

Votes and Proceedings Of the Twentieth Parliament

No. 13

First Sitting of the Tenth Meeting
Tuesday 25th October, 2011

2:00pm

1. The House met in accordance to its resolution of the House made on Tuesday 16th August 2011.
2. Hon. Ludwig Scotty M.P., Speaker of Parliament took the Chair and read Prayers.
3. **Statement from the Chair**

The Chair made a statement to the House which read as follows:-
Honourable Members, I wish to make a statement in regards to a recent travel undertaken by myself and the Clerk.

On Wednesday 14th September 2011, we travelled to Brisbane to attend the 19th Commonwealth Parliamentary Association Australian and Pacific Regional Seminar, held in Brisbane from 20th to 23rd September 2011.

The theme of the 2011 Seminar is "Risk Management: Recovery from natural disasters in a Parliamentary context" involving the roles of Parliament and in particular Parliamentarians during and the aftermath of natural disasters.

Other main aims of the seminar are to:

Exchange views and information on matters of general or common interest within the region and between regions with particular reference to parliamentary practice and procedures in the Westminster system;

Exchanging views and information on matters of specific interest to member branches on regional, domestic or local issues;

Exchange views and information on the principles, rules and procedures of parliamentary democracy and;

To maintain liaison between the Australian Region and the Pacific Region and between branches of the regions, and to promote activities in furtherance of the aims of the Commonwealth Parliamentary Association.

I presented a Paper entitled "Challenges for Parliamentary Democracy in the absence of a Party system" I won't expound on the paper but for those interested, copies can be made available if they so wish.

As well, I was elected as vice-chair of the meeting as it would be Nauru's turn to host the next Seminar in 2013, the seminar being held every two years and is based on rotation between the Australian Parliaments and the Pacific. Our hosting of the Seminar is of course subject to the concurrence of government bearing in mind also that we will be having our general election in the middle of that year.

I also had the privilege to chair the meeting of the Pacific Region in between the meeting, being the newly elected member of the Executive Committee of the CPA for the Pacific Region and the Clerk acting as secretary and advisor on CPA matters at that meeting in the absence of the Pacific Regional Secretary who couldn't attend due to the dissolution of the New Zealand Parliament as well as other pressing commitments.

4. Absence of Quorum

The Chair informed members of the absence of Quorum in the House and left the chamber according to Standing Order 29.

5. 4.15 p.m. Bell rings

6. Leave of Absence

Mr. Dowiyogo (Ubenide) sought leave of absence for Mr. Pitcher (Ubenide) who is away overseas.

Mr. Waqa (Boe) seconded.

Leave of absence granted.

7. Notice of Motion

Mr. Dabwido (Meneng) gave notice that, at the next sitting of Parliament, he shall move to present the Customs (Rates of Duty) Amendment Bill 2011.

Mr. Dowiyogo (Ubenide) seconded.

8. **Question on Notice**

Question No. 4 of 2011 was not yet ready.

9. **Questions without Notice** were asked.

10. **Motion**

Mr. Adeang (Ubenide) and Mr. Dowiyogo (Ubenide) move to extend question time for another hour.

Question put and passed.

Questions without Notice continued.

11. **Ministerial Statement & Tabling of Papers**

(a) Hon. Dominic Tabuna (Minister for CIE) made a statement to the House, which read as follows:- *“Mr. Speaker, I would like to inform this august House of the new Policy of Phosphate Sale by Ronphos and Government, I would like to reassure the Nauruan people that this government and my Ministry is looking after their interest and will forever be doing so.*

With current business trends and changes in the market forcing Australia’s big miners like BHP and Rio Tinto to move away from long term fixed contract price, to short term contract price, that is pegged to the international spot market prices for each commodity published regularly.

Ronphos is also going to take this direction and have decided to move away from long term contract pricing to international spot market price that is published and available. Ronphos is moving from towards a pricing mechanism utilizing these publications such as FMB, Fertecon and Profercy with the average highs and lows of the latest publications of the comparator Phosphate Rock price to Nauru Rock prior to ship being loaded.

The Comparators for the Nauru Phosphate Rock is an important determining factor for the price of Nauru Rock, we will be using the average of Morocco and Jordan Rock highs and lows to determine the price of Nauru Rock using the latest publications before agreeing to loading of the ship.

This way Ronphos is able to peg its Phosphate prices to the prices of well-known sources like Morocco and Jordan and thereby secure these premium prices throughout the supply lifetime. This would mean that there would be no need for subjective negotiations that have in the past meant that our phosphate rock prices have been arguably under-valued.

Moreover, Ronphos is looking to bettering the payment terms with the help of our banking institution Westpac Banking Corporation. The mechanism with which we will be pressing for all buyers to adhere to it that all payments to be confirmed via letter of credit before the phosphate rock can be transferred to the ship, this would safeguard and greatly reduce risk of non or late payment, without Westpac's approved source of Bank and confirmation of funds availability, Ronphos will simply not perform the transaction of loading the ship. Furthermore, we would expect the buyers to cover all banking and related costs in this regard. The only amount of money that can be transacted are the figures that appear in the invoice, if there is supposedly other "side" payments, it would be very hard to do as there are very strict international anti-money laundering laws around the world that would stop any other payments other than the invoiced amount sent by Ronphos, this would guarantee with paper trails, that Ronphos will be sole beneficiary of funds in these transactions.

Mr. Speaker, as you can see, these are major changes and a positive direction that Ronphos is taking for its business and with the inclusion of a new Executive Director, are serious changes that I am confident will bring about better efficiency and effectiveness in the operations of Ronphos as well as better returns for the Republic. In striving for transparency, the direction proposed would allow each and every interested Nauruan to know what the price of Nauru Phosphate Rock is at any given time and will be confident that the money will be paid into Ronphos accounts. Given that there may not be a need for negotiations each year, the pricing mechanism will be the most up to date prices available even there is a rise and fall of prices of Morocco and Jordan Rock average; this would allow Nauru to get the best prices throughout the term of the supply and better shock absorbers should the price spiral downwards.

Mr. Speaker and Members I thank you."

12. No Quorum

The Chair informed members of the absence of quorum in the House and pursuant to Standing Orders 31, adjourned the House to the next sitting day.

13. The House at thirty minutes past six o'clock p.m. was adjourned to the next sitting day, Thursday 27th October, 2011.

Members Present

All members were present at some time during the sitting except:-

* Mr. Pitcher

* Leave of Absence

John Garabwan
Deputy Clerk of Parliament