



# PUBLIC ACCOUNTS COMMITTEE

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## NATIONAL PARLIAMENT OF SOLOMON ISLANDS

### COMMITTEE TRANSCRIPT

National Parliament Office, Tuesday 11 March 2008, 9:30am

Prayer was said by the Chairman.

**Mr Coventry:** Thank you Chair. I was asked this morning to just give you a very quick summary about some of the processes in the Development Budget. Since the development budget is so much larger than last year it is quite important that the processes are well understood that it is different process to the current budget. It is only now it is becoming a large budget, and not even becoming more allowed processes.

In short, the development budget looks more like medium term plans, and that requires quite a lot of thinking about what people want to do. So we ask for work plans in the budget and the work plans drive the preparation of budgets. This covering sheet that we all put together just really reflects that the budget itself is merely a combination of this planning process. The Public Accounts Committee can ask to see these documents because a figure like \$10million against roads, \$10million is a lot of money and the work plans really explain how they are going to deliver and achieve it. We just put this together so that it would be better understand what ministries should be making available. Under the financial instructions we note, for example, that estimates going on for five years are meant to be prepared in proper budget application. So, there is a lot of information the Committee can ask the ministries to provide.

It is worth noting that in the rush to secure funding, often these planning basis are streamlined. Is that what you are saying? Often your approach has been to secure funding and then work out what you want to do with it rather than work out what you want to do and try to secure funding to achieve those aims.

**Hon Sogavare:** Mr Chairman, I believe we should have these plans in place now to properly guide the committee. Just looking at your policy guideline with these two documents, I think we miss this planning bit. There are no corporate plans here for Ministries that can guide the Public House Committee to see what they are actually implementing this year.

There a lot of things that disturb these policy statements from not taken up, and so we do not know exactly which area. Ideally, we should have in place these plans to properly guide us in our work.

I think the point raised yesterday is that it is very easy that they are not taken up posing serious threat to the budget as well, like the intention to rehabilitate former militants and to compensate for guns. These are serious policy statements. We are yet to come to the Ministry of Peace and National Unity but I am not sure whether it these are going to be taken up. Ideally, I think we should have those plans in place to properly guide us.

**Mr Coventry:** I think it is also worth noting when we get these budget submissions, we do try and collect funds using corporate plans and strategies such as infrastructure strategies and health and when we look at funding proposals, we really try and appraise those budget

proposals in the context of government policies and government strategies. What is reflected here is to try and reflect the big picture.

When we consider the vast donor resources coming into the country, they too have to align with government policies and practices under the financial instructions.

Only the ministry responsible for aid coordination can formally approach donors to approve the budget. And I am not too sure if there is coherence to government policies and sustainability as well. .... particularly capital works present costs to the government, and once that is completed the government is to maintain those assets. This is something we are trying to improve, and that is the development approaches by which the government drives donors and ensures government funds government priorities. I think that is also worth considering.

**Hon Olavae:** I appreciate what you have been saying. It is very important that the newly established Ministry of Rural Development must have constituency profiles. The 50 constituencies should each have a constituency profile. The 50 CDOs should have 50 constituency profiles.

Under the new roadmap we are trying to alleviate the present ailing economy to restore our already shattered economy. That is why the Rural Development Ministry is the main 50 constituencies do not come into the economy centres or priorities

It is very important that this new ministry with its 50 CDOs come up with their constituency profiles because all developments should take place in the islands where the productive sectors are, and not necessarily constructing 50km or 60km roads or maintain what colonial masters have built.

I say this because for the last 29 years 80% of our population has been using OBMs. They have been using OBMs as their trucks already. I think it is better to start with that 5 roads in the centre where the market outlets. Those are the areas we have to look into in our planning. We have to create a new base for decentralization program so that our people do not travel very much.

But the main thing is that this new Ministry with its Minister and officers have to work together with the same plan and the same vision in revitalizing our shattered economy.

**Mr Chairman:** I think we will now get into our hearing proper. But before we do so, I would like to first of all welcome all of you again, members to the second day of the PAC hearing into the 2008 Draft Estimates.

