

MONDAY 11TH APRIL 2011

The Speaker, Sir Allan Kemakeza took the chair at 9.44am.

Prayers.

ATTENDANCE

At prayers, all were present with the exception of the Members for Fataleka; Shortlands; Temotu Pele and West New Georgia/Vona Vona.

PRESENTATION OF PAPERS AND OF REPORTS

- Ridges to Reefs Conservation for Solomon Islands
- Ministry of Commerce, Industry, Labour & Immigration Corporate plan 2011 -2015
- Ministry of National Unity, Reconciliation and Peace Corporate Plan 2011 – 2014

QUESTIONS AND ANSWERS

Mr Speaker: I wish to remind Honourable Members and especially the new members who have just joined us that these questions were placed on Notice Paper No. 7 on Monday 4th April 2011. The requirement for a question to appear on the Notice Paper before it is asked on a question day is four clear days. Members will also note that there are 11 questions set down on today's Order Paper. According to Standing Order 20(2) not more than twelve questions may be asked on any question day. And Standing Order 21(3) provides "A member may not ask more than two questions of which notice has been given on any one question day"

Question No.1 deferred

Foreign affairs: purpose of trip to Canada

8. **Mr TOZAKA** to the Minister for Foreign Affairs and External Trade: Can the Minister inform Parliament of the purpose of his trip to Canada in February and if the purpose was achieved?

Hon AGOVAKA: The purpose of the trip to Canada by myself and the Minister of Education is in two folds. Allow me now to speak briefly about the trip. In Canada, we are invited to visit three provinces; the province of British Columbia, the province of Saskatchewan and the province of Alberta.

The purpose of the trip is first, to make trade ties with Canada, and secondly to look at labour mobility. In terms of labour mobility, the Canadian people would like to employ

trades people from Solomon Islands, like the mechanics, carpenters, plumbers, and they also want nurses that can provide services to the people of Canada. On trade, it is mainly on food crops like cassava; they would like to import a container of cassava per month. This is something the division of external trade in my Ministry is dwelling on.

In terms of labour mobility, the Canadian people would want to employ about 12,000 people. I told them that we do not have 12,000 trades people to give them, but we do have people who are graduating from the Solomon Islands College of Higher Education every year and our government and even our private sectors cannot give employment to these people, hence the idea of labour mobility. Canada would like to employ mechanics, carpenters and plumbers. This is something this government will do, and that is to bring in the Canadian education standard to SICHE, raise the standard of SICHE to the Canadian standard and we train our people so that we then would provide labor mobility to Canada. That is the purpose of our trip to Canada; it is to put in place trade ties and labor mobility.

Mr Tozaka: Coming back to our region, what is the relationship between this trip under the PACER and the PACER Plus?

Hon Agovaka: There is no relationship between the two. PACER Plus will be meeting in Tonga next month in May to continue the negotiations between Pacific island countries of which the Minister now speaking of Solomon Islands is the lead spokesman for the Pacific island countries with Australia and New Zealand. We are continuing with our trade negotiations, provision of services, and other areas of trade and labour mobility with Australia and New Zealand.

Mr. TAUSINGA: A supplementary question in respect of labour mobility. What sort of skills would Canada be interested to get from Solomon Islands?

Hon. Agovaka: The skills that Canada is looking at are trade skills in mechanics, carpenters plumbers and nursing.

Mr. SOGAVARE: I thank the Minister for that information. I am interested in labour mobility and I welcome Canada's interest of employing 12,000 of our people. If I heard it correctly, the Minister said that skills is one thing and to develop them to a standard that fits in with the employment environment in Canada is another thing. Can the Minister confirm that? And if that is the case, what is our plan in bringing up our people to fit into the employment environment in country.

On the view expressed by the Minister that we might not have 12,000 people, the question is whether we do any count or have statistics of people graduated with skills in Solomon Islands so that in the negotiations if number is the issue then we can confidently say that we have this number available that we can supply. Is there any such statistics anywhere in any government offices, but if there is none, what steps are being taken to have such information readily available?

Hon. Agovaka: As I have said earlier in my answer to the substantive question, the Minister for Education accompanied me to Canada and we spoke with a number of universities. And there is one particular university that catches the attention of the Minister for Education as well as myself. This is a politech university that is providing a similar kind

of training but at a much higher level than the College of Higher Education. That is the university we would like to work with to bring the standard at the College to the Canadian standard or syllabus so that we can raise the standard of our trades people and nurses to the Canadian level. It is unfortunate the Minister for Education is not available today; otherwise he would have answered that particular question.

I can say that the Ministry of Education is now working with this Canadian institution in seeing how this kind of cross training can be arranged for our trades people to make them qualified to the Canadian standard.

To answer the second part of the question, there are a number of statistics already in the Ministry of Education on the number of trades people we have. Also, there are a number of statistics and data from the Ministry of Commerce. I used to be the Minister there and I know that we have some data of trades people and what level of proficiency they have attained.

Mr Tozaka: I would like to thank the Minister for answering my questions.

Questions No. 9, 10, 13, 14, 15, 16, 21 & 22 deferred.

BILLS

Bills – First Reading

The 2010 Supplementary Appropriation (No.2) Bill 2011

Bills – Committee Stage

The 2011 Appropriation Bill 2011

Mr Chairman: Honourable Members, we are now in a Committee of Supply to consider the 2011 Appropriation Bill 2011. Today is the fourth day Parliament has been discussing the 2011 Appropriation Bill 2011 in Committee of Supply. According to Standing Order 63(2) this period can be extended because the question on the Second Reading of the Bill was carried on a day earlier than the last day allotted for the debate on the Second Reading. The day or days thus saved may be added to the days allotted under Standing Order 63 Parliament therefore has one more day of Committee of Supply should there be a need to extend the committee of supply stage. However, it is not mandatory to use up all allotted days. If, even as early as today, we complete our considerations, we will conclude these proceedings and go straight into Third Reading.”

Again, may I remind all Members that when we consider each Head, *Standing Order* 64 (3) requires that we adhere to a few rules, that is to say:

- any debate on a Head must be confined to the policy of the service for which the money is to be provided;
- the debate must not deal with the details of any item or subhead;
- reference however may be made during the debate to the details of revenues or funds for which that service is responsible. Such details are available at the back of the **Objects and Reasons** of the Bill, that is after page 10 of the Bill.”

Recurrent EstimatesHead 293: Ministry of Home Affairs - \$23,155,995

Mr Sogavare: I would like to ask the Minister a question on the establishment that would affect the entire ministry. The Ministry has four vacancies: a support service senior data officer, a senior development officer, a deputy clerk and a security; what is the Ministry's plan in filling up those four vacant posts?

Hon Maelanga: We are still looking into those new vacancies with the view of filling them, but at the moment they are still vacant.

Mr Sogavare: Item 6221 on page 455 – promotion of national identity has an allocation of \$143,000 last year and this year the Ministry is asking for another \$199,000. The question is for the Minister to justify the views of that request. What is this amount used for in 2010 to promote national identity and what is the plan for this year?

Hon Maelanga: On promotion of national identity the Ministry is looking at ways it can promote the identity of Solomon Islands. The idea is to organize activities like national costume competitions to identify what we will consider as national costumes or dress codes of each island that makes up Solomon Islands.

Another way of also promoting national identity is for the Ministry to supply the national flag to every school; we want all schools in the country to fly the national flag. We want to promote the identity of country. I think that is how we would want to promote national identity.

Mr Sogavare: In terms of national costume or national dress, what progress has been done so far to come up with a national costume?

Hon. Maelanga: How to go about doing that is to get all the islands put in their designs, and from there a design will be selected that we would want to be the national costume of our country.

Mr Sogavare: What I was asking for is whether any work on that is going on, and when are we going to identify a national costume that will be approved as the national dress for Solomon Islands? The other question is whether the Minister can tell us how many more schools need the Solomon Islands flags and they still do not have it?

Hon. Maelanga: My Ministry will start to work on that after the budget is passed. And I believe many of our schools in the provinces do not have flags, and that is why we would want to start giving out flags to all schools throughout Solomon Islands for them to fly the Solomons flag.

Mr Sogavare: The other question is on item 6771 - national unity day, which is a good idea. Which day is the Ministry thinking for us to celebrate this national unity day?

Hon. Maelanga: The Ministry is still looking into this, which day would be suitable for us to all come together as one, which would include those in the provinces and those in Honiara. The main intention behind it is to bring people together on that day, and this would include a national arts festival, a provincial music festival for our provinces and to get women and youths to come together for that annual event. The Ministry is simply trying to bring people of Solomon Islands to come together as one people to promote unity or a united country Solomon Islands.

Mr Sogavare: The idea is very good, excellent. But the question is whether it has been done or not because the allocation for it has appeared since 2010; \$97,000 in 2010 and now you are asking for \$135,000. I cannot remember whether this day has been celebrated last year.

Hon. Maelanga: As far as this new government is concerned, we will try to implement this.

Mr Mane: I am on page 455, looking at item code 4119 - anniversary preparations, which has an increased allocation for this particular subhead. I am just wondering what actually would be involved that gave rise to this provision compared to previous years.

Hon Maelanga: I think that is for our independence anniversary celebrations.

Mr Tozaka: Page 456 on the National Disaster Council, and just a general question to the Deputy Prime Minister. We have the National Disaster Council there and then we also have the management of the National Disaster Council under the Ministry of Environment. I just want to ask the Deputy Prime Minister as to how he finds coordination of the Disaster Council when one is under his ministry and the other is in another ministry.

Hon Maelanga: I think everything has been transferred to the Ministry of Environment.

Mr Mane: Just a follow up question to my previous question for which the answer I received is that it is for anniversary preparations. My question is particularly on the substantial increase. I understand in the past, celebrations for independence anniversaries were held in the provinces. Is that why this amount of \$600,000 is an additional to last year's 2010 allocation? My question is whether additional activities are involved that would be more than what happened last year or would it be celebrated in another remote province. That is what I want the Minister to clarify.

Hon Maelanga: Why it has increased is that we are looking at some additional activities during the celebrations. Also, the costs of things have drastically gone up, and this means organising the celebrations would be very expensive, and that is why the increase.

Mr Sogavare: Page 456, and this is trying to tie together the establishment record with the provisions on salaries. There is \$1.3million request for salary this year. In the establishment, there is zero allocation for everyone on page 183 of this document. Just for the Minister to confirm whether the unit called the National Disaster Council still exists, and how many people are working there?

Hon. Maelanga: The subhead for the National Disaster Council has been moved to the Ministry of Environment and Climate Change.

Mr Sogavare: If that is the case, why is the National Disaster Council still has provision of \$1.1million in the budget under the Ministry of Home Affairs? If that is so, then whose allocation is that?

Hon. Philip: That is a valid question. There are two aspects to national disaster; one is the national disaster council that acts when disaster events happen, and this still remains with the Ministry of Home Affairs. But disaster management is a long term planning process which deals with disaster mitigation, disaster adaptation, adapting to disaster situations, and these come under the Ministry of Environment and Climate Change.

I think what the Member for East Choiseul is asking is what aspect of the National Disaster Council has transferred to the Ministry of Environment and Climate Change, and therefore there are no allocations in the establishment there. I think certain functions and personnel who used to do planning and management have been transferred to the Ministry of Environment and Climate Change, and so perhaps this will appear under the Ministry of Environment and Climate Change.

Mr Ete: I can see the 2011 civil service salaries still under the Ministry of Home Affairs. How many people are you budgeting for those emoluments? Because it would mean that even if the function is transferred to the Ministry of Environment, you are still budgeting for a substantial amount of \$0.5 million. Who are you budgeting for in those personal emoluments? How many staff members are there because there is half a million dollars there for salaries? Or would that whole head 293-0300-1010 be transferred at a later date? If that is so, then how would you do it? I am only asking about those personal emoluments of salaries here is half a million dollars, and so whose are those for, who are we budgeting for?

Hon Lilo: As part of the ongoing improvement to the budget, you will find heads that were supposed to be relocated to certain ministries that have not being done in this budget, and therefore the National Disaster Council provision here will be moved over to the Ministry of Environment. Therefore, the civil service salaries there are meant for personnel working in the National Disaster Council Office.

