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**4<sup>th</sup> APRIL 2017**

**HOUSE OF REPRESENTATIVES MEETING**

**STATEMENT BY**

**PRESIDENT JOHN L. MOMIS**

**BREIFING THE HOUSE: BEC RE-SHUFFLE, REFERENDUM  
PREPARATIONS, RIO TINTO WITHDRAWAL, AND BCL'S  
PROPOSAL**

Mr. Speaker,

I rise to address this House about recent developments.

As you know, in recent meetings of the House I have been making broad-ranging statements to provide information about important development developments occurring since whenever the House last met. I do this because I believe very strongly in the central importance of this House. Together, we represent the people of Bougainville. We are their voice. And as the true representative and the voice of Bougainvilleans, this House must be accorded respect. It must be involved in all important decisions. It must be kept informed about developments.

Mr. Speaker,

Before discussing issues of real importance to Bougainville, I should touch briefly on one other development occurring since the House met in December. This concerns some health problems that I

experienced in that time. I know that there were some concerns expressed about the issues involved - even that I might have been facing life-threatening problems.

But I am happy to report that the issues were not of that nature. Rather, I faced some problems commonly associated with the age that I have reached. Those problems required immediate surgery. I was then required to rest for an extended period to ensure that healing was satisfactory.

However, I am happy to report that all went well, and that I am now back to my normal health, and fully engaged in my presidential duties once again.

Mr. Speaker:

Soon after returning to my office after my surgery, I made several changes to membership of the BEC. The main initial factor requiring changes was the resignation of my former Vice President, Hon. Patrick Nisira. As all members will be aware, his resignation was entirely a matter of his choice. He decided to stand for election as member of the National Parliament, representing the regional seat. I will be supporting him strongly in his campaign.

As all members of this House will be aware, the Vice President is selected by the President, and must represent a constituency in a region other than the one that the President is from. With the Speaker being from central Bougainville, there are good reasons to appoint the new Vice-President from the northern region. So after careful consideration, I decided to appoint the member for the Atolls, Hon. Raymond Masono. As member will be aware, although he is only in his first term as a member of this House, Mr. Masono has long and distinguished service as an officer of successive Bougainville governments. The knowledge and expertise he has developed in 30 over years of service to Bougainville will serve him well in his new role.

In addition to being Vice President, I have given him responsibility for mining, a ministry he is particularly well-equipped to manage because for several years he was head of the Office of Panguna Negotiations.

I also gave him responsibility for oversight of whole of government policy implementation. This will involve working with each Minister to ensure they are working to meet the objectives of the ABG, as determined by the decisions of this House and those of the BEC. This role involves delegation by me of a significant aspect of my responsibilities. I am doing this to enable me to give more attention to strategic oversight, and to relations with the National Government and the international community. These relationships are becoming more and more important with the rapid approach of the referendum on the political future of Bougainville.

Mr. Speaker:

To become Vice-President, Mr. Masono ceased to be a ministerial member of the BEC, thereby creating a vacancy amongst the ministers. As he was one of the ministers appointed by me from amongst those recommended by the regional committee of members from the North, I was required to again receive advice from that committee.

From among the recommendations of that committee, I selected the Hon. Robert Hamal Sawa. I appointed him Minister for Personnel Management and Administrative Services – the position held by Mr. Masono before he became Vice-President. Mr. Sawa has been elected three times to this House, making him one of the longest serving members, and I have great confidence in his ability as a Minister.

With the resignation of the Hon. Patrick Nisira as Vice President, he also ceased his ministerial responsibilities. In particular, it meant I needed another minister to take responsibility for work involved in preparation for the referendum, veterans and peace.

Mr. Nisira was originally given responsibility for the referendum because of his seniority in the House and in the BEC, and because he

had been an active member of the Bougainville negotiating team for the Peace Agreement, and so was familiar with the origins of the Peace Agreement and the referendum and other arrangements in it. I gave the needs of this new appointment a great deal of thought. It remained a crucially important ministry. I needed a senior minister, and if at all possible, it again needed to be a minister with direct experience of the negotiation of the Peace Agreement.

There was only one member of BEC who met these important criteria. That was the Hon. Albert Punghau. So with reluctance, I decided to move him from his long-held responsibilities as Minister for Treasury and Finance. At the same time, I decided that he should take on a wider set of responsibilities than Mr. Nisira had held – I made him Minister for Peace Agreement Implementation. In addition to referendum veterans and peace, he has responsibility for autonomy implementation, inclusive of issues concerning the Joint Supervisory Body.

With the rapid approach of the referendum, this Ministry is one with responsibilities of the greatest importance to the future of Bougainville. I can think of no one better equipped than Mr. Punghau to take on these heavy responsibilities.

Mr. Speaker:

Having moved Mr. Punghau, I needed a new Minister for Treasury and Finance. It was here that I decided to transfer responsibilities for Mining to Mr. Masono, and persuade Mr. Robin Wilson to become the new Minister for Treasury and Finance. I have great confidence in the knowledge, maturity and the abilities of Mr. Wilson. So I believe that he will handle these heavy new responsibilities just as well as he has done with his work as minister for mining.

Mr. Speaker:

I must return briefly to issues about the referendum. For since the last meeting of this House, there has been some important progress in preparations for the conduct of the referendum.

Members will recall that progress was made last year when the JSB agreed to June 2019 as the ‘target date’ for the referendum, as well as to a work program comprising 14 different aspects of preparations for holding the referendum.

Work has continued since then, which resulted in the signing in late January of two important documents. One was an agreement between the two government on establishing an independent body to conduct the referendum. It will be called the Bougainville Referendum Commission. The second document is a set of agreed administrative arrangements necessary for the operation of that Commission.

