

TRANSCRIPT OF PROCEEDINGS

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## COMMISSION OF INQUIRY INTO SABL

MR NICHOLAS MIROU

COMMISSIONER

### **EXTRACT OF PROCEEDINGS**

AT KAVIENG, FISHERIES COLLEGE, THURSDAY 3 NOVEMBER  
2011 AT 10.08 A.M.

(Continued from Wednesday 2 November 2011)

MR TUSAIS: Commissioner, I have no further – we do not have any other – I have no questions, any further questions for---

THE COMMISSIONER: Thank you Mr Husin for making the trip here and to produce to the Commission the request for further information, and we thank you for your attendance this morning. You are excused now from the Inquiry.

A: Thank you.

MR TUSAIS: Sorry, his passport will be returned. If he could just stay at the back and wait until we make copies of---

THE COMMISSIONER: Yes, we will make copies of that, those particular parts in the passport, and we will return it to you. If you can wait for it.

A: I think I have the photocopy now. You can have it.

MR TUSAIS: That is some of it.

THE COMMISSIONER: Show it to counsel.

MR TUSAIS: Wait. It is okay. Look, Mr Husin, we will take copies of all the relevant pages in your passport. These are only three.

A: All right.

Q: Okay, thank you.

MR TUSAIS: If Mr Husin can wait at the back, we will---

THE COMMISSIONER: Those documents, if we can include them as part of the--  
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MR TUSAIS: Part of Mr Husin's---

THE COMMISSIONER: RDL 7.

MR TUSAIS: Yes, this could become part of that.

THE COMMISSIONER: This, the letter from the Secretary for - acting Secretary under Work Permit - letter dated 3 July 2009 for Jamil Husin - or Imran Bin - Jamil Husin passport will be part of the exhibit RDL 7.

Mr Husin, you are excused. You can wait at the back while we make copies and give your passport back. Thank you.

### **THE WITNESS WITHDREW**

MR TUSAIS: Commissioner, next, I wish to call Mr Pedi Anis.

THE COMMISSIONER: Yes, thank you, counsel.

MR TUSAIS: If you could take the witness box. Before he is sworn and gives evidence, I wish to make a preliminary application. This is in relation to a witness for the afternoon, Mr Miskus Maraleu.

The Commission is empowered to make its own rules. I just ask the Commission if Mr Maraleu could be excused and not be present whilst Mr Anis is giving evidence. He will be giving his evidence in the afternoon.

It is not for any other reason except that most of what I wish to ask Mr Anis will be asking Mr Maraleu and for purposes of – it will be in the best interest of everybody, the Commission, as well as Mr Anis and Mr Maraleu because the subject matter they will be talking to the Commission about is the same, anyway. For Mr Maraleu to remain and give evidence later, will perhaps water down Mr Maraleu's evidence. So for purposes of corroboration, perhaps, if Mr Maraleu could excuse himself and return in the after to give his own evidence. Thank you.

THE COMMISSIONER: Okay, thank you, counsel. Mr Maraleu, you have heard counsel's request and the Commission will grant that request due to the nature of the evidence that Mr Anis will give. So the Commission will ask that you be excused until this afternoon from the hearing room.

MR MARALEU: If the Commissioner pleases.

THE COMMISSIONER: Thank you, Mr Maraleu.

MR TUSAIS: If Mr Anis could be sworn.

THE COMMISSIONER: Yes, the witness will be sworn.

MR TUSAIS: Yes, please.

THE COMMISSIONER: Mr Anis, you can stand up; take the Bible.

**PEDI ANIS, sworn:**

**XN: MR TUSAIS**

THE COMMISSIONER: Thank you, Mr Anis, you may be seated. You can speak into the mic for our recordings. It is all right, I think it has been – so if you can speak loudly too for everyone to hear. Thank you.

MR TUSAIS: Good morning. Your name is – your full name is Pedi Lakan Anis?

A: Yes, sir.

Q: You are from Umbukul village in West Lavongai?

A: Yes.

Q: That is on New Hanover Island?

A: Yes.

Q: You are aged about 59?

A: Yes.

Q: You are married with six children?

A: Yes.

Q: Your church is the United Church?

A: Yes.

Q: Your occupation is Chairman of Tutuman Development Limited?

A: Yes.

Q: Just some background. You graduated from the University of PNG – UPNG – in August 1975 with a Bachelor’s Degree in Politics and Administration?

A: Yes.

Q: In June 1976, you did a Regional Planning Course at the Administrative College in Port Moresby?

A: Yes.

Q: You have quite an extensive employment record. You started work in 1975. You worked as a Social Planner at the National Planning Office in Port Moresby?

A: Yes.

Q: In 1976, you were member of the National Government’s Department, Decentralization and Policy?

A: Yes.

Q: In October 1977 until April 1979, you were the Provincial Planner for New Ireland Province?

A: Yes.

Q: In May 1979, you returned to Umbukul village and worked in the village with community leaders, church groups, youths and women’s groups?

A: Yes.

Q: From 1980 to 1982, you were the Executive Officer to the National Minister for Decentralization, Father John Momis, as he then was?

A: Yes.

Q: In 1980 to 1984, you were the Commissioner of the General Constitutional Commission to review operations of the National Constitution after five years?

A: Yes.

Q: In 1980 to 1984, you were the Director of the Papua New Guinea Agriculture Bank?

A: Yes.

Q: From 1983 to '84, you were Research Officer for the Late Sir Iambakey Okuk and Father Momis as Leader and Deputy Leader of Opposition?

A: Yes.

Q: '85 to '86, you were the Executive Officer for the former National Minister for Education, Sam Tulo?

A: Yes.

Q: 1984 to 1990, you were the board member of National Education Board?

A: Yes.

Q: In 1982 to 1991, you were a board member, Span Enterprises, a United Church Assembly company?

A: Yes.

Q: You are also the Chairman of Board of Directors for Ulul Plantation?

A: Yes.

Q: During the same period, you were elected to the New Ireland Provincial Assembly as Premier of New Ireland Province?

A: Yes.

Q: How long were you – sorry, in 1991, you were re-elected to the New Ireland Provincial Assembly and served as Deputy Leader of Opposition?

A: Yes.

Q: Until 1994?

A: Yes.

Q: From 1994 to 1995, you were the Provincial Minister for Mines, Commerce and Industry and Chairman of Lihir Negotiation Team?

A: Yes.

Q: From 1995 to 1997, you were Chairman of Matwung Community Government, New Ireland Province?

A: Yes, in West Lavongai on New Hanover.

Q: West Lavongai, okay. On 22 July 1997, you were First Secretary to Ian Ling Stuckey, the then Minister for Mining?

A: Yes.

Q: From April 1998, you were First Secretary to Ian Ling Stuckey while he was Public Service Minister?

A: Yes.

Q: In November 1998, you were First Secretary to Ian Ling Stuckey while he was Minister for Commerce and Industry?

A: Yes.

Q: From 1999 to 2003, you negotiated and signed the Kaut Timber Rights Purchase for the people of Kaut?

A: Yes.

Q: From 2003 to 2007, you negotiated and signed Central New Ireland Timber Rights Purchase for the people of Central New Ireland?

A: Yes.

Q: In 2006, you negotiated and signed Tatau Timber Licence for the people of Tabar Group of Island?

A: Yes.

Q: From 2006 to 2007, firstly, you negotiated and signed Tabut Mamirum Timber Authority Project?

A: Yes.

Q: And secondly, you negotiated and signed Boski Siawon Timber Authority for people of New Hanover.

A: Yes, this was when the – when Tabut, when we entered through a licence by Forestry on TAO 2 and TAO 3, Road line Licence and Agricultural TA licence. It is a small licence.

Q: In 2009 to – sorry, 2008 to 2009, you negotiated and signed Danfu Timber Licence for Namatanai district?

A: Yes.

Q: From 2009 to 2011, you negotiated and signed Integrated Agro-Forest Project for people of Danfu, Namatanai?

A: Yes.

Q: In 2011, you are Chairman of Tutuman Development Limited. You negotiate and signed a multi-million Kina project development of Rubber Plantation, Rubber Downstream Processing, Veneer Mill, Sawmill and Woodchip Mill for the people of New Hanover Island in New Ireland?

A: Yes.



Q: So you have had quite an extensive experience in basically forestry from 1999. Is that correct?

A: Yes, forestry in the sense that New Ireland went through the Private Dealings Act before which gave rise to local forest area that allowed the developers themselves to come in, negotiate with the landowners and then they go into an agreement which did not allow the government to monitor or to supervise which made a lot of our forest in New Ireland which was the subject of the Commission – there was another Inquiry on this.

Q: Sorry, you address the Commissioner, yes.

A: Yes. I decided to come into this area primarily for agriculture, and I will later present the documents that I have written for New Ireland Province for agriculture because I saw that a lot of the Private Dealings Act introduced in Parliament by no other than the – our current Governor who was the Member for Namatanai at that time – which allowed the Forest Clearing Authority. Then later on, the Timber Rights Purchase, which is the other – we moved from LFA, Local Forest Area, to Timber Rights Purchase and now, they have gone into FMA, Forest Management Area, or section 90 of the Forestry Act A and B, Forest Clearing Authority. That is how the transformation of the forest in Papua New Guinea and all the activities are under those laws and their regulations.

I wanted to see a difference in New Ireland that we just do not have to go in and cut our logs but we develop the land for sustainability; sustainable development of our land. If the Commissioner will allow me, I will go right into the document that I prepared.

Q: Just a minute, Mr Anis, perhaps we can go through it a bit later. What I propose to do is just to take you through – introduce your involvement in this industry.

A: Yes, yes.

Q: Over a period of time in relation to the six SABLs that – on New Ireland---

A: Four.

Q: And the four that you have been involved directly with. Perhaps you can go through your document a bit later.

A: Okay, thank you.

Q: We have not sighted that document, so I am not sure what it involves. We might take up the whole morning in just---

A: No, I will just go through very quickly later on, not the whole document.

Q: Yes, you can do that a bit later on.

A: Okay, thank you.

10.24 am] Q: The company which you are Chairman of, that is, Tutuman Development Limited, that is the vehicle or the company that you are using to carry out this forest---

A: Yes, that is the vehicle and that is the document that I wrote on for the vehicle company.

Q: That Company, Tutuman Development Limited, it is not – is it set up for agricultural purposes or is it more oriented towards logging and forest industry?

A: It is set up for Integrated Agriculture and Forestry Development.

Q: Okay.

A: Starting from the agricultural angle. But understanding that you cannot grow cocoa on top of the trees, you have to cut the trees in order to grow cocoa, and rubber and other cash crops.

Q: Yes, that is fine. This company, what is the shareholding in that company? Would you just tell the Commission?

A: I own, I think, 25 per cent.

Q: Sorry?

A: I own, I think 25 per cent. I would – yes, there must be some documents that I did not prepare for this one. Debon Logo owns 25; Janet Raurere, 25.

Q: Speak up, please, we cannot hear, thank you. I cannot hear you. I am close to you but I cannot hear you.

A: Yes, these representatives of the company were brought out in the press lately by Radio New Ireland, and let me just repeat this that 20 per cent - 25 per cent for Pedi Anis, 25 for Debon, 25 per cent for Janet Raurere.

Q: Sorry, just speak up; it is hard hearing. I cannot hear you. Just speak up, please.

A: Okay. 25 per cent, my own; 25 per cent for Debon Logo, and 25 per cent for Janet Raurere, and the balance is Regina Lau and Deo Datuk Hee, the son.

THE COMMISSIONER: Regina Lau or Regina Hee?

A: Regina Hee Lau; Regina Lau Hee.

Q: How many---

MR TUSAIS: Since when was this – the shareholding percentage, since when did – when were these percentages---

A: I started the company in 19/9/2000. The shareholding included others that later on were changed to this arrangement.

Q: Yes. Look, Mr Anis, we have had – we have done searches at the IPA, Investment Promotion Authority. This is information current to as late as August-September of this year 2011.

Our search of Tutuman Development Corporation is different to what you are now telling the Commission. These are independent records kept by Investment Promotion Authority.

From our search – I will just read this out and you tell the Commission whether this information held by IPA is true or false or whatever you want to say. It shows that Tutuman is a company incorporated in PNG. It is resident in – sorry, Regina Hee, she owns 49 per cent of the total shares; Deo

Datuk Hee, he owns 12.5 per cent of the shares whilst yourself Pedi Anis, Janet Raurere and Debon Logo, you each hold 12.75 per cent of the shares.

A: Sorry, there was some change in the shareholding and what you have currently is the true information. I did not go through the proper records. Yes, the information there is now correct.

Q: So, what I am saying is correct?

A: Yes, what you are saying is correct.

Q: That Regina Hee or Regina Lau Hee, is that the full name?

A: Yes.

Q: And Deo Datuk Hee, they hold 61 per cent of – 61.5 - to be exact – per cent shares in this company Tutuman Development Limited?

A: Yes.

Q: So that would make it a foreign company? It is not a PNG company?

A: Yes.

Q: This Company was registered as a forest industry participant on – it was registered as a forest industry participant and company's main activities seem to be forestry related. Is that a true statement?

A: Forestry and agriculture related, yes.

Q: All right. Perhaps, Mr Anis, you could tell the Commission what major agricultural project Tutuman has undertaken since it was incorporated or established?

A: Since the establishment, we started with the Kaut project in agriculture and forestry.

Q: Okay, sorry, just pause there. Is that Kaut just down the road?

A: Yes.

Q: The project started from Putput to Nono going across to Kaut harbour and back towards Kavieng?

