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LEE SIROTE

Acting Principal Parliamentary Reporter

FIRST DAY

Tuesday 26 May 2015

DRAFT HANSARD

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FIRST DAY

Tuesday 26 May 2015

The Parliament met at 2 p.m., according to the terms of Resolution of 20 February 2015.

The Speaker (**Mr Theodore Zurenouc**) took the Chair.

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

Sitting suspended.

The Speaker again took the Chair at 2.30 p.m., and invited the Member for Usinobundi, **Honourable Anton Yagama**, to say Prayers:

‘Yumi prea. Father we come to you this afternoon, we present all the leaders from the Prime Minister down, all the Members present in this honourable Chamber and all there Members that are not here yet, we present them unto you because they represent your people.

Father we pray that what we discuss, deliberations that happen this afternoon and this week will come from mouths that will speak the truth for your people and that the right things will be done for you.

Father we commit this day to you and we ask for your wisdom, your understanding and your discernment so that we may deliberate properly the issues that arise in this honourable Chamber. Amen.’

BROADCASTING OF PARLIAMENTARY PROCEEDINGS – STATEMENT BY MR SPEAKER

Mr SPEAKER – Honourable Members, I have to inform Parliament that the Permanent Parliamentary Committee on Broadcasting of Parliamentary Proceedings met today and resolved that:

- (a) The *National Broadcasting Corporation* be allowed to broadcast live on television and radio Question Time,
- (b) And that the *National Television Services, Kundu 2* will be allowed to telecast live Question Time,
- (c) *EMTV* be allowed to record footages and broadcast Question Time, and;
- (d) That *TV Wan* be allowed to broadcast Question Time for the duration of this Meeting for news purposes only.

CERTIFICATION OF ACTS

Mr SPEAKER – Honourable Members, I have to inform Parliament that I have in accordance with Section 110 of the Constitution certified the following Acts as being passed by the National Parliament.

- (a) *Fisheries Management (Amendment) Act 2015, and;*
- (b) *Inter-Governmental Relations (Functions and Findings) (Amendment) Act 2014.*

DEATHS OF FORMER MEMBERS (MR DANIEL MONA AND MR DANIEL LISAGAI BOKAP) – STATEMENT BY MR SPEAKER

Mr SPEAKER – Honourable Members I have to inform Parliament of the following deaths.

(a) The Member for Goilala Open Electorate Mr Daniel Mona, on the fourth of February 2015. He was elected to the Ninth National Parliament in the 2012 National Election. He was appointed Chairman of the Special Parliamentary Committee on HIV and AIDS Advocacy, Deputy Chairman of the Parliamentary Referral Committee on Education, and he was a Member of the Permanent Parliamentary Committee on Emergency and he was a Member of the Special Parliamentary Committee on Economic.

(b) Also Mr Daniel Lisagai Bokap on 29th April 2015. He was a former Member for the Kavieng Open Electorate. He was elected to the Second House of Assembly from 1968 to 1972 and was a co-founder of the People's Progress Party.

As a mark of respect to the memory of the late honourable gentlemen, I invite all honourable Members to rise in their places.

All Honourable Members present stood in their places and observed a minute silence in memory of the late Gentlemen.

02/01

PETITION

Pacific Marine Industrial Zone

Mr Ken Fairweather, Member for Sumkar presented a humble petition from the Bel and Ari villages and the Madang District calling on the Parliament for the closure of the Pacific Marine Industrial Zone (PMIZ) project. The petition is therefore, humbly put that;

1. The Prime Minister's Government stop the Pacific Marine Industrial Zone.
2. The Madang Provincial Government to immediately use its administrative powers to stop all surveys, constructions and any other work associated with the PMIZ development.
3. The Ombudsmen Commission to conduct a full investigation on the K30 Million budget approved and other additional funds or its agencies on the PMIZ development so far.

Petition received and read.

03/01

QUESTIONS

Mr DON POLYE – My questions directed to the Prime Minister are in relation to the K50 million, initial financing of the Agriculture industry development in East Sepik plains. Briefly, the prime Minister, should recall writing an important correspondence dated 6th June 2013, to a Mr Go Ng Sin; the director of Wilmar International based in Singapore that is venturing into oil palm businesses.

