

**Votes & Proceedings
of the
Sixteenth Parliament**

No. 2

**Second Sitting of the First Meeting
Tuesday, 2nd November 2004**

10.00 a.m.

1. The House met at 10.00 a.m. in accordance with the resolution made on Tuesday, 26th October 2004.

2. The Hon. Vassal Gadoengin, M.P., Speaker of Parliament, took the Chair and read Prayers.

3. **Notice of Motion**

The Hon. Godfrey Thoma (Minister for Justice) gave notice that at the next sitting of Parliament, he shall present the Nauruan Community Bill 2004.

4. **Questions Without Notice** were asked.

5. **Ministerial Statements & Tabling of Papers**

(i) The Hon. Frederick Pitcher (Minister for NPRT) made the following statement NPRT. :

“Mr. Speaker, I wish to make a short statement in my capacity as Minister responsible for NPRT.

Honourable Members, since the expiration of the GE facility in January of this year, there has not been any successful attempts to refinance the facility, despite lengthy and costly negotiations with at least ten potential financiers, countless hours of legal advice and some \$10 million going towards costs and claims.

It is worthy to note that as of today, no refinancing package has materialised. Meanwhile GE and its receivers continue the liquidation process, and expressions of interest have closed on the Trust’s three remaining assets in Melbourne - Nauru House, Savoy Park Plaza and the Downtowner.

While your Government continues to entertain offers of refinancing, those currently remaining on the table are considered too onerous, and would adversely affect the Trust’s future if accepted.

In my humble opinion, we have reached the stage where it has become necessary for Government to weigh the merits of retaining the properties via refinance against the merits of allowing the sell-down to continue.

There are pros and cons to both arguments, however, the one most consistent question we need to ask ourselves is simply whether it is worth the expense of refinancing when we will merely be replacing one loan with another. Any new loan will necessarily

be at a higher interest rate than before, will incur much higher fees of between \$10 - \$15 million, and will be for a shorter term than that afforded us by GE. In other words, we might be looking for another, even more onerous, refinancing package in a year's time. This cycle could continue until we have no more assets left.

Accordingly, I have today instructed the Trust to concentrate its refinancing efforts only on those offers that have a legitimate chance of progressing. At the same time I have enlisted the help of experts to assist us in developing alternative options for the future of the remaining trust funds. Should the GE foreclosure continue unabated, and if and when all our debts are cleared once and for all, we need to have in place options for the placement of the residual funds.

I intend to conduct consultations in the coming weeks with all stakeholders in the fund, including landowners, the Superannuation Fund and others, in order to review the options available and discuss the way forward.

In the meantime, negotiations with legitimate financiers will continue.

Mr. Speaker, Honourable Members, it is indeed a sorry state we find ourselves in today. What was once a thriving and profitable trust fund has now been reduced to almost nothing. What was once a nest egg for the future of our country and our children has now become a burden for this and future governments. The blame lies squarely on ourselves, and on the shoulders of those we trusted and elected to lead us, those who chose to ignore the sacred trust we placed in them and instead spent out bounty with reckless abandon.

It has now befallen this generation and this government to decide what to do with the remnants of our once considerable fortune. With the public's help and that of our partners, we need to begin preparing for a future without NPRT. The form and manner in which the remaining funds are managed needs to be a joint decision with landowners, and it is a task that this government intends to dedicate itself to. Thank you.

Mr. Ribauw (Ubenide) moved that the statement be noted.

(ii) The Hon. Baron Waqa (Minister for Education) made the following statement on "The Nauru National Augmented Programme Though Partnership Between Government and the University of the South Pacific" -

"Honourable Speaker, I wish to inform this august House that government has just finalised arrangements for an augmented programme of study for Years 11, 12 and 13 students to commence in 2005.

The programme which will be called the Nauru National Augmented Programme is to be provided by the University of the South Pacific in partnership with the Department of Education through Nauru Secondary School.

Its aim is to prepare students for a wide range of post secondary study needs, such as a university degree programme and other specialised diploma programmes at various regional institutions such as USP, the Fiji School of Medicine, the Fiji School of Nursing and Fiji Institute of Technology, etc. for those who opt for full time studies overseas. The programme also prepares for those who prefer to take up degree studies at home through distance and flexible learning mode at the Nauru USP Extension Centre.