There are administrative mechanisms available in moving those subheads. It can be done through departmental warrant. The assignment of the National Disaster Council is already allocated under the Ministry of Environment, Climate Change and National Disaster. That will be done later when the budget is improved, and this will be shifted across to the Ministry of Environment.

Mr. Wale: Just to follow up on the original question by the MP for East Choiseul. Firstly I suppose an observation whether having the Council placed under the responsibility of Home Affairs and having the Management Office, which is the implementing arm of the Council under the Ministry of Environment, for a disaster situation would make for a smooth, effective, efficient implementation of relief rehabilitation, sort of activities. I suppose that is just a comment for notation that perhaps the government needs to house them both under the same roof so that it is easier to call meetings and then get on with it.

My second point is that the National Disaster Council is well provided for under the Ministry Home Affairs, and if it is only the Council itself then it would seem to be too much. Even the NDMO, although it is moved to the Ministry of Environment, there is actually no provision for it under that Ministry in the recurrent estimates. It could be in the transition it has been overlooked or dropped somewhere and so perhaps the Minister of Finance could clarify that.

Hon. Lilo: The right body that coordinates disaster management is the National Disaster Council, which we often refer to as the National Management Office; just a kind of added flavour in the way we name this body. The appropriate authority that is recognised by law is the National Disaster Council, and that is the one referred to under the Act.

I have said that we are going to shift this whole thing, this whole page to the Ministry of Environment. We were unable to do that this time because of the continuous improvement to the system. But if you can bear with us that as you read this, you would read that it is now a re-located portfolio to the Ministry of Environment, which the Minister of Environment will confidently answer it when the matter is brought to him when we come to deal with it under his ministry. It does not change anything, it does not change the human beings there or there is no change to the organization there, but it is just shifting it from here to there.

The good thing about the National Disaster Council being moved over to the Ministry of Environment is that it would be now complementary to disaster preparedness that is also associated with the issue of climate change. As you know these two things go together - disaster preparedness and climate change, these are just the same thing. Climate change gives rise to natural disasters and so it is only appropriate it is moved across there because there are people there with technical expertise who can provide good analysis and data on how disasters are affecting us, not only disasters that are natural that we are facing now, but increasingly we are facing natural disasters associated with climate change.

Mr. Wale: Page 458, and I want to ask about citizenship fees under income. What is the basis of that estimate? How many new citizens are we estimating to admit this year, and what is the fee each one would pay?

Hon. Maelanga: Head 004 – citizen fees. Citizen fees depend on applications of those who want to become citizens in our country. The rate of citizenship fees has not been reviewed for a long time now, and I think the Ministry is thinking of reviewing the amount with the view of increasing it since it has not changed for quite a long time. The citizen fee is \$3,000, which is very low.

Mr. Wale: Lottery receipt, I think is calculated on the turnover of licenses. What gross turnover is this calculation based on?

Hon. Maelanga: The lottery receipt too, for a long time has not been reviewed, and as you know, the previous government, CNURA also had in mind to do a review. This government therefore is working on a review on the lotteries act.

For our information and good understanding of the fees collected over the last four years; in 2007 fees collected from lottery receipts was \$7.9million, and this is for both the Honiara Casino and the Supreme Casino; in 2008 it was \$1.2million, 2009 was \$920million

and 2010 was \$1.1million. Those are some of the amounts the government received those years.

Now it is at 5%. We were trying to increase it to 35% but the casinos protested that if it is moved up they would not be able to pay their taxes and it would mean reducing their workforce. That is the reason why it still remains at 5%.

Mr. Tozaka: Page 458, head 293, accounting code 9303014141 – assistance to local churches. What appears there is now zero. I think there must be a change of policy so maybe the Minister can explain this to us.

Hon. Maelanga: Yes, there is no provision for that this year, but it will be in the CW.

Mr Wale: I would like to get us back to my question on lottery receipts. If we calculate \$1.2million at 5 percent, it shows that the gross turnover of the two casinos for the full year will be \$24million. Of course, we do not know what their activities are, but \$24million for both casinos for the whole year would sound to me grossly understated but again I have no basis for saying that.

I suppose the concern of the government now is the compliance and enforcement mechanism the Ministry has to make sure the correct amount of turnover per month is being recorded and disclosed, out of which the 5 percent is being paid. It would appear that that mechanism is probably very weak and so we only depend on them to tell us of their turnover on which the 5 percent is calculated. If the Minister could clarify whether the administrative mechanisms will be reviewed and strengthened so that we can pick up on this area.

Hon Maelanga: As I have said earlier on, the Ministry is working on a review to see that this is in line with government policy. Like I have said already, the lottery board is looking at reviewing the fees collected from these two casinos.

For your information there are many other hotels that want a license but we do not have license for poker machines and other game machines and so the review will include a review for poker machines to be included as well as full license. I think the Ministry is working on this.

Mr Maneniaru: I want to ask a question on page 456. It is the same with the other pages and on the same item, and this is grants. On page 456 is the National Disaster Council, item 4061, page 458 - item 4061 under Special Duties is also grants and item 4061 on page 460.

My question is if the Minister can help me understand how these grants are being administered, say for instance, the disaster grant, what sort of disaster would my people have to experience before I can refer them to the Ministry for assistance. The Minister may help explain or clarify to us these grants on these various pages because I think they will have a similar answer.

Before I leave I would also like to thank the Minister for his assurance on assistance to local churches in the CW. The churches are our long term partners and we should not forget them. There should be more help to the churches as they have been long time development partners of our governments. I just want to thank the Minister and I wait on him to give answers to me on my question regarding the grants.

Hon. Maelanga: On grants, if you look at special duties, the grant there is just for small assistance to church programs. The Ministry is also supporting the activities of our churches to enable them run church programs. They can seek government support when organizing church programs.

Mr Sogavare: Page 462, I have two questions for the Minister. We note that the post of Secretary to the Boundaries Commission has been abolished and so can the Minister explain why the post of secretary to that very important commission has been abolished, which the government has had some very good dealings with it in terms of ongoing reforms of the electoral process.

The second question is on revenue, and that is what aspects of death are we collecting fees from here?

Hon. Maelanga: On the Constituency Boundaries Commission, we are now looking at getting a secretary for the Commission. On death fees, we know that the City Council is collecting fees on this. The Ministry also collects fees from deaths, marriages and birth certificates that people pay to the Ministry to get those requirements.

Mr Ete: Page 460, and this question involves my people of Burns Creek on head 293-subhead 0304, item 4138 – sports development. I assume that part of this money would go towards the government's plan of building a national sports stadium at the Burns Creek area in line with the development budget of \$1.6million. The question is what are we going to do with the people of Burns Creek who are going to be displaced if the stadium is going to be built? Those people have settled there for around 15 years. Would that money also go towards a package that will support those people to look at their welfare or not?

Hon. Maelanga: This is a long standing issue for the Ministry, especially at building a national stadium for Solomon Islands or for sportsmen and women of this country.

As we are aware, the City Council has already acquired the land at Burns Creek for that purpose. I think this is an issue that the Ministry, the Honiara City Council and NOCSI are trying to address with our people at Burns Creek. It is not an easy issue because it involves moving the livelihood of people living there. We are gradually working on it, and we will come up with whatever conclusion we will reach before the stadium is built. But the provision here is to support the work that will be taking place there.

Mr Wale: Page 461, Honiara City Council on grants. We have the fixed services grant, grant to HTC and then a special supplementary grant. I want to know whether there is any real distinction between those three different grants and what are those three different grants for?

Hon Maelanga: Item 4108, fixed service grant, is mainly to cover specific projects that come under the Honiara City Council. Grant to HCC is a normal grant paid to Honiara City Council as a budget support.

Mr Tozaka: Still on page 461, Honiara City Council. I seem to note on page 184 of the establishment that the City Clerk's post has been abolished leaving only the deputy city clerk's post. Is that the case?

Hon Maelanga: We will look at getting a city clerk.

Mr Wale: Firstly, just a follow up on my last question, which the Minister has not clarified; he only talked about the fixed services grant and grant to HTC, but not the special supplementary grant so if he can clarify that. Secondly, the road maintenance grant, how is it calculated or what is the estimates based on? Is it on the number of kilometres of feeder roads that the HTC is responsible for or is it just a figure?

Hon Maelanga: The road maintenance grant is to assist the Council's budget for the maintenance of feeder roads in the city. As to how the figures were calculated, I am not really sure how they are calculated, but if you want it then I will have to find out that information and put it in your pigeonhole for you.

Mr Sogavare: I want the Minister to clarify to us the narrations that are on the documents that government is putting out to support the budget of the Honiara City Council. The Minister has just answered the question by the MP for North Vella that the Ministry will go ahead to recruit. If you look at the narration beside this post, the post is actually abolished and if you look further down another two posts were abolished: the principal planning officer and senior legal advisor; these two posts were also abolished according to this narration.

Can the Minister confirm whether these posts still exist or is it just the view of the government or the City Council to abolish them? We can see the posts of the principal planning officer and a senior legal officer as truly abolished, and so the question is why were these posts abolished? I need the Minister to answer this question.

While we are on that as well, we note that on vacancy notices or the book which you have put out, even the deputy clerk for the City Council is also vacant. In terms of the Honiara city council headquarter administration we have inadequate staffing. I just need the Minister to clarify this.

Hon Maelanga: As I have said, we can see those posts abolished there, but I think the clerk's post has been reinstated.

Head 293 agreed to.

Ministry of National Unity, Reconciliation & Peace - \$8,685,488

Mr Sogavare: Can the Minister confirm to us that the Ministry has four vacancies according to the documents accompanying the budget that there is a development officer for Western and Choiseul provinces, a development officer for Malaita, a senior peace and reconciliation officer for Guadalcanal and an accountant. How important are these posts to the work of the Ministry and what is the plan of the Ministry in filling these posts?

Hon Taremae: The Ministry is still looking at filling these vacant posts but the TRC is not.

Hon. Philip: Maybe I can assist here. They are all very important posts. This is the aftermath of the National Peace Council, a policy by the previous government and when

that policy expires or is made redundant, there is still a lot of work to do on Malaita, Guadalcanal and Western Province.

These people are not here but they are at their various places to carry out the remnants of the work that the National Peace Council has done in the past. To keep the momentum going on whatever work remains in the provinces in coordinating peace efforts, reconciliation processes and things like that, the Minister really heavily relies on these people to carry out and coordinate the provincial peacemaking processes, giving back reports to the Ministry; they are the contact points of the Ministry in those particular provinces.

Mr. Sogavare: Can the Minister confirm the civil service salary whether the Commissioners of the TRC were paid under that item too or are they are paid under the TRC running cost? On page 469, there are several items there, and there is also an allocation of \$1million in running the TRC. Just for the Minister to confirm which items the Commissioners are paid under.

Hon. Taremae: The national commissioners are paid under civil service salaries, and the TRC is under them.

Hon. Philip: All the running costs of the Commission are provided for under this particular head. The civil service salaries are for public officers who are on secondment to the Commission to help the Secretariat and other things the Commission is doing.

Head 294 agreed to.

Head 295: Ministry of Mines, Energy and Rural Electrification - \$11,937,686

Mr Sogavare: This is just a general question to the Minister about the establishment. We note that there are nine vacant posts there, which ones are you going to fill up this year?

Hon. Kemakeza: Our bid or the Ministry's bid was forwarded to the Ministry of Finance, but it was declined to be included in the 2011 Appropriation Budget.

Mr Sogavare: We note the Ministry of Finance putting in a lump sum allocation of \$15million for recruitments to fill those vacant posts. My question is, which of those posts is the Ministry thinking of recruiting? I think what is priority or is an important post to the Ministry is the responsibility of the Minister to inform the Minister of Finance and the government that these are the posts he needs to be given to him so that he performs the responsibilities assigned to him under the portfolio. That is the question.

If the Ministry of Finance declined it, I understand that there is going to be further negotiations for that because there is a lump sum allocation. The question is - which of those posts do you consider as priority that you need to put pressure on the Ministry of Finance to give you money to recruit?