In the letter, the prime Minister, pledged a financial support by the Government for a K100 million, for which K50 million was already released as shown from records. Since the K50 million was released in mid-2014, almost a year now; my questions are:

(1) Can the Prime Minister inform the people of Papua New Guinea, how much work has been done to date, in terms of development and the actual planning of oil palm, cocoa and vanilla or other cash crops?

(2) Can the prime Minister inform the people of this country on the breakup of the expenditure especially on the K50 million, to oil palm, cocoa, vanilla and other cash crops?

(3) Can he advise the people if a legal or technical cohesion was issued by the State Solicitor, prior to the financing or if a project agreement was signed by the parties including the state, the landowners, investor and the implementers?

04/01

If the answer is yes, can the Prime Minister prove it? If the Prime Minister's answer is negative then how did the K15 million get released without compliance with the *Public Finance Management Act* and other financial requirements for such major projects involving millions of public funds?

(4) Can the Prime Minister tell the people of Papua New Guinea whether or not the grave dissatisfaction and disagreement expressed by the majority of the landowners of the East Sepik Plains and even the Provincial Government against this Government's action have been resolved amicably and if not can inform the nation as to what his government is doing as to answer these grievances?

(5) Is the Prime Minister aware of letters and petitions sent to his Government by the East Sepik Provincial Government and genuine landowners regarding his Governments' abuse of people's rights through police intimidations and brutality? If he is aware then what is his Government's response for this people and the brutality that is taking place there?

(6) Mr Speaker, of the K50 million released how much was allocated as direct funding benefit for the landowners of the Sepik Plains. Will there be any support given to them at all?

(7) Can the Prime Minister explain as to why he is preferring the National Singaporean Investor resulting in the withdrawal of the world multi-national company from the East Sepik Plains? Can the Prime Minister tell the truth per the reports by the *Post Courier* and *The National* on the 23rd and 26th January, 2015 respectively, that the O'Neill Government had abused in first the confidence and undermined business trust that led to a genuine huge international investor withdrawing from investments in the East Sepik Plains in Papua New Guinea?

(8) Finally, can the Prime Minister admit that his Government has squandered embezzled and abused the K50 million for the benefit of a few self-interest to the detriment of the Sepik Plains Agriculture Development Project? Can the Prime Minister admit that a few of his powerful people in his Government are flourishing exponentially with massive wealth applying public monies for self-gain at the suffering of the people of Papua New Guinea in particular, the people of the Sepik Plains?

Thank you, Mr Speaker.

Mr PETER O'NEILL – Thank you, Mr Speaker and I thank the Honourable Leader of the Opposition for his questions on the Government's initiative of trying to open up Agriculture in the Sepik Plains in the East Sepik Province.

It is good to know that the Opposition Leader is travelling around the country inspecting such projects and we understand that his recent visit to the East Sepik Province few days ago has been clearly fruitful in the sense that he is trying to create some –

Mr Don Polye – Point of Order! I don't need to travel around the country to gather information. I am talking about facts that this Government's record show, so answer the questions.

Mr PETER O'NEILL – Mr Speaker, when he wants facts, we will give them to him so he has to be a bit more patient, and the fact of the matter is that he has visited the East Sepik Province and from the report that we are getting, it is good to know that the Opposition Leader is working.

Mr Speaker, unlike the Opposition Leader's investment in projects like the Turubu Oil Palm Project. Where failed politicians were given money during his tenure to develop Oil Palm Projects that have never eventuated.

Me Speaker, let me assure the people of East Sepik –

Mr Don Polye – Point of Order! That is a direct implication on me and what he is saying is not true ...

(Laughter in the Chamber)

05/01

Mr Don Polye – Can the Prime Minister answer the questions specifically rather than playing politics with me?

Mr PETER O'NEILL – Thank you, Mr Speaker. When the Opposition Leader is using the words embattlement and misappropriation, these are very serious words used by the Leader of the Opposition and he has to be very careful about that. This is a direct imputation that people have misused and stolen money.

Mr Speaker, let me clearly explain to the Opposition Leader what has happened before he can utter another word describing leaders and other people who are trying their very best to develop massive agricultural issues and potential of agriculture in our country.

This money was allocated for this project during his time as the Treasurer. He allocated the money as well as issuing the warrants. The Opposition Leader is well versed with this project and there is nothing sinister about it.