Mr. Speaker, up until now, we have not been able to successfully address the issue of an appropriate and suitable academic pathway into degree studies for our students.

Time and time again, we have seen them refused entry into their preferred university courses because they lack the necessary prerequisite qualification, such as a good High School Certificate pass for overseas students or a Foundation certificate through extension studies for our loan based students. Even though Nauru Secondary School Year 12 students have been doing the Pacific Senior School Certificate (PSSC) since 1998, it was not considered a university entrance programme by the University of the South Pacific and most other tertiary institutions and, consequently, was not enough to gain entry into their preferred degree programmes.

The basic university entrance qualification acceded by major tertiary institutions in the region is the Foundation programme which is offered by the University of the South Pacific which programme is available through its Extension Centre here.

Students who attempted to undertake foundation studies usually encounter problems due to the lack of qualified local Science tutors as well as a proper science laboratory facility to complete practicals for their compulsory foundation units.

The augmented programme utilises established University of the South Pacific courses, in those, of the Preliminary programme and the Foundation programme respectively. However, students who have completed their Pacific Senior School Certificate or the PSSC at Nauru Secondary School, which is equivalent to the USP Preliminary programme may move on and enrol for the Foundation programme.

Mr. Speaker, the augmented programme involves offering full time studies of both the Preliminary and Foundation courses through Nauru Secondary School. It utilises the school's current staff as well as facilities, including the science laboratory.

As part of the agreement, USP will provide the necessary chemicals as well as some equipment to ensure proper administration of the programme that meets the university standards.

Mr. Speaker, I am pleased to say that work has commenced in renovating and reorganising the NSS science laboratory. Labelling of all chemicals has been completed and some new chemicals have arrived ready for the new academic year - 2005. The cost of all these are borne by USP under this augmented programme. Because the Department of Education agrees to share the laboratory with USP's students such as the nurses and other medical and science students, in return USP provides the replenishment of chemicals, the provision of specialised science equipments and visitation of science tutors from USP on a regular basis.

Mr. Speaker, this augmented programme will be for four years and would be assessed by USP and the Department of Education after the first year. Depending on its popularity with students and its success in bridging our local students to their desired degree courses, the augmented programme would be continued after four years by the Department of Education as part of the normal educational programme for secondary school senior students.

Mr. Speaker, the attractiveness of this programme is that it is full time and allows one to complete the foundation studies in two semesters, that is, in one academic year and has the flexibility of a school based approach while promoting independent studies which is a requirement at degree level studies.

Mr. Speaker, in its efforts to ease the financial hardship on parents and students, government has negotiated for a special fee to be charged collectively under the Nauru

Secondary School banner for all students doing Preliminary and Foundation programmes, alike. This would include all nurses, medical students as well as mature aged students doing Preliminary and Foundation programmes. This keeps in line with the department's aim to encourage second chance students and promote education for all.

Even though the programme is aimed at NSS Year 11 and 12 students for the Preliminary course and Year 13, which is to be inaugurated in 2005 for the Foundation, interested persons of any age from outside the school system could also enrol or register through NSS. It does not necessarily mean that they will attend NSS as full time students but would need to enrol or register through NSS and do the courses through Distance and Flexible Learning at the Extension Centre, in order that they benefit from the discounted fees.

The savings that this programme brings to our students are huge. Currently each Preliminary or Foundation student pays approximately \$2,500 for a full Preliminary or Foundation programme. There are seven or eight units in each programme, which at the moment cost approximately \$300 per unit.

With this new arrangement, Mr. Speaker, the fee structure for the Nauru National Augmented Programme is heavily reduced with huge savings for students. Each student would only be required to pay around \$330 for the whole programme. Government-sponsored students under the augmented programme include NSS Year 11, 12 and 13 students, nurses and other health trainees. All other students would be accepted under the programme as private students. Corporations and private entities are encouraged to provide sponsorship to their trainees enrolled in the programme.

Mr. Speaker, it is government's hope that local based students are given full opportunity to contest for the scholarships that are on offer for tertiary studies in Fiji. These include the AusAID Regional Development Scholarship and other scholarships including our own. The Nauru National Augmented Programme allows such an opportunity for our students, freshmen and mature aged alike.