A: Yes, exactly.

Q: What did you plant there?

A: Kaut was the TRP and we planted – we organized some cocoa for the people of Kaut but, unfortunately, Commissioner, we had so many land problems with landowners that we were unable to continue with this project and I had to terminate and had to get out from the Kaut project.

Q: You say Kaut was a TRP?

A: Was a TRP.

Q: TRP, really, there is no agriculture. TRP is just to cut logs.

A: Yes, Timber Rights Purchase, but that was when I wanted to start a different approach to the logging industry in New Ireland to go into agriculture forestry.

Q: All right, maybe, I take you back. I think it will become clearer. You were involved in forestry?

A: Yes.

Q: Mr Anis, you were involved in forestry operations, logging prior to the Kaut TRP operations?

A: No.

Q: When did you start in Kaut?

A: It was in 2001 or 2002.

Q: Were you involved in a company that was harvesting timber in your area Umbukul TRP in the late '80s early '90?

A: I was the Premier at that time and then I used the forestry in thinking of agriculture and I went in to support an initiative by late Micah Kusa and others for the development of the Dominance Resources which was the company then. I actually invited Dominance Resources to come to Umbukul area under TRP.

Q: The base camp is Noikuas village?

A: Yes, the base camp is at Noikuas village.

Q: When they left, they left their machineries. It is just there; it is rusting away?

A: No, this is the – this was a matter of a court case that I had to go to in Lae. Some machinery, I had to take out while on the - at this time, I incorporated Tutuman and then I had to worry about all the expatriates that Dominance at that time just left them and did not worry about them. So I incorporated this company and, therefore, this company then assisted them to repatriate them.

For the repatriation, I actually got some machinery because I had to – I am not their grandfather. I had to form a company to be able to help them out at some cost.

10.36 am] Q: So, who are the people running---

A: Where from?

Q: In Umbukul?

A: In Umbukul, there was a number of people that went through Dominance Resources, managers. But the latest – the last managers were Mr Hee and Regina Lau Hee.

Q: Okay, that is, Mr Deo Datuk?

A: No.

Q: Oh, sorry. What is his first name?

A: Mr Stephen Hee.

Q: Stephen Hee and Regina Hee?

A: That is right.

Q: That is the Regina Hee that is presently shareholder of Tutuman?

A: Yes.

Q: So it is basically the same company who---

A: No, it is basically – yes, basically the same family and me---

Q: Who now are majority shareholders in Tutuman Development?

A: That is right, but they did not own Dominance. They were not owners of Dominance at that time; they worked for Dominance.

Q: So those machines, after you left Noikuas, you shipped those machines to Kaut?

A: Yes.

Q: Okay. At that time, Kamsal Maraleu was working for you?

A: No.

Q: He moved those machines to Kaut?

A: No, Kamsal never worked for me; he did not work. He claim to be in the engine room of Tutuman but as you know in the engine room, there are people who just wipe oil on the engine and people who just put oil in the engine; and there are engineers really who understand the engine room.

Q: Okay, we will leave Kamsal for the time being. You went to Kaut and you cut the timbers and you say you planted cocoa, and then you left and your machines were then brought to Central New Ireland?

A: Yes, with the Basoma Holdings; the company in Central New Ireland, yes.

Q: What operation were you conducting? Was it under the TRP or what arrangement?

A: In Central New Ireland, yes, under TRP. They also have a Central New Ireland TRP.

Q: All right. Did you also think of planting any agricultural crops there or this was just logging?

A: Yes, this project actually improved, from my experiences in Kaut and I actually start organizing because at that time, I come to understand how to really convert the forest into agriculture and help to develop agriculture; and yes, we planted with the landowners cocoa. We also planted trees, Kamarere. To this day, the people of Kumalabu sell their cocoa to me and if the Commission wish to see this, this was an improvement from the Kaut experience in agriculture and forestry; in agriculture and forestry.

Q: Your next move was to the Danfu extension, ex Danfu extension TRP?

A: Yes.

Q: You moved the machines there. This was in 1980 – sorry, 2007-8, that period. Is that right?

A: Yes.

Q: What agriculture projects have you set up in the Danfu extension?

A: If you allow me to present the agricultural projects---

Q: Yes, please, would you present?

A: I will present it. Yes, again, the Danfu experience improved from the Kaut; moved from Kumalabu , the West Coast, where I actually was advised by Forestry that there is now section 90 which you really can go in and have large clearing and do agriculture, which is why I wanted to go through the Land Development Scheme for New Ireland by Tutuman Development Limited which I wrote in 2001.



In Danfu, we have actually used FCA, Forest Clearing Authority. So in all of these SABLs, two areas are under forest clearing authority; Danfu and Central New Hanover.

Q: Yes?

A: This is under section 90. When we went to Danfu, we were having some problems that is why we stopped operation in Danfu for a while until we get the contractor organized properly because just like getting people to work for you in plantations or---

Q: Mr Anis, what problems have you had at Danfu?

A: Danfu, we have had problems with landowners. Actually, Mr Thomas, who was the Secretary of the company initially, Rakubana, asked us to actually go into the area with the people. The problem---

Q: Sorry, Mr Anis, could I just ask you this? Is that also the experience you had at Kaut that there were some landowner disputes?

A: Yes, the landowner disputes are really disputes among themselves, not so much disputing the operations. It is just landowners disputing among themselves and that is always going to be a problem unless we refine the way we are going to do things here.

Q: Yes, Mr Anis, I think that is the issue. That is one of the main issues that this Commission of Inquiry is looking into and perhaps you could explain to this Commission that in order to get a SABL, you must get majority consent of the people.

If you get majority consent of the people, you probably will not have these kinds of objections or, if you do get objections or landowner disputes, you will get – it is a small one-one, two-two, probably more aggrieved about the amount that they are receiving in benefits than people who come out and say outright that, hey, I did not say yes to this project. That is what this Commission is trying to look into. That is why I am asking you, Mr Anis, just to explain to the Commission why you seem to be having all these landowner groups - you say they are fighting among themselves but they should not be fighting amongst themselves. Perhaps, you could just give your explanation or just say something in relation to that.

A: I think I, in my experience, when the forest remains as a forest and nobody touches it for development, there are no arguments; no cross or fight. But when development comes in and the talk of development comes, people see physical money and then they also want – they look at the agricultural development, first and foremost, as the way to make money on forest on timber and then that is where all the arguments come in; I own this place, I own this place.

So the way that I have been approaching this one on – later on, on New Hanover and everywhere, especially in Danfu, is to get the people in the area themselves, teach them, help them and they themselves will go and do the incorporation of their own land groups and then actually go down. The next step is do boundary line and the village, as you talk, understand where the boundaries are and then go together into the bush and cut your boundaries.

You see, Commissioner, there are so many landowners who say, my land starts from here to there but if you get them into the bush, they themselves do not know where exactly is their land boundaries because they have never been there. They have been – somebody has been telling them in the village. They have never gone up into that big bush and know exactly where, which point and which point the boundaries go.

That is why it is very important to give them the awareness of the Special Agriculture and Business Lease concept and then the major agricultural FCA - major Forestry under section 90 - and they themselves make up their own minds voluntarily and they come up with their own groups and they will do their own boundaries. The process cannot be finished. It is an ongoing process until you get the – all the people can actually come to understand their own boundaries and the---

THE COMMISSIONER: Mr Anis, that will be an insult to the people who actually live on those lands. That is an insult to their ownership rights. You say that they do not even know the boundaries that they – that these particular villages who are affected by these SABLs live in.

A: Yes, sorry---

Q: You come from Umbukul?

A: Yes.

Q: What about those ones in Kabut, Central New Hanover? Then you have Kaut, from the East Coast to the West Coast, and then you have those in the Danfu area; and you say that they do not know their boundaries?

A: I am sorry, I---

Q: Because they do not have their customary ancestors who pass on those rights?

A: I stand corrected.

Q: Is that not an insult to the people?

A: The boundaries, not – yes, there are so many difficulties on – they know the boundaries but there are so many difficulties among themselves establishing exactly where the boundaries are.

Q: That is why when you look at these SABLs in total, they are just completely – the whole track of land belonging to people even from the coastline to the backlands, or the hinterlands or where the mountainous regions are, are taken over by one particular company, which is your company. That is the sad fact about these SABLs had the involvement on Tutuman as a developer in each of those SABLs in this region. Actually, four of the SABLs belong to – is actually subleased to Tutuman, your company, as a developer.

I come in because you said that they do not know their physical boundaries, but the people know exactly where they go and fish. They know what they do when they go hunting in the forest. Would they not know their own – where their ancestors put in certain rights over land, the creek and everything that goes with it?

A: Yes, in the movements of people and clans, they come and stand together – they stay together in one settlement and then they also move on. So what I am saying is when they come together and settle and then move on, there are two or three people that claim that this is boundary for this particular clan or this is the area for this clan. So what I am saying is they have not agreed or they have not understood properly where the boundary separates the two or the three clans. That is all I am saying.

I am not saying that they do not know their boundaries. They know their boundaries. They just – they do not actually really understand or really can go and stand there and say, this is the Siawun clan; this is where we stop, because the other clan said, no, it goes over on this side. It is a huge task getting them to come to grips with where exactly did the boundary of these two clans meet.

[10.50 am]Q:

And that is where the land mediation process, the process to deal with such issues normally happen because that is a customary. It is not a State land. It belongs to the people and when disputes arise, there is a mechanism to deal with it which is the Lands Titles Commission through the process of mediation and hearing disputes between people. Has that happened?

A: Yes, in most cases when they have problems now, the mediation has taken place and they have come to – in fact, as we speak, all the ILGs Incorporated Land Groups, majority of them have – in Central New Hanover - have really come to understand and agree. In my awareness I tell them, you sit in the village, you talk about your boundary, talk about where you think your boundary is – a number of clans, not just one - and then agree on the ground, Then you get your bush knife and you go into the bush and then you cut your boundary. Because if they do not, there is going to be problems when they go into the bush and they may fight in the bush. So they have to do this first in the village; agree first and then, together, both two clans, plus another one to witness and they go in and they cut their boundaries.

The government can not do this because the government has no funds to do these things. That is why I have to step in and do all these things as a company to. If you later on allow me, Commissioner, to go into the land development scheme, you would appreciate where I am coming from.

Q: In your work, do you consult Provincial Lands Office or the – or you allow the public servants like Lands Department officials, Forestry officers, more independent sources that can deal with these issues without your input as Chairman of Tutuman?

A: Yes, as Chairman of Tutuman, I also –

Q: You can allow that process to work without being influenced.

A: Yes, I have allowed Forestry to do their part, Lands also to do their part and Agriculture, DPI, because this is the Agricultural projects that DPI come in, do the plan with - assist me to do the documentation of the plants. Yes, in every way, I have asked the government assist me. But, financially, no, but yes, the officers come and help me do these things. The answer is yes, I involved government agencies and government people.

Q: And no input from Tutuman in terms of their work?

A: No input from Tutuman in terms of their work - in terms of facilitating their work on a private-public partnership arrangement .

Q: Yes, counsel?

MR TUSAIS: Mr Anis, let us go back to Danfu. I was asking you about this landowner – but let us just stick to your agricultural aspect of your company.

A: Yes, thank you.

Q: What have you done in Danfu? Danfu extension – there are two different Danfu. There is the Danfu TRP proper and Danfu extension, that is where Rakubana SABL is?

A: Danfu Extension.

Q: Danfu Extension. You tell the Commission what – you went in with the plans to plant cocoa.

A: Yes.

Q: You plan to plant coconut?

A: Yes, and tree crops - I value tree species.

Q: Did you also plan to plant oil palm?

A: No, not in Danfu.

Q: Okay, sorry? You tell the Commission what you have done so far in your agricultural – how shall I say - endeavours?

A: When we started we had the two nurseries established totalling 60,000 seedlings from which planting materials were produced. That was in 2008 to 2009.

By May 2009, 64,000 seedlings were produced and distributed to incorporated land groups and smaller holder blocks in the FCA area. The other nursery recently established at Ilolon has a holding capacity of 30,000 seedlings. To date a total of 30.50 hectares have been planted on block 1 of Project Year 1, and I will tender this information for you.

Q: Perhaps, we can have that tendered now. Commissioner, if that could be received.

A: Yes, so I do not have to go through these – these are all the projects. In addition to the agriculture, we also look at other infrastructure development, especially in the Ilolon area, the aid post was completely run down and Aid Post Orderly's house was completely run down with no government support. So just in Project Year 1, I supplied medical supplies costing about K5,000.

Q: Just skip that. You go to the agriculture bit. You leave the health issues aside, please.

A: Okay, so agriculture, I will just produce. This is the report.

THE COMMISSIONER: That report covers your other infrastructure –

A: No. This report just covers Rakubana Agriculture. I have got reports for other areas.

Q: Yes, okay.

A: Ready to submit to you for your information Sir, and this is the document that I will tender.

Q: Yes, and in each of the report they also talk about infrastructure and other economic assistance---

A: Yes, yes, economic benefits and so on.

Q: That you have provided to those---

A: Yes, already provided. Yes.

Q: Okay, thank you, Mr Anis. We can – Mr Associate, if you can show it to counsel.

MR TUSAIS: If it could be marked. I will go through this later, thank you.

THE COMMISSIONER: Yes, okay. What is this? We will name it after Mr Anis' initials PA.

MR TUSAIS: No, Sir, if we could mark – these are for Rakubana.

THE COMMISSIONER: Rakubana.