Mr Speaker, we certainly wanted to invest quite a substantial amount of money in the Sepik plane so that we can build the infrastructure. No investor will go into such a difficult area if there is no road or power line. I know for a fact that 65km road has been built and power lines are already connected into the project area. This is where the oil palm will be grown in the planes of Sepik where the huge potential is.

Mr Speaker, I will have the Minister responsible to give a detailed statement about where the funds have been drawn down and who has been carrying out the work so that the Opposition Leader is fairly satisfied and why we are investing such moneys into agriculture which will create jobs for Papua New Guineans.

Mr Speaker, with regards to the issue of Wilmar, this company approached the government asking for support under the Green Revolution Incentive Program, to invest in the Sepik Plains so that they can grow oil palm.

Wilmar is one of the leading oil palm developers in the world. During the negotiations Mr Speaker, Wilmar Company asked for a 15-year tax holiday. Mr Speaker, this Government cannot give 15 years tax holiday to companies because accordingly to the Green Revolutions the incentives can only be for 10 years. That is why the negotiation collapsed. It is not because of lack of investor confidence.

Mr Speaker, the investor confidence in this country is at its highest. For example when we have a world-class investor like Anglo American company coming into Star

Mountains, or Total or Trafigura buying and doing business in PNG. These are global figure companies.

Mr Speaker, when the Sime Darby spending almost K1.5 billion to buy West New Britain Oil Palm and Tenorse buying Freda Interest because they have the confidence. It is not because of the negativity and sinister that the Opposition Leader continues to preach in this country.

He has been in parliament long enough and the least he could have done for this country is to create some level of confidence so that others can believe in us instead of continuously down play the good work done by this Government. If he does not want to believe in himself than that is his business.

Mr Speaker, this Government is making a huge difference in various number of sectors. The Agriculture Minister has taken initiative with his team to write policies and we are going to revolutionize agriculture in this country.

Mr Speaker, we will soon announce the initiatives in the agriculture industry which will revolutionize financing. This is because lack of access to capital is now lacking progress in the development of Agriculture projects in the country. Papua New Guineans and major bid investors cannot have access to credit facilities. We are addressing that issue at present and we will announce the policy on the Floor of Parliament in the near future.

06/01

Mr Speaker, we will address and announce the policy on the Floor of this Parliament in the near future. But in terms of this particular project I will get the Minister responsible to make a statement in Parliament so that the Opposition Leader can be satisfied that none of these moneys that he has budgeted for have been wasted. Mr Speaker, we are trying to build agriculture in this country.

Mr Don Polye – Point of Order! I would like to seek leave of the Parliament to table facts documents, copies of cheques and ledgers that I have here with regards to the questions that I have raised on this Floor of Parliament to prove to the Prime Minister that I have facts and I am speaking on these facts.

Objections been raised, leave not granted.

Mr SPEAKER – There was no seconder, I have ruled that out as out of order now. The Prime Minister has stated that he will get the Minister responsible to answer your question, so we wait for that to happen first. And if you are not satisfied then you can ask leave of Parliament to table the document.

Mr FRANCIS MARUS – Thank you, Mr Speaker. I want to direct my questions to the Minister for Higher Education, Research, Science and Technology.

Mr Minister, there has been so much strike by our students from all our tertiary institutions around the country and recently in University of Goroka.

My questions are:

- (1) Were there any consultation between the administration and the SRC concern before taking further action?
- (2) If not why?

Mr MALAKAI TABAR – Mr Speaker, I thank the Member for Talasea for his questions. Allow me to also congratulate him on his achievement of MBA from the University of Papua New Guinea in the latest graduation; congratulations Sir!

Yes, there is a situation at the University of Goroka, I was able to meet the Acting Vice Chancellor, Associate Professor, Michael Mel, on Friday morning last week basically discussed the situation.

Mr Speaker, this is a situation that has come up after so many concerns of the quality of our students and the programs administered at the Primary and Secondary levels. And obviously the UOG sees themselves as the important institution responsible for the competency levels of teachers the Secondary Schools. There have been consultation between the institution and the students over the last three years and the administration has done some important work to try and see what they can do to improve the quality of competency of students coming into our Secondary Schools. And this consultation basically applies to the current first years and second years. There was some work done to get these students to understand what they were thinking of doing, effectively this is a four-year content base program for the degree. The other year is basically trying to get them to understand the idea of being a teacher. The first four years is about Science and other major areas that they need to understand.