The Department of Education and the USP Extension Centre would gladly assist with queries should there be any. Thank you Mr. Speaker."

Mr. Harris (Aiwo) moved that the statement be noted.

(iii) The Hon. Godfrey Thoma (Minister for Justice) made the following statement on his portfolios of Justice, Immigration, Fisheries & Marine Resources Authority and Sports. :

"Mr. Speaker and Honourable Members, I have only been in office for a week today as Minister responsible for Justice, Immigration, Fisheries & Marine Resources Authority and Sports. Hence I cannot satisfy you with complete reports on the progression of these portfolios in the last month leading up to the election, but I will touch on issues that I anticipate will be of interest to Members.

At approximately 10.30 p.m. on the evening of Thursday, 21st October, a police vehicle was shot at on the Kukum Highway in Honiara. The marked police vehicle was driven by Nauru PC Ruskin Tsitsi, one of the four Nauruan police officers deployed to the RAMSI programme. It is reported that PC Tsitsi received minor cuts and abrasions from the shattered windscreen and the Tongan police officer who was an on-duty passenger at

the time escaped with injuries.

The Director confirmed that he has yet to receive a full report on the nature of the incident. A full investigation is also underway to determine whether the incident was a random criminal act or it was a deliberate attack. PC Tsitsi is currently on the island and will return to the Solomon Islands once clearance is granted.

It is a tradition in the Pacific force that the services of these four officers and others will be awarded in recognition of having completed an assigned mission. Insurance cover, medical and travel are in place.

I wish to inform the House that to replace me as Chairman of the Fisheries Board, Honourable Marcus Stephen, M.P., is the newly appointed director to the position. The other change in the Board is Mrs. Ruth Ephraim, who I would like very much to register in this august House that Mrs. Ruth Ephraim had been instrumental in her capacity as a director of the Fisheries Board during my tenure. I trust that her replacement, Mr. Malcolm Aroi, who is a known keen fisherman, will continue the good work she has rendered to the Authority.

The Department of Immigration has become a centre for distortion if you will allow me to use the work, complaints of over-stayers and visas paid illegally, in most cases these subjects are connected to drug rings that now exist on our shores. I will be recommending to Cabinet to restructure the Department so those who fall weak to the smell of money will not qualify to serve as sworn-in officers in the department.

It is too early to pinpoint where the breakdown in the system is but I will assure you that professional assistance will be sought to recommend a more secure system for our country.

Mr. Speaker and Honourable Members to conclude, as requested by the former Minister in the last sitting of Parliament, I would like to inform the House that from an engineering assessment report compiled by Mr. Bob Agigo and special engineering advisor, Vinci Clodumar, exposed that the corrosion on the steel structure on the existing set-up are severe.

To continue with the work as per the approved proposal can potentially be dangerous to our athletes if not the builders. However, the Government of China is seeking opinion and recommendations from the Nauru Government, if a cancelling of the project cannot be made an option. I will be reporting to the House of any progress on future negotiations, it be noted that now there will definitely be a delay in the completion of the Sports Complex to be funded by China. Thank you."

Mr. Dabwido (Meneng) moved that the statement be noted.

(iv) Mr. Batsiua (Boe) as Chairman of the Public Accounts Committee made a statement on the Inaugural Meeting of the Committee as follows :

"Honourable Speaker, I have great pleasure to inform this august House that the Public Accounts Committee of the Sixteenth Parliament has been constituted.

The Committee had its inaugural meeting yesterday, that is, 1st November 2004, and in this meeting I was duly elected as the Chairman of the Committee and Hon. Dominic Tabuna as its Deputy Chairman. This House is aware that the other members of the Committee are Hon. Fabian Ribauw, Hon. Marcus Stephen and Hon. Valdon Dowiyogo.