MR TUSAIS: We could mark it Rakubana and just explain on the side that this was tendered by Mr Anis during evidence on today's date.

THE COMMISSIONER: We will have to get the – we will get the proper exhibit number and then we will---

MR TUSAIS: It is RDL 19, Commissioner.

THE COMMISSIONER: RDL 19.

A: I also would like to tender my Profile also for the records.

Q: Yes.

A: As an exhibit, also.

Q: RDL 19 is - through Mr Anis, is Rakubana Development Limited, portion 871C, Millinch Dolomakas Fourmil Namatanai, New Ireland Province, and the report is on the Danfu Integrated Agro-Forestry Project Progressive Reports.

**EXHIBIT RDL 19 – REPORT – RAKUBANA DEVELOPMENT LIMITED – PORTION 871C, MILINCH DOLOMAKAS FOURMIL NAMATANAI, NEW IRELAND PROVINCE**

THE COMMISSIONER: Thank you.

11.00 am] MR TUSAIS: Mr Anis, maybe later you tender that. Whilst we are on that – your report there – we just discuss agriculture first.

Agriculture, that is why SABLs are issued. That is the main focus, is it not, agriculture---

A: Yes, Special Agriculture and Business.

Q: And Business Lease, but mainly Agriculture. For Danfu, you said you conduct agriculture in the form of cocoa and coconut.

A: Yes, agriculture. We have not gone into business yet except in 2007, I incorporated another company, Tutuman Integrated Products Limited, which I myself own 80 per cent of that company to buy cocoa and export out from all these areas in New Ireland; all in New Ireland. So that is the industry starting with cocoa, and I hope to build that up in Namu area in the next five to 10 years. Thank you.

Q: The Commission went for a site visit down to Danfu extension and Tutuman has planted less than 2 hectares on the side of the road. This is – you have planted some cocoa inside that SABL on the road just driving down from where it starts at Rakivis village. Just after you leave that before you get to Namu log pond, there is about 2 hectares of cocoa that your company planted. You are aware of that as Chairman?

A: That particular project belongs to Tutuman itself. I developed that as a model project but all the clans' project, which is in the report – the Serowai clan – they have to go in into the bush.

Q: Okay, we stay on the coast first; later, we go into the bush. That plot less than 2 hectares you planted, it is not doing very well. When you just look at it, there are no cocoa trees, just shade trees. Have you been there recently or – I am telling you there are no cocoa trees growing just shade trees and the shade trees too, they are not doing very well; or, would you accept if I say that? What that indicates is that the soil is not suitable for planting cocoa.



A: Yes, especially in that particular soil, that one; yes, agree, that soil.

Q: That soil is the same starting from Rakivis village. That is the same kind of soil all the way down past Julius Chan's plantation at Ilolon down to Himau river. That is where your SABL finishes?

A: There are certain parts of the SABL area that is good for cocoa development and not all the area is not good for cocoa. Ilolon is doing well with cocoa on the road because that area is near water. There are other areas up for the clans that are near water that good for cocoa development.

That particular plot is my own experiment block. I tried to see whether we can do it on a grassland, and I will be getting some assistance to improve this one to understand how you can go into an area with no water and grassland area and plant cocoa. That is why the shade is already big; come up first and then later on now we will go into bug-wood materials and we will plant under those shades.

Q: Yes, Mr Anis, I will tell you, the shade trees too, they are not doing well. Shade trees, they grow anywhere and they do fine. They grow wild, that is what shade trees do. Those shade trees are struggling to grow down there. What I am saying is, that is first, the soil is not good.

Second, on your own agriculture development material supplied to Environment and Conservation, you say this; I quote. You said that, "Former total of 24,851 hectares"- that is the total land area in Rakubana SABL – "only 9,264 hectares is suitable for farming and 15,884 hectares is inaccessible."

A: Yes.

Q: You are aware of that?

A: Yes.

Q: All right. So you just told the Commission that you have already planted 30 hectares with cocoa. You explain that. You say only 9,267 is suitable for farming. Where did you get the other 21,000 hectares to plant those cocoa plants?

A: What did I say 30 hectares?

Q: You told the Commission that you planted 30,000 hectares or 30---

A: No, no, no, not 30,000 hectares, 30 hectares.

Q: Sorry, 30 hectares.

A: Yes.

Q: Yes, even 30 hectares. You said 30 hectares, not 30,000; my mistake.

A: Not 30,000

Q: But even that 30 hectares – from your report, you say there is only a little over 9,000 hectares is suitable or good for farming out of a total area of 24,851 hectares?

A: Yes, good for planting cocoa. Yes.

Q: So I am asking you to explain your extra 21,000. You say if only 9,000 is good for planting cocoa, you explain that discrepancy? You said you planted 30,000 – sorry, 30 hectares---

A: No, no, no, 30 hectares.

Q: That is why I am asking you, in your own report, you say only 9,000 hectares is good for agriculture

A: Yes, that is true 9,000 hectares is a very big – 9,000. Only 30 hectares for one clan already planted and in that report, another 30 hectares for another clan and, I mean, it is all in the report there.

Q: Okay, yes.

A: So, what is the problem?

Q: Okay, I think I – it is my mistake. I apologize, Mr Anis. Those 30 hectares, 30 hectares is also big. Where---

A: And I do not think your people actually – sorry, maybe you went inside but you did not go with our project manager to show you where all these properties are, the Chairman of Rakubana, to show you where it is.

Q: Yes, there are other people who say that there is no cocoa trees planted and growing.

A: Commissioner, those other people belong to the old Rakubana. There was a change of Rakubana and a new Rakubana group and, of course, they will say their stories like that because the Commission is here. They say what they have to say.

THE COMMISSIONER: That is correct.

A: That is correct. So we are giving you the real picture.

Q: It is a public Inquiry. They are entitled to say---

A: Yes, let them say what they have to say. I am giving you the real picture. You can go back, go in there with my manager and with all these people and actually see those hectares on the ground, which they did not do.

Q: Yes, we actually travelled by road from Namatanai to---

A: Yes, yes.

Q: Yes, but we just simply took the coastal road, but it is a sad fact that the development seem to have not – in a way, the infrastructures and – there is a lack of infrastructure. Transportation seems to be one big problem for the people there, and there are more pressing issues than what Tutuman and you yourself are trying your best to establish.

A: Yes, Commissioner---

Q: But from our physical inspection, there seems to be lack of agro activity; agriculture activity. There seem to be nothing there.

A: Yes, under the FCA, we go according to block release to – so we do not just go everywhere. We go according to first 500 hectares to be cleared;

authorized by Forest and that is where inland where the clans do it, not on the road.

The road – the main road is the national road. I think it was declared before – the national road. The National Government looks after that piece of road, but we have helped to build a bridge. We have had to also maintain the bridge and to help to upgrade that road. I think Sir Julius now is also looking – very seriously looking after that road because it is near his house. That is a government road.

But we are putting roads into the hinterland so that the people can access their 9,000 wood land for agriculture. The road must go and link these blocks, otherwise, how to do without road access.

Q: Are you---

MR TUSAIS: There are roads also so you can carry your logs down.

A: Of course, you cannot plant on top of trees. You have got to cut up – approved by the Forestry people, and you get this block, you clear fell and then you have your nursery and you plant according to the clans that already give you in the area that piece of development. Yes, of course, yes.

THE COMMISSIONER: That is correct, Mr---

MR TUSAIS: The bridge – and your bridges, you build them from those logs that you are cutting? It is not a metal bridge or cement bridge. You are using temporary bridges using logs.

A: Yes, this is the main road belonging to the government. I have not charter to build that bridge under the FCA.

Q: I am asking you about roads you are proud about. You are saying you are building roads that people will make use of. Those logging roads, you are building bridges using logs. Is that right?

A: Yes.

Q: And you put soil on top?

A: Yes, that is right. Eventually, after a while, we intend to improve the roads if the production of those logs we build actually come on stream; we planted with the landowners.

Q: In the meantime, those logs rot and soil falls into the river; it spoils the river. Do you know of that?

A: Of course, yes, I know.

Q: One of your bridges, it spoilt the river in Namu village; the only river that they rely on to drink, wash. Are you aware of that as Chairman?

A: I am not aware of that.

[11.12 am]Q: That is what caused these people in Namu village to say no, you guys do not cut any more trees. Were there some landowner complaints to you about their drinking - their creek, the river that runs from the mountain down? Your bridge caused it to become no good. Did you hear about this or it is too far away in Danfu and you do not know?

A: I depend on my operation managers and my people to deal with these issues. I am really not sure which bridge you are referring to, on the main road or on the logging road?

Q: No, this is the logging road, one bridge you built up there over the creek that finally reaches Namu river and flows into the sea. These people complained that their river there, it became useless. They cannot drink from it, wash from it because the bridge upstream - your bridge, Tutuman bridge - it fell. It fell. It rained and sun and weathering, logs tend to decompose and it fell into that river and finished. They did not have any more clean water. Did word of their complaints reach you as Chairman of Tutuman?

A: No. Normally it does reach me but that complaint never reached me.

Q: Okay.

A: Because I do not know and I do not think that road, we are using any more.

Q: Just say that last bit; you are not using that what anymore?

A: The Namu road?

Q: Mr Commissioner, if the witness could address Commission. He seems to be seeking answers from somebody at the back.

A: Sorry, sorry.

THE COMMISSIONER: Mr Anis, see your notes.

MR TUSAIS: You talk. What you know, you tell the Commission.

THE COMMISSIONER: You ask the Commissioner and you---

MR TUSAIS: Do not - you have sworn to give evidence; you talk to the Commissioner.

THE COMMISSIONER: Yes. Actually, what the counsel is telling you is exactly what was told to the Commission is that there was a logging operation or the tree trunks and resulting from that activity in the mountains, streams run through to the coastline. That water was actually polluted with debris and things and whatever people have access to that particular creek, they just could not have any use of it. They were even promised by Tutuman that you were going to give them tanks because of that problem, 300 tanks because of that pollution in the river stream that they used to drink from?

A: I remember that there was a complaint - I do not know when - and it was the people from - the government actually went and investigate and the result was that there was really no impact on our road but this one that they said the road actually---

Q: Collapsed.

A: Collapsed, I have not got a report on that one yet.

Q: It also comes to the question that besides getting a Forest Clearance Authority as a forest industrial participant - Rakubana is actually a forest participant - they got that license but because your company is now a sub-lease, you still undertake forestry activities.

What about the environment impact studies? When you conduct forestry in the mountains, do you have somebody from the Department of Environment and Conservation to undertake impact studies?

A: Yes, in order---

Q: Those studies will look at the eco-system, the mangroves, the streams, whatever effect it will have on the livelihood of the people, do you have those reports that you can provide to this Commission?

A: Yes, we – actually, to get the Forest Clearing Authority, as I have said and you know the process, you have got to produce the Environment Impact Statement, approve---

THE COMMISSIONER: Yes, it was a level 3 activity.

A: Approved by the Environmental Council and I actually faced the Environmental Council and went through this Environmental Impact Statement, got the environmental plan approved and that is why I got the – also the Agricultural Plan, that is why the FCA was given based on all those compliance that we have to go through.

For monitoring, Environmental Department do not have a – they lack manpower throughout this country to actually put one person in every operaton. So they rely on the Provincial Government to help them.

Yes, when there is a complaint, we get the Provincial Government people to go and investigate and they produce the report for all of us. Then we deal with that straight away.

Q: Yes, that is correct, Mr Anis. I mean there is a lack of manpower.

A: Yes.

Q: That issue is something that the government should seriously address. That, we cannot ignore; that is a fact. But as a former Premier and as somebody who has a heart for the people of this province, why would such a thing happen where you are not aware of but it has happened that one of your

logging bridges or the roads that collapsed and as a result, water drinking for people were affected. Why is it? Did you think that this was going to happen because of the forestry activities that are taking place, definitely, it will affect the streams that run right down to the coast. These are high very heavy impact – high impact activities. It does affect the environment, even the eco-system; they are affect it. Agriculture is one way to deal with some of those forestry activities that take place.

A: Yes, I am aware. I, actually, when we revive this - when we go back and revive this - now we have stopped everything until we organize the new group to go in.

I actually terminated another company, Gromax for just ignoring all the instructions that we give from Tutuman to do these things properly. I got DPI to come and produce a report of all the actual road into the blocks and they were not up to standard and I needed the change. I need somebody to come and really do the roads and make sure they were going to sustainable so that our people can access their blocks and access their agricultural right into the hinterland. That the company was Gromax, terminated, and I am working on a new group to be able to come and do the thing together – do the roading properly and ourselves we are waiting for machinerics too to be able to do the road linkages properly, even including the bridges where we are going to be crossing. So, I am aware of the problems that will come to the people living down at the beach rather and near the river.

Dinamu river is an interesting river. People who live next to the river and they got cocoa blocks along the river up there. They actually – some of the people use the river system as toilets and actually also as a dumping area for some of their rubbish. It happens everywhere and our people are our own worst enemy when it comes to our own waterways. We need to be educated and help us to be able to conserve and look after our river frontage. The cocoa goes right down to the water's edge.

Q: Mr Anis, that is something related to public health issues. We are talking about the forestry activity taking place, actual harvesting of or cutting or felling of trees and as a result of that, the land – soil erosion takes place if there are no proper ways to conserve or manage those - what has been cut off, as you say, correctly. If you wanted a road line, you will have to get forestry to allow that road line---



A: Yes.

Q: For an economy activity to take place. You do not just cut the forest simply because you want to set up a road line. You have to have---

A: Exactly.