Hon. Kemakeza: As I have said earlier, the Ministry has submitted its establishment request for 2011, but the bid was rejected. However, for the sake of the questioner and also for the sake of this honourable House, the nine vacant posts specifically relates to the petroleum

sector. As you and I are aware, there have not been a lot of activities going on in the petroleum sector except in other divisions, more specifically the geology sector, the energy sector, the water sector and the mining sector.

Mr Tozaka: Just to bring to your attention that pages 188 and 189 of the establishment has no establishment for 2011. There is one for 2009 and 2010 but 2011 is missing. There must be an error there.

Hon Kemakeza: As I have said the bid that was submitted to the Ministry, I think is the final submission for the 2011 Budget. Based on that, that is the answer that has been presented.

Mr Sogavare: I think the Member for North Vella la Vella is asking a very valid question. If the Minister of Public Service is here he should inform us because it is his ministry that is putting out this document so that it is clarified to us whether the years indicated there on page 188 should be 2010 and 2011, and not 2009 and 2010. The Minister is not present and so we cannot get that clarification.

Mr Chairman: Yes, that is what the Chair is going to refer to the Ministry. Unfortunately, the Minister of Public Service is not here to clarify this document. However, the Honourable Prime Minister can provide additional information on that.

Hon Philip: The Minister has given an answer to say that the total bid of the Ministry cannot be accommodated in this Budget. But I do not get the question by the Member for North Vella La Vella.

Mr Tozaka: Which one are we going to appropriate in this budget because what appears in the establishment, if you look at the top of the page, the establishment is for 2009 and 2010. Where is the establishment for 2011? Is that a mistake or error?

Hon Kemakeza: I assume that must be a typing error.

Mr Chairman: Could the Minister of Public Service help to clarify the Public Service establishment register produced by your Ministry. The question before the Committee is pages 188 & 189.

According to the Ministry of Mines, it submitted its bid for the vacant posts but was put aside by the Ministry of Finance. The particular concern raised is why it is 2009 and 2010 and where is the establishment for 2011? I think that is the confusion.

Hon. Sofu: May be the answer given by the Minister for Mines and Energy is correct. It may be a typing error, but let me assure the colleague Member asking the question that I will find out and give the answer later on.

Mr Chairman: You will remove it because; which book is corresponding with the estimates, as it seems the Ministry of Public Service is producing the same book as of last year. I think that has been clarified and the Minister will provide that.

Mr Ete: My question is on page 478 and it runs parallel to items 6063 and 6065. What is the government's plan to improve the Ministry of Mines' laboratory? I am saying this because there is someone who has just graduated with a Masters Degree sitting there doing nothing.

We are in the mining sector, and most samples or all samples are being sent overseas for test. But we have a rundown laboratory there and the amount for this year is \$38,000. I see that as under budgeted. I want to know the government's plan in upgrading that.

My second question while I am still upstanding is on geological mapping, which has a reduction of \$97,884. I understand that all geological mappings, including mining sites and tenement areas are done in the country except for Makira, and they have been running down to the Ministry of Lands for printing. There is a reduction here and I want to ask the Minister for an explanation on this because this is a very important department in our ministry to help people in our country.

Hon. Kemakeza: In relation to his first question, the machine that was in there has already been in place, but is still yet to be received, especially for 2011. In regards to his second part of the question, I believe this is an ongoing problem and my Ministry will take note of that.

Mr Wale: Page 478 - survey expenses has been reduced compared to the original budget of last year. What activities are actually involved in that item?

Hon Kemakeza: This survey expenses is mainly in the exploration sector.

Dr. Sikua: Just a follow up question on item 6085, which in the revised budget of 2010 is zero. Does that mean no exploration has been done in 2010?

Hon Kemakeza: That is not the case with that particular allocation. It could be either the allocation was not allocated directly to this particular subhead.

Mr Wale: Page 479 under geology, a layman's eye would see survey expenses and geological mapping costs as the same thing, but then there is a separate line for geology. My question is what activities are under this item and how is it differentiated from the prior line items?

Hon Kemakeza: On this particular subject, you will note that mapping for all provinces has already been done except for Makira/ Ulawa Province, and this is what this relates to.

Mr Sogavare: This is just a general question, maybe for the Minister of Energy and the Minister of Environment too can help us out on this. We have moved into encouraging solar lighting program for the villages, and that is very helpful because our people are very happy with that.

Just regarding batteries, we have heard some experts say that we need to be careful with the batteries when they go flat. They are concerned about the amount of batteries that we deliver to people in the villages. It is true that there may be serious environmental problem if those batteries are not properly disposed. What future plans do we have in place, since we are now delivering very actively now solar lightings to our people? Are there any plans to properly dispose of those batteries?

Hon Fugui: Under my Ministry's solid management program, we will put in place an arrangement there to take care of that concern.

Hon Kemakeza: I think this is a very important question. For the information of the House, the Sopac team has covered quite an extensive part of the program within the environment and energy sector. That will be taken into account in 2011.

Dr Sikua: Item 0065 under income on page 480 on petroleum storage fees. Who is paying this income to the Government?

Hon Kemakeza: For the information of the House, this provision mainly covers the two petrol depots that we have that supplies Solomon Islands plus other sub agents, especially within provincial townships and also logging camps that store so much quantity of fuels in their tanks.

Dr. Sikua: For all the petrol and diesel stored in this country, is this the only money that the Government charge? And if that is the case, how much does the government charges the suppliers for a month?

Hon Kemakeza: We must not differentiate the sale of petroleum liquid and the charge of the annual license or annual fee that is chargeable on respective agents or those who hold or store all these products. The fees that are charged are mainly, for instance, for the two main depots, their annual fee is more than \$24,000 each. When the figure goes down, and again it depends on the storage quantity they have and has nothing to do with the sale or whatever that may come from the other part of that product.

Mr Wale: Pardon my ignorance, but I need the Minister to clarify whether the Noro Sinking fund is no longer in existence? I looked for it but I cannot find it anywhere. Whether it has been redundant or closed down or is it included in that amount?

Hon. Kemakeza: I think that question is not related to what is on the paper, so I will not be responsible to answer that.

Dr. Sikua: On the same item, is there any plan by the Ministry to revise the storage costs with the view of increasing them from \$24,000 to may be \$100,000 or \$200,000 in the near future?

Hon. Kemakeza: For the information of the House, this has been idle for the last 30 years. Now NCRA will submit in the next Parliament Meeting a review to these costs, not only in that sector but also in other licences within the ministry like the gold dealers, mining license, tenement license and all that.

Mr. Wale: Fuel storage monitoring and inspection is only \$562 there. We do know that the South Pacific Oil has just built a new larger tank facility near the wharf; an installation that is yet to be approved by the Planning Board and their engineers but it was already completed. I am just wondering whether the inspection regime of the Ministry will be able to do a substantive work with this \$562 allocation.

The oil companies will always say that it is safe from fires, but we have seen in Japan that with a tsunami, almost nothing is safe. And so I think we would have very good reasons to be extremely worried about the installations there and so inspection is one important tool open to the government to ensure that we at least mitigate against those risks and satisfy ourselves that installations like that can withstand a level of pressure.

My question to the Minister is how he expects the Ministry with \$562 to carry out an effective inspections regime?

Hon. Kemakeza: In relation to this particular subhead, in terms of all that is happening in Honiara normally the technical officers have to depend entirely on staff that are responsible for the areas concerned. For instance, the South Pacific Oil has its own technical officer or staff that normally reports whatever that is going on to the ministry responsible in the mining sector. I would presume that allocation is not underestimated.

Mr. Wale: Thank you Minister for sidestepping that question. It is a very important question and it is underestimated. I thought the Minister would say that they bid much higher but it is cut by Finance.

If the Ministry only depends on what the licensees provided, and if they provide information that looks much better than the standards the Ministry wants to see, there would be nowhere of knowing. This is a fairly serious matter, and perhaps the Minister does not need to answer it, but he takes note of it, and make some virement from elsewhere so that there is an effective inspections regime to provide assurance to ourselves that those installations are up to international standards.

Dr Sikua: I am still on page 480 and this is just a general question in the public interest. In case where you talk about monitoring and storage of fuel, if something really happens to the storage of fuel in the depots at town, what is the Ministry's plan to ensure the interest of the public that it will deal with the crisis when it happens? Are we just going to rely on fire trucks?

Hon. Kemakeza: In terms of the Mines and Energy sector, that is a very important question that all of us should take into account. I believe my Ministry is also concerned, especially in relocating depots that are within the township. That will be taken care of under the ADB and other aid donor partners that are responsible for that. As you know, currently we are looking at Tina Hydro and most likely that would be the next that should come for the NCRA Government.

Mr Wale: I am on page 482 on the water governance running cost. I just want clarification from the Minister as to what is involved in that particular line.

Hon Kemakeza: For the information of the House, this allocation is for consultants' expenses for the new water regulation that has already started.

Mr Sogavare: Can the Minister confirm whether the Petroleum Unit has been moved somewhere else because there is nothing there?

Hon Kemakeza: Our bid for the Petroleum Sector was totally rejected and that is why you would see it is not in the Budget.

Mr Sogavare: That is quite serious as it is a very important Unit. Maybe the Prime Minister can help us out as to how important the work of this Unit in developing the petroleum sector.

Hon Philip: It is an important question because it relates to a policy that the government might have on prospects to do a little bit of work on petroleum. The way things are at the moment in the country is that there are several potential areas to do this, in the slot here and the Ontong Java plateau just North of Choiseul at the border so there is a need. But it is not imminent right now to start work on it.

At the moment we are doing work on delimitation of the boundaries. When that particular aspect is settled then we should be looking at providing some provisions to actually do some work on petroleum under the sea. I think that is why it has been omitted this time.

Mr Sogavare: I just want to reconcile these records. The establishment document that comes with it actually has two people there; a director of P&E, I do not know what that is, may be Petroleum and Energy or something, and the Principal Petroleum Geologist; there are two people and one is at SS2 and the other is paid at level 9/10. In the document it says there are two people existing in that Unit. The question is, where will these two people be paid, where will their salary be paid from?

Hon Kemakeza: If we look at the establish and non-establish register, the second draft, on vacant posts, if you look at page 34 under Head 295 for the responsible ministry, it will clearly explain what the questioner is asking.

For the sake of the question, the Ministry is already divided into five main sectors, and that is excluding the Petroleum Sector. And if I may repeat again the sectors; we have the Geology Division, Energy, Water, Mines and Admin and headquarters.

Mr Sogavare: Again, you read through government policy and even the policy and translation document, this unit is very, very important; the government has policies for it this year. Maybe the government needs to relook at it again because it could be an oversight or something than for it to be totally left out.

I take the Minister's explanation that those two posts are vacant, they are not currently filled – the Director of Petroleum and Energy and the Principal Petroleum Geologist, these two posts are still vacant. But considering the importance of this Unit the Government needs to relook at it; at least recruit people so that they are at post to start to look at implementing government policy as put out in its policy translations and statements that are coming out.

Hon. Kemakeza: Thank you for the very good advice by the MP for East Choiseul. I am sure I will take not of the advice including my Prime Minister.

Dr. Sikua: I am still on page 483 on land acquisition of more than \$702,000. Does this allocation include payment for the Komarindi Hydro? I understand that the Komarindi

hydro has been abandoned a long time ago, but the Ministry is still paying fees for acquisition of the land. I just want to make sure that this is for the Komarindi Hydro Project?

Hon. Kemakeza: For the information of the House, this expenditure allocation of \$702,000 is for expenses incurred for the Isabel Nickel and the Tina Hydro which have not been paid or may be an oversight.

Head 295 agreed to.

Head 296: National Judiciary –\$15,324,804

Mr Sogavare: Again a general question on the establishment which is relevant throughout the various units. We note that this head, the judiciary is really understaffed. There are 23 vacancies altogether, and the importance of judicial services in this country is what matters now. I just want to get the Minister's confirmation and assurance to this House on what his plans are to recruit to fill these 23 vacant posts, which actually starts from the Registrar of High Court, the Deputy Registrar of High Court, the Clerk as well as an executive and going down to also principal magistrates in the provinces, which are all vacant. What is the plan of the Ministry and what discussions have been held with the Ministry of Finance to ensure these 23 vacancies are filled?