Today we will hear from very important ministries and heads, in particular the Office of the National Parliament of Solomon Islands, the Public Service, Rural Development and Indigenous Affairs, Office of the Prime Minister and Cabinet, Environment, Conservation & Meteorology and Foreign Affairs, External Trade and Immigration.

In reiterating what has been expressed by the Committee at the start of yesterday's hearings, the 2008 Draft Estimates have only been received yesterday morning, and as a result the Committee has not been given the justice of time to properly review the estimates of each ministries and heads.

We will therefore.....prime to the hearing of each ministry and head to deliberate on our position as regards to each ministry and head that appears before us.

I would like to thank all senior officials and staff of each of the ministry and departments that will be appearing before the Committee today. We acknowledge your efforts in preparing for the hearing in terms of understanding the budget allocations that have been given to you. We particularly want to acknowledge you for your availability in the hearings today.

As it has been resolved by the Committee hearings will be held in public and likewise the hearing today is not only recorded for public viewing but is also open to both

the public and media representatives. On that note I welcome the Acting Clerk and representatives of the National Parliament to the table.

The Committee would now like to invite and your staff to make an opening statement to the Committee and to brief the Committee about the key matters related to this year's budget. Thank you.

**Mrs Naesol:** Thank you Chair and Committee members.

I shall now proceed into the brief and opening statement. The National Parliament of Solomon Islands makes laws for the peace, order and good governance of Solomon Islands as outlined in the Constitution.

The main responsibility of the National Parliament Office is to provide effective parliamentary service and administration to enable Parliament fulfills its role as a legislature, representative and oversight body.

The National Parliament Office is also administratively responsible for the Office of the Leader of the Opposition and the Independent Office.

The major outputs of the National Parliament Office include, but are not limited to the following services:

1. procedural support services to the Speaker, MPs and the Clerk.
2. committee secretariat services to the standing select and special select committees of the National Parliament
3. finance and administrative services including the administration of Members' salaries and entitlements. The provision of security, building and operations management and personnel.
4. Library research and information services for MPs.
5. Hansard recording and transcription services. There is also the ITC support services that we provide, and
6. the civic and parliamentary education services.

The National Parliament has always been severely constrained by lack of financial resources to carry out its essential and constitutional duties. This reflects the need to properly recognize Parliament, not only as the supreme legislative institution in Solomon Islands but also as an independent and functioning body.

Successive governments have stated the importance for a well resource legislature as key ingredient to fostering democracy and ensuring good governance. After all, Parliament is the only institution in the country where the people of Solomon Islands are directly represented, and as such makes it directly accountable to the people of this country.

As part of improving the delivery of our services to MPs, we undertook a corporate and planning exercise to map out the future direction of this organization. The result of this process is a draft corporate plan that broadly outlines the vision, mission and corporate objectives of Parliament.

This corporate plan will be accompanied by yearly work plans, and work plans for 2008 is currently in its finalization stages. I now wish to table our corporate plan for this year from 2008 to 2012. We have copies here which can be given to each member.

Given those introductory remarks, I will now present a broad overview of the Parliament's 2008 Budget. The 2008 Budget for the NPO contains very important undertakings that will vastly improve the manner in which Members of Parliament exercise their constitutional roles.

First and foremost there is a substantial allocation in the development budget for a new office complex for MPs. The current building which houses the debating chamber and offices for the Speaker and Clerk was the first phase of an elaborate and extensive parliamentary complex that was presented to Solomon Islands by the United States

Government. Office space for parliamentarians was to be part of the later phases of the building project but this however, did not eventuate.

In recognition of the need to adequately provide Members with space to do their work, the National Parliament Office with the support and assistance of the UNDP Parliamentary Strengthening project developed a concept design and proposal that was submitted to various donors for funding.

I am pleased to announce that the ROC (Taiwan) was committed to this important undertaking. The allocation of \$3million in the Development Budget for 2008 is additional to enable preparatory site work to commence as soon as possible and practical. And again we have the office complex, which I would like to also table here.

In terms of the other major development projects for the NPO, a further \$2million has been allocated for this year's budget. I want to point out that although actual expenditure last year on this project was well below the \$1.8m that was allocated for 2007, the important point here is that we committed approximately \$1.3m of that amount in contractual arrangements. This ranges from plumbing and electrical maintenance, repair of the air-conditioning units, and renovation of the toilet facilities and upgrading of the main chamber acoustics. Most of these renovation works are still ongoing and near completion as you can see outside there work is going on.