The Committee has also selected its first subject of examination and it is “Non-Presentation of the Statutory Reports to the Parliament”. In addition to this, the Committee has also resolved to complete its unfinished task, that is, to follow up on the Action Taken Reports on the First and Second Reports of the PAC of the Fifteenth Parliament, the titles of which are -

- (i) Procedural Matters & Amendments to the Public Accounts Committee Act*
- (ii) Statement of Annual Accounts & Performance and Conduct of former Director of Audit.*

Mr. Speaker, as we all know the Public Accounts Committee is widely regarded as the “watchdog” of public monies due to the nature of the duties and functions conferred upon it by virtue of the Public Accounts Committee Act 1997. In light of the recent elections and the make-up of the Sixteenth Parliament this “watchdog” role has taken on greater emphasis. I can assure this august House that this important responsibility shouldered by the Committee will not be taken lightly and that the Committee will endeavour to achieve significant outcomes and make important progress in its work during the tenure of this Sixteenth Parliament.

Therefore we ask and look forward to the full co-operation of the government and all its officials as well as all the Heads of Government instrumentalities to ensure that the work of the Public Accounts Committee is unhindered in any way.

Thank you Mr. Speaker.”

(v) Ruling From the Chair

The Chair made the following ruling on the notice of motion given by Mr. Akua (Anabar/Ijuw/Anibare) at the sitting of Parliament held on 26th October 2004.

“Honourable Members, I give my ruling in regard to the notice of motion given by Hon. Riddel Akua at the last sitting of Parliament held on 26th October.

The motion is inadmissible on the following grounds -

- (i) The Public Accounts Committee of the Parliament derives its authority from the Public Accounts Committee Act 1992. The duties of the Committee are comprehensively explained in Section 7(1) of the Act. Subsection (b) of this Section in regard to the duties of the Public Accounts Committee states -*

“.....to examine the financial affairs of authorities of the Republic to which this Act applies.....”

- (ii) The Committee is, therefore, empowered to examine the Nauru Phosphate Corporation in totality including one or many aspects of its financial functioning. This should happen once the Annual Report of the Corporation is presented to the House. Since the Annual Report has not been presented for the last five years now, such a motion, if taken up by the Committee for examination, will make the subject unweildy.*

- (iii) The Public Accounts Committee of the Sixteenth Parliament has already been constituted and they have commenced their examination also. Since the members of the Committee are seized off the contents of the motion, they can take further action in this regard by taking the matter to the Committee. If this motion is admitted it will only be a duplication of already existing mechanisms of the House.*

I therefore rule that the motion of Mr. Akua is inadmissible.

Thank you.”

6. Motion - Passport Sales Select Committee

Mr. Dabwido (Meneng) moved the following motion -

“I move that -

Whereas, there have been allegations of the illegal or improper sale of Nauruan passports and/or residency permits and other related documents by certain high government functionaries and public servants;

And whereas, it is alleged that such documents were issued to be citizens of foreign nations for a pecuniary benefit said to be as high as fifty thousand US dollars (USD50,000) per set of documents;

And whereas, that by issuing such documents the credibility of the Republic in the international arena has been damaged, especially keeping in view the fact that Nauru has committed herself to full compliance with the anti money laundering and counter terrorism measures as sought by the FATF;

That a parliamentary Select Committee be established to -

(a) investigate in detail the allegations as stated above;

(b) recommend ways and means of suitably punishing those found to be guilty of any criminal or illegal activity;

(c) recommend ways and means for the recovery of such moneys as allegedly gained through this alleged illegal activity;

That the Select Committee shall be named the “Passport Sales Select Committee”;

That the Committee shall consist of five members, namely

Hon. Godfrey Thoma, M.P.,

Hon. Riddel Akua, M.P.,

Hon. Marcus Stephen, M.P.,

Hon. Dogabe Jeremiah, M.P.,

Hon. Sprent Dabwido, M.P.

That the quorum of the Committee be three;

That the Committee shall elect one of its members of the Committee to be the Chairman and that in the event of an equality of voting the Chairman has a casting vote;

That the Committee be provided with all necessary staff, facilities and resources to achieve its objectives;

That the Committee shall have power to send for and examine persons, papers and records, to move from place to place in Nauru and to travel overseas as required, and to meet in public or in private sessions;

That the Committee shall have the power to obtain all and any assistance and co-operation required from any government department(s) and/or personnel, including all Corporations and all other entities of the Republic;

That all documents and papers collected by the Committee in the 15th Parliament may be utilised for the current enquiry;

That the Committee may present progressive reports and recommendation(s) to Parliament as it deems fit;

That the Committee shall present its final report and recommendation(s) to Parliament within three months of passing of this motion;

That an extension of time for presentation of its report and recommendation(s) may be granted by appropriate motion approved in the House;

That the foregoing provisions of this motion, so far as they are inconsistent with the Standing Orders, have effect, notwithstanding anything contained in the Standing Orders.”