Q: The Forestry authority must approve it for a specific purpose. It must be an economic corridor maybe to open up ways so the people who are out in the forest or in the areas where it is inaccessible to coastal can access those roads to bring produce and other things to the – not simply cutting for the purpose of saying there is a road line just to ship logs out of those areas to the coastline and for shipment.

A: Yes, I agree.

Q: So it involves more than that, simply to say that the people's attitude or behavior on certain things affect their – it is not that. We are talking about a heavy – a huge environmental issue here, and not only that. That environment even extends to New Hanover where corals have been destroyed for dredging, machineries left lying on the coastline, even the mangrove even affected.

You are talking about massive destruction to people's livelihood; even affects the coastline. I have seen it for myself and I am so concerned about why the company would put up jetties on the coastline without a care in the world about sago palms, mangroves, corals, all these factors. They do not care about the environment that people actually live and co-existing.

You can bring in economic development but it has got to be done properly and within the confines of the rules that we operate within. Those are issues that are still issues that these SABLs are now faced with. It is a very serious situation. Thank you, counsel.

[11.23 am] MR TUSAIS: Mr Anis, look, just on that point about the river, I was on the Namu river. You are saying, look, Namu village people they excrete into the river so even if one of my bridges collapsed, it does not really matter. They have spoilt it already. Is that what you are telling the Commission?

A: No.

Q: That is what I heard you say; they build toilets over the river or the river---

A: No, no, no.

Q: Or, the river is no good, to start with?

A They use the river for other things other than drinking water.

Q: Okay. Just as Namu as an example down to – we have seen these villages. We stopped at Himau village. There does not seem to be much flat land between where the beach is; you go inland, may be a kilometer at the most, may be a little bit more and then it rises. It is very mountainous. That is the main – that is the big bulk of Namatanai district. Is that where your SABL is located, I mean, where Tutuman has a sublease?

A: Not right up to Himau - yes, yes, I would say yes.

Q: There are not many people in those villages. They just live in that short strip on the beach. On the beach they live there and at the back, that is just mountains. It rises. It is not flat land. Is that your – do you agree that that is the physical condition or terrain?

A: Yes, that is all operation we go by Project Year 1 when we get approval for doing in each year, and we make sure that the Forestry-approved blocks of 500 hectares is for clearing. Where the mountains are - high mountain - there is a limit to where you can go with agriculture in the Forestry rule, so we do not go into those mountains. In fact you would not get your 500 hectares approved with the mountains and with those things in place, because the Forestry themselves will inspect and will insist that these is how – this is going to be done properly.

Q: But those mountains, that is where most of the land is. That is what I am basically saying. That is where most of land is. The other bits on the coast, that is already – it is a small strip and people's villages are there, their cocoa gardens are – a lot of it is already grown with coconut. Would you agree that that is the situation there?

A: Well, you yourself – I mean 9,000 hectares is good for cocoa. The other, not good for farming and the other hectares are inaccessible. So those inaccessible area, do not touch.

Q: Those are the ones, the mountainous bit?

A: Yes, the other ones at the mountains.

Q: Okay.

A: Those are inaccessible areas. We will provide you with the proper map of the area and you will see the inaccessible areas.

Q: We have seen – we have got those maps. You do not worry about the maps. You tell the Commission about what.

A: Yes.

Q: So those 9,000 hectares, that is the flat piece, that narrow strip that runs from Rativis down to Himau?

A: No, there are some going in hinterland. There are plots of landowners blocks that within - before you go right up to the - near the mountains, you have those blocks.

But in your actual operation, we have to make sure that each first block of 500 hectares are actually situated in a place or in an area that does not interfere or does not include those mountainous areas.

Q: Those mountains, they are covered with trees. The trees are there, those merchantable timbers. Is that correct?

A: Are you saying to me that I am interested only to go and log those trees in the mountains?

Q: Are you interested in those timbers, primarily, or - I will put that to you?

A: No, this is an agricultural project. Where ever we have 500 hectares, we clear fell and then we plant.

Q: Okay, yes. Mr Anis, which are your people in the agricultural team? Who are in your team, the agricultural team, just to go and carry out this project? Just say who are your workers, the ones who concentrate on agriculture, not the timber bit?

A: Janet Raurere helps out.

Q: She is a Forester.

A: She is a Forester.

Q: She comes from forestry background?

A: Yes.

Q: She will tell us later, but apart from her. She is not a DPI or Agriculturist. Apart from her, who else is in Tutuman to carry out these agricultural projects?

A: We have Imran who supervises the agricultural project. We had a DPI man working with us and since the operations stopped, he had to go –laid off.

Q: Give his name, please?

A: I will get his name later on because I am - I will give you the name of this---

Q: What is his first name? You cannot remember. Where does he come from?

A: He comes from the area.

Q: Which area?

A: The Namatanai area.

Q: Okay. Who else? Who else is on your agriculture for Danfu extension?

A: Commissioner, that is all the team that I have got; Imran, pluse all the landowner clan agents – all the clan Incorporated Land Groups themselves. We use the DPI people from Kavieng and Namatanai which assists us and

we also use DPI from Rabaul to come and check the progress of the report of the operation; Mr Tom Peni from Rabaul, who is regional – Mr Tom Peni

THE COMMISSIONER: Would Mr Maraleu know about them?

A: Yes, Mr Maraleu will know.

Q: May be he can tell us.

A: Yes, yes, yes.

MR TUSAIS: Just on your team, one of them, you do not know and the other one you say is Mr Husin. Mr Husin, we questioned him in Namatanai, and he said, Oh no, we go back to Kavieng and you ask the management there. Me, I am on business – “I have got degree in Business Administration” - or something. “I am just looking after the camp. What do you say about this explanation, and you are already putting him on your agriculture team. He said, “I do not know anything about agriculture.” Do not look at him, you tell the Commissioner.

A: Yes, we are going through transition. We are going through this period of transition. As I said to you, we got rid of the company and we have stopped all the operation except to continue to keep the nursery and keep the agricultural side with the landowners. Eventually, when we start again, we will be getting our agricultural team to work together with the DPI officers from Namatanai.

11.33 am] Q: Look, Mr Anis, I am asking you these questions because people are saying that Tutuman is not really serious about agriculture. Its main concern is to cut those trees; those ones on the mountain there. Agriculture, you are just pretending to maintain the necessary - I will put it to you directly. What do you say?

A: No, I am saying that there is – we are not interested only in timber, we are interested in agriculture and we have to refine our system according to these land development scheme that I produced way back in 2001 so that we can continue with the development of the agriculture and re-forestation.

The other part of the agriculture is the re-forestation and the re-forestation, you do clear felling and you plant which we have done, and then we do enrichment planting - enrichment planting meaning, yes, you go

into those areas near the mountains. You select your high valued species and then you cut your strip and then you do your planting to improve with the forest.

Q: But that is for your interest, is it not? You will come back in five, six, 10 years' time, whatever time it takes for those trees to mature, you cut it again and you and you ship it. That is for your interest.

A: You are very confident that I am going to continue to run this business for the next to five to 10 - sorry, yes – no, it is for the interest of the resource owners.

THE COMMISSIONER: Silence at the back, please. Sorry, Mr Anis, if I would just remind. Please, let the witness say what he has to say. He is entitled to say it. If we can have some quietness at the back, thank you. Okay, Mr Anis, you proceed.

A: Not for my interest only. It is for the interest of the landowners, all the incorporated land groups because they fully participate in these particular programs; agriculture and forestry programs and project.

MR TUSAIS: But those landowners are simple villagers. They do not have the machines Tutuman has. Is that true?

A: Yes, of course, they do not have the machines that I have. But they – we have signed agreements with them to work in the area.

Q: That is why I am saying you are planting those trees so you can come back and harvest them again?

A: Yes, you can say that, with the landowners.

Q: All right.

A: For their benefits.

Q: Okay.

A: And for our benefit also as a company.

Q: I will also put this to you that those replanting of trees that is forestry. It is not agriculture. It is not agriculture. This list is for agricultural purposes. Where is the agriculture bit, you tell me?

A: When we submit our document on integrated agriculture and forestry project. It is not just agriculture, it is also with forestry. But yes, we have to – we are concentrating on agriculture but I maintain very strongly that if you cut one tree, which I am really serious about, we have to plant three trees to, alternatively - in addition to your agriculture plantings, you have to plant other trees to improve the forest also. That is why we are going to re-forestation, clear felling and to enrichment planting as well.

Q: Okay. Apart from your fellow Husin at Namu base camp, how many other foreign workers, do you employ down there?

A: I think seven.

Q: Okay, total of eight.

A: At the moment when the – when we are at this stage, but it could change.

Q: Change meaning you could bring in some more?

A: Or you could reduce some if – it depends on how you do it.

Q: Your man Mr Husin gave us all the work permits and all of them their job description is about forestry; they are forestry experts. And you brought these guys in three months, maybe three months, four months ago. Apart from Husin, none of those foreign workers are here to do any agricultural activity. Is that right? Just answer so it will be recorded.

A: Yes.

Q: So they are getting ready to do forestry and logging; carry on from where you left off?

A: No, we – they are ready to assist us with both agriculture and forestry, yes.

Q: Those guys are ready to assist you with agriculture?

A: No, with the forestry side, yes.

Q: With the forestry. They are just to cut trees, not to plant cocoa. You say yes or no?

A: No.

Q: What is your answer for the record?

A: Yes, those guys yes, for forestry for clear felling.

Q: All right, we will leave Namatanai. We go to your island now, New Hanover. Your first landing at New Hanover was at Tabut. Is that right?

A: Yes.

Q: It was at a harbour called the Three Sisters Harbour?

COMMISSIONER MIROU: Three Islands.

MR TUSAIS: Sorry?

THE COMMISSIONER: Three Islands Harbour.

MR TUSAIS: Three Islands - Three Sisters, yes, sorry. What is that harbour?

A: Three Islands.

Q: Three Islands Harbour.

A: Yes.

Q: When you landed, there was a village there?

A: Yes, there was a village there. We landed after---

Q: What happened to the village?

A: The village is still there.



Q: You tell me, what happened to the village when you landed?

A: What, we---

Q: Did you tell them to move inland?

A: No, we never told them to move inland. We landed and they were there.

Q: Okay.

A: On one side of the village, which is there are no houses.

Q: Your log pond is on the other harbour on - how will you say it - you come back this way. It is the first one before you go into the Three Islands.

COMMISSIONER MIROU: Mamirum, Mamirun harbor.

A: Mamirum harbor.

MR TUSAIS: Mamirum. That is where your log pond was built?

A: That is where the log pond was, yes.

Q: So, why you land at Three Islands Harbor?

A: We had to land at Three Islands Harbor because the people of the area agreed to us to come in and land at Tabut; the leaders of the Tabut village.

Q: Okay. What was that agreement? They said you cannot land and what? You will do what in return for what? Just tell the Commission what you agreed?

A: Actually, we landed and they wanted us to assist with the road and to clear the area so for resettlement; the mangrove there for them to resettle; to build their houses.

.1.43 am] Q: They will build their houses?

A: This was not - this was before the FCA - this is before the SABL. You are asking me questions when there was Timber Authority for agriculture; Timber Authority for a road line. These are smaller TAOs. That was way before the SABL was granted.

Q: Yes, so, you---

A: So you – no, that was way before the SABL, the Special Agriculture and Business Lease was granted. Should I answer these questions?

THE COMMISSIONER: Mr Anis, yes.

MR TUSAIS: Maybe I will---

THE COMMISSIONER: Rephrase.

MR TUSAIS: Yes, rephrase. You are only supposed to cut logs within that Mamirum area; that is---

A: No. We were only supposed to cut logs when the Forestry approved the road line Timber Authority or agricultural Timber Authority approved. We had to – when it is approved, you have to pay up 10,000 for one TA which is 50 hectares, that is, the license. Then we had a bit of scuffle with the - again, internal squabbles with the landowners and Mr Marius Soiat come in and help me to move the machineries to his plantation; Mamirum Plantation. That is where the log pond is now or was. Now, no more.

Q: That is where you originally intended to land at Mamirum Harbour?

A: Yes.

Q: But you went past Mamirum and you landed at Tabut and then you had to build a 12 kilometer road all the way into the bush just to come back to Mamirum. You explain that. You landed on the wrong spot; you built a road. While you are building that road, you are cutting down trees for 12 kilometers and then you come and you arrive at that spot where you are supposed to land at the first place?

A: Yes, we landed in Tabut and we got the – we had to build the - I mean, New Hanover, this area does not have any roads. So I wanted to put some

infrastructure into the area so people can move and that is why we landed there and then we got the approval to move the road back to Mamirum.

Q: You are not the government anymore. This is your company Tutuman. I mean, what is your business going to build roads?

A: Yes, that is the problem. I have been - I am not in government anymore but I always – I have been doing a lot of other government - assisting from my company doing a lot of things that the government is not doing to my people.

Q: Out of the goodness of your heart?

A: Out of the goodness of my heart.

Q: These people in Tabut they went inland. Now, their village there - they used to live there is no longer there. They said you came and you told them to move inland.

A: I was the second person to move into Tabut. The first people were MOI, Malaysian Overseas Investment which worked under the TRP. They moved in and cleared the place. I just came in and moved in the area that they already cleared. I do not know. And then I moved the – I built the road.

Q: And then you built that 12 kilometer road just to get back to Mamirum?

A: No. To get back to Mamirum, I had to get the agricultural Timber Authority approvals, areas for us to clear and for that another agricultural TA, Timber Authority.