Another point I wish to make here is that the National Parliament Office has been identified as one of the best practice in managing the process of development projects. The long delay in getting the renovation work to start was not accidental. After the appropriation was approved in 2007, the first step this office took was to carry out a proper repair needs assessment that would identify and prioritize the maintenance work to be carried out in the building. And we have the last report that we went to table here as well on repair/needs assessment which has been completed. That is the final report to be tabled.

This was to ensure that public funds were not just spent for the sake of spending, but that it was spent efficiently and to where it is most needed. This is, of course, one of the reasons why the National Parliament and Committee such as the Public Accounts Committee were established.

We will now turn to look at the Recurrent Budget.

In terms of the recurrent Budget three new items were added to the Parliament's Recurrent Budget for 2008 as a result of bids that we prepared and submitted last year. These are on page 233 and they are line items 279-001-3077 - filming and televising. This is to cater for the filming and televising of the meetings of parliamentary committees such as the Public Accounts Committee and to ensure that the public is kept well informed and up to date on current national issues.

The second new item that we were given is line item 279-0001-6008 and that is Parliamentary Sessions and Committee expenses. This is to allow Parliamentary Standing and Special Select Committees to effectively carry out their duties as outlined under the Parliamentary Standing Orders. The recent rejuvenation of parliamentary committees require that it be financially sustainable and be adequately resourced to enable them function. The office is also reviewing the operations and make up of these Committees with the view to improving their performance.

At this point I would also like to inform Members that the Standing Orders of the National Parliament is also currently under review, and this exercise will ultimately improve the overall conduct of parliamentary proceedings and make them more easier and practical for Members to understand and apply.

The last item that we had is Youth Parliament under Head 641818 also on page 233 as well. This allocation will allow the Office to organize and implement the first ever national youth parliament for Solomon Islands. This will be done together with the relevant ministry responsible for youth, and it is part of the Parliament's corporate object to promote and engage the knowledgeable of the Solomon Islands community. We believe that the

more people know and understand the role of Members of Parliament, it will improve how Members actually carry out their duties.

In terms of the other line items I will highlight only those that warrant some explanations. Under Headquarters/Administration page 232, item 279-001-100 and 279-001-1025 personal emoluments. There are no real increases for 2008. In fact it appears in the budget as a decrease in the payroll total. This is caused by incorrect postings whereby Members' salaries were also charged against civil services salaries.

On electricity and gas on page 232, this is to cater not only for the National Parliament Office but also for the Leader of Opposition and Independent Office. The allocation for 2008 is not adequate as can be seen by the actual expenditures in 2007.

Telephones and faxes also on page 232 under 2013, the allocation for 2008 as you can see is also not adequate. Radio communication on page 233 is to cater for payment to the SIBC for the broadcasting of Parliament Meetings. This allocation is also inadequate as SIBC has increased its charges.

The last head I would like to single out as well is organization and administration. This head is to meet subscription fees to organizations that Parliament as a body is a member of such as the Commonwealth Parliamentary Association.

I would stop here and take any questions. Thank you.

**Mr Chairman:** Thank you Acting Clerk.

**Hon Sogavare:** Mr Chairman, in regards to the number of allocations that are inadequate, what is the understanding of the Ministry of Finance on these?

**Mrs Naesol:** We have been advised that there would not be any increases but with the supplementary provision coming up in June we hope to get some supplementary on these.

**Hon Sogavare:** Mr Chairman, I take this opportunity to thank Parliament for a lot of improvement made since this UNDP project was implemented and because of this we see a lot of improvements. I think that is worth the recognition of Members of Parliament to improve the work of Members of Parliament.

Mr Chairman, I just want to raise an issue here, and that is the role of Members of Parliament. I think the way we organize ourselves politically for Solomon Islands Members of Parliament to become project managers in the constituencies when really they should be full time employees of Parliament. That is how I see it.