Mr. Jeremiah (Meneng) seconded.

Debate ensued.

Question put and passed.

The Chair, with the consensus of the House, suspended the sitting and to resume at 2.30 p.m.

Resumed.

7. Motion - The Counter Terrorism & Transnational Organised Crime Bill 2004

The Hon. Dr. Kieren Keke (Minister for Health) moved to present the Counter Terrorism and Transnational Organised Crime Bill 2004.

The Hon. David Adeang (Minister for Finance) seconded.

First Reading

The Bill was presented and read a first time.

8. Motion - Second Reading

The Hon. Dr. Kieren Keke (Minister for Health) moved that the Bill be now read a second time.

The Hon. David Adeang (Minister for Finance) seconded.

Second reading speech ensued.

In accordance with Standing Order 159, further debate on the Bill was adjourned to a future date.

9. Motion - Suspension of Standing Order 159

The Hon. Dr. Kieren Keke (Minister for Health) moved that Standing Order 159 be suspended to enable the second reading debate to ensue forthwith.

The Hon. David Adeang (Minister for Finance) seconded.

Question put and passed.

10. Motion of Amendment

Mr. Batsiua (Boe) moved a motion to amend the Counter Terrorism and Transnational Organised Crime Bill 2004 as follows -

“At page 28, Section 48(1), after the last line the words ‘and fine no less than \$500,000’ be added to read the sentence as “Maximum penalty : imprisonment for life and fine no less than \$500,000”.

After Section 48(2) after the words “imprisonment for life”, the words “and fine of no less than \$500,000” be added, to read the sentence as “Maximum penalty : imprisonment for life and fine of no less than \$500,000.”

After Section 48(3) after the words “imprisonment for life”, the words “and fine of no less than \$500,000” be added, to read the sentence as “Maximum penalty : imprisonment for life and fine of no less than \$500,000.”

After Section 48(5) after the words “imprisonment for 20 years”, the words “and fine of no less than \$150,000” be added, to read the sentence as “Maximum penalty : imprisonment for 20 years and fine of no less than \$150,000.”

At page 29, Section 49(e)(ii), after the words “imprisonment for 20 years”, the words “and fine of no less than \$150,000” be added read the sentence as “Maximum penalty : imprisonment of 20 years and fine of no less than \$150,000.”

The Chair suspended the sitting in order that copies of the proposed amendment can be made available to Members and the sitting will resume when the bell rings.

Resumed.

Debate ensued.

11. Motion - Suspension of Standing Orders

The Hon. David Adeang (Minister for Finance) moved that all relevant Standing Orders be suspended to enable Mr. Batsiua (Boe) to be further heard.

The Hon. Baron Waqa (Minister for Education) seconded.

Question put and passed.

Debate ensued.

The question that the Bill, as amended, be agreed to was put and passed.

The question that the Bill as a whole be agreed to was put and passed.

The Bill was read a second time.

12. Leave Sought for

The Hon. Dr. Kieren Keke (Minister for Health) sought leave of the House to move for the third reading of the Bill.

Leave was granted.

13. Motion - Third Reading

The Hon. Dr. Kieren Keke (Minister for Health) moved that the Bill be read a third time.

The Hon. David Adeang (Minister for Finance) seconded.

Question put and passed.

The Bill was read a third time.

14. Motion - Proceeds of Crime Bill 2004

The Hon. Dr. Kieren Keke (Minister for Health) moved to present the Proceeds of Crime Bill 2004.

The Hon. David Adeang (Minister for Finance) seconded.

First Reading

The Bill was presented and read a first time.

15. Motion - Second Reading

The Hon. Dr. Kieren Keke (Minister for Health) moved that the Bill be now read a second time.

The Hon. David Adeang (Minister for Finance) seconded.

Second reading speech ensued.

In accordance with Standing Order 159, further debate on the Bill was adjourned to a future date.