Hon Mewa: These vacant posts in my Ministry according to the establishment vary of which some are high posts and some are low ones. In terms of some of the high posts, it is a bit hard for us to recruit people to fill them. We have tried several times but probably because of terms and conditions not many people want to apply for these posts. But definitely the post of clerks and the others, steps will be taken by my Ministry to recruit people to fill them. For the post of magistrates, principal magistrates and so on, these have been advertised even by the last government too but we have found it difficult for people to apply and this may be because of the terms and conditions of service.

Mr Sogavare: Thank you for the Minister's explanation. Maybe in the Ministry's discussions with the Prime Minister's Office and the Ministry of Finance, there is a thing called the supplement where people are engaged under the supplementation scheme when they are recruited from outside. If we cannot get them locally, we recruit overseas and when they come they are engaged under the supplementation scheme. I would like to know whether the Ministry has looked into this arrangement and has had any discussions with the Prime Minister's office and Ministry of Finance in that light.

Hon Mewa: In the short term that can be done, like we do have the RAMSI assistance in regards to the issue here. But in the long term my Ministry is looking at reforms to have the Magistrate link together with judges in the Judiciary and move away from the Public Service structure. That is what we are trying to work on now. Magistrates are judicial officers, and this should create a breeding ground for capable local magistrates to take up further positions in the High Court and other judicial offices. That is what my Ministry will be looking into in the long term to move away from the public service structure so that we can come up with better terms and conditions for our officers, especially the senior posts.

Mr Sogavare: We are not interested in long term plan, though it is good. The issue right now is that the posts need to be filled now, and that is not for the long term. Yes, the Minister said that maybe through RAMSI assistance they may be able to fill them up, but why have they not filled them up as yet?

I still want to go back to this that there is a system already in place on how to recruit people from overseas where if we do not have them locally, then recruit from overseas under the supplementation scheme.

I wonder whether such discussions have ever happened among the Ministry, the Prime Minister's Office and the Ministry of Finance. That is the question. If that is not done, then it would seem the Ministry is not making any effort at all to fill these very important posts.

Hon Mewa: Yes, at present my Ministry is working at recruiting at least two local principal magistrates with funding to be provided through the RAMSI Law and Justice Program. That is an immediate step we are working on at the moment due to the recruitment freeze by the SIG with the intention of funds to be channelled through the Ministry of finance to pay the magistrates.

Dr. Sikua: At the same time too, the Ministry has abolished more than 50 posts from senior court clerks, judge associates to drivers and so forth. What is the reason for this?

Hon Mewa: That one can be best explained by the Minister for Public Service who is responsible for reduction of posts.

Hon Sofu: Manpower requirement of ministries depend very much on each ministry. The Ministry of Public Service is just to formalize the appointments.

Mr Chairman: I think you have made your position very clear, Minister of Public Service. We have been assured by the Minister in relation to a question to Mines and Energy, and that information will be placed in the pigeon holes.

Dr. Sikua: Of great concern to me is the abolition of magistrates in our provinces like Malaita, Western and other provinces. We should be concerned as to placing magistrates to the provinces instead the Ministry is abolishing the posts. What is happening here?

Hon Mewa: May be the Minister for Public Service will help me here, but what I can say is that they are not abolished.

Hon. Sofu: I think it is very important to know that there are certain things we should consider before recruitment is done. When you look at recruitment for provinces, it is important that we consider accommodation because upon their recruitment, would we be able to accommodate them. Those are areas that each ministry, the Ministry of Finance and the Public Service have to take into account before posting officers down to the provinces.

Dr. Sikua: In the case of Western Province, if accommodation is indeed the problem for magistrate first class, second class and so on, and there are many cases in the Western

Province, have you ever thought about accommodating them at the Gizo hotel to deal with the many backlog cases?

Hon. Mewa: Today the Leader of Opposition mentioned abolishment of posts, but there is a magistrate in Gizo who deals with cases there.

Mr. Sogavare: Just a question of interest. On book fees, if anyone is interested, how much would a full set of Solomon Islands law book sold for if we want to buy a full set?

Hon. Mewa: It is quite cheap; the nine volumes cost just \$5,000.

Mr. Sogavare: This is for the Minister to confirm because in the past we have the statutory salary and we understand that is for the salary of the Chief Justice and maybe the justices. Now it is zeroed, so can the Minister confirm where the statutory salary is paid under?

Hon. Mewa: I think that is an error. If I can refer the Honourable colleague to page 491, item 1000 caters for that.

Mr. Sandakabatu: I am referring to page 498, which I think are quite related, and these are items 2169-2172 and 2178 on Local Courts, Magistrate Courts and Customary Land Appeal cases. My question is related to the budgeted money for the magistrate court costs, which is \$29,978. I assume that is for the Magistrate posted to the Western Province, which I believe is the same post holder to serve Choiseul Province as well. If that is true, how often should this Magistrate travel to Choiseul to conduct court cases?

Hon. Mewa: It depends very much on the volume of cases he is expected to hear in Choiseul. That should determine how many times he would go there. Secondly, he has to have a tour schedule that if he wants to go to Choiseul two or three times a year depends very much on his tour schedule, but mostly any case depends very much on the volume of cases he can hear from Choiseul.

Dr Sikua: I assume that Guadalcanal comes under Magistrate Central for the Customary Land Appeal Court. Is the Guadalcanal Customary Land Appeal Court still in existence or not?

Hon. Mewa: Yes, currently it is still in existence.

Head 296 agreed to.

Committee of Supply suspended for lunch break at 12.03pm

Committee of Supply resumed at 2.12 pm

Head 297 Ministry of Women, Youth, Children's and Family Affairs - \$9,344,986

Mr Sogavare: Again a general question on the establishment of the Ministry that still has seven important vacancies. Can the Minister inform Parliament of the Ministry's thinking on these vacant posts and whether there has been any discussion with the Ministry of Finance?

Hon Onika: The total number of posts I have in my Ministry is 37 and the number of vacant posts seven. From those seven vacant posts, two posts have been filled and three posts have been advertised and short listing underway. The two remaining posts will be advertised soon according to the Ministry of Public Service as these posts have not been filled for a long time.

Mr Sogavare: On vehicle allocation, item 3010 has an increase of \$101,000. What is the plan of the Ministry on this increase?

Hon Onika: This provision is for purchase of a new vehicle for the Ministry.

Mr Sogavare: Item 6409, national youth summit on page 508. I would like to find out from the Minister whether that is similar to the Youth Parliament that was funded and met here last time and came up with some decisions. I understand that a question that was asked last time was how do we nurture youth decisions through the system and whether any decision that came out from the youths is taken up seriously by the government. We allocate again resources again this year for the national youth summit. The question is whether we have seriously processed the decisions coming out from these summits.

Hon. Onika: This provision is for the implementation of planning with stakeholders. Provision for the national youth parliament is in the development budget and this will be reviewed in 2012.

Mr Sogavare: I thank the Minister for clarifying that. Page 509 as read with the preliminary summary at the beginning of the page has some measures descriptions. We have there \$1million additional funding provided to increase the number of and money available for women's development assistance grants -\$1million. I just want to ask the Minister to confirm or tell us where that \$1million is reflected in the budget.

On women's development unit, if you read the measures descriptions at the beginning of page 509, it lists out about \$1.1million worth of new spending measures that the Government will do in the Ministry of Women, Youth and Children. The last item has \$1million and the narration there is additional funding for women's development assistance grants. May be the specific head that I was thinking about that I am pointing out to the Minister is item 4125 on page 509 that this \$1million does not seem to be reflected as only \$500,000 is there. The question is where the \$1million is reflected in the women's development unit.

Hon. Onika: This grant will be distributed to children and youth.

Mr Sogavare: My question is not answered. Are you saying that the \$1million indicated here for new additional spending will no longer be the case because only \$500 000.00 is given to you on women's development assistance grant?

Hon Onika: This fund has already been distributed.

Mr Sogavare: We are now looking at the annual budget; this is the budget for the full year so no matter how much you have already spent from January until now must be reflected in the budget because this is the whole year's budget. The narration there of \$1million was supposed to be given to your Ministry by the government for that particular item - \$1million. This is on page 504, if the Minister cares to refer to it, it says \$1million for women's development assistance grant, "additional funding is provided to increase the number of and money available for women's development assistance grant". So this is additional funding of \$1million. The question is where is this \$1million reflected? If that is the explanation then it is not correct because the \$1million must be reflected.

Hon Lilo: I think what the Member of East Choiseul was referring to the measures descriptions that we have pledged the measurement of this budget on, which in the beginning it says \$1million for women's development assistance.

The explanation is like what the Minister has said that it is being spread out throughout the other charges for the women's development division. You will find that not all of it is lumped up at the women's development assistance grant. Some are thrown to the National Council of Women, some are provided to support to rural women entrepreneurship, some to women's special day policy on violence against women and so forth. That is what the Minister was referring to that it is being spread throughout the recurrent services of this particular division.

Although it would appear as if we are trying to give grant directly to women, it is not done that way because it is still in the policy stage to develop the appropriate policy it is targeting on how we can promote the development of women and even the protection of women against violence from men. Those are the kinds of things the Honourable Minister is still working on.

Mr Sogavare: Just for the Minister to brief Parliament on the national children policy and action plan and the child's right bill. Allocation for these continues from last year where they are given \$49,000 and \$12,000 respectively and this year again for the national children policy action plan, \$6.8million was given the child's right bill is \$17,000. I just want to find out the status of the action plan, where we are up to and whether the bill is soon to be tabled in parliament?

Hon Onika: This policy has already been approved and only awaits implementation.

Mr Sogavare: What about the Child's Rights Bill?

Hon Onika: The Ministry is currently working on the Child's Rights Bill.

Head 297 agreed to.

Head 298: Ministry of Rural Development - \$10,535,812

Mr Sogavare: I just want the Minister to state the status of these vacancies; most of them are constituency development officers and there are 30 that appeared to be vacant in the Ministry of Rural Development. Can the Minister explain to us the status of filling up these offices?

Hon Alex: In terms of vacancies for CDOs, recruitment is ongoing and so far we have already recruited 45 CDOs, which means we are still to recruit five more. The other three remaining vacant posts here are posts awaiting advertisement.

Mr Sogavare: This Ministry is dear to my heart; it is very special to some of us. I do understand that this salary allocation is only for CDOs. The question I would like to ask is would the Ministry or the Government for that matter be sympathetic to the request of additional staff for constituencies that need them. I am referring specifically to our case in East Choiseul. We are actually prepared to accommodate two more public officers if you care to provide them to our constituency.

I am saying this and maybe the government has its own way of looking at the way it develops constituencies as delivery channels of government services. And it is quite important because \$107,500,000 is channelled through Members of Parliament. That is bigger than the budgets of some provinces and the budgets of some ministries. I would like to believe that the key to the successful implementation of any rural development strategy is effective coordination, management and monitoring of projects and programs right at the grassroots level, and not at the Ministry.

For quite a long time now this is missing from the government system in every rural development strategy that we are trying to implement. If you do not mind, Mr Chairman, I would like to express some views because the "arms length" approach under the extension services system is a failure, because like the extension services they just provide advice and whether you care to take their advice, they do not give a damn; they just give advice and then leave.

Our people, the way I see it over the last 12 years going 16 years now working with our people, they need daily supervision and hands-on assistance. And this can only be achieved through the establishment and existence of coordination, management and monitoring mechanism right at the constituency level.

I am saying this again because \$107,500,000 of public funds goes through this delivery mechanism. May be it is a long way to ask the only question that I would ask, and that is whether the Ministry or the government for that matter would be sympathetic to any additional request for additional posts if constituencies require from the government, and would the government be able to give it to us or not?

Hon. Alex: That is a very important. My Ministry has submitted its bid for recruitment of one chief accountant and an administrative officer for the constituencies, but our submission was not considered and so at the moment it is not possible.

