



PUBLIC ACCOUNTS COMMITTEE

NATIONAL PARLIAMENT OF SOLOMON ISLANDS

COMMITTEE TRANSCRIPT

Office of the Governor General, Monday 10 March 2008

Mr Maezama: Mr Chairman, thank you for the opportunity to be able to address the committee. The Office of the Governor General was created to provide administrative and technical support to the work of the Governor General as provided for under the various sections of the Constitution.

The Governor General performs three very important roles and functions namely statutory, ceremonial and community service. Under his statutory functions, amongst others, he gives assents to Bills of Parliament to become Acts of Parliament, appoints members to certain Authorities as provided for under the Constitution or other relevant Acts of Parliament and pardons prisoners that are being recommended by the Prerogative of Mercy Committee.

In his ceremonial role, he attends very important events such as the Queens Birthday, the Independence Anniversaries, the Trooping of the Colours by the Solomon Islands Police Force and performs various oaths taking and private investiture of Imperial and Solomon Islands Honors and Awards ceremonies. He also receives important dignitaries both from overseas and locally in the form of courtesy calls or the presentation of credentials by Ambassadors.

In relation to his community service function he is Patron to some local charitable organizations such as the Disabled Peoples' Association of Solomon Islands, the Boys Scout of Solomon Islands etc. etc. Also part of his community services role, he makes visits to provinces with the goodwill message of peace and unity to and among Solomon Islanders.

With this very brief presentation introduction Chairman and Committee Members I now present to the Committee as follows:-

Sub heads 1000 to 1005 personal emoluments for 2008, there will be no increases or upgrading to the establishment. The three or four vacant positions would be filled by April.

Now we are concerned about the budget for the former Governor General's benefits and pensions where we are yet to be officially informed as to which authority would be responsible for and to administer the former Governor General's pension and benefits act. At the moment I am not really sure who is responsible but we seem to be getting letters from former Governor Generals and so we attend to them in relation to their benefits and pensions.

However, as for the budget, we were informed by the Budget Unit that all financial provisions to meet the cost of pension arrears, fortnightly pension and gratuity arrears will go under head 282-0428-2057 and 282-0428-2062.

Sub head 201 on repair of official buildings, as you know this sub head caters for the general upkeep of the residence of the Governor General and the administration office and it covers the repair and maintenance of those two buildings, the provision of household items, furniture, linens, you name it etc. etc.,.

Usually we order some of these items from Australia and New Zealand because they are not available locally but because of the weakness of our currency against the currencies of these two countries, it is really expensive to order them. For example, the dinner plates have the insignia of the crown on them and to replace them would mean ordering from a special shop in Australia, which as you know is quite expensive.

Also there are a couple of minor works program that are still ongoing and need to be completed this year, and are as follows:-

- (a) The fencing of the Government House land boundary. As you know it is a problem area here because there are squatters now actually squatting on the land which is close to the land allocated to the State House. We are having problems now because they are already encroaching in one of those areas. So this is an on going program.
- (b) The extension at the back of the audience and ceremonial rooms, I think you have seen this yourselves, is still to be completed, the replacement of roof gutters, upgrading of guard post and the painting of the official residence and the offices.

Head 202 - repair of government housing. This sub head is to cater for repair and maintenance of quarters that are tied to Government House from the Government pool of houses. There are 13 houses under this category and unfortunately as common with other government houses they are all in a very poor state with almost all of them being consumed by white termites, even most of them are devoid of essential furniture and fittings. To fully renovate them, it would mean allocating a substantial amount of money under this sub head to cater for them.

Sub head 2010 - office expenses is for photocopying, toners etc. etc. This is okay.

Electricity and Gas, the financial allocation to this is still adequate.

Water, again this is adequate except for a problem which happened last year, and this situation came about following arrangements by previous administrators that workers occupying government house tied quarters would have their water and electricity bills paid for by government.

That has been the arrangement since the Government House was at its former allocation at what is now the Heritage Park Hotel. That arrangement stuck when the Government House was shifted to the present site.

Furthermore SIWA when connecting the water lines to the present quarters only installed one meter for all the quarters. So workers did receive their water bills but were not committed to paying their bills simply because they were not satisfied with the readings and who among them used more water because there was only one meter installed for the 10 quarters.