07/01

Then by the Fifth year, we will get them to understand how they can effectively disseminate information to the students.

Consultations were done between the Department of Education and the institution but more specifically, there were consultations with the students especially those who just came in. The only difficulty that students basically faced was the non-school leavers form and the scholarship. What I told the associate professor was that I would let the institution to effectively resolve that issue.

There is need of some work to be done to help improve the performance of teachers in our secondary schools. This is because they have some strong evidence and documentation on what they wanted to do and this was made available to the students. With that, consultation to our outside people in the industry can be brought into question. Nevertheless, effectively the clients of the programme, which are the students, were informed about this.

Thank you, Mr Speaker.

Supplementary Question

Mr TITUS PHILEMON – Thank you, Mr Speaker.

My question is in regards to the situation at the Lae Polytech. Can the Minister inform the Parliament of the situation at the Lae Polytech?

Mr MALAKAI TABAR – Thank you, Mr Speaker, and I thank the Governor of Milne Bay for his question.

Regarding the Governor's question, yes, last Thursday the Honourable Nick Kuman, his and my team and I went to Lae. From our previous visit from the previous Tuesday there was an agreement that was supposed to be signed by the administration of the institution and the SRC. This agreement was in regards to what the students were expecting the institution to do by way of penalties for the things that were done while they were on boycott. But more so, the responsibility to make sure that they were not going to be penalised for the things that they missed out for the four weeks that they were out of class.

Unfortunately, as an agreement it was supposed to be a consensus between the administration and the students and I think that the students were only imposing a document as supposed to be an agreement to the administration. With that, the administration did not accept it which resulted in the boycott going on into the extra week. Nevertheless, had there

been some legal advice on what is to be an agreement I think that this issue would have been resolved earlier.

I also stand here to thank Honourable Nick Kuman. For his time in trying to get the students to understand that an agreement is a consensus between two parties and not one person imposing himself or herself on another person.

With that, the agreement was effectively signed and the students therefore returned to class.

Thank you, Mr Speaker.

Mr WILLIAM POWI – Thank you, Mr Speaker.

My question is directed to the Minister for Finance but more so to the Ministers of National Planning and Treasury as well.

This is about giving confidence to this country in light of what is happening to our economy. In light of the recent global down turn of commodity prices, there are a lot of scaremongers out here in the country that raise a lot of doubts on the ability of the Government to meet its obligations.

Therefore, I think that as a government and in my view that it is appropriate to ask if we have enough money in our government system to pay our bills, and, also to fully implement the 2015 Budget commitment?

Mr JAMES MARAPE – Mr Speaker, let me commend the hard working Governor for Southern Highlands for making an important and pertinent question.

08/01

Mr Speaker, we are living among many false prophets and prophets of doom who have been reinventing the doom's message for a very, very long time in this country. We have never gone pass as fully grown and developed as a strong nation.

However, from onset, in order to give comfort to the Governor, and the Members of this House and to give comfort to the nation, let me say that we have been managing very well the economy of this nation.

The fact that we are sitting in this House is because of the electricity bill has been taken care off. It is because all the public servants are doing their job and are getting their pay. It is also for that fact that we have carefully rolled-out the free education policy and subsidies paid on time.

The 40 per cent of DSIP, irrespective of where you sit in this House has been remitted already. We have managed the flow of our cash and our economy very well. We have not gone bankrupt as yet as some of our friends from the opposing side may want to believe. They have always wanted to join the scholars of doom from outside that we as a nation have gone bankrupt.

Mr Speaker, we have done very well in 2014, and we have migrated and carried on well into 2015 Account. We have met all our Bills and that is a testimony to prudent management of cash and economics within the system.

We are also mindful of the fact that there are also some shortfalls that we have met and still there are challenges ahead but we have managed to overcome all those challenges. I will allow the Treasurer to make a statement anytime during this sitting of Parliament.

The Treasurer will also announce some of the measures that we have put in place as a responsible government to overcome downturn in the world economy and depreciation against our kina.

Despite all these downturn in the global gas and oil prices, we as a government are taking stock of what is happening.

The message we give is; we are not robust but we can be able to take certain measures within our control. Measures like managing expenditures are something we are doing and that is the message that we can give to the business houses, taxpayers and to this country.