Mr Sogavare: The other additional question to that if that does not happen is whether the Ministry ever comes up with any accountability process for constituencies to follow in managing funds that are going through the constituencies.

I am saying this because these are public funds that should also be subject to audit. But I think the problem with auditing here is because there are different accountability processes in the constituencies; the way constituencies manage their funds are different from

each other, so whether the Ministry has a plan to come up with a uniformed accountability process that will guide ministries to properly deliver those funds for development purposes.

This is an on-going question that remains in this Parliament which we have been asking every government that comes and the answer was that – ‘it is coming, it is coming, and I think it is still coming.

Hon. Alex: In regards to accountability of funds given to our constituencies, project monitoring and evaluation will be done by the CDOs. It is the CDOs who will properly monitor projects done in the rural villages. It would be through the CDOs that data collected will come into the Ministry to create a proper data base for record purposes.

Mr Sogavare: Does the government also have plans to have those funds audited by the Auditor General?

Hon. Lilo: The Minister has just alluded to the standards of accountability because Cabinet has already approved the policy on the various funding that we hold like the millennium development fund, micro and also support to the constituency development fund. There is a policy on accountability that Cabinet has already processed.

On accountability, yes, it will vary from constituency to constituency, but in terms of audit, audit is a standardized principle; there cannot be a separate standard from one constituency to another. It cannot be different as audit is a universally applicable concept. When it comes to audit we have to find the right path in channelling it through to the Auditor General’s Office for the very simple reason that the audit standards we now have are already there as provided for in the Public Finance & Audit Act. But if we are to do what is usually referred to as the performance audit that normally takes place around this House, then we would have to have a good understanding and policy to be put in place so that all Members of Parliament and whichever parties that are involved to handle the information understand how to process the information for accountability purposes before it is submitted for audit. Things like that are what we will continue to look at. But in terms of accountability the Cabinet has already approved the standard. There are three policies applicable on the three funding that we are holding and that is the standard we hope that audit will base its audit on, the standard established by Cabinet because only Cabinet has the authority to approve policies, and that is what is already formally adopted which the Ministry is putting out for all the CDOs of all of us in here should follow.

Mr Sogavare: When it comes to ensuring public funds are properly used, I think there is very little that Cabinet can do because we already have the Auditor General to do it. Those are public funds coming straight out of the budget. So I do not know what else the Cabinet will tell the Auditor General to do.

Since the Minister alluded to an understanding that has been reached between the Government (Cabinet) and the Auditor General whether those consultations are taking place already before we arrive at the minimum accountability standards the Minister is referring to, whether there are inputs by the Auditor General?

Hon. Lilo: As we all know, there is another party to this support to constituency development, which is the donor who has interest in the standards that we are to follow in

delivering those funds to the constituencies. That is what the Cabinet has approved, together with that understanding with the donor.

This means Cabinet has not established any different standards, but Cabinet basically agrees to the guidelines that will be acceptable to the donor and also to the government that will show the way that those funds are used in this country is seen in a very visible way and not as what people always think that we politicians usually use those funds for ourselves. That is what I was referring to. But audit standards cannot be changed, they remain the same because the accountability policies that the donor wanted us to follow are what we are doing. Things like, for instance, they want us to put out on the papers the names of people that we are funding their projects. This must be published in the newspapers or something like that. These are standards that donors want us to show. So audit is done to verify to us in the constituencies whether or not we have actually shown the publicity of the funding that goes to which projects and the recipients in each constituency.

These are the things we need to work through because perfecting the way it is going to be implemented is one thing. For instance for remote constituencies like Temotu Vattu, as we know for people to have a receipt to be given to us when goods are delivered to them is not possible; they might not have a receipt book but a banana leaf. We also need to consider such things when it comes to doing the audit and so forth. Thank you.

Mr Sogavare: I thank the Minister of Finance for the explanation. I still have another question, but before I ask my other question I would like to say that when it comes to receipting there are many ways of doing it. For us in my constituency of East Choiseul, we actually designed a payment voucher that serves two purposes; approval of funds and also receipt of funds at the bottom. People who actually receive the funds sign the receipt. So there are many ways of addressing this, regardless of whether they are in remote areas like North East Choiseul.

The question I would like to ask is item 6177 – project logistics and delivery, which was zeroed this year and the question is why? I think the reason for this provision is to assist constituencies in the freighting of materials etc, back home so that the project fund is not touched. Just maximize the use of development funds that go through the constituencies and there is a different allocation that assists constituencies in the freighting of materials. Has there been any change in policy on this, and if it is, can the Minister enlighten Parliament on this?

Hon Alex: This item project logistics and delivery, as can be seen there, it has zero provision. And as has been rightly stated by the MP, this provision caters for the delivery of project materials to all our constituencies. However, this was not considered in our budget bid when submitted. This means that logistics has to be funded through project submissions applied for; it must be included in your project proposals. Thank you.

Mr Ete: I would like to ask a policy question to the Minister so that he explains to Parliament. The Cabinet, quite recently, has approved that all funds received by all honourable Members, and last year was \$700,000 for each Member on ROC support for development funds, millennium funds and micro support be published on the papers. I understand ROC insisted that those funds must be published on the papers.

I want to ask whether it is still going to be our policy to have it published in the paper and I understand Cabinet has approved it. Should we proceed down that road to be more frank and more accountable now?

Hon. Alex: In regards to publication of the usage of funds, so far I would like to thank all MPs. This year, the acquittals, how they were given to the ministry has improved a lot in comparison to previous years; there is a big improvement in regards to acquittals that were submitted.

At the moment, reports on acquittals have to be submitted through my Ministry to whomever the donor giving us funds. Therefore, any publications would depend upon how the Ministry sees acquittals are being done to be submitted to ROC that provides the fund before the Ministry would agree to publishing it or not. But make sure you are not scared if it is going to be publicized. But according to a policy position to Cabinet, I think publication will not happen, as long as proper acquittals are done on how funds are being spent then that is sufficient enough to satisfy the criteria.

Dr. Sikua: I would like to ask the Minister because he said and he congratulated Members of Parliament for the detailed and thorough reporting to his Ministry on acquittals of funds Members are getting from the Republic of China on Taiwan.

The method of reporting by the Ministry to the Embassy of the Republic of China is problematic, where only the totals are put on what the funds are spent on rather than the detailed submissions on acquittals that Members give. Minister, I would like to ask whether you could change the format.

Hon. Alex: We no longer use the format that we used previously. Big improvement has been done and so any acquittals done at this time are made with all its details.

Head 298 agreed to.

Head 299 - Ministry of Environment, Climate Change, Disaster Management and Meteorology – \$13,538,748

Mr Sogavare: A general question on establishment which affects every division in the Ministry of Environment. There are 11 vacancies in the Ministry, what is the Ministry's plan and what discussions have been held with the Ministry of Finance in filling these posts?

Hon. Fugui: I thank the Member for East Choiseul for the question. Currently, there are 12 vacant posts in the Ministry as of today, of which 11 of them are itemized above; one post for a deputy director of the NDMO has recently been vacant. We intend to fill up three posts for CCD, six posts for national disaster management office and one post for MET and two posts for ECD.

Dr. Sikua: I was looking at the Budget but I fail to see any allocation for the Disaster Management office. I can see the budget for the headquarters/administration and then environment, climate change and meteorology. Is there any allocation for this new function of the ministry – the disaster management office?

Hon. Fugui: On page 293 is the omission, I am just taking us back. The NDC budget will be transferred to my Ministry by departmental warrant after the passing of the Budget. That is now catered for under the Ministry of Home Affairs, which we have passed when questions were raised as to how we will transfer this to the Ministry of Environment now that it is not still not under the Ministry of Environment. This is ours and it is on page 293, and it will be done through departmental warrant to cover what the honourable Leader of Opposition is asking for.

Dr. Sikua: In my book, page 293 belongs to the Fire Service. Could it be that we have different copies of the budget?

Hon. Fugui: The correction is page 456.

Mr Sogavare: With your indulgence, I want to ask a question on page 528. This is on training pre-service, which is a new allocation of \$128,000. Can the Minister explain to us whether it is tertiary training and selection process that we wanted to find out here?

Hon. Fugui: That is a very important question because the Ministry of Environment is a new ministry, relatively new three years going so this is the certificate course at SICHE to train our students with certificate in environment.

Mr Soalaoi: Page 531 on subventions and grants is a new allocation of \$75,000. Can the Minister inform the Committee as to where these subventions and grants are paid to?

Hon Fugui: These are subventions and grants that we have already seen on page 456 that I made reference to when we were on that page. Those are grants for provincial disaster committees to look after our offices in the provinces.

Mr Sogavare: Page 531, just a question of interest on item 4080 - payment to overseas bodies – (WMO) and that would be World Meteorology Organisation I assume. What direct benefits are we getting out of our membership to that organisation?

Hon Fugui: This for our membership to the World Meteorology Organisation. Meteorology is part and parcel of a division in the Ministry of Environment and these are for things such as the tsunami early warning systems; we are getting assistance from them and so membership to this body is important.

As I have already mentioned, and just to clarify so that the public knows; this is a ministry where we are governed both inside and outside of the country and so our membership overseas or outside of the country is very important for the purposes of this. In this instance, it is for the tsunami early warning system which we are getting assistance from them.

Hon Sikua: Item 2190 on capital expenditure for specialised equipment and is more than \$200,000. I want the Minister to explain what we are going to buy in terms of specialised equipment. And there are also some exciting subtitles there on item 3090 and 3091 - consumables upper air and consumables surface. Can the Minister explain those phrases?

Hon Fugui: On the first part of the Leader of Opposition's question, the specialized equipment is to cover quality management systems like what is called the automated weather systems. We still do not have this here in Solomon Islands and so we are putting a million plus dollars for that for us to acquire that.

If he could care to repeat the latter part of the question because I was busy and did not get the first part.

Hon Sikua: The question is on items 3090 and 3091 - consumables upper air and consumable surface. I want the Minister to explain those terms and what they meant.

Hon Fugui: This goes to show the exoticness of the Ministry itself for the top and on the ground. On the ground it is for the barometers, thermometers and the rest of them including, of course, the automated weather system. In terms of the sky it would have to refer to the balloons.

Mr Tozaka: Page 31, item 4018 on payment to overseas bodies, and maybe the Minister of Foreign Affairs will help out on this as well. Going back to his head, payment to overseas bodies is \$4,216 225 under the Ministry of Foreign Affairs. We now have this payment to overseas bodies again under this ministry. Does this not come under the Ministry of Foreign Affairs?

Hon Agovaka: There are numbers of overseas agencies or organizations that Solomon Islands is a member to that comes directly under the Ministry of Foreign Affairs. There are others that directly come under, for example the Ministry of Meteorology hence WMO (World Meteorology Organization). What we are trying to do is to get the Ministry to be responsible for some of the organizations that are under its portfolio and hence meteorology is under the Ministry of Environment.

Hon Fugui: As and when the different bodies are devolved in terms of payment of their fees in the different ministries, my ministry will do that. But at the moment this is specifically related to the Ministry of Environment and Meteorology that we look after.

Mr Sogavare: On the Climate Change Division, and I go back to the statement made by the Member for West Are Are during the second reading debate regarding relocation.

In looking through the various items that are under 'other charges', what we have here are provisions to "talk about and discuss" the dangers of climate change and maybe "worry about it". As the Member has rightly pointed out, what some villages really need right now is relocation, to remove them to higher grounds. And looking at this budget, that is not catered for, not even in the development budget. What is the government's plan on this and whether there have been any discussions with aid donors to assist us to start addressing the relocation of our villagers that are now under water in many coastal villages around our country?

Hon. Fugui: That is a very important question because we now have \$15million ready for relocation. I am very inclined to go with the Member for West Are Are in that we cannot talk about relocation when some of us are living under the sea. That is very important. But still we are running a government and so we must go by procedures as procedures require.