And that boils down to the number of standing committees that we have in Parliament. Right now we have only five Parliamentary Standing Committees and there have been suggestions to improve the number of standing committees to more than five to fully engage Members of Parliament in these committees so that it basically improves the oversight responsibility of Parliament. Important policies that are passed by Parliament are monitored by the standing committees. But I do not think Parliament is really doing that, Mr Chairman and that is why politicians are taking up the new role of project managers in their constituencies. You might need to look into that.

The other issue I want to raise as well is the Office of the Leader of Opposition, not because I am the leader. But there is need to look at this office if the monitoring or the watchdog role of the Office of the Leader of Opposition is to be effective.

Mr Chairman, we thank you for giving us three new additional posts for 2008. If you look at the salaries of political appointees in the Prime Minister's Office, there is a big gap there of about \$60,000 difference.

I think this is just a point I want to raise that we need to look at the level of salaries of political appointees so that we get the right kind of people for the Office of the Leader of Opposition to make the office effective. I think I will stop here.

**Mrs Naesol:** Mr Chairman, to respond to the Leader's point on increasing the number of committees. I think with the revision of the Standing Orders there is intention to increase the number of standing committees to eight (8). That is taken note of. In regards to salary levels, we also take note and it is something the government should look at to standardize all the contract posts.

**Mr Dausabea:** Chairman, I am just wondering if the National Parliament is still interested in renovating the Parliament rest house. I want the Project to look at it because most MPs are now living in hotels. If you can look at that, or sell it out and get some money. Are there any plans for the Parliament rest house?

**Mrs Naesol:** Yes, we do have a plan. I ask Jude who is been working on that to expand further.

**Mr Devesi:** Thank you, Mr Chairman. Actually, this issue was a matter considered by the House Committee whole of last year. The Parliamentary House Committee has resolved that it will not be feasible in running a full time rest house. The idea behind a rest house is really a good idea as it will help to minimize cost. However, you know the system we have here in Solomon Islands is Members reside there permanently also with their families. So the cost of up keeping and maintenance has been projected to be more than actually renting a hotel.

The former House Committee and the present House Committee have taken the same stand that we will move away from using that to house Members of Parliament.

Currently, we have a request from the UN to establish a country office in Solomon Islands. That request was forwarded to us through the Ministry of Foreign Affairs.

Basically Parliament does not want to let go because it is within the vicinity of the current building and so we are looking at arrangements that somehow the UN would invest into that property and use it as their office for a specified period of years and then give it back to the National Parliament. That is currently the status of the Parliament rest house.

**Mr Chairman:** Moving on from there, you have circulated some beautiful designs and drawings probably of the proposed office complex for MPs. Where are we now? We have some allocations of \$3million from ROC. What is the progress so far apart from these beautiful drawings and pictures?

**Mr Devesi:** The progress is that we have received initial interest from ROC. The proposal I tabled earlier has been forwarded to the Prime Minister's office. They have already taken the matter up with Taiwan but we are yet to receive any formal written confirmation as to when that arrangement will come into place, when it will start funding this particular project.

Like the Acting Clerk has outlined earlier, the \$3million that is in the development budget is additional to what ROC will be putting. The ROC has agreed to present it as a gift to the people of Solomon Islands and it hopes to build it by next year. That is in 2009 when Solomon Islands will host the 2009 Taiwan/Pacific Islands summit. That is what we have received from them. But we haven't received any formal confirmation as yet.

**Mr Chairman:** The reason I am asking this question is because all of us Chairmen of Standing Committees are using the kitchen as office and there is really nothing here. Do you want to improve the work of the Standing Committees? The major setback here is office accommodation and so continuing to drag these developments, is a major hindrance to the progress of Standing Committees. Are we not going to see any building going up this year? What is this \$3million for?

**Mrs Naesol:** The \$3million is for site preparation of that place, and as soon as we get confirmation from Taiwan on its funding we expect construction work to begin sometimes this year.

**Mr Chairman:** Under the development budget last year 2007 you have \$1.8million allocated but you only spent \$300,000. But we still have not seen any parameter fencing around Parliament. I would not be surprised if people start building squatters around Parliament area. Why do you spend only \$300,000 when you have an allocation of \$1.8million?