This accumulated a huge debt and because of the outstanding bills the water was disconnected affecting the 10 workers last year, we made the decision with SIWA:-

- (a) That the office of the Governor General would meet the outstanding bills on installment basis up until the end of November 2007.
- (b) That SIWA to install individual meters for the workers affected.
- (c) As from 1st December workers affected to meet their own water bills the same way they meet the electricity bills. SIWA has agreed and we continue to do that.

Sub head 2013 - Telephone, faxes - this sub head is to cater for Government House telephone, fax charges, rental charges, for accessing the e-mail, internet facilities. As of December 2007 we have also installed the Walkie Talkie radio network which is linked to the Police Radio communication network to monitor the movement of vehicles during official hours and weekends, and most importantly for security reasons.

Sub head 2017 - Printing - this sub head is to cater for the printing of the Queens Birthday's program and invitation cards, the Governor General's invitation cards, Christmas and New Year greetings and other printing works.

Sub head 2010 - Medical expenses overseas is cater for the Governor General's medical expenses when he is ill or requires overseas medical check up and treatment.

Sub head 2024 - Entertainment is for entertainment during Queen Birthday celebrations and for other entertainment during the course of the year, which is usually put on by His Excellency.

Sub head 2050 - Fuel - Fuel Oil & Lubricants for the Government House fleet of vehicles, which numbers four. There are four vehicles there, two are for ceremonial purposes, one for the domestic use of His Excellency and his family and the other one is for the administration's use.

Sub head 2017 - Staff Travel and Transport - this is to cater for staff traveling and transport for staff.

Sub head 2074 - Provincial Visits - this is to cater for state visits by the Governor General to provinces including the Honiara City. It caters for travel and transport costs by air and the fuel and ration expenses for the Patrol Boat and its crews when used for the visit. This year the Governor General will visit parts of Guadalcanal, Temotu and Central Provinces.

2090 - Overseas Visit -is to cater for His Excellency's Overseas visits together with his accompanying officials and covers air fares, accommodation, transport, telephone etc. etc. This year the Governor General would be visiting member countries of the Pacific Forum who are participating in RAMSI. He would also visit London upon the invitation of Her Majesty, the Queen to attend a special ceremony and at the same time to bid farewell to the Queen as his term in office would lapse on the 7th of July 2009.

Sub Head 2150 - Maintenance of Vehicle - this is okay.

Sub head 2301 - is to cater for purchases of new IT hardware. We will be replacing two new computers which are now old and obsolete. It is also to cater for staff uniforms especially for chefs, maids, stewards and gardeners. It is a standard code of dressing at the Government House that these workers have to dress up appropriately because of the important people that normally visit the Government House during the year and so they have to be properly attire.

Sub Head 3000-100 - House rent. This sub head is to cater for staff rentals who occupy private houses in the open market. Two staff are in this category - the Private Secretary and a Senior Accountant are currently renting private houses in the open market. The others are renting quarters provided by the Government.

Sub head 404 - Training local in service - this sub head is underutilize simply because the financial allocation is very inadequate to funds staff who are intended to take up distance and flexible courses through the USP centre, the SICHE and other private run courses. The Government House has a couple of potential staff which could progress in their respective professions if given the opportunity to do so.

Sub head 4129 - gifts and presents - is to cater for gifts and presents to be made by the Governor General to visiting dignitaries locally and overseas.

Sub head 6006 – committee of the prerogative mercy. This is to cater for expenses to cover the operation of committee whose membership is drawn from provinces. The expenses cover travel, accommodation, allowances and other incidentals for members who usually travel to Honiara to meet. The committee meets whenever there are matters to be resolved. The members of the committee are provided for under section 45(2)(a) of the constitution.

In concluding, Mr Chairman and Committee members, the Office of the Governor General has been operative with the same budgetary allocation since independence and was only given token increases ever since.

Whilst the Office does not collect revenue for the government coffer and is regarded in the government circle as consuming one, its status under the present constitutional arrangement cannot be overlooked. It is a very important office in terms of the functions that it performs.

The office residence of the Governor General is in a run down state and is infested with rats. Furniture, fittings including the electricity system is faulty. There is severe leaking in some parts of the residence and most of the cooker are old and rusty etc. etc.

Overall the official residence is in a dire need of major renovation, and that is if the government still regards the present site as the official residence and office of the Governor General.