Q: That road we went and saw it yesterday, it is big bush. It is like a little track.

A: Yes, the---

Q: I am just saying, it is a big bush.

A: Yes. I have not completed all the paper work for the FCA for Mamirum. It is just getting the Special Agriculture and Business Lease. I have to complete the process which is the environment plan and things like that and

then get the forest clearing authority and then move into Mamirum after Central New Hanover.

Q: From that road that you built, how many shipment of logs did you make?

A: Commissioner, I do not have the figures with me now. But we can organize to---

Q: Just roughly, how many, one or two or?

A: I would rather be exact so I can give it. It was already finished. That project is finished so I can give you the full list of shipments.

Q: Just in 2008 around that time, those prices, how much would a shipment of log is it worth?

A: 2008; yes, that again, I can provide later on.

Q: Just tell us roughly. You are a businessman you should know this off by heart.

A: I really cannot – I will have to get the facts properly, where I go through the records, Commissioner.

THE COMMISSIONER: In addition to that, the villagers tell us that the company was supposed to build a new church and a community school. We see no evidence of that when we visited the place yesterday.

A: Under the Timber Authority, we assisted the church but we did not go into build the church and because we had to fold up and we came out of the area.

Q: The community school now is an empty vacant area?

A: At Tabut?

Q: Yes, where the actual road line was built?

A: There was no approval for a community school in Tabut. It is an elementary school.

Q: Yes, elementary school.

A: So the elementary school was built after our time. I really have not checked whether there was an elementary school. The only schools that I know of when I was – when Dominance was in Umbukul which I will go to - they have constructed the churches and community schools and so on. But this one, we did not stay there for long enough; not too long.

Q: Are you also aware that a creek that normally provides water source to the villagers, Tabut villagers was also dried up as a result of that road - clear felling of trees to make that road from Mamirum point. Did you know that the drinking creek was also dried up? It is just in that area where the church is.

A: Yes, that was the area they asked for us to help to cover so that they can do – they can relocate some of their own houses.

Q: I mean, with this 12 kilometer road line from Tabut village to – it is outside, actually outside the TPA - the forestry area that you are supposed to land your equipment?

A: The timber road line Timber Authority. Yes, there was ---

Q: Are you able to produce that---

A: There was already a road by MOI before which we upgraded for some distance and then we moved the – we moved on to go to Mamirum harbour from that road.

Q: Did you also clear fell any trees further inland apart from that 12 kilometer road to Mamirum harbour?

A: In the Mamirum Plantation, yes, a few other Timber Authority areas, yes.

Q: That is outside of that timber purchase rights zone as this map indicates?

A: Yes, that ---

Q: The actual forestry area is marked in the Mamirum plantation area but it serves well outside of where Tabut is situated; if Mr Pedi Anis could be

shown this map? That is from the evidence that we have received from the villagers from Tabut.

Where you see what I have highlighted is actually where the landing took place at Tabut village and the 12 kilometer road line to Mamirum Harbour. That is well outside of that forest?

A: This Mamirum is a plantation.

Q: Yes.

A: It is not a forest area. The TRP covers the whole area; the TRP. Mamirum is just a plantation. We had to have - even going into plantation, you have got to get a Timber Authority, or even if you go outside anywhere in customary land, you have to get the Timber Authority, yes, and we have some TAs also on this area.

Q: Did you get a section 90B a road line permit to clear fell 12 kilometers?

A: No, the ---

Q: Do you have such authority from---

A: Yes, we have the road line authority to produce a road here.

Q: If you can provide that to the Commission.

A: The company before built the road; we had to upgrade and then we have a road line, yes, to go from that road to Mamirum. Yes, we will have the records; you can check, yes.

Q: Are you able to produce that; that authority from the Forest to clear fell 12 kilometers?

A: Yes. We can---

Q: Not only 12 kilometers but further clear felling of trees right into the back lands. There were some activities?

11.54 am] A: Yes, there were Timber Authorities and so on, the main road line.

Q: Are you able to produce those?

A: Yes.

Q: If you can produce it to the Commission to say that you had an authority from the Forestry Department to allow you to clear fell 12 kilometers to Mamirum Harbour from Tabut village?

A: Okay, yes.

Q: Also an environmental permit to allow you to come into Tabut village. We are talking about coral; coral sea and mangrove surroundings on the coastline, even the villages itself. Are you aware of those activities that completely wiped out Tabut village?

A: Yes, let me put it this way. The first company that entered - the Malaysian Overseas Investment - I had no idea about them, but they were the ones that went and asked the people to go away and they had the first log pond - they used that area as a log pond. I just came in later on.

Q: So why did Tutuman come back to the same place to do the same thing that MOI did? Why?

A: I thought that it was already okay for us to come and establish our camp and start from this side so that we can move the road infrastructure back to Mamirum and – yes, back to Mamirum because it was already an area that - it was already cleared and ready to move in.

Q: Mr Anis, do you still have any interest in that area as of today? You still have an interest - Tutuman has an interest in Tabut village and that 12 kilometer extension that you have created?

A: Yes, when I apply and get my FCA, I want to be able to come back and see what we can do for this particular area in upgrading the road.

Q: Yes?

MR TUSAIS: Why did you build the road? We are still on the road, Mr Anis. What purpose did you build the road? This is from Tabut village. It goes in, curves and comes back to Mamirum?

A: The main purpose of we building the road is to access agricultural land in there for people and also to be able to get people from the area to start working into – get interested in agricultural development. This particular side of the island was from Tabut back to Kuas and those areas, especially the Tabut village. We needed to energize the people to go into agriculture with their own leaders and landowners and to access the agricultural potential areas.

Q: Okay. Could they do that without that massive road you built?

A: You know, once you grow cocoa and coconut in the bush, it is very hard to bring your produce to market, say cocoa fermentries. You really need road infrastructure to get these things done.

Q: There are no cars there around Tabut. When we went it was really silent except your cars further down the road – further down where your logging project is going on.

A: And as I said, we stopped Tabut - we moved away from Tabut. We got an FCA, Forest Clearing Authority, on Central New Hanover and we are working on Forest Clearing Authority for Tabut, Mamirum to go back to do agriculture.

Q: It is just that your road, no one is using it to do agriculture that is where I am coming from.

A: Yes, no one is using it also to access to move around in the villages or to move to other areas.

Q: What were you thinking when you built that road. You said after I build this road, these guys from Tabut, they will be driving around on it or walking on it or what? What did you - your vision - you tell us and we hear?

A: I was thinking that the government will come in and put a tractor so that the people can use it. The government never put tractors there when I went away, and they can help with the vehicles also. The government never---



Q: Did you ask the government for a tractor? Did the government say they are going to give a tractor before you went and built the road?

A: No.

Q: You just built it and say, maybe they will give us tractor or not, I will just build the road?

A: I built the road for access and also access to the main agricultural land on New Hanover and especially this area. People cannot use the road and go and cut and plant now after I have left because they do not have - I mean, I do not know the extension services or the government services in agriculture now, but I am ready and prepared to go back and make sure that road works and make sure there will be trucks and cars on that road.

Q: Just mainly to cut logs or to do what?

A: To do agriculture and to get agricultural crops and also – yes, also logs in when we clear fell to plant.

Q: Just look at it from this perspective, Mr Anis. I know is people want to do agriculture, they can do it on a small scale, a small plot of cocoa, carry it on their shoulder and come down to Tabut village, dry it there and put it on the dinghy to come into Kavieng town. Is that something that the people can do themselves without your great big road?

A: 300 cocoa planted in one area which is less than a hectare. 300 cocoa is less than a hectare. A hectare is 725 trees hardly enough to give the farmer economic impact for his life, for school fees, for iron roof for his housing and for other indicators of wellbeing that he will want to go into. 300 cocoa trees cannot do.

We have to impact. If there is any impact on the rural community, there must be more than 300 trees and done properly using the skills of DPI and using the resources of the private sector and using the National Government, Provincial Government, Local Level Government, I am sure we can be able to make an impact by a big project more than 20 hectares, more than 30 hectares, more than 50 hectares that will make an impact on the lives of the people.

They have been planting cocoa on my place for so many years; 300 one hectare, one hectare; and that is not even enough for a fermentary.

THE COMMISSIONER: What about the proceeds from the sale of logs?

A: There is a – sale of logs, the proceeds we pay the landowners. I think at that time was about K20 per cubic meter for royalties. It depends on the various species. We can get that information when Janet comes. And then also of course, the government takes 40 per cent of the export. There are levies for - forestry levies and other levies.

MR TUSAIS: Commissioner, it is bit after lunch. Perhaps we adjourn and come back at 1.30.

THE COMMISSIONER: Yes.

MR TUSAIS: If Mr Anis could kindly return and complete his evidence in the afternoon.

THE COMMISSIONER: 1.30?

MR TUSAIS: Yes.

THE COMMISSIONER: Mr Anis, it is lunch so we will break. You are still under oath. That means you do not have to discuss any of these with anyone until you come back at 1.30. So we will continue with your evidence. We will adjourn for lunch, resume at 1.30.

**THE WITNESS WITHDREW**

**LUNCHEON ADJOURNMENT**

1.32 pm] **PEDI ANIS, recalled:**

THE COMMISSIONER: Thank you counsel. When you are ready or maybe Mr Anis - thank you.

MR TUSAIS: Thank you, Commissioner. Mr Anis, we will continue with your evidence. It will not be too long; we are almost done. We were Kaut TRP, not TRP, excuse me, SABL Kaut, to Kaut Limited.

A: No, Tabut, sorry.

Q: Excuse me, Tabut Limited, thank you. You have noticed that my question today has mainly centred around the agriculture bit. At Tabut, you applied for a FCA, Forest Clearance Authority from the PNG Forest Authority?

A: Yes.

Q: In order to get a Forest Clearance Authority, you need to convince the PNGFA.

A: No.

Q: About your agricultural plan?

A: We need to get the Department of Agriculture to go through the documentation and then upon public hearing on the area, then goes to endorsement by the Secretary, Department of – DAL – we have got all the compliance – and then he sends that to Forestry.

Q: Thank you. Have you done that? Have you put forward your agricultural proposal for clearance or approval by DAL?

A: We did it for oil palm but because we are changing crops from oil palm to rubber, we have put to DAL the – first we in order to change - after the DPI Secretary approves the agricultural plans, if there is going to be a change of crop there must be another investigation to be conducted on the area by government people, scientists plus other experts in soils and all those people. Then it goes back to DPI Secretary in Moresby, armed with the investigation report then he can endorse the change of crop from oil palm to agriculture toward rubber which has been done.

Q: But, initially you were planning to plant oil palm?

A: Yes.

Q: You think Tutuman has the capacity to plant oil palm in the Tabut Limited SABL area?

A: No, but Tutuman can engage another company that has the capacity and the expertise. Tutuman does not have the expertise for oil palm. We were going to engage an oil palm company which we did but this particular engagement did not - fell through; it was not carried

Q: Mr Anis, but that is the thing, the developer has to have capacity to implement whatever proposal it puts forward. Do you understand what I am saying? The Forestry Act section 90, the relevant part says whoever plans to get the FCA must have capacity to do the agriculture bit. The FCA depends or is reliant on capacity by the developer which in this case is Tutuman Limited.

A: Yes, I take a different view, Commissioner, that I hold the sublease and together with the landowners, we get the developer that has the capacity, the experience and the resources to be able to help us; and then we will enter into a project agreement with the landowners for a project of this magnitude.

Q: Before you appointed a sublessee by the people of Tabut through the umbrella company Tabut Limited, did you tell the people that you would plant oil palm?

A: Yes, there was a project documentation that we submitted that went through public hearing on oil palm and it was reported by - and DAL went through this public hearing with us. As I said Commissioner, our people change their oil palm due mainly to the fact that 90 per cent of people working in Poliamba come from New Hanover; and 90 per cent of those from New Hanover come from central New Hanover and Tabut.

Now, their experience with oil palm is that it brings a lot of flies and New Hanoverians do not like flies; they hate flies, and it brings a lot of snakes. They are frightened of snakes; and it does not help to improve the soil fertility and they themselves do not want - they will rather work for the oil palm factory or oil palm company somewhere else but they would rather have a different crop on the island which, based on that and a lot of our

people also from New Hanover, academics, did not agree with the oil palm and also our CCI people. So we had to engage a group of scientists to again, go around the island and we proposed to do rubber an integrated agriculture project changing from oil palm to rubber. That is what they did and we have the documentation that they have done which was endorsed by the Department of Agriculture for a change of crop.

Q: You say 90 per cent of people from New Hanover do not like flies, do not like snakes so they did not like oil palm?

A: No, not 90 per cent from people of New Hanover. Yes, I would say the majority of people on New Hanover, but I have given you the statistics to say that 90 per cent of all the people working in Poliamba on the main land, Lakurumau and those plantations come from New Hanover. 90 per cent of those from New Hanover come from Central New Hanover and Tabut.

It is to these people that we have to go and do another documentation so that at least, people will tell us whether toktok blong ol i tru o i nogat, so that they produce also their report which - it will come I think when the lawyer comes to table later on.

1.42 pm] Q: So, you are not really serious about planting oil palm. Is that what you are saying?

A: No, it is gone now, finished. Oil palm on New Hanover gone; no more. It is a new crop, rubber.

Q: Okay, if you followed through and planted oil palm, where would you mill it?

A: Commissioner, is that important? Is that an important question to ask---

Q: It is important. It was your---

A: When the oil palm is already not a crop?