It will take time, we will not rush to review those policies and measures. After we have gone fully through second quarter of this year, we will then certainly make some reviews where necessary.

At the moment, there is a huge drop in the oil price of almost 50 per cent. It is beyond our control and it is not something that the Opposition Leader and I can overcome so easily.

In order to avoid this, we are controlling the expenditure very effectively so that we avoid the uncertainty in the drop in global oil and gas prices as much as possible. The recurrent expenditure will be taken stock off and be used wisely so that key core government areas will be given more priority.

There is no need to panic and we are on track to manage our key expenditures very well as we go alone and especially those that expose us to Global SOX that is prevalent currently.

09/01

Dr ALLAN MARAT – I wish to direct my question to the Minister for Justice and Attorney General and the Police Minister to take note.

Mr Speaker, there is a very dangerous trend developing in our country today where major crimes are committed, taken to court but are dismissed because police investigators are not carrying out their jobs properly.

My question therefore is what step is your government taking in order to address this particular problem?

Mr ANO PALA – I thank the Member for Rabaul for his question. I think your question is a very general question. It is a question that involves the administration of the justice system in the area of public prosecution and also the administration of police prosecution.

Mr Speaker, as you are aware the police have a new Commissioner. This Government saw fit to appoint a new leader that can provide the leadership of the Police Force so that they can attend to their normal administrative responsibilities.

Mr Speaker, this question involves the public prosecutor who is an independent body and a constitutional office. We in this country need to allow this professional offices to operate independently away from political interference. This Government intends to ensure that all these professional bodies operate independently from the government and its political arm.

As you are aware, the system as we know them have problems. Some are operating well while others are not. But we need to continue to maintain confidence in the systems that we have. Some involve lack of training and some involve lack of competency but let me assure this Parliament that the whole system of justice is under very good control. The Police Force is now under a very good leadership, Judiciary is also enjoying a similar leadership and the public prosecution system is now enjoying the independence that it should have. The Government is giving them all the support they need and we expect them to carry out their duties professionally. I hope I have answered that question because it is a general question.

Dr Allan Marat – Point of Order! Mr Speaker, my question relates to the investigation processes by the Police Force. I did say investigation. Major crimes like wilful

murder and rape are committed and are taken to court but committal courts throw out these cases because investigations were not carried out properly.

Mr ANO PALA – Mr Speaker, once again, I want to say that it is a very general question.

10/01

And unless you have specific complaint against an officer or the case itself we will address that.

Mr Speaker, because it is a very general question, I am only entitled to give the Shadow Minister for Justice a very general answer.

Mr SASINDRA MUTHUVEL – Mr Speaker, I direct my questions to the Deputy Prime Minister and Minister for Inter Government Relations and I want the Prime Minister to take note.

Mr Speaker, there are electorates which have only 50 000 population while there are electorates in our electorate that have more than 220 000 population for example the Talasea District and even Kandrian-Gloucestre District have over 80 000 population.

(1) Can the Minister confirm whether this Government is determined to honour those districts with additional electorates?

(2) Can the Minister assure this Parliament that this additional electorates can be created during our term of Parliament?

Mr LEO DION – Mr Speaker, I thank the West New Britain Governor for these very good questions.

Our country's population is growing and the demand for service delivery is also very high and history tells us that the system of governing this country is also in a situation where we need to revisit and re-examine the recent review of the *Organic Law on Provincial Government* as well as the laws that covers boundaries, National Boundaries as well as the Provincial Boundaries, District Boundaries and the Local-Level Government Boundaries.

Mr Speaker, the Government has instructed the Boundaries Commission to look into these matters in order to realign boundaries in certain Districts and Local-Level Governments as well as Provincial Boundaries that we have.

Individual Members of Parliament know their populations in their own electorates. In some open electorates there are more than 150 000 people and it spreads out. In some instances, the population is huge but the land mass is small. Whilst in other instances land mass is huge but population is small.

After wide consultation, some of our leaders like to manage the politics of that particular population. But in some instances, like the Western Province, Talasea, Alotau and Gazelle for example, the National Planning and Monitoring in consultation with my department and the Boundaries Commission to look into it and Cabinet must decide whether to split those electorates in comparison with the population and land mass and the Boundaries Commission recommendations.