16. Motion - Suspension of Standing Order 159

The Hon. Dr. Kieren Keke (Minister for Health) moved that Standing Order 159 be suspended to enable the second reading debate to ensue forthwith.

The Hon. David Adeang (Minister for Finance) seconded.

Question put and passed.

Debate ensued.

Question put and passed.

The Bill was read a second time.

17. Leave Sought for

The Hon. Dr. Kieren Keke (Minister for Health) sought leave of the House to move for the third reading of the Bill.

Leave was granted.

18. Motion - Third Reading

The Hon. Dr. Kieren Keke (Minister for Health) moved that the Bill be now read a third time.

The Hon. David Adeang (Minister for Finance) seconded.

Question put and passed.

The Bill was read a third time.

19 Motion - Mutual Assistance in Criminal Matters Bill 2004

The Hon. Dr. Kieren Keke (Minister for Health) moved to present the Mutual Assistance in Criminal Matters Bill 2004.

The Hon. David Adeang (Minister for Finance) seconded.

First Reading

The Bill was presented and read a first time.

20. Motion - Second Reading

The Hon. Dr. Kieren Keke (Minister for Health) moved that the Bill be now read a second time.

The Hon. David Adeang (Minister for Finance) seconded.

Second reading speech ensued.

In accordance with Standing Order 159, further debate on the Bill was adjourned to a future date.

21. Motion - Suspension of Standing Order 159

The Hon. Dr. Kieren Keke (Minister for Health) moved that Standing Order 159 be suspended to enable the second reading debate to ensue forthwith.

The Hon. David Adeang (Minister for Finance) seconded.

Question put and passed.

Debate ensued.

Question put and passed.

The Bill was read a second time.

22. Leave Sought for

The Hon. Dr. Kieren Keke (Minister for Health) sought leave of the House to move for the third reading of the Bill.

Leave was granted.

23. Motion - Third Reading

The Hon. Dr. Kieren Keke (Minister for Health) moved that the Bill be now read a third time.

The Hon. David Adeang (Minister for Finance) seconded.

Question put and passed.

The Bill was read a third time.

The Chair, with the concurrence of the House, suspended the sitting and to resume when the bell rings.

Resumed.

24. Motion - Constitutional Review Committee Bill 2004

The Hon. Dr. Kieren Keke (Minister for Health) moved to present the Constitutional Review Committee Bill 2004.

The Hon. David Adeang (Minister for Finance) seconded.

First Reading

The Bill was presented and read a first time.

25. Motion - Second Reading

The Hon. Dr. Kieren Keke (Minister for Health) moved that the Bill be now read a second time.

The Hon. David Adeang (Minister for Finance) seconded.

Second reading speech ensued.

In accordance with Standing Order 159, further debate on the Bill was adjourned to a future date.

26. Motion - Suspension of Standing Order 159

The Hon. Dr. Kieren Keke (Minister for Health) moved that Standing Order 159 be suspended to enable the second reading debate to ensue forthwith.

The Hon. David Adeang (Minister for Finance) seconded.

Question put and passed.

Debate ensued.

Question put and passed.

The Bill was read a second time.

27. Leave Sought for

The Hon. Dr. Kieren Keke (Minister for Health) sought leave of the House to move for the third reading of the Bill.

Leave was granted.

28. Motion - Third Reading

The Hon. Dr. Kieren Keke (Minister for Health) moved that the Bill be now read a third time.

The Hon. David Adeang (Minister for Finance) seconded.

Question put and passed.

The Bill was read a third time.

29. Orders of the Day

Mr. Akua (Anabar/Ijuw/Anibare) moved that Order of the Day No. 1 be adjourned to the next sitting.

Question put and passed.

30. Motion Fixing the Date for the Next Sitting

His Excellency President Ludwig Scotty moved that Parliament at its rising do adjourn until a time and date to be fixed by the Chair.

The Hon. David Adeang (Minister for Finance) seconded.

Question put and passed.

31. Adjournment

His Excellency the President moved that the House do now adjourn.

Debate ensued.

Question put and passed.

And then the House at fifty minutes past nine o'clock p.m. adjourned until a time and date to be fixed by the Chair.

Members Present

All Members were present at some time during the sitting.

Frederick Cain
Clerk of Parliament