**Mrs Naesol:** I will ask Jude to explain our spending. In my open statement I explained why spending was only \$371,000.

**Mr Devesi:** When \$1.8million was approved by Parliament last year, one of the first tasks we sought to undertake was because the building has not been maintained for almost over 10 years, we decided not to rush out and spend money and find out later that what we spent money on was not actually what was needed to be repaired. So one of the first tasks we undertook was to conduct a repair and needs assessment and so we hired a local architecture firm to undertake that repair assessment for us.

Upon completion of that report we then finally have to prioritize which contracts we have to tender out first. Basically, I have here with me a timeline which if the Committee is interested to see how we conducted our project activities in 2007

The approval we got from the Ministry of National Planning and Aid Coordination to spend that money was actually given on 13<sup>th</sup> July 2007. The terms of reference we drew up for the repair needs assessment was completed on 18<sup>th</sup> July 2007. And the final report was presented to the Office of Parliament on 27<sup>th</sup> September 2007, which we then went on to prepare tender documents. We went to tender as of first of October, and as you might probably be aware the timing for tender is also two weeks to one month. It depends.

By mid November we had managed to sign eight (8) contracts. We actually have not spent that much of the \$1.8million allocation last year but we have signed in contractual arrangements, we have committed \$1.3million in contracts. Members would be aware of what is happening around us because some of these contracts are still ongoing.

**Hon Dausabea:** Mr Chairman, just one thing, the ongoing government house for Members of Parliament. I think there was a project proposed last year. I have been served an eviction notice although I am the Member for East Honiara to get out of the house I am currently living in.

Are there any plans to allocate funds to build Ministers or Members of Parliament houses including the three Honiara MPs? This is good because we have been arguing about this for almost six months now in the print media and broadcast media.

We are Members of Parliament and I think we should be taken seriously. I can remember when I first entered Parliament in 1990 there were two houses allocated for the Members of West and East Honiara when there were only two constituencies at that time. But as time goes by those houses have been allocated to different people.

I think it is not good for us to fight over houses in the media. We are Members of Parliament and so we should be entitled to houses. Are there any serious ongoing plans by the Parliament, the House Committee or the Prime Minister's office to look into this concern very seriously? Thank you.

**Mr Naesol:** I would say because of problems Parliament has been facing in the last ten years or so, we are going by priority areas. I think every Member of Parliament would appreciate that office facility is the number one priority, and we are working on that, and then go slowly up and address Members' needs of accommodation as the honorable Member for East Honiara has stated. That concern has to be brought again to the Parliamentary

Committee to look into. I cannot promise anything at the moment but we are looking at taking things one stage at a time and office facility is one of our number one priorities at the moment. But we take note.

**Hon M. Kemakeza:** Mr Chairman, I too wish to raise a point in regards to the Members of Parliament budget and also other duties to be done by MPs especially here in Honiara. It seems that there is no immediate attention by governments that come into office. Is there anyway that the National Parliament can look closely into this despite of the explanations you have given?

**Mrs Naesol:** Is this regarding Members' housing?

**Mr Kemakeza:** Yes, Members of Parliament who are not accommodated especially when there is a change of government and Members are going out. I think they should be given statutory appointments or parliamentary appointments. It takes time for Members to be given accommodation. Is there any way under this 2008 Budget to cater for housing?

**Mrs Naesol:** I think the PER caters for Members' accommodation when they come into Honiara for business. Member's accommodation is provided for in the PER. When MPs come into the city for Parliament business we accommodate them. That is the arrangement at the moment. But we take note of the concern on Members housing.

**Hon Soalaoi:** Firstly, I wish to thank the Parliament staff for their presentation this morning. One thing I must also register here this morning is that it is true our National Parliament is one of the best Parliaments in the region. I think you yourself, Mr Chairman, heard this during a meeting we attended last month.

As you know, the only way that Members of Parliament can be actively involved in their roles as Members of Parliament is to involve them in Standing Committees because apart from that there is no other way we can keep MPs in their functions. The Parliament's oversight role is only carried out by the Standing Committees.

I tend to agree with the idea that there is need to have more Standing Committees. I want to impress here that there is need to push or put more extra effort to push the project to start as soon as possible.