THE COMMISSIONER: The counsel is asking you if it was oil palm. If you were to plant oil palm, where would you---

A: Mill it.

Q: Plant, yes. Where would you---

A: We will mill on the island, yes.

MR TUSAIS: In which mill?

A: We will build our own mill.

Q: How much for a mill?

A: At the moment I do not know but it would be close to, I would say, about 1.2 million for a good size mill. I really---

Q: Okay, I will tell you Mr Anis. People at the oil palm research, copra experts there, people that know a lot more than you and me and a lot of people in this room, they say for 10,000 hectares which would make it economical to grow oil palm, you would need a mill and that mill alone will cost K40 million. Do you accept that as maybe a starting point for a mill?

A: Yes, I accept that as a starting point for a mill, but---

Q: That is just for the mill?

A: Just for the mill?

Q: Yes.

A: This is a business, special agriculture and business. When you cannot build a---

Q: Would Tutuman have the resources to follow through and at least buy that --  
-

A: That is what I am saying. The main thing is we have the sublease. We go out together, look for investors - if I do not have the capacity - and then we go into a business arrangement that would be able to bring in a company, that is, as business arrangement, we will be able to do the milling. If we can, we will raise the funds and we will do it ourselves. But if we cannot, this is a business area which can be done.

Q: Mr Anis, I disagree with you. I will say this. You would have had the capacity before you got - became appointed as the sublessee as the developer that the company, for example, Tabut Limited appointed because the agreement would have already been in there based on your capacity and your company's capacity for agriculture. That is a simple requirement for SABLs, Special Agriculture and Business Lease and if you want to have an FCA that is the bottom line. You either can develop the agriculture projects; if you do not, FCA will not be granted. Do you agree, disagree, just tell the Commission?

A: In the schedule of plantings, it would take you at least four to five years before you go into the serious discussions on the milling aspect of the project. At that time then, you would be able to raise the necessary funds and the kind of – the capacity of the mill depending on the start plantings you already planted. That would be down further at the third, or the fourth or the fifth year. The previous oil palm document will - did outline the planting schedule and these nitty gritty of milling.

Q: We leave the oil palm. This rubber, have you identified which land areas you are going to plant rubber on in Tabut? We are still on Tabut.

A: Tabut, we do not have an FCA yet. As I said, we are Tabut, Umbukul, no FCA. The only FCA we have is central New Hanover and depending on all the other requirements for a FCA then if that comes about, then we already with the landowners identify the areas for rubber. But, yes, I will give you a map, basically for commissioner's interest, on the outline of the island's proposed development. Maybe I give it to you to have a look at it and then I will just speak on it as you see.

THE COMMISSIONER: We need to exhibit it?

MR TUSAIS: I forget, sorry. Maybe PA1.

THE COMMISSIONER: It will be exhibited as PA1. I will accept it as an exhibit.

**EXHIBIT PA 1 – MAP OUTLINE OF PROPOSED DEVELOPMENT ON CENTRAL NEW HANOVER**

A: All right. This map, Commissioner gives the direction and thinking and the vision and the plan for the island for the future having portion 886C, portion 885C and portion 887C, Central New Hanover.

If you look at the map, the agricultural area in green is for the rubber plantation areas. These are general that when we go into the forest working plan, annual plan, block allocations, those are the fine tuning of this map. But just to give us the general idea on the island. The forest management area is that area up to the mountains and the area in---

THE COMMISSIONER: More in the centre here.

A: Yes, one in the centre that is not coloured.

Q: Yes.

A: The area in blue is the biodiversity area. We understand that a lot of birds come from Mussau and everywhere and they come and overnight on New Hanover before they go elsewhere. So we have to preserve the - middle of the island is a biodiversity; no-go zone even for mining, even for roading, so that where all the water of the island comes from - all the water supply for the island comes from this biodiversity area.

Where there are rivers in Tabut and Central New Hanover, we have buffer zones so that we go in line to protecting your - and also areas where your snakes and all these animals can go right down to the sea undisturbed.

In this map we have the existing road and then we propose a trans island road that does not go through this biodiversity area or does not go through in the middle of the island, but it goes around opening up the agricultural land area on New Hanover. Not all the areas are going to be developed for agriculture. Only those areas that have been soil tested and we have sent scientists to do soil test and they have given us all the results and all the documents are in place for the – with the soil test.

So I want to tender this as my plans for the island under these three FCA area. Thank you. And if I can go through Tabut itself and - sorry, sorry---

Q: Maybe, counsel will complete his questions.



MR TUSAIS: Maybe we leave this map for a bit.

A: Yes.

Q: Let us just finish what we are talking about first. Just before we go, this map, you discussed it with the people of New Hanover; this is your scheme.

A: Yes. The chairmen of the various companies who are - the companies have their incorporated land groups who make up the landowner company. That is discussed in detail and discussed at length extensively.

Q: There are areas in the Kaut SABL which do not have trees, they have been cut down. Some have secondary growth, others, there are no trees. Is that right?

A: I do not have any more dealings with Kaut SABL; best talk to Paul Taun and them, not Pedi Anis.

Q: So you are the sublessee.

A: No, I am not the sublessee in Kaut.

Q: Sorry, Tabut?

A: Or SABL.

Q: Tabut.

A: Tabut, sorry, sorry.

Q: I keep mixing it up, yes.

A: You are confusing me, sorry.

Q: Sorry.

THE COMMISSIONER: It is Tabut.

A: Yes, Tabut, yes.

MR TUSAIS: Are there any areas that are not covered by forest?

1.52 pm] A: In Tabut?

Q: Yes.

A: This area was logged out by Malaysian Overseas Investment and when I entered this area, I got Timber Authorities and road line timber TAs to do the road and to get our people to start energizing them into agriculture. So, yes, there are log over - there are re-growths that when we get the 500 hectares approved under the FCA, then we clear fell.

Q: Yes, okay, leave the further clearing. You said, you cannot plant a cocoa tree on top of a tree. That is because the tree is standing and you need to cut it?

A: If you---

Q: That is what you said.

A: Yes.

Q: You said you cannot plant cocoa on top of a tree.

A: If you had a house and you had a nice ton tree next to your house and you wanted to build another house – permanent - you have to make a decision whether you will cut the nice ton tree and build your house or you just leave the ton tree there and forget your house.

Q: Sorry, I do not get your picture. But look, there are areas where you do not really need an FCA. You can plant your cocoa trees, you can plant your rubber trees without cutting down trees. That is what I am trying to ask you.

A: Yes, you can. There is no – in fact, the landowners ILGs will have – they will go in and identify their boundaries. There will be areas they themselves will decide to grow rubber - areas themselves that according to their executive and their management of each incorporated land group - they will free up for the estate - mini estate development which we will do clearing. Yes, this is a fine tune, finer details that needs to be worked with the forestry, with the agriculture and with the compliance to the FCA conditions - and terms and conditions.

Q: Even whilst you are waiting for FCA you can develop that area, you know, you can develop it agriculturally?

A: Yes.

Q: Are you doing it?

A: Yes.

Q: While you are waiting for FCA?

A: Yes, and I will – I want to tender this document also for Tabut giving the background to the production of the document that I did in 2001 for New Ireland, land development scheme for New Ireland Province, and all the activities that has been done up to today. And the agriculture, number of polybags distributed in the Tabut area total 25,000.

There is one fermentary that Tutuman Integrated Products has built on a loan. When they sell to me, they repay and then they have their fermentary. I also have pictures of the blocks that we managed - we started with Boski and other blocks and yes, we are continuing.

We are doing agriculture and assisting the people with polybags. Where ever they need extension, because the local government do not have loan scheme to have funds for extension and they come to me and I help them with petrol so they go around and talk to the people of the island and especially to the farmers on the island.

But may I say this? It is very, very hard to do agriculture without proper extension and proper infrastructure and assistance from the government. In order, to change the rural economy, it is my contention that these governments have really not understood and not gone down to the rural areas to mobilize the rural economy. This is our way which I will have some time to outline the land development scheme in a big way that will make an impact with the other infrastructures and so on, on New Hanover.

So, yes, I will tender in this document for Tabut giving you the agriculture to date. I do not have an FCA but we are starting to help the people through

their local company to be able to organize themselves for the event that an FCA comes approved, which is we are in the process of doing.

Q: Just before we decide whether to accept this or not, when was this done, this report? When did you put this report together?

A: That is the---

Q: This one, when did you do it?

A: This report?

Q: Yes.

A: About two weeks ago. All my statistics on cocoa polybags, everything was always in the system and separated by SABLs.

THE COMMISSIONER: Mr Anis, this will be PA2, a report on Tabut Limited portion 885C, Milinch as Lavongai, Fourmil Kavieng.

**EXHIBIT PA 2 – REPORT ON TABUT LIMITED, PORTION 885C, MILINCH LAVONGAI, FOURMIL KAVIENG.**

THE COMMISSIONER: Just taking from where counsel has asked you, why we ask is because Mr Anis, as you are aware, this is a – Inquiry commenced its work in March this year and there was request for information to be - submissions and information to assist the Inquiry and this information could have been at least submitted to the Inquiry in Port Moresby or when we came here on 24, at least this information could have been given to counsel to ascertain and verify with other sources as to ---

A: Yes, I was under the impression that when I come before the Commission, then I submit this documentation and that is what I am doing. There was a misunderstanding on my part.

Q: We will consider your submissions here and if there is a need to require further calling of you to discuss these materials, we will inform you.

A: Thank you.

Q: Thank you. Yes, Mr Tusais?

MR TUSAIS: Okay, Mr Anis, we leave Tabut. We go to central New Hanover.

A: Counsel, if you can go to Umbukul first because there is no FCA there, and then we finish with Central.

Q: We will go to central New Hanover, Mr Anis.

A: Okay.

Q: You landed at Konamatalik village?

A: Yes.

Q: When you landed, what, did you land peacefully - when you landed your machinery to cut the logs?

A: That landing was not peaceful.

Q: You tell the Commission what happened.

[2.02 pm] A: There was a disagreement by the landowners over the log pond area and the wharf area.

Q: They put a gorgor up. They said, Tutuman,, do not come in. That is it they blocked it with a gorgor?

A: Yes, there was a gorgor which I asked the people of the area themselves to go and talk and see if they can remove the gorgor.

The gorgor in Lavongai is not a custom of New Hanover. Gorgor is a custom of the Tigak areas and the Kara and the Nalik. In New Hanover you have a different thing. But, yes, it says the - almost say the same thing which is to stop until we talk first before we---

Q: Yes. So you brought some policemen from Tomaringa barracks and they removed the gorgor for you?

A: No, the landowners, together with the police, removed the gorgor, yes.

Q: These police, where were they from? Were they from Kavieng or from elsewhere?

A: These policemen were from Rabaul.

Q: These are the riot squad at Tomaringa barracks; the dangerous type of policemen, not the normal constable. You brought them to Konamatalik to remove the gorgor?

A: Not really to remove the gorgor but they going in to make sure that we have peace on this area for the landing of the machineries.

Q: So why did you not bring the Kavieng police over, they are close by?

A: Kavieng police, we could have brought them. I do not want to say anything further. We chose to get the Rabaul people across.

Q: Was it because Kavieng police previously when you brought them they tried to make peace amongst the disputing party?

A: No.

Q: Because a lot of policemen here are from New Hanover too. So they went and they said, hey, guys, do not fight, you shake hands and try to make peace.

A: No. Sometimes the police in Kavieng, they - anyway, they are not very impartial. But, anyway, the point is, I did not really trust the, bringing the police from Kavieng. And I needed to have the understanding with the peace and good order committee which is now being understood that any police action would have to be agreed to by the Kavieng police to get them from outside.

Q: But at that time you were not satisfied with Kavieng police so you brought in these dangerous policemen from Tomaringa who did not know these New Hanover people and told them to mekim save and said, get rid of these trouble makers. Is that what you told them?

A: No, I did not tell them like that.

Q: Was there any shooting incident when you tried to land your machine and removed those gorgor?

A: No, no shooting incident. The shooting incident which had been broadcasted throughout this nation happened only when I terminated the contracting company that landed their machines Gromax, who was a party - who was a partner to Palma Hacienda and they went to the National Court in Rabaul claiming that those machineries belonged to them. They got an order for me to release those machines to them, the Gromax company, Palma Hacienda.

I could not release the machineries to them because the machineries belong to Tutuman not to them. So I asked my lawyer to go to the Supreme Court and get me an order to get my property back which the Supreme Court granted. And then armed with the Supreme Court order, the police went in but this time the group of Konamatalik splinter group or opposition group organized themselves and they decided to stone the policemen for bringing my court order to get my machines and my tanks to the new camp site at Meteiya. And because they stoned one of the policeman, the policemen retaliated and shot two of them in the leg.

Today, I still got my tanks - my fuel tanks in Konamatalik. I cannot access them even with the Supreme Court order with the police in Kavieng.

THE COMMISSIONER: You know why the villagers were acting in that way?

A: Yes. One of the landowners Kanai, he is a Chairman of his ILG. Masalai was also one of the landowners. He is also an executive of his own Incorporated Land Group. They developed relationship with the Gromax, Palma Hacienda Group of Companies which are subcontracted to me and I terminated them and they continue to act on behalf of Gromax and Palma Hacienda with the help and financed by the principal of Gromax, JohnHee and they were creating this problem on behalf of themselves and on behalf of Gromax and Palma Hacienda.