Therefore, what we will do, for example, is that if we find out that four big villages in West Are Are are talking to us from under the sea; submarine villages - if we want to name them that way, we will quickly carry that out. And so we are putting, as I mentioned earlier on, a program of action so that work plans are put in place so that we can quickly carry it out. But before relocation is done, we will carry out simple things, simple procedures like vulnerability and adaptation assessments to find out whether there really four villages that are underneath the sea – submarine villages or is it only one, and maybe only their beachfronts are affected. Assessment has to be made, put a team to do assessment and report its findings before funding can be issued to them.

Therefore, I am very much inclined to support the two Members who are asking about relocation because it is important, but basically we must follow what is required in terms of how procedures are carried out. And just to remind us, because in the end, aid donors will ask us as to what we have done with the funding, which the Member for East Choiseul quite rightly is very keen on, to find out exactly how we account for monies given to us by donors so that finally if we do it well this year we are looking for an increased budget for 2013/2014.

Mr. Sogavare: Some of us can only look at the budget, and so if the Minister can show to us where that \$15million he is talking about is placed so that we know.

Hon. Philip: It might not appear in the Budget, but I just recently went to sign in Port Vila about Euros \$2.8million for this year and next year, which is for 36 months.

Dr. Sikua: Line item - 6048 - climate change convention. I want to ask the Minister whether this will involve only local participants or overseas participants as well, as we are simply spending a lot of money; more than \$300,000 for that convention?

Hon. Fugui: Yes, it will also involve them because it comes under the Kyoto protocol for this kind of finding. And also if you do not mind, Mr Chairman, in terms of the budget itself on page 13 for the previous question, there is that \$28million European Union Climate Change funding so that the Members of Parliament have reference to what we are talking about.

Mr. Sogavare: I am just wondering if the Minister can tell us what page so that we know where that \$28million is.

Hon. Fugui: It is in the summary of total revenue on page 13. under ledger 2 budget support, European Union Climate Change for \$28million.

Mr Chairman: We will come to it after, and it is under budget support.

Mr Sogavare: It is just in the form of a memorandum, maybe later on as the Prime Minister has mentioned it will be brought into the Budget in any case it is non-appropriated funds. I guess that when it is implemented would it be implemented through the Ministry or would it be implemented by themselves. How will you implement this \$28million when it is eventually brought into the budget?

Hon. Fugui: It is important that this is cleared. It will come under the Ministry of Environment, Climate Change, Disaster Management and Meteorology as budgetary support. As I mentioned earlier on this is the first time we have budgetary support for this from the European Union.

Head 299 agreed to.

Mr Chairman: We have completed all the heads in the Recurrent Expenditure of the Schedule.

The total Recurrent Expenditure of \$1,418,827,874.00 agreed to.

Budgetary Support Expenditure

Head 372: Ministry of Education and Human Resources Development- \$55million

Dr. Sikua: With your indulgence I would like to ask a question on page 89 line item 4016 - interpreter services, and this is a new item to me. What is this for?

Hon Ha'amori: That line item is a misprint, it is supposed to be printing for the curriculum development unit.

Hon. Sikua: Page 91 has only one line item there. I know about NZAID but then RAMSI is also there in close bracket. What is RAMSI doing in that place?

Hon Ha'amori: Sorry, I do not have the word 'RAMSI' in my copy and so I presume it must be an error once again.

Hon Lilo: Page 91, that bracket is wrong. I think it should be a forward slash because it is a joint funding between NZAID and RAMSI. The bracket should be deleted.

Head 372 agreed to.

Head 376: Ministry of Health & Medical Services - \$60million

Mr Sogavare: This is a general question in terms of the budgetary support. We can see \$115 million there, and if you refer to the budget outlook put out by the Ministry there is also \$92million. Where is that reflected anywhere in this Bill for budgetary support?

Hon. Sigoto: Some of the figures being questioned will appear in the development budget and some of them cannot be allocated at this stage.

Hon. Lilo: If we go back to page 13 of the recurrent budget, you will find the full financing of the budget there, which takes into account the total revenue of each ministry together with the ledger 2, which is budget support from the Asian Development Bank and the European Union, which is \$92million there, and then you have budget support, which is ledger three 3 - Australia and New Zealand which specifically relates to health and

education of about \$115million. Then you have the total ledger 4 budget support which is from the Republic of China of \$80million and that gives a total revenue financing of this Budget of \$2.2 billion. So when I refer in the Budget Speech that this budget will deliver a record budget of \$2.2 billion, that is what is reflected in here. All of that sinks inside both the development and the recurrent. That is how you will see it in this budget.

Mr Sogavare: I think the Minister does really need to slowly explain this to us so that we can understand that because the Minister of Environment has just made reference to \$28million for climate change. If that is featured inside this budget then it should be featured somewhere on the figures that we are actually appropriating in Parliament. There is \$150million on ledger 3 that the Minister made reference to, and that is clear, it is appropriated for in here \$150million. For \$92million, the right place for it to be stated is under budget support expenditure so that it is also appropriated too if it is budget support.

It does not seem to be reflected; it is there in figure, in memorandum form so that we can make reference to it, but in terms of it being actually appropriated by Parliament is missing. This means \$92million is not appropriated from money that our friends are saying to help us with for this year.

Hon Lilo: It does not change anything in there. In fact, if you look at it you will see that on page 13, the total revenue of ministries in the first column is \$115million on ledger 3 and ledger 4 which is ROC are what we are seeing as going into the budget. Ledger 2 budget support is yet to be put in.

The Asian Development Bank budget support will come; we are reasonably projecting that it will come in this year. The European Union Climate Change will come inside, and there is also a portion from Australia which will be deposited into the National Transport Plan of \$24million. That will also come into the Budget. If you look at it, it does not really change the financing strength of this budget.

The concern that the Member has is that we need to bring it into the budget because it is now budget support. Well, it was only in February that the Prime Minister signed the memorandum of understanding with the European Union during a high level talk in Port Villa.

We have just concluded negotiations with the Asian Development Bank on the second tranche of the budget support. The first tranche came last year and the second tranche will come this year after changes have been made to our status within the Asian Development Bank. We have now graduated from the status of just reliance on grant. Now they want us to have a combination of both grant and debt financing.

The one from Australia, we are expecting that by the time the Australian budget comes in, [as promised] in July, that budget support in ledger 2 should come inside. These are all commitments that are firm because we have already signed the MOU or agreement with the donor partners that are providing this budget support.

Mr Sogavare: I thank the Minister for that explanation. I think he has just said what is in my mind, and at this point in time they are just indications and commitments to assist us. In terms of it being really taken up in the appropriation is not yet, and as the Minister rightly pointed out does not change the totals that we are appropriating, we just did not appropriate that \$92 million.

There are budget mechanisms to do that later on during the year when it can be brought back by way of supplementary appropriation to be included in the 2011 Appropriation Act.

Head 376 agreed to.

The total Budget Support expenditure of \$115 agreed to.

DEVELOPMENT EXPENDITURE

Head 470: Ministry of Agriculture and Livestock Development - \$35,250,000

Mr Sogavare: This is regarding item 4256 - national rice program where in 2010, \$10 million was allocated and the Ministry only utilized \$6.5 million, and this year they are asking for another \$9.1 million.

The Ministry has also put out a national rice policy including a few reports on the implementation and success of this program. I think for the benefit of the House, if the Minister could take note of some of the points I would like to raise for clarifications to be made. I do not know if the Minister has the data, but if not then he could provide it later on. A lot of funds have gone into this program, and at some point in time the Minister needs to inform Parliament on the number of successful projects nurtured under this national rice program that is currently operating that justifies continual allocation of funds to that program; maybe the total of hectares. I understand the Ministry is talking about 3000 hectares of rice that this country is capable of producing before we can be self sufficient on rice production.

Can the Minister care to brief Parliament on the success story of the \$6.5million so that it warrants the allocation of another \$9.1million to this national rice project?

Hon. Riimana: In terms of rice, rice is one of the political crops that is really responsible for draining the economy of the country. According to statistics, in 2010 we imported a total of 18,285 metric tonnes of rice, which is equivalent to \$326,639,418. These figures alone justify the importance for us to grow rice in Solomon Islands. We have the climatic conditions, we have the soil, we have the people, but what stops us from growing rice. We must grow rice. So far, we have assisted about 47 rice projects throughout the country and we will continue to support these 47 projects.

Mr. Sogavare: According to the Ministry's statistics we need 3,000 hectares before we can be self sufficient. So where are we now, how many hectares have we produced now and whether we have moved closer to self sufficiency?

Hon. Riimana: Out of these 47 projects, it was estimated that each one should produce about 10 hectares, which is equivalent to 470 hectares. At the moment, approval has been given to fund 100 hectares of commercial full scale rice in Gozururu, Isabel Province.

Mr. Sogavare: Are there any major problems encountered by our farmers? We are still very far in terms of the 470 hectares, and that is very far to reach that 3000 hectares. This program has been in existence for a long time but we are still far from reaching the 3000

hectares. What is really the problem our farmers are facing that prevents us from reaching the target?

Hon. Riumana: The biggest and major constraint the Ministry is facing is the availability and accessibility of funds. That is what really slows down all projects throughout the country. Another problem that our farmers are also facing throughout the country is insect and pests. But on this, we have conducted a trial at the Taiwan Technical Mission Farm and we have identified a variety that is resistant to pest, but we are yet to prove the test. We need to prove the taste of the rice before the variety is distributed to farmers.

Mr. Sogavare: I want to move on to project 416 on rehabilitation of coconut. I want the Minister to brief Parliament as to how this \$2million coconut rehabilitation project will be implemented. And I think the most important question is whether the Ministry has any data on the number of hectares or coconut plantations in the country that need rehabilitation so that we have some focus on how we go about rehabilitating our coconut plantations.

Hon. Riumana: To get a data on the total acreage of coconut throughout the country will require a survey. Because there a lot of coconuts in small pockets throughout the country. There are plantations, and we can get statistics on plantations, but for every small holder project would need survey to be carried out. But coconut is everywhere throughout the country and everybody needs coconut for cash cropping now.

The future of coconut is very promising at this stage because of its market value, its selling prices is increasing. In 2010, we export a total of value of \$23,000 metric tonnes, which is equivalent to SBD\$89.1million, and this is why if we continue to rehabilitate our coconuts maybe it will increase our production. At this stage, most of our coconuts are aging and we will be looking at the next package, which is complete replanting.

Mr Sogavare: In terms of a bit more focus on the way we implement rehabilitating the plantations is the reason why I am asking this question because we might be rehabilitating forever. I think if we have some figures in terms of statistics on acreages that needs to be rehabilitated, we would be able to make focus. Has the Ministry any plans in doing a survey so that we rightly establish the number of hectares that need to be rehabilitated?

Hon. Riumana: From records of past rehabilitation programs in 2009 and 2010, there are statistics in the Ministry that can be provided to the Member if he is interested. At this stage, we will concentrate on rehabilitation in which case we will provide farm inputs and dryer parts so that they increase production because the copra is there which just needs collection to be turned into cash.

Mr Sogavare: On project 4167, I want the Minister to inform us which locations in the country are suitable for coffee growing, maybe the statistics of agricultural opportunity area, and whether farmers in those suitable areas can also be informed that they have the potential to grow this crop.

Hon. Riumana: So far, the areas that we would like to assist with coffee are Malaita Province, Guadalcanal Province and parts of Isabel Province.

Mr Sogavare: Apart from those, are there any other areas as well in the country that can grow coffee?

Hon. Riumana: With the current budgetary allocation, we can only fund those provinces.

Mr Sogavare: I understand there is only \$2million and so only those two provinces will be targeted. My question is on potential areas, whether there any other provinces that are also suitable for growing coffee.

Hon. Riumana: I think the question from the Member is a very important question. There are a lot of potentials throughout the country for coffee growing, but at this stage with limited resources we would like to only concentrate on the provinces that are already growing coffee, and then later on resources will be extended to areas that are not growing coffee.

Mr Sogavare: This boils down to priority, and this is not a question directly to the Ministry of Agriculture, but it is to the government, really. We have a very passionate Minister in there who wants to get things moving in that ministry on those crops. I think if we are really concerned about getting this country out of the LDC status, it is just a question of exporting more; producing more and exporting more. If we do not do that then we are doomed. And year by year we only have these kinds of allocations in addressing the strengths of the country. The strength of the country is based on land and the potentials on land, and we are not really putting resources on that. I just want to express that.