There is also the need for regular meetings by Standing Committees. I've just heard that some committees never meet because there is nothing to do. I do not believe there is nothing to do.

I guess the way to go is for us to have proper offices. It is also very important to start looking at the idea of forming more standing committees. That, of course, will attract more resources for the National Parliament.

The only way to enable us carry out our oversight roles effectively is for us to have enough resources. I also understand that Parliament is very concerned about this. That is the only concern I have.

We already know in our meetings that some Members are complaining that they have no accommodation in Honiara. I know that we are catered for in the PER but we need to put ourselves in a position that Members will not make excuses to attend meetings they are supposed to attend.

The only thing I want to stress here, Mr Chairman, I think if we allow Members of Parliament to be on the loose, if we do not get them involved in their roles as Members of Parliament, and I really think most of us need to be reminded what we are here for.

Some of us think that we are just here to attend meetings of Parliament and dish out constituency funds. I do not really think all of us know what our roles are. If you have money you can run and come into Parliament and have more power in your hands. I now realize that it is more than that. Parliament, I think has a greater role to play in this to



involve Members of Parliament in Standing Committees. We are your partners in making sure this Parliament is effective and carries out its functions efficiently.

What about the timeline needs of parliament? I want to impress on you once again that if we wait for whoever will show interest in assisting us with the project. I think we want this work to really start immediately.

The nation has already heard about that allocation of the interest to fund the National Parliament offices. The 2009 Taiwan and Pacific Allies meeting is not far away. We all know the phase of work in Solomon Islands that we have to order materials from hardware shops or even if you have to go overseas, it would take another year before they arrive. We will help you to push Taiwan to release the funds so that we can start as soon as possible.

**Mrs Naesol:** On Parliament trying to help Members to understand their roles, I think the UNDP project with SIG and AUSAID are addressing that, and slowly we understand and know that MPs are appreciating the role the Project is so doing in getting MPs to understand their roles.

We also take note that some of the committees need to meet as you have stated. But slowly we are getting Members of Parliament understanding their roles with more activities that Committees are performing in the last two years.

**Hon Kemakeza:** Mr Chairman, I just want to raise, although the MP for East Honiara has already raised, and this is in relation to Members of Parliament of Honiara.

As you can see that there has been an allocation of that in previous budget, what would be the current position of the National Parliament in relation to having houses allocated permanently for the three constituencies of Honiara?

**Mrs Naesol:** I think there is a provision of the PER, 32(4) that says "Honiara Members shall be provided with a house in Honiara in accordance with section 31 of this regulation". We will be looking into that. I think there is a correspondence made to us already on this issue and so we will be addressing it.

**Hon Kemakeza:** Can you be specific as to which is which. That allocation is for Members of Parliament.

**Mrs Naesol:** Under Section 31. I will explain Section 31(1) and 31(2). On accommodation for Members of Parliament section 31(1) is where a Member is renting someone's property and this is where a tenancy agreement is signed. This is when a Member requests that he or she needs an accommodation and we will provide for it under section 31(1).

Section 31(2) caters for where a Member is occupying his or her own house and is paid a rental supplement. That is the provision we use for Members accommodation.

**Hon Sogavare:** Mr Chairman, I think the case of the MP for East Honiara is because the Member is being asked to leave the house. The AG is actually contending that he is not entitled to the house. We are confused because the provisions you just quoted in the PER is that the three Members of Parliament for Honiara are entitled to be provided accommodation. But they are receiving legal opinion from the Attorney General himself that they should leave the house. We are confused and so this needs to be sorted out.

**Mrs Naeson:** I have a request from one of them and so I think we leave this with us.

**Mr Chairman:** Yes, I think we leave this to Parliament's secretariat and the legal team. But I hope we are not taking things personal just because he is the Chairman or maybe he is the

MP for East Honiara and so they want to evict him. But that is beside the point. If there are very clear provisions in the PER then so be it.

I think we have exhausted our time with National Parliament, and so Clerk and officials, thank you very much for your time before the Committee. I know you may have inadequate funding allocation but these are the very first provisions that MPs will want top up once they are exhausted and so do not worry. As we get on we will look at those allocations. But once again, thank you very much for your attendance this morning. Thank you.