Thank you Mr Chairman and Committee Members for your attention.

Mr Chairman: Thank you Private Secretary of the Governor General for your brief of this head. Members do you have any comments?

Hon Sogavare: Thank you very much for the explanation of the budget. The Governor General's Office is the official office of the state representing Her Majesty in Solomon Islands, and as always the case His Excellency had to fight or stand behind queues when it comes to getting payment out of the Ministry of Finance.

We know this is not a very good way of treating the Office of His Excellency. He represents the Queen here in Solomon Islands as the Head of State and we should have pride in that office and treat it with some respect when it comes to drawing funds from the Ministry of Finance.

Mr Chairman, I just want to make that comment and the many issues that are also raised in terms of the repairs and maintenance that need to be done on the Government House. I think it is very important that the government takes heed of that as well. As I said this is the office of the representative of the Head of the State of Solomon Islands and should be treated with due respect.

Hon Boyers: You mentioned earlier on the pension, increase in the pension and other entitlements. Is that being paid to all the former Governor Generals at the moment - the pensions and gratuities or whatever. It went through Parliament, we passed that Bill in Parliament, and it was obviously being gazetted.

Are the former Governor Generals enjoying the privileges passed by Parliament for them?

Private Secretary: Yes, the Act was passed last year and was gazetted. Fortunately I think there was about \$1million allocated that will actually pay for the benefits. Unfortunately that is not enough but I think the Ministry of Finance went ahead and made payment because of pressure by the former Governor Generals to actually meet the pension arrears. They have actually received their pension arrears and they are currently receiving the pension in fortnightly payments.

The outstanding benefits would be the gratuity arrears, and I think there was a shortfall in the payment between the Governor General's current salary and theirs. But I think that is already covered under Head 282.

What I am not really sure about here is which authority will be responsible for the administration of the Act? Is it the Prime Minister's Office, the Ministry of Finance or the Office of Governor General? But at the moment we are handling it simply because they are former Governor Generals and so we are actually handling the payments and all that.

Hon Sogavare: I think that issue should be settled by the government. Really it doesn't matter where it is administered from but I would have thought that it would be properly administered under the Prime Minister's Office. But that is really up to the government. If it is administered under the Government House then the allocation should be separately made to the Government House so that you can administer it without any problem.

It is important Mr Chairman, that they are treated with due respect as well because they are former Governor Generals.

Hon Boyers: Mr Chairman, I would like to thank the Governor General's officer for his very eloquent presentation.

Mr Chairman: One concern raised last year was the aging work force that you have in the kitchen and in the gardens. What are you doing?

Private Secretary: We are slowly replacing them. Two are going to be retired. We are only waiting for the Ministry of Public Service to give both of them letters of retirement. As yet they are still working.

Hon Soalaio: Mr Chairman, following on to that there was a thought of outsourcing the kitchen and gardens. Can you inform the Committee where you are up to in regards to this?

Private Secretary: Yes, I have been thinking about that. In actual fact it will be a good idea to work on the cost whether it would be cheaper to outsource the kitchen or to maintain the current staff to do catering for the Government House. But I would suspect that it would be cheaper to outsource the function, but it would depend very much on how the Governor General would see such a service to be.

Hon Sogavare: Mr Chairman, to outsource that kind of service, you are talking about putting food on the table for the Governor General to consume. Out of security reasons, I would understand if His Excellency would be feeling very uncomfortable to outsource that kind of service. It is more appropriate that the Government Houses has its own catering service actually controlled by the Government House for security reasons.

Mr Chairman: Any further comments from Members?

Hon Sogavare: Mr Chairman, the allocation on the Prerogative of Mercy is only \$8,000.00 but they only come when you need them.

Private Secretary: We have some points to raise but it is finance that dictates.

Mr Chairman: My only other concern is on the Pension Act of the former Generals. I think Parliament wasn't really aware of the cost factor of the pension head. I think it will obviously impact on the budget. I think it is important that proper computation is done on what is involved in that whole retirement package because we are talking about big number

here, it is a big number. I am strongly of the view that Parliament re-looks at the Pension Act.

I am just looking at the PAC's perspective beside the respect and the dignity we have for that office, seriously the cost to that retirement act is substantial.