The Boundaries Commission have done their job and they have recommended to split some electorates at that time but Parliament rejected it simply because it was not properly done in a wider consultation.

It is this Government's challenge is to make sure that the Boundaries Commission must go out and do its job together with us.

11/01

At the moment the government is looking at five electorates. These are Alotau, Gazelle, Tambul-Nebilyer, Kairuku-Hiri and Talasea, in the province that the Governor is asking about. It's all up to Cabinet to study the five electorates and make a decision based on its own wisdom.

Let's take into consideration the economic situation that we have in this country as in terms of budgeting as well as some changes in the *Constitution* which we will look at.

So, Mr Speaker, one of his questions was whether or not this will eventuate in this term? It is Cabinet's wisdom to look at these when the work is completed and we will submit the recommendations for the five electorates.

The government is assessing situations where electorates in this country are large with denser population densities but I must say that smaller electorates are getting money which is appropriate for bigger electorates such as Talasea, Gazelle or Alotau.

The government will consider some provisions wherein if we approve the split of these electorates in this term for next term, I am of the view that the government must make provisions to compensate those bigger electorates through funding in addition to your DSIP and PSIP. So I think this is more reasonable for the government to look at. But, in the wisdom of the government we are submitting these five electorates for splintering.

Supplementary Question

Mr JOE KOMUN KOIM – My Supplementary Question is directed to the Minister for Inter-Governmental Relations.

It is a very short question. Before we go into looking at the boundaries can we study the work currently undertaken for the ID card system so that we can identify the actual population figures prior to marking the boundaries?

Since we have more than 870 cultures and if we continue to split them up we may end up having one member each for every culture. So I think we must also consider the administrative costs to us as Members of Parliament and that's why I wish to know if we can adopt the programme undertaken by the National Identity team so that they can go ahead and establish the proper population figures before we can enact the boundaries.

Mr LEO DION – As I have said Mr Speaker, the National Boundaries Commission will carry out its mandated task, the direction from the Prime Minister and this government is very clear on that. They must do what they are mandated to do and when they have done it they will produce it to this Parliament and it will endorse their work.

But at the same time Members know how many clans are in one village, how many languages are spoken there and so forth so we have it under control.

This is one of the more difficult questions to answer because we all know our locality and we have to take control and manage it with government control. With the government system that is happening like what the Member is saying, this identification process, these are agencies of government who are discharging their duty statements and it is up to us to ensure that we educate our people on the right channels to follow to achieve their aims.

So, your question is reasonable, it is good because divisions or ministries which are doing these tasks must accommodate those.

12/01

I ask the provincial governments and the Open Members of Parliament to ensure that if the Boundaries Commission is established, you must all support it. Some of the initiatives that the Members are now undertaking themselves is to send a team down to their electorates to identify the clans and language groups while awaiting the establishment of the Commission.

Many times we talk too much out but the onus is on us, that we from the electorate provide the necessary information. At the same time I call on the Governors of each province to make sure that our provinces have taken on board these tasks because the functions of the National Boundaries Commission would be to identify the national boundaries only, while the task of the districts and the provinces is to identify the language boundaries and clans because we know our own area well. This will make it easier for the National Boundaries Commission when carrying out their duties.

Mr Speaker, I recall that the Boundaries Commission report that was provided covered many issues such as incorrect boundaries for wards which separated families and clans and there were too many errors with it. I think the work has started and what the Boundaries Commission needs to do is to study those references and make sure that they come up with a much more suitable boundary commission boundaries report that will accommodate the situation for both the short term and long term. We know this Parliament, when you talk about additional electorate there is additional funding, that needs to be done to extend the sitting arrangement or whatever framework or structure that is to be used in Parliament, it is not only the simple changing of the boundaries, there's a lot of implications, Mr Speaker, therefore to respond to his question, we will look into that when the boundaries Commission completes its task.

Mr MARK MAIPAKAI – My Questions are directed to the Minister for Petroleum and Energy. I have two questions. My first question is whether I misheard what the Finance Minister said about the prices of gas.

(1) Can the Minister confirm or deny whether we had a forward contract signed for the purchase of our gas? The Minister made a statement saying that the money we are receiving is subject to the Sovereign Wealth Fund and I am confused, please tell the nation the truth whether we have a fixed contract in place or have we been paid against whatever the world market price is during the time the calculations are done.