I actually told Kanai that, your ILG, you signed everything. You agreed to do all these things but now you are turning back on your previous agreements even Masalai, who was the public relations officer for Gromax, now he turned around again because I was the one that brought them in. I

terminated them because they went in building the road, yes, but they cut 17,000 cubic meters of logs without my FCA. I never got - granted the FCA without five year development plan approval, without annual plan approval and without block release, and without log tags. There has never been a shipment from New Hanover from Konamatalik up to date.

So I was shocked. I was in Moresby following up compliance with DPI and all these. I come, I got shock and then I called an emergency board meeting and I terminated Gromax. Then they said if we cannot be in central New Hanover we will make sure nobody else goes in as subcontractors. And I have had hell and fire from that day today.

Q: While you were at Konamatalik, you had already started cutting trees, you have already cut logs?

A: No, this is what I am trying to say. I gave instruction to this company to help me upgrade the road from Konamatalik to Taskul so that government services can come. And that is all. The road was about, I think 30 kilometers from Konomatalik to Taskul.

This was on old road; they just upgrade the road. Without my knowledge they went in and talked to the ILGs and then they start cutting logs without the Forest Clearing Authority licence and without all those things that I already said.

Q: So it was not Tutuman who cut the logs.

A: It was not Tutuman who cut.

Q: Those logs that are rotting away at Konamatalik?

A: Yes, those logs, I actually had to go before the MD and sat with the Lavongai Local Level Government and I said, these logs cannot be sold now because they were cut before the FCA and I hand it to the Local Level Government for projects or around the area. So local government owns those logs.

The only problem is local government now cannot access those logs. I cannot access those logs to cut and help the local government with my sawmills because Masalai, Ismael, Passingan, Kurus and all those people



together with their splinter group do not allow me to go in even when the Supreme Court gave me an order to go and get my stuff.

2.13 pm] A: And this will be cleared further by the lawyer when he comes for his session with you, Sir.

Q: Okay. So, from Konamatalik you moved further up the coast to Meteyai village?

A: Yes.

Q: That is where you established camp and you have a number of logs waiting for shipment?

A: Temporary. This is temporary jetty because I could not move my machines through the road because they were blocking me. So I had to come around. The machines were already here but for the tanks, I have to go from the beach front.

So there is a temporary jetty at Meteyai consented to by the ILG incorporated land group of Kilkil Muma clan and only temporary and also a temporary camp site with skid houses awaiting the compliance of forestry to give me approval for a log pond and a camp site, which then I can construct permanent buildings.

Q: Will you construct a permanent jetty also?

A: Yes, definitely.

Q: What would you use?

A: I am in business. I want to make business; permanent jetty and a proper market for the people of the island. On Saturdays there are over 24 boats or over come to that area you arrived at for market and it is not very good. When the operation comes, they are going to have to do a lot of activities; small kids may be killed. So that is why, I also sat down with the ILG and in their executive to allow me to drench and the material for the road material, there is no gravel in central New Hanover to gravel the road and then to also open up that area for all the boats to come in and we will build a market, permanent, on the other side of the log pond where all those new

location, permanent buildings are built today for market for our people; from Waisabambam down and from the Soi Island across.

Q: Just on that bit about gravel, there is no gravel so your company has been digging up the reef to get coral.

A: No, this is a Special Agriculture and Business Leases. Any other developments we want to do, we have to sit down with the Incorporated Land Groups executive and they gave us consent to do what we want to do if they agree. If not, then we do.

Q: You just answer here. Did you dig up the reef for material like gravel to put on the road and your jetty?

A: I just told the Commission that yes, one of the reasons is for the materials and the other one is to open up a passage for the people to come in from the Soi Island groups for market that is going to be safe away from the log pond.

Q: Is that why you destroyed that reef?

A: I do not know whether I destroyed the reef.

Q: It is no longer there. It is sitting on your road and you filled up the swamp, those mangroves and sago trees. That is where all the coral is.

A: The mangrove and the – these ILG themselves agreed to put the road through down there and there is really - when rain there is really no material. Under the sago there is also coral which they can - they have dug out. But you have to understand that sometimes we have to sacrifice in order to bring something for our people. In this case, yes, we need to open up that area so that we do not have to - everybody congregate where the jetty is for market for everything and all things together, we needed a separate place. That is why now you see the operation digging up the coral, yes, for road; and also to open an area for them to come in and do their marketing separately.

Q: Mr Anis, I will not argue with you. I am just saying, look, reefs are places where fish breed. That is where you go and catch a fish. If there is no reef, there is no fish; you have to go further out into the bigger sea to catch a fish. You have destroyed that reef.

A: No, sometimes it works miracles. You cut a certain place and then you will find that the environment improves because you have done that in the sea also. I mean, I am not an environmentalist but I have seen these things happening.

Q: One aspect of it is that even where in your place Umbukul, Noipuas - sorry-  
--

A: Noipuas.

Q: Noipuas. There was dredging done and it is still - that is in the '80s and yesterday when we inspected it, I think the place has never improved, that harbour area where all the machinery is still lying there and what used to be the District Offices is a rundown place; police station, so---

A: On the other side?

Q: Yes. So what counsel is saying about the dredging of the actual coral has affected the area; there is no improvement. And it is an environmental issue. So much damage done to the environment, the people cannot even continue with their livelihood as they used to. Now, they have to go further out into the sea to catch fish or go to another new place to – that is a serious issue. If that can be considered by ---

A: Okay, yes, definitely I---

Q: These are real pressing issues. These are not just simple things that we can sit down and talk. You and I are not environmentalist but somebody from environment department may be able to conduct some feasibility study on those damage that was done to the reefs. And not only that, it has only – even where the log pond that you say the company has set up those log ponds and even we have seen sago trees cut down and mangroves removed with no restraint by the developer - by your company - the men that you put there. There is a real disregard for those things.

And so it is very, very serious concern that these people are really affected by the damage that is done to the actual place where they live and access food that they can obtain from the sea or from the mangrove.

A: Yes. The Kilkil Muma clan executive actually agreed for us to go in. I also had my own house boy at Meteyai and they agreed that we will have to do a temporary one then we will move in to do - yes, there was no other way we could bring a road down to the beach except through those sagos into the beach; no other place. If there was a better place, I definitely would have done it differently. That was the closest from the main land area to the beach that was that part which we – I brought the road down. All the other places, the sagos are bit more extensive, long distance. So we could not do it any other place except in that physical area we could do it.

Q: Mr Anis, just one more question before we leave that issue. You said when you dig up coral it will make miracle and the reef will grow again. You cannot be serious. At Noipuas as the---

A: No---

Q: You wait for my question. At Noipuas, that place is, there is no reef and that company which transformed itself into Tutuman, Dominance Resources, used the very same method. They dug up the reef to put that logging - put it on the logging road in the Umbukul TRP area. That is what Commission is asking you about. Your practise there, it is harmful. The reef grows many thousands of years, I think. I am not a scientist but that is what scientists say. If you dig it up, it is gone.

A: The Umbukul - the Noipuas one. You really have to ask the people living in Noipuas not the opposition of course, but the genuine ones living in Noipuas whether they can still fish there, whether the fish has increased because of these activities. I cannot say anything. I have not lived in Noipuas for a long time.

Q: We will move onto some other issues. Your land investigations, you got officers from Department of Lands in Waigani to come and conduct land investigations on New Hanover Island for those three SABLs?

A: Yes, the landowners company themselves after working with them and them working for many years', did request for the Lands people to – for the Lands Department to come and help them to do the land investigation.

Q: Yes. So there was a lands officer called Lazarus Paul Malesa from Waigani, who was the main person who conducted the land investigation report?

A: Yes. This area was controlled by the lawyer himself. So I will answer some of the questions and it can go into the details of this one.

Q: That is your lawyer Mr Maraliu?

A: My lawyer, Maraliu, yes.

2.25 pm] Q: Okay. He was doing most of these arrangements.

A: Yes.

Q: He was doing it on behalf of Tutuman Limited.

A: Yes. On behalf of Tutuman, yes.

Q: Or he was going around getting these ILGs incorporated---

A: Who?

Q: Mr Maraleu.

A: No. I gave strict instructions that he - I have trained some people which if it okay with the Commissioner, these people can speak tomorrow. There is Ruben Peni, Sirimai Laon---

Q: Okay, just wait there. Is this the same Ruben Peni who is working in Rabaul?

A: No, Tom Peni is in Rabaul. He is an agricultural officer. He is the head of the Regional DAL office in Rabaul. Ruben Peni is a landowner, Chairman of Tabut Limited, who worked with me for close to, I would say, 13 years trying to understand and do the incorporation of land groups with a group of people also in central New Hanover.

Q: He was more like a consultant?

A: No.

Q: You trained him to become a consultant?

A: He was – he is a person from the village which I went through the hand book on land group incorporation with them; made them understood how to do and then they go on awareness with the people. Then they get the ILGs themselves to be – to organize themselves into their constituents and so on and then they go into incorporation and also mark out their boundaries belonging to the ILGs.

MR TUSAIS: Mr Anis, just, do you know how long it took for that process; land investigation process to be done on the island?

A: Actually, it was an independent land investigation. I had nothing to do with it. I cannot say how long it went.

Q: What if I told you it took about two weeks to cover that big island?

A: Well, it is only three areas. It is Umbukul, Tabut and Central New Hanover.

Q: It is three areas but it is a big island; New Hanover, New Ireland, it is quite big, 60 kilometres long; it is 30 kilometres wide. I mean, is that big or small?

A: No, it is big but what is the point?

Q: I am saying it took two weeks. What people there are saying is that the lands officer, they did not talk to most of them on the island. They did a rushed job and talked to only a few, maybe selected people to form these ILGs in a rush?

A: Based on the Central New Hanover document which I know I have now here, and I have a map of the ILGs that have already been surveyed and boundaries established and the actual number of hectares that they have. I will just submit that. This was all the work done for a number of years to come to this point.

Q: Who did that map?

A: This map? It was done by surveyors which we got from ourselves together with the landowners, the ILGs and a local company; Central New Hanover Limited.

Q: Perhaps, we leave it for the surveyor to come and tender that. You did not do that map so I will object to you tendering that map to the Commission.

THE COMMISSIONER: If you – yes?

MR TUSAIS: If you name that surveyor, maybe, we will call him and he will tender it and we will ask him on what basis he drew that map.

THE COMMISSIONER: Yes, because the map is more done by a surveyor, it would be in the best---

A: These are just, yes, okay. These are indications that actually the landowners organized themselves, they cut their boundaries and we got our person from the company to help them to identify the boundaries and to map the boundaries. So eventually these areas will be checked over by a qualified registered surveyor.

Q: What is his name?

A: We have not got a registered surveyor. This is just by the company surveyor for Gromax Company that we terminated, Eddie was his name.

Q: Where is he from?

A: Eddie was from Malaysia or - yes, Malaysia.

Q: So Eddie from Malaysia prepared this map?

A: With the landowners, they actually go in, they cut, he followed. He just do the DPS with them and then he translate into this map awaiting now for us to be able to get the proper, after the agreed – even if the, to get the proper surveyor to come and do this, eventually, and we started the process. You see, with the Special Agriculture---

Q: But this map was not submitted to the Surveyor General's Office?

A: No, no, not this one. No. It is just for our working with the landowners understand exactly where the landowners' boundaries are. And after us operating and understanding any problems that may arise on these

boundaries, then when there are no problems and then we get a proper registered surveyor to survey and this particular piece of land belonging to this ILG would be exercised out of the base lease and then they can have their own title to their own portions of land. That is the objective for the future.

MR TUSAIS: We leave that map aside, I think. You keep mentioning this company called Gromax and you also say Palma Hacienda. Perhaps, you could explain to the Commission your connection to Gromax and Palma Hacienda?

A: The only connection with Gromax and Palma Hacienda is the contract - subcontract that I had with them; Tutuman subcontracting them to do the projects in Central New Hanover.

Q: What subcontract is that?

A: The logging and marketing agreement and also to begin the process of establishment of nursery for oil palm and also start helping to do the infrastructure into the various clan block areas.

Q: You have a copy of that agreement with you?

A: No, not at the moment.

Q: Would you provide a copy to the Commission tomorrow at 9 o'clock? Will you be able to provide? Just say yes or no, please.

A: Yes. That is the agreement that we terminated.

Q: Since the start of the SABL which was granted, I think 2008, on the copy of the lease, there are two entries done for all three SABLs; that is Umbukul, Tabut and Central New Hanover that you subleased to Palma Hacienda Limited. You cancelled that sublease - sorry, just for one, I will tell you what we have noticed from the copy of the lease.

2.35 am] Yes, there is an endorsement that changed that sublease down to you - to Tutuman was on 5 November 2007, it was cancelled; and on the 30 September 2009, it was subleased again to Palma Hacienda Limited. This sublease was cancelled on the 20 September 2010 and subleased back to



Tutuman Limited on 20 September 2010. Would you just explain all these sublease cancellations and sublease for Central New Hanover?

A: Yes, to begin, Palma Hacienda is Gromax. Gromax owns Palma Hacienda and they convinced the landowners, together with me with the company, that they need to have the sublease transferred or cancelled from Tutuman to them to do this project otherwise they will never come in and develop the area. That was the – that is why the sublease was cancelled from Tutuman on 30 September and given to Palma Hacienda on 1 October and because there was no movements during that period up to 2010, we moved together with the landowners to cancel and then I will get the sublease again on the – sublease back to Tutuman.

These are all agreed to between the three landowners' company and Tutuman Development Limited, especially for these three portions of land.

Q: Was it because – I thought you were a forest company, you got experience all over New Ireland. Was it because you were unable to carry out these forestry operations that Gromax?