My other specific question is on the national honey project, Project No. 4166, and the amount allocated to the Ministry is \$800,000 for that project. If the Ministry can take note of these four questions that I am going to ask. How is this program going to be implemented? I think another important question that was raised earlier on, I think last year, is that what progress has been made in identifying and addressing, if I understand, the fungus or something like that that is affecting the quality of honey product on Guadalcanal and other areas closer to Guadalcanal, and what measures is the Ministry taking to avoid the spread of this fungus to other provinces?

Hon Riumana: I wish to thank the hard working Member for East Choiseul for that very good question.

In terms of this National Honey program, the Ministry is targeting 100 farmers, and these 100 farmers will be first mapped out. We will map out these 100 famers in provinces such as Choiseul, Malaita, Renbel and the Malaita Outer Islands. We would like to map out 100 honey farmers in those areas, which are now in existence, they are non new ones, which we would like to strengthen them so that they increase their production.

In regards to the Asian Bee, this bee is found in the whole northern part of Guadalcanal, Central Province, Makira Province, the western part of Makira Province and in Western Province it is in Gizo and Kolombangara. Those are the areas affected by the Asian Bee. For Choiseul Province, there is not yet any Asian Bee found there, for Renbell because of the quality of honey there and then the Malaita Outer Islands.

Mr Sogavare: I would like to thank the Minister for answering the question. I would like the Minister to inform the House of the measures the Ministry is taking to avoid the spread of this Asian Bee or whatever it is called to other places that are still not affected by this Asian Bee.

Hon Riumana: I think we have conducted a research already; Dr Anderson is in and out of the country all the time where we are trying to find ways and means of eradicating the Asian Bee. I think the beauty about it is that it cannot fly longer distances.

Mr Gukuna: Item 4518 – Malaita Commercial Pig, what is that? Item 4169 talks about slaughter house facilities. How much are we talking about here? This \$800,000 seems not to be enough for just one because those houses are supposed to be bigger houses for slaughter of big cows and big pigs. So what is that amount for? Is it for some studies or for at least one actual facility?

Hon Riumana: I wish to thank the Member for Renbell for that question. On the first part of the question on the Malaita commercial piggery, about 90 per cent of this has been completed where 39 sowers will be put inside and it will host about 350 stocks. The funding there is to complete the piggery and paying of stock. At the moment, it is 90 per cent complete; the Malaita commercial piggery in Dala.

In terms of the second part of question on slaughter facility, this is trying to strengthen existing slaughter facilities.

Dr Sikua: Item 4516 on cocoa support scheme, and I am happy to see it increase to \$4million in this year's budget. Is this to support farmers or buyers or CEMA?

Hon. Riumana: I think this cocoa support scheme is for our farmers and all other stakeholders that participate in the cocoa industry. Basically we want to supply drying parts, farm inputs and equipments.

Cocoa has a good potential. There was a record of 5,481 tonnes exported last year with a total value of \$115.8million, so it has a good potential and we want to increase on rehabilitation and replanting.

Dr. Sikua: I want the Minister to update the Committee on project 4165 – Auluta Oil Palm project. Where are we now on this project?

Hon. Riumana: In regards to the Auluta Oil Palm project, a total of 11 tribal lands have already been surveyed of which five tribal lands already have their perpetual estate titles and about 2000 hectares are in perpetual estate titles.

Mr Sogavare: Still on the same project, and I want the Minister to give us some information that came to our notice. Is it true that one technical report by a group of TAs comprising overseas and local personnel have expressed certain reservations on that project? If that is so, what are those reservations and how are they factored into the development of this project?

Mr Chairman: I think let us not guess, but let us talk on the issue before us here. That report, I think, is an opinion. So I would not allow that question; you can ask a different question.

Mr Sogavare: Mr Chairman, it is not an opinion, it is a report that has been submitted. I do not have a copy here, but there are some serious reservations that a technical group comprised of a number of local experts and some expatriates that produced this report and have come up with some reservations, and I want the Minister to brief us on how those reservations are factored in?

Hon. Riumana: Indeed, there was a feasibility study report conducted by AusAID and RAMSI, which proves that Auluta is not suitable for oil palm development. However, the methodology used is questionable and therefore we have requested the Malaysian Palm Oil board for another feasibility study and the Malaysian Palm Oil board recommended that 3,000 hectares is highly suitable for oil palm, and this is why we are still pushing with this project.

Dr. Sikua: I am still on the Auluta Oil Palm Project. With the work that is going on now on land acquisition, when will planting start?

Hon. Riumana: As soon as all the work is completed, we will put it on tender to any investor that would be interested to invest in oil palm. And hopefully when we get the job done, we will put it on tender with the help of the Ministry of Foreign Affairs at the end of this year.

Mr Wale: I move to national kava development and kava represents an exciting development in agriculture. It is primarily based on Isabel at present, but I see the word 'development' attached to it and so I want to ask the Ministry's plan in expanding this industry or this crop to other provinces.

Hon Riumana: Solomon Islands consist of nine provinces and we are trying to expand kava to the nine provinces except for Honiara.

Head 470 agreed to.

Head 472: Ministry of Education and Human Resources Development - \$49,850 000

Mr Sogavare: Project 663 - SICHE upgrading program. Could the Minister brief Parliament as to exactly what this allocation is going to be used for, and what is its objective?

Hon Ha'amori: That allocation is for upgrade of SICHE. There are many things to upgrade in our national college, and one that we will begin with, which actually should have started a long time ago, but what happened is that the Ministry of National Development Planning, perhaps of the previous government has made a commitment, but those that actually promised to give the money are not aware of that commitment and so the money was not given.

But this time we hope that this money will now be given and \$3million will go towards a lecture theatre to be built for the College as part of its upgrade and also to review the programs of the College.

We all know the College is made up of various programs, and most important of these programs would be the curriculum of the colleges, and SICHE is no exception, it needs upgrade of its curriculum. So the two activities that this fund will be spent on are for building of a lecture theatre and review of its academic programs.

Mr Wale: Publishing of teaching materials for \$7million. What is the total contractual obligation for 2011 financial year? And if it is more than the \$7million how would any difference be met?

Hon Ha'amori: The Solomon Islands Government through the Ministry of Education has entered into a contract with a publishing company in Australia called Pearson, and so it is Pearson that is printing our curriculum books for our schools, especially for year 1 up to year 9.

This contract is supposed to run for four years and its total value is AUDS\$6.2 million. I do not know the exchange rate now and so we will work out the details later. But that contract has since been extended because of the need to complete this task which we have entered into is not quite complete as yet. Therefore, we still have to go ahead with this contract until 2015. We requested this figure of \$7million in this budget because of the existence of the need for the printing of the materials and the work to be done by Pearson Company.

Mr Wale: I fully appreciate all the information provided by the Minister, but it did not answer my question for this financial year, for this budgetary provision. How much is our obligation under the contract so that we can see whether the \$7 million would really meet the government's obligation for this financial year. If it is short or under provided where will the Ministry look to meet the difference?

Hon Ha'amori: The allocation for one year is about SBD\$10 million and obviously, we are short by \$3 million, but we will continue to do what we have been doing all along, and that is when it becomes necessary we vire from other sources as the need arises.

Dr Sikua: The last item on SIG contribution to fee free basic education has no allocation for it for 2011. What is the government policy on fee free basic education? Will it continue to support it or not?

Hon Ha'amori: We are saying that it is SIG that is providing the fee free education when it is really Taiwan that is providing the funds. And the understanding between SIG and the Taiwan government has lapsed last year, and that is why it appears as zero in the budget. But the importance of the fee free education is still here, and we are thankful that our other neighboring friend, New Zealand will stand in to continue this very good service.

Head 472 agreed to.

Head 474: Ministry of Foreign Affairs & External Trade - \$12,300,000

Dr. Sikua: Item 74286 for the VIP Lounges appears every year. Last year \$500,000 was allocated for it, but nothing was spent and then another \$500,000 was given, and if at the end of the year nothing happens with all these funds, what are we doing with this provision?

Hon. Agovaka: In previous years no work has been done on renovation of the VIP Lounge, and every year we keep asking for money and every year we are having problems in getting those funds to be appropriated to renovate the VIP Lounges. This year we are again asking for half a million dollars to renovate the VIP Lounge.

Mr. Sogavare: Can the Minister update us on the status of the Canberra Chancery?

Hon. Agovaka: The Canberra Chancery is near completion. By the end of this month the Chancery would have been completed and hopefully next month we will be able to open the Chancery for use.

Mr. Sogavare: Although we do not appropriate those non appropriated funds, but can the Minister confirm that the work of the UNDP Integrated Framework for Trade Assistance has been completed and whether any report has been submitted to the government?

Hon. Agovaka: There is a report that has been tabled last year, I think on trade and economics in Solomon Islands. The Integrated Framework for Trade will be no longer funded by the UNDP this year hence the zero estimates as you can see there. It has done a lot of work and a report has already been tabled for us in this country.

Head 474 agreed to.

Head 475: Office of the Governor General - \$2,000,000

Mr Sogavare: I want the relevant Minister to assist Parliament on this \$2million for improvement and rehabilitation of the Government House. I just want to understand the program and plan of the government regarding the Prime Minister's brief to Parliament when questions were asked on the residences, the response was that 'we will build a new state house for the Governor General' so that he moves there and then the Prime Minister will move to the residence the Governor General is occupying now. I just want to understand in terms of timing since now we are working on improvement and rehabilitation of the Government House.

Hon. Philip: Yes, as I have mentioned during the consideration of the estimates, there is some possibility of swapping the \$1million earmarked for the rehabilitation and improvement of the Prime Minister's residence for us to start work on the design of a new state house and the land where it is situated now so that if it is something that will still go ahead then, of course, we can perhaps pursue it so that we can start working on the state house. So that at the end, maybe the Prime Minister can move to where the Governor General resides now and the Governor General will occupy the new state house. But it is something that will come after the passage of this Budget.

Mr Gukuna: By just looking at this amount it looks like the Prime Minister will stay out for a very long time. I just want the Prime Minister to confirm whether he does not want to move into the Prime Minister's residence up here at Vavaya Ridge. Do you want to move into this house or not?

Hon. Philip: It is the government's plan, and so we will work according to the way we plan it will happen.

Head 475 agreed to.

Head 476: Ministry of Health & Medical Services - \$21,000,000

Mr Ete: Item 5799 on the National Referral Hospital upgrading. I think one of the major capital works at the National Referral Hospital is the dental hospital which has become an outpatient and needs to be scrapped as it is below standard. The figure there of \$3million is zero this year. What is the Government's plan for any upgrade work? Will there be no any upgrade work at the hospital?

I ask because I can see all these non-appropriated funds as only public health programs and nothing to do with the National Referral hospital. Can the Minister responsible explain that?

Hon Sigoto: The Ministry will look for funds for that program.

Mr Gukuna: Item 4294-5799 on renovation and upgrade of the National Referral Hospital. An initial amount of \$3million was allocated for this in the 2010 budget, but the actual amount of money spent was only \$800,000, and this year there is no provision for that very important work. I just wonder what has happened. Is there no need to continue with renovation work or has that renovation work completed or was it just a decision not to allocate funds for it?

Hon Sigoto: I think that question relates to the first question, and as I have said earlier on my Ministry will look for funds for upgrade of the National Referral Hospital.

Mr Gukuna: Mr Chairman, I think you would remember last year we discussed some ideas and one committee was established which recommended that we pay attention to the National Referral Hospital. This is a very important work and I just cannot accept the government not allocating funds for it seeing it appeared that work has started, and that means when funds are not allocated, work is halted.

Can the Minister assure this House that he will look for funds? And why did he not ask for some funds in this Budget to continue with that important work? Can the Minister assure this House that he will find some money to continue with renovation at the National Referral Hospital?

Hon Sigoto: I can assure this House that my Ministry will find money for this very important work.