The Government made an announcement to power Port Moresby city with gas, in my understanding of the agreement that we have signed, this Government only committed ten trillion cubic feet (TCF) of gas for the plant in Lealea, anything over and above that, would have to be renegotiated with the Government.

(2) Can the Minister clarify where the Gas to power Port Moresby City will come from and in the event that the Government is buying from a new field are we going to negotiate again to determine the terms and conditions of the landowners affected?

Mr NIXON DUBAN – Thankyou Mr Speaker, and thank you Member for Kikori for the questions asked.

The reference to the pricing of gas that he has mentioned are questions that the Minister for IPBC will provide detailed responses when I have been advised. However I will quickly get to the Port Moresby city power arrangement that we have in place. For the question in relation to where the gas will come from to supply the Port Moresby power. I think you will be aware by now Mr Speaker, that the proposed arrangement is to tie down Pyongyang gas for Port Moresby and the MOU that we entered into is not a legal agreement but a non-binding agreement to utilise Pyongyang for the supply of Moresby power. At the moment as the Prime Minister has explained in very clear details on the same issue that the main target is to get the gas supplier arrangement before the Games, we have not made any decision yet on Pyongyang.

13/01

Your question in relation to where the gas will come from for the supply of power to Port Moresby. You should be aware by now that the proposed arrangement is to tie down P'nyang Gas for Port Moresby gas supply through the MOU that we entered into.

It is not a legal document but it is a non-binding agreement that was made to utilise P'nyang for the supply of Port Moresby power. At the moment the MOU that we signed and I think the Prime Minister has explained in detail that the main target is to try and get the gas supply arrangement done earlier before the Games begin.

We have not made any decision yet on P'nyang, which is a lucrative deal and the sensitive nature of those issues are before the gas Committee and it will come before the NEC for further deliberation. I can assure the Member that the proposed block for P'nyang is scheduled to be developed way ahead of our anticipated time frame. We have in our endeavours to try and utilise Port Moresby gas.

And we will be asking Exxon to develop the block around 2030 and that will give some credibility to our current arrangement to ensure that Port Moresby must get power and gas has now become an option and we will foster the MOU to ensure it must materialise.

Mr Mark Maipakai – Point of Order! The current heads of agreement is very confined and you are now trying to bring it to the main supply line. So my question is are you going to sign separate heads of agreement, because you are talking about other people's gas field.

From my understanding as a Minister who was part of the negotiating team, which was over, 6-10 years. We have to go back on the drawing board so are we going to have sign separate heads of agreements with affected landowners, on top of what has already been committed?

Mr NIXION DUBAN – In the MOU we are following the JCC price of 9 per cent and that arrangement that we are going into with P’nyang puts the State in a very awkward position, if you try to depart from the current arrangement. We cannot deviate from the fact and we will ensure that state position and we will ensure that the agreement that we are pursuing must benefit our country as well.

The important thing that we are now embarking on is the DMO and it is the concept that was not looked at properly in the earlier part of the LNG project. The domestic market obligation is a provision under *the Oil and Gas Act*. And under the DMO we are using that provision to extract gas for Port Moresby. It is a safe arrangement and I want to assure our people that there is nothing unusual in that arrangement and our country stands to benefit a lot from it.

MOTION BY LEAVE

Mr JAMES MARAPE (Tari-Pori- Minister for Finance) – I ask leave of Parliament to move a motion without notice.

Leave granted.

LEAVE OF ABSENCE – MR ANDERSON AGIRU

Motion (by **Mr James Marape**) agreed to –

That leave of absence be granted to the Governor of Hela, Honourable Anderson Agiru on grounds ill health for the duration of this meeting.

MOTION BY LEAVE

Mr JAMES MARAPE (Tari-Pori- Minister for Finance) – I ask leave of Parliament to move a motion without notice.

Leave granted

LEAVE OF ABSENCE – DR FABIAN POK

Motion (by **Mr James Marape**) agreed to –

That leave of absence be granted to the Minister for Defence, Honourable Dr Fabian Pok for official overseas business from 20th May to 1st June 2015.

ADJOURNMENT

Motion (by **Mr James Marape**) agreed to –

That the Parliament do now adjourn.

The Parliament adjourned at 3:30 p.m.