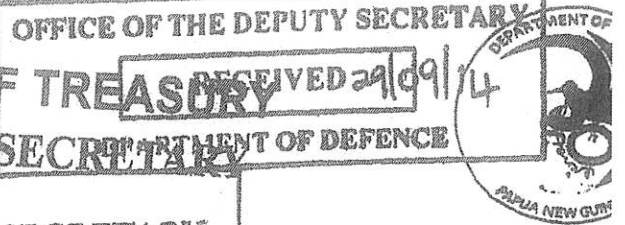


Papua New Guinea

DEPARTMENT OF TREASURY  
OFFICE OF THE SECRETARY  
DEPARTMENT OF DEFENCE



Level 4, Vulupindi Haus, Waigani Drive  
PO Box 542, Waigani 131, NCD  
Papua New Guinea

OFFICE OF THE SECRETARY  
Date: 29/09/14  
DEPARTMENT OF DEFENCE

Telephone: (675) 323 5601  
(675) 312 8811  
Facsimile: (675) 312 8844  
website: www.treasury.g

Date: 10<sup>th</sup> September, 2014  
File: 234/2014

Mr. John. S. Porti  
Secretary  
Department of Defence  
Private Mail Bag  
BOROKO  
NCD

*NESEC  
FAS Finance*  
*① Process payment of K15,400,000  
as per Invoice No 1-9-14.*

*[Signature]*  
29/09/14

Dear Secretary,

RE: COMPULSORY ACQUISITION: PORTION 698, MILINCH: GRANVILLE, FOURMIL: MORESBY

I acknowledge receipt a copy of your letter dated 13<sup>th</sup> August, 2014 addressed to the Secretary for Lands and Physical Planning, Mr. Romilly Kila Pat, regarding the above. I also acknowledge receipt of copies of correspondence between yourself and Mr. Douglas Ure of Kitoro 64 Ltd. Please find copies of the letters and their attachments annexed for our ease of reference.

The land acquisition and relocation arrangements outlined in your letter specifies a negotiated amount of K14.0 million for the acquisition of the land described as Portion 698, Granville, Moresby. I understand that this internal relocation arrangements were spurred from the NEC Decision No. 70/2012 which I am very conscious of and believe was adequately budgeted for under the Operational Budget for the periods 2013 leading to 2015.

As you are no doubt aware the initial roll out phase of the Defence Land Purchase Relocation Program commenced in 2013 with K10 million being transferred to Defence for that purpose.

In this year's (2014) Budget, Treasury appropriated K25 million for the Land Purchase & Relocation Program and this whole amount has already been fully transferred to the Department of Defence. The total amount thus far that has been appropriated is K35 million leaving a balance of K15 million from the K50 million as per approval by NEC (NEC Decision 70/2012). The balance of K15 million will be provided for in the 2015 Budget.

I am advised by Secretary Kila Pat that the Department of Lands and Physical Planning has successfully compulsory acquired the land as per your arrangements and at the agreed purchase price of K14 million (exclusive of GST) which now remains to be settled. I attach copies of the Notice and Certification. As such, I therefore kindly direct that the Department of Defence use K14 million (plus GST which will also have to be paid) from the K25 million earmarked for the Land Purchase & Relocation Program to settle the acquisition of Portion 698, Granville.


My Department will ensure that it is replaced in the 2015 Budget so that you can fulfil the other obligations also planned for the Defence Relocation Program.

Legal Counsel for the Vendor, Young & Williams Lawyers have also written to me to state that now that the land has been compulsorily acquired, payment must be made as a matter of urgency or they will institute legal proceedings against the State. I am sure you will understand that this is not the best outcome for the State.

I therefore kindly request that this payment be made as a matter of urgency so as not to bring about legal consequences.

Finally let me take the time to commend you and the Department of Defence for your aggressive efforts in pursuing and implementing the NEC Directives under NEC Decision No. 70/2012 and consequently delivering on a key priority highlighted within the Departments recent White Paper Policy in such a timely manner.

Yours sincerely,

  
DAIRI VELE  
Acting Secretary

CC: Minister for Defence  
CC: Minister for Lands and Physical Planning  
CC: Secretary for Lands and Physical Planning  
CC: Commander, PNGDF

Attachments