A: Clearing the land for agriculture, I had no problems; I have the capacity. But to go into a massive agricultural development to make an impact on the island, I had to get another investor company on a sub contract basis to come and work on New Hanover. This is a business arrangement.

Q: Did you sign a document called Sale and Purchase Agreement between Tutuman Limited and Palma Hacienda for the sale of plantation lands back on New Hanover?

A: I cannot recollect.

Q: You are under oath. It is just a simple question, did you sign a paper called the Sale and Purchase Agreement between Tutuman Limited and Palma Hacienda on 30 - in June 2010?

A: Yes.

Q: Okay. How much for?

A: There was no amount.

Q: For 1.6 million US dollars?

A: Actually, that 1.6 million has never been deposited or come to the company's account. That is why - that is the deal that went bad.

Q: There are certain receipts that we have. It shows that certain amounts were paid into the account of Mrs Hee; Regina Lau Hee. I will just show it to you.

Perhaps, copies could be made later. Just look at those – there are certain sums paid to Mrs Regina Hee in consideration of a sale of plantation land. There are certain sums, US\$300,000 - significant sums made – several payments made over a period of time to the same account for the same reason. Is that payment in relation to that agreement that you signed in June 2010?

A: This, I do not know.

Q: I tender that as exhibit.

THE COMMISSIONER: Thank you, counsel. This will be exhibit---

MR TUSAIS: Perhaps, we will name it after this witness, exhibit---

THE COMMISSIONER: Yes, PA 3. Exhibit PA 3 is a bundle of documents which relates to a transaction of – made on 23 June 2009 from Jamata Profits Limited, care of Ham Ting Siew, 2 Way Lincoln Road, Unit 24-08, Park Infinia at Winham, SG308364, Singapore. It is a copy. That is recorded as Exhibit PA3.

**EXHIBIT PA 3 – BUNDLE OF DOCUMENTS – TRANSACTION MADE ON 23 JUNE 2009 FROM JAMATA PROFITS LIMITED, CARE OF HAM TING SIEW, 2 WAY LINCOLN ROAD, UNIT 24-08, PARK INFINIA AT WINHAM, SG308364, SINGAPORE**

MR TUSAIS: Mr Anis – sorry, Commissioner, if that could be given for copying – two copies.

Mr Anis, is it correct if I said that Mrs Hee, who is the major shareholder of Tutuman Limited, seems to have gotten payment from Palma Hacienda which is

also Gromax in relation to lands described as plantation lands on New Hanover Island?

A: Not correct. I maintain that if there was any payment, it should have gone straight to the company's account which has never been and I have here a letter from the same bank, UBS.

THE COMMISSIONER: You may read it out.

A: "Please be advised that during caption time period, the period 2009 to 2010, there is no record of funds sent from Joinland Limited to the following party, Palma Hacienda, Okoti Gay, and I also have another letter from outwards remittance made in year 2009 to Regina Lau, we refer to the above matter. We write to inform that the" – this from Joinland group – "outward remittance made in 2009 to Regina Lau Hee Wong, did not relate to any business transaction Palma Hacienda Limited in Papua New Guinea. We have reserved our legal rights on any parties who used any fraud outward remittance to make any fraudulent misleading statement'.

I also have a letter from UBS, that is a bank, outward remittance for a period 2009 to 2010. " Please be advised that during the caption time there is no record of funds sent from Joinland Group Limited to the following party, Palma Hacienda Limited and also during the same period, there was no instances of monies being remitted to Papua New Guinea from Joinland Limited, so those three correspondence.

I have. I have another from Jamata Profits Limited. "Outward remittance made in 2009 to Regina Lau Hee Wong. We refer to the above matter. We write to inform that the outward remittance made in year 2009 for Regina Lau Hee Wong did not relate to any business transaction of Palma Hacienda in Papua New Guinea. We also hereby reserve our legal rights on any parties who use any fraud outward remittance to make any fraudulent misleading statements."

Also a letter from the City Bank, letter of confirmation, "As your request, we have checked and confirm that as our records of the accounts held by yourself, Madam Regina Lau Hee Wong, there has never been any incoming funds from Palma Hacienda Limited and thank you for banking with City Bank". This is a computer generated verse and no signature is required. So I also want to tender all these documents.

My company accounts have never received such an amount.

MR TUSAIS: Commissioner, I have heard Mr Anis read it. I take it this is the correct – I have no objections to tender of this. These are relevant to the issue; if these copies could be made.

THE COMMISSIONER: Yes, we will exhibit the tender of these documents. We will exhibit them as PA 4. PA4 is a letter – a UBS letter dated 2/11/2011. Subject matter is Joinland Group Limited Outward Remittance for period 2009 to 2010.

[2.49 pm] Exhibit PA5 is a letter from Joinland Group Limited dated 2 November 2011, Outward Remittance made in year 2009 and for Regina Lau Hee Wong.

**EXHIBIT PA 5 – LETTER FROM JOINLAND GROUP LIMITED – 2 NOVEMBER 2011; OUTWARD REMITTANCE – YEAR 2000 – REGINA LAU HEE WONG**

THE COMMISSIONER: Exhibit PA6 is a letter from UBS dated 2 November 2011, Joinland Group Limited; Outward Remittance for period 2009 to 2010, and PA 7 is a letter from Jamaka Profits Limited based in Virgin Islands, 2 November 2011 on – subject matter is Outward Remittance made in 2009 for Regina Lau Hee Wong. Thank you, counsel.

**EXHIBIT PA 6 – LETTER FROM UBS – 2 NOVEMBER 2011 - JOINLAND GROUP LIMITED RE OUTWARD REMITTANCE – 2009 TO 2010  
EXHIBIT PA 7 – LETTER FROM JAMAKA PROFITS LIMITED BASED IN VIRGIN ISLANDS – 2 NOVEMBER 2011 RE OUTWARD REMITTANCE MADE IN 2009 FOR REGINA LAU HEE WONG**

THE COMMISSIONER: There is another letter. The last letter is from Citi Bank, that is, PA – exhibit PA 8, dated 31 October 2011. It is a letter of confirmation from Citi Bank that they have confirmed from the records that no funds has been remitted to Hacienda in Papua New Guinea.

**EXHIBIT PA 8 – LETTER OF CONFIRMATION FROM CITI BANK – 31 OCTOBER 2011**

THE COMMISSIONER: Thank you, Mr Tusais.

MR TUSAIS: These letters from – these letters that you tendered, in what circumstances did you receive? Were you enquiring about whether funds were paid into your company’s account in relation to the agreement signed?

A: Since the 4 March when the issue went national wide that I sold---

Q: 4 March this year?

A: 4 March this year when I was accused of selling the Island of New Hanover, I had to make sure knowing that people can actually go and get bank statements and that the practice sometimes is that bank statements can also be fraudulent in nature. I wanted to clear my name to say, Commissioner, that I have to own the island in order to sell the island and the proof of ownership is that I must have a title because that was the message - everybody in Papua New Guinea - that I sold the Island. It came out on 4 March in the Post Courier front page.

Since Saturday, 16 September 1776, when Admiral Philip Cataret named Lavongai New Hanover 235 years ago, there is no title issued by the State over New Hanover as an island so that someone could transfer it, someone could own it; and Pedi Anis never owned something that the island never has. Yes, these three portions of land are under section 11 and section 102 of the Lands Act and by their very nature, the lease and lease back, the customary owners do not lose their customary rights over that land.

The advantage over this system of land acquisition is that no real change in ownership of the takes place while at the same time, some security against default is provided by the negotiable title so created.

In working to get these three portions of land, I engaged Lands Department, Government and the State so that if there is any developer that will have tendency to do monkey business, the State can still hold them because it was the State that issued the lease - got the lease - and gave it back to the people under customary land for development.

So, as I was going through this document with you, Commissioner, this is the land developer scheme for the New Ireland Province, Tutuman Development Limited, first produced in January 2001. I revised it in 2008 and based on these experiences, I am going to revise it in 2015 because we

really do not have a blue print or system in place to make sure that, okay, we want development, but how do we do it?

That is why I am happy with the Commission of Inquiry because let us get some of the systems fixed properly so that we can progress the mobilization of rural economy in Papua New Guinea based on customary land freed up, and given back to them. That is why this map is so that over time, they will agree really on their boundaries; they will subdivide, where will he estates be, where will their land for settlement be and where will - the other developments are on their land; the themselves are having 1 hectare, 1 hectare on their own land. There will be no land problem if we go down this road. But, who has the money to do it?

Government cannot - only can approve through forestry development in the rural areas, can monitor now with TRP with FCA, but where will the money come from? So is it really my problem all these years on how to get investors in so that we give them the security but we must take the leadership and make sure they do properly. If they do not, we sack them; we terminate them and we get a new one coming in.

Q: Mr Anis, let us get back to your dealings with Palma Hacienda. I asked you about these endorsements on the back of the list.

A: Yes.

Q: That is cancellation of TDL, that is, your company, to Palma and then cancellation of sublease to Palma back to TDL twice. What were the reasons for those sublease cancellation and then sublease back to you?

A: The reasons are I have never really got satisfied about the performance or the merging of the expectations and the goals of developing the island and these people coming in. They have a completely different thinking altogether. Yes, Gromax started cutting the timber so I saw that they were really more interested in cutting timber than doing my agriculture plan for my people.

Q: Mr Anis, was it---

A: And Palma Hacienda was the backer for oil palm development. They own Palma Hacienda also.

Q: What is it more because they did not pay the amount they agreed to ?

A: No.

Q: So you cancelled?

A: No, because they broke the Forestry laws and I cancelled. I mean, Gromas themselves cut timber without the FCA without all the legal requirements and Palma Hacienda never came to start working on the oil palm nursery establishment . Oil palm as you know must be in the nursery for close to at least – not six months like cocoa – it must be there for a year or close to 2 years before it can be planted out on the ground.

They came to help me to do the soil test. They never come help me to do all these other things necessary to get the project on board that is why I had to go back to the landowners and I said, I am tired of these people now. Can you please look at it for me? We really want development; we want something happening for our people - for us - on the island. That is why the cancellation took place, not because I did not get paid 1.6 million; no.

Q: Maybe that is why those letters were written to by the bank. Because you enquired, has any amount been paid; these letters that you tendered? Did they write back to you when you enquired about payments being to honour that agreement of June last year?

A: No, I never even asked them to, because we do not have an account - Tutuman Company does not have an account overseas. We only have an account in Papua New Guinea.

For any business dealings, I am a shareholder of Bank of South Pacific. For any agreements and dealings, they do not pay it through a shareholder like me, for any agreements and dealing with BSP. They do not pay it through a shareholder like me. They pay it through the BSP account into the account name for proper corporate practice.

3.00 pm] Q: Where is Regina Hii now?

A: She is in Malaysia.

Q: Just look at that bank statement again. She is the majority shareholder for Tutuman, 49 per cent. Mr Deo Datuk Hee holds the other 12 per cent that makes 61 per cent. Does that bank statements suggest that maybe Mrs Hee who is the majority shareholder for Tutuman has already received payment in regards to plantation lands or land described as plantation land back on New Hanover Island?

A: No, because these – under the Special Agriculture Business Lease, this title cannot be sold, cannot be transferred, it cannot be mortgaged because it is still customary land belonging to the people.

I do not agree that she already got paid for this land. Maybe this information---

## **POWER INTERRUPTION**

THE COMMISSIONER: Let us just pause while – okay. Sorry, Mr Anis, there was a power blackout so we adjourned temporarily, but we will resume with – maybe you can finish off from where you---

A: Yes, I am saying that---

MR TUSAIS: Sorry, I think the recorder needs to – okay.

THE COMMISSIONER: You may continue from where you finished off.

A: I am saying that this is exactly what I feared that there will be fraudulent transactions. I am not saying that this one is but it probably needs to be checked. But my position is that no money towards the payment of the New Hanover land - those three portions - was ever received by Tutuman Development Limited as a company. There is no such thing as sale of these three portions because the nature of the SABL is not for sale, is not for transfer, is not for mortgage and it cannot be sold to any company. The constitution of this country, I do not think allows foreigners to own customary land.

Q: Mr Anis, the other thing about this SABL lease is that the customary owners of those particular areas, actually, their rights over those lands are suspended



for that period of time. Tutuman as a developer has 40 years lease over those---

## **POWER INTERRUPTION**

[3.17 pm] THE COMMISSIONER: Power interruption. Counsel, we may – we seem to have lost what we touched on last. Yes, Mr Tusais?

MR TUSAIS: Thank you Commissioner. I think you were in the process of mentioning---

THE COMMISSIONER: Explaining SABL.

MR TUSAIS: Something about the consequences of SABL, its implications---

THE COMMISSIONER: Yes. Mr Anis, I was talking about the SABLs and the process whereby once a direct grant is given by the minister or the delegate of - by the minister and is gazetted, normally that the customary rights of those groups of people living within those areas are affected.

As we have seen in the case of Emirau Trust, they virtually have no rights of fishing or anything over their land. Likewise, in relation to the SABLs on New Hanover, Umbukul, Tabut and Central New Hanover, including Rakubana, down in the Danfu extension TRP area, the fact is that the rights are suspended for a period of time which is almost 99 years, but since you are the developer who has now got that sublease---

**POWER INTERRUPTION**

**AT 3.42 PM, THE COMMISSION OF INQUIRY INTO SABLs WAS ADJOURNED TO FRIDAY, 4 NOVEMBER 2011 AT 8.30 AM.**