times and I ask us to have faith in him. The only time I will be worried is if the ship is about to sink. We are keeping our public accounts operating consistently on a monthly-basis, trying to be fair on all programs right across, including paying for our children's school fees, keeping our hospitals open and funding our contracts at the national level.

We have about 300 contracts running and supplying to district programs for all of us to work to grow our country. This is not the time for us to blame each other but to work together. I want to place on record my support for the Treasurer for managing our economy at a very tough time.

Let us all rally around, and hopefully in time, look back to see that the goals we envisaged for our country has been delivered upon; five to ten years from today.

Thank you, Mr Assistant Speaker.

Motion – That the question be put – agreed to.

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

Paper noted.

ADJOURNMENT

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

That the Parliament do now adjourn.

The Parliament adjourned at 2.25 p.m.