Private Secretary: We have actually calculated the cost to be about \$7.5million because we are looking at vehicles, repair and maintenance of vehicles, housing, fuel, electricity, gas and water. Those are the charges. It is roughly about \$7.5million.

Mr Chairman: Annually.

Private Secretary: Yes, annually. This is not a one-off payment. This is annually.

Hon Sogavare: This is replacing vehicles every year.

Mr Chairman: Members if that is going to be the amount of money we will be looking at just for the retirement package of former Governor Generals, then I would ask the Committee through the Office of the Auditor General to properly workout the cost so that we can seriously look at options of doing this with the view of may be bringing it back to the floor of Parliament. I am just thinking here.

Hon Boyers: I think the Bill that we passed is on pensions and entitlements when a Governor General leaves office. There will be a house, a car and a pension package. If the remuneration is to be assessed I think what we need to do is to ask the Ministry of Finance for where about that allocation or funding has been allocated, in which ministry or which head are we going be looking at, reflecting that in this year's budget for those retired Governor Generals.

Hon Sogavare: Mr Chairman, I think it would be very interesting to see the break down of the costs and have them circulated

Private Secretary: It would be roughly about \$6.7million, because \$1million is for vehicles alone and all the former ones are demanding hilux vehicles.

Mr Chairman: According to the note handed to me by the senior advisor there is still an arrear of \$5.9million for the entitlements.

Private Secretary: Yes, like I said it is for gratuity.

Hon Soalaio: Mr Chairman, there is a question on, for example the vehicles. If we buy them a vehicle each this year, are we going to replace those vehicles every year, or are we responsible for the maintenance of former Governor General's vehicles.

Mr Chairman: Members, I seriously think we re-look at this piece of legislation so that we can look at better options of addressing the issue.

Hon Boyers: This issue was debated and passed on the floor of Parliament. I think what we are talking about here is what it is going to cost, what is outstanding and what has been budgeted for in this year's budget and who is responsible for it, which department? Is it Finance or the Governor General's Office? Where is it budgeted in here so that we can further scrutinize it?

Mr Chairman: I understand it was debated on the floor of Parliament but whether the cost part of that Bill was made clear then to Members of Parliament and what would be the implication of it annually.

Hon Boyers: Mr Chairman, I was in the Bills Committee when a report on this was tabled and one of the questions the Bills Committee raised, and I think was tabled is quite considerable. Can we ask the Ministry of Finance on this?

Private Secretary: Mr Chairman, according to information from the Budget Unit, it is allocated under head 282-0428-2057, 282-0428-2062. That is the information we got from the Budget Unit.

Mr Chairman: It is under statutory expenditure - Pensions and Gratuities.

Private Secretary: This was confirmed by the advisor from Budget.

Hon Soalaio: Mr Chairman, I guess the only way to this, is maybe suggest an amendment to the Act, which can come in later. I just realize that it is going to be very costly to the government. May be we can look at areas like buying them a vehicle and whatever happens that is their worry. I realize that it is going to be very costly for the government. I think we will now not be worried about changing the Governor General.

Mr Chairman: Are there any final and concluding comments from the Private Secretary beside the pension scheme?

Private Secretary: Mr Chairman, thank you very much. I just want to inform members that attached to this is the audit action plan. Our office was audited last year and they found some discrepancies. We were informed by the Auditor General's office to come up with an audit action plan to come up with the details on the actions to take to rectify these discrepancies. We have done that, and the office of Auditor General should receive our respond to their audit report. With that, Mr Chairman, thank you very much.

Mr Chairman: Any last comments.

Hon Sogavare: Only the cost payment of the pension is what we need to know. We have to ask the Ministry of Finance to come up with the cost analysis.

Mr Chairman: Just on the pension scheme we will ask the Ministry of Finance, Budget Unit, the Audit and may be your office to look at this properly and may be take up a proper costing on it. Whether it is \$1million or \$10million, as long as it is properly cost out so that the public is aware of how much money our former governor generals are receiving. Any final comments from other members or officials.

Mr Mendo: Just to inform the Committee that the cost of the establishment structure for the Governor General is \$1million but what is allocated by Finance is only \$750,000.

Mr Chairman: We can understand that. It is always customary of Finance to do that. Any final comments, but if there are no further comments we will come to a close and I will ask the Private Secretary to close us with a word of prayer. Thank you.