Work has continued since then on development of a third document – namely the Charter setting out the organization matters required for the establishing of the Bougainville Referendum Commission. I will be relying on the Minister to keep up the pressure on the Secretary for our new Department of Peace Agreement Implementation and on the relevant National Government officials to ensure that the Charter is completed and signed as soon as possible, and the Commission established.

For the Commission to actually begin operate it will also be essential that it is provided with the necessary funding. I am deeply concerned at reports that such funding has not been provided in the 2017 National Budget, and will be asking the new Minister to follow up with the National Minister for Bougainville Affairs as a matter of the greatest urgency.

Mr. Speaker:

One of the most important issues about the preparations for the referendum concerns the question or questions that will be put to Bougainvilleans when they vote in the referendum. The Peace Agreement and the PNG Constitution say the question or questions must be:

1. Agreed between the two governments.
2. Formulated to avoid a disputed or unclear result;
3. Include a choice of independence for Bougainville.

I believe that the time has now come for the beginning of discussion about the question or questions. It will be absolutely essential that the process of discussion here is highly inclusive. It is vital that all major Bougainvillean interest groups are fully consulted before the ABG makes any decision on its position about the question or questions. Only in this way will the process of deciding the question or questions be seen as credible. And if we are to maintain support for progress with the referendum – especially the support of the international community – we must ensure that decisions on all matters of major importance are made in a highly inclusive manner.

We are all aware that many Bougainvilleans with real interest in the referendum assume that there will be just one question, and that it will ask whether the voter supports independence, ‘Yes’ or ‘No’. But at this stage, because there has been no public consultation on the issues involved, we cannot say with certainty that all major groups support that approach. So we need widespread public consultation. Only in this way can we avoid the accusation that what we advance just represents the views of the ABG leadership, or the ex-combatants, or other specific groups. Instead, we will be able to show that the position we advance reflects the views of the people.

Mr. Speaker:

Ideally, if there is a JSB Meeting before the National Elections, I would like to see JSB discussion of the process for consultation about the question or questions to be asked. In this way, we could be sure that the National Government too understands the importance of public consultation about this highly significant aspect of referendum preparations.

These are all matters which I will be asking the Minister and the Department of Peace Agreement Implementation to handle with the greatest of care, and in the widest consultative manner possible.

Mr. Speaker:

I must speak very briefly about the issues concerning how we hold Rio Tinto accountable for the environmental and social damage it caused, irrespective of its unilateral decision to cease its investment in its subsidiary company, BCL. Members will recall a long and detailed discussion by this House, of the issues involved, in July last year.

Members should remain assured that the ABG is working on the issues involved. We are continuing to explore the possibilities of international or PNG court action against Rio Tinto. We are also still exploring the ways in which we can gather the independent evidence that we will need of environmental and social damage in order to mount an international campaign.

I will keep the House advised of developments in this regard.

Mr. Speaker:

Finally I wish to explain in brief to this House why I announced the ABG's support for BCL's recent proposal for re-opening the Panguna mine.

I must also make it clear that at this stage this is only an 'in principle' decision. It is a decision that will be subject to the powers of the mine lease landowners under the Bougainville Mining Act to veto the project if they are not satisfied with the conditions for re-opening. In addition, it will be subject to the ABG being satisfied – on behalf of all Bougainvilleans – that the project conditions are just and equitable.

Mr. Speaker:

Members here, as well as other Bougainvilleans, may want to understand better why I announced ABG support for BCL. There are several separate but powerful reasons.

The first is that BCL is no longer owned by Rio. Rather, the ABG holds over 33 per cent of BCL shares, and the National Government has promised that the 17.4 per cent shares it received from Rio will be transferred to ownership of Bougainvilleans, including Panguna landowners. This means that BCL is now a different company. It is

not a subsidiary of Rio Tinto. Instead it is majority owned by Bougainvilleans.

As a result, as stated recently by the new Vice President, BCL is no longer the ‘devil-we-know’, but is instead the ‘devil-we-own’!

As the ‘devil-we-own’, and one that is subject to the very tough requirements of the Bougainville Mining Act, BCL is now required to seek new investors into some sort of partnership with BCL, and come up with a deal acceptable to the landowners and to the ABG. Without such a deal, BCL will have little option but to cease existence – to liquidate and to distribute its remaining funds to its shareholders. At that point, we would be able to seek other potential developers.

A second reason why the ABG supports BCL is that BCL still holds an Exploration Licence over the area of the former Special Mining Lease. While it holds that licence, we must deal with BCL.

A third reason is that BCL is a reputable company, with reputable board members and management.

A fourth reason is that BCL still holds all the drilling and exploration data for the ore body at Panguna.

A fifth reason is that BCL show willingness to deal with the legacy issues left by the operation when it closed in 1989.

A sixth reason is that BCL has shown responsibility over the past 5 years in working closely with the ABG and the 6 relevant landowner associations to gradually develop responsible and workable arrangements for making the payment of the 1990 land rents and occupation fees etc.

A seventh and final reason is that the leaders of the combined landowner associations have almost unanimously consistently indicated their support for BCL as the preferred company to become involved in re-opening Panguna.

Mr. Speaker:

I emphasize, however, that despite all these reasons for supporting the BCL proposal, there are as yet no guarantees that it will be BCL that re-opens the mine. I must repeat the point already made that everything will depend on whether the ABG and the landowners are satisfied with the proposal that BCL eventually puts forward – provided of course that BCL is able to get the funding partners it will need to put forward a viable proposal.

Mr. Speaker:

I have spoken long enough. I trust that having heard my comments today that members feel a little better informed about the important issues that I have addressed. But, I will of course, welcome any questions that members may wish to ask.

Thank you, Mr. Speaker.