Mr Wale: My question is to do with rural water supply and sanitation which has a provision for \$2.5million in the development estimates and nil in the non-appropriated funds. Just exactly how does the Ministry expects to have broad coverage to build water supply out of \$2.5million? That is the first question.

The second question is the equity in distribution of this fund across the constituencies. As you know all constituencies have the need for water supply but the mechanism for delivery or distribution of these funds is almost on a first come - first serve basis or who-you-know basis making it a bit hard to have equitable distribution of it. What steps are being taken by the Ministry to ensure it is fair across all constituencies?

Hon. Sigoto: With this amount of money we will only be able to do 52 projects for water supply and 15 for sanitation. On the second part of the question, I do not have the figures, but I can make that available later on.

Hon. Sikua: Can the Minister inform the Committee on the National Referral Hospital relocation as to where he is looking for land to relocate the new National Referral Hospital to?

Hon. Sigoto: The Ministry finding somewhere safe from the current site with this line item. We are actually looking at somewhere behind the city to relocate the hospital up onto higher grounds. The main reason for this relocation is the continuous threat from high seas on the present site.

Mr Sogavare: Item 4632 on SIMTRI building where \$3million was allocated in 2010 but only \$23,428 was spent and you are asking for another \$3million this year. Can the Minister inform us on the progress of this building? If there are any problems, what are those problems and that is why only \$23,000 was spent in 2010?

Hon. Sigoto: This project is quite slow but it has already been tendered out. The project management has already been identified and we are now tendering the project for construction work to start.

Mr Sogavare: On non-appropriated funds, first of all I would like to congratulate the NGOs for building water supplies in the villages. In the newspapers we are seeing a lot of openings and celebrations of water supplies, and these are funded by NGOs. I think for years we have not captured the projects funded by them. What is the government's view on this in light of the government's plan to come up with legislation to govern the way NGO's operate in this country?

Mr Chairman: Point of order.

[Chairman Interrupt's committee of supply proceedings]

Parliament resumes

Hon Philip: I move that Standing Order 10 be suspended in accordance with Standing Order 81 to permit the continuation of the business of the house until adjourned by the Speaker under Standing order 10(5).

Standing Orders suspended at 4.30pm for continuation of the business of the House.

(Committee of Supply resumed)

Mr Chairman: Could the honourable Member repeat his question please?

Mr Sogavare: The question relate to non appropriated funds and the activities of NGOs. We capture our multilateral partners, but when it comes to NGOs it is not so. And this is something not unique to this particular budget; it is something that has been happening in past budgets. But NGOs have been actively delivering water supplies. We can see in newspapers the handovers, celebrations and feasts and so on, not by multilateral partnerships but by NGOs.

In light of the policy by the government in wanting to come up with legislation to regulate the activities of NGO in the country, and the plan of the government to later on incorporate the activities of NGOs as well on non appropriated funds so that we know what they are doing. They have been actively delivering water supplies in the constituencies, and a lot of them are in my constituency and I am very grateful for what the NGOs are doing.

Hon Sigoto: I think the Honourable MP for East Choiseul is quite right to say that NGOs have contributed a lot to the many service delivery in terms of water supply and sanitation in the country. Most of the NGOs receive funds from AusAID and other donor. NGOs receive funds and do the work, and they are doing a lot of good things for this country.

In regards to legislating the role of NGOs, I think this is a matter for the government to make a decision on.

Mr Ete: I too would like to ask a question on non–appropriated funds, although we do not appropriate them in the Budget, but it is important that we know the information there.

Item 0620 on health sector support program (HSSP), I stand here to thank the Australian Government for this bilateral arrangement towards support of our health sector. Last year \$86 million was given, and this year, again the same figure is budgeted for.

I would like to know how many clinics have we established with these funds right around Solomon Islands last year? I am saying this because the HSSP is very slow in delivering. How many clinics has HSSP promised?

It has allotted \$865 million for this program amortized over a period of five years. How many clinics have been supported last year for our people and the country? Can the Minister inform the Committee about this?

Hon Sigoto: Last year the Ministry has not been able to expend this fund very much because a lot of reservations have been in place. I think this factor contributes to the Ministry not being able to expend this amount of fund.

Mr Gukuna: Item 4634, can the Minister explain to me why he withdrew funds that were put aside to repair clinics in my constituency?

Hon Sigoto: I think those two clinics were not being repaired last year and this year remains the same. What is actually happening now is that currently a survey is being undertaken on all health facilities throughout the country. When the result of the survey comes out we will come up with a national health facility plan where we will look into the overall status of clinics throughout the country. The result of the survey should enable us to know which clinics need to be built, which ones to repair and so on. This is because submissions that come from the provinces do not reflect whether clinics need immediate attention or not. But I can assure my colleague that I am looking at two other facilities.

Mr. Wale: Firstly, I want to say thank you to the Minister for Health and the Minister for Finance for this \$1million for the rehabilitation of Kilu'ufi and another \$1million for the Auki health centre. Can I suggest that you make another Contingency Warrant to increase it because Auki has a very small clinic but it has a very big population centre, and so I am very happy that a CW will be made for this?

My question relates to the housing project of the National Referral Hospital where \$2million is being allocated. How many houses will be built and for what level of staff at the Central Hospital?

Mr. Sigoto: This provision is for building of 10 staff houses. Towards the end of last year we paid for four houses, and this provision is for an additional 10 houses.

Mr. Wale: If 10 houses are going to be built out of this \$2million, each house will cost \$200,000 and so what type of houses are these? Because if 10 houses are going to be built out of this \$2million, then I am a bit concerned because the nurses are not going to be adequately housed. Whether there is support from elsewhere, but when I looked at the non appropriated funds, I cannot see any support going towards that same housing project for the National Referral Hospital.

Mr. Sigoto: The houses that we are going to buy are at Kombuavatu. I know they are genuine houses and I believe our staffs living condition will be better off than where they are living in right now.

Head 476 agreed to.

Mr Chairman: Before we go on to consider the next head, I would like to inform the Committee that we have the presence of the honourable provincial speakers and clerks at the Speaker's gallery right now. Currently, they are undergoing a training and attachment program.

(Applause for provincial speakers and clerks)

Head 477: Ministry of Infrastructure Development -\$38,100,000

Mr. Sogavare: Item 4702-5799 on the Vura road project and I live at Vura and so I thank the Minister for that allocation because work is now going on as we can see. My question is

whether work will extend to roads going into the estates; the houses? We can see work going on the main road, but what about roads going to the estates?

Hon. Fiulaua: This \$1.5million is for rehabilitation of the Vura road, and that is maintenance of the main road. Later we can look at maintaining roads in front of your houses, and so we have to prepare for that.

Mr Gukuna: The wharf terminal, and \$500,000 is allocated for it. Is this for the main wharf or where is this terminal? This is a new idea where ships will have a house at the wharf?

Hon. Sofu: This terminal is meant to be built at the Point Cruz wharf. As we all know very well when cargoes arrive at the wharf, whether loading and unloading, there are no proper sheds and so this can make cargoes wet and damaged on a rainy day. Therefore, the Government sees as very important for a shed to be built, and so the allocation there in the budget is for that purpose.

Mr Gukuna: Just a short follow on to that question. As you would know, Mr Chairman, that wharf can be very congested, and so the idea is to unload and pick up passengers very quickly to free that place. Whilst the idea of a terminal sounds good, it will encourage people to stay there. And there are people who go and spend time at the wharf causing nuisance to ship operators.

I want the Minister to let me know whether there has been any study done on this to assure us that it will be implemented in such a way that does not encourage people to sleep there too, like the main market where people have just been chased away last night.

Hon. Sofu: I would like to thank my colleague Member of Parliament for Renbel for asking his second question. Obviously, we have experienced such things, and so for an important infrastructure like that, there must be rules set and provided so that people do not just go there to stay, sleep and do all sorts of things there.

Mr Wale: Two items there – the MID engineering complex for \$3million and Ranadi Industrial Estate is nil. It has been an ongoing issue to relocate the vehicle testing area and where the mechanisms are to Ranadi. Maybe the Minister would like to clarify to us that that \$3million is to do upgrade of the current location or is it part of the relocation to the new location and for it to be properly built.

Hon Fiulaua: This allocation for the engineering complex as been put on hold because of the cash flow problem in 2010. But now tender is on process and work on that will start.

Dr Sikua: The green terrace re-development, what is that provision for? Is it for those green houses up at East Kola'a? Is that what you meant or what is this green terrace?

Hon Sofu: I wish to thank the Leader of the Opposition for asking this very important question. The answer is yes.

Mr Sogavare: Item 4697 - SIG Rural Transport Infrastructure is very general and a new allocation this year. Can the Minister be more specific as to what sort of infrastructure this

is, transport related and in which locations in our country is the Minister looking at building these infrastructures?

Mr Sofu: This amount of \$14.5million is for rehabilitation work. The NCRA Government has come up with the policy of establishing growth centres. Therefore, it is very important that this provision caters for that in terms of priority where we want to establish roads, wharfs and airstrips according to the priority of the government in terms of connectivity.

Mr Wale: I would like to ask the Minister of Infrastructure and not the Minister of Public Service.

I come back to the Vura road project. The Vura Road was only built a couple of years ago, and my question is in regards to quality expenditure objective of the budget. The road was obviously built a couple of years ago but it has really deteriorated and a large sector of our population in Honiara resides along the Vura road up to Naha, Kobito and other areas so obviously this road serves them.

My question is, what is the quality of engineering and work on this road and whether this \$1.5million is sufficient or adequate in ensuring that the road does not deteriorate as quickly as what happened recently.

Hon Fiulaua: The \$1.5million is estimated to cover work on this road for this year to improve the condition of the road. Work has already started last year, and so this amount is allocated to cover ongoing work this year.

Head 477 agreed to.

Head 473 - Ministry of Finance and Treasury – \$10,628,000

Mr Sogavare: Item 4629 - household income expenditure. I want the Minister to confirm that this work should start in 2010 but nothing has happened at that time. If that is so, why is this project not implemented in 2010, and now you are asking for \$900,000?

Hon. Lilo: There are some ground works that have been done on work on the household income expenditure. In fact, it will be a continuation to the work that has been done in 2006 and 2007.

Why no work was done last year is simply because of the completion of the National Census last year so all the staffs that normally would do work on this income expenditure survey were heavily engaged on completion of the 2009/2010 National Census report which was finally released.

So far on work on the household income expenditure, questionnaires have been drafted. We will now be looking at which regions to start off with because the main thing here is to capture the flow of income and where our highest market is and where we need to move inside. That is the whole purpose of this survey.

Mr Sogavare: Can the Minister therefore confirm to us that the question on the national census is only for population and does not involve the household income expenditure survey? What you are saying is that this work has been going on for some time already, and so what has happened? I understand data is already collected. Is that the case because work

has been doing on for about two years now? Can the Minister confirm that we are yet to collect data to compile this report? This is not talking about coming up with some more survey questionnaires, but this is also talking about this program which has started about two years ago as well. What is the position here, have some data already been collected or not?

Hon. Lilo: You would recall that in 2006 and 2007, the survey that was conducted is the household survey, which is basically looking at the size of households throughout Solomon Islands and what are the main predominant activities that households engage in whether it is heavily on fisheries, agriculture and so on. And in terms of distribution of the households, what sorts of clinics or schools are there that can capture the household needs of certain population there. And as a result of that survey we came up with a report that features the average of six people to a household. That is the average; but for some of you it maybe 13 or 15 people. But the report we have only captured six (6).

The next thing to find out is how people earn their income and what they spend that income on. That is the work that is currently in progress. There is need to do that, for instance, to map out where the biggest market in terms of telecommunications is, where the high income area in terms of telecommunications, which area mostly uses mobile phones and so on, whether it is here in Honiara or Malaita or Isabel or Western. There is need to capture such information or data so that we know what our people are engage in terms of social and economic activities they involve in.

This information will also feed into the whole idea the government is trying to do now in terms of the economic growth centres. As the Member rightly pointed out, it is a very important thing that really needs to be captured in our survey on how our households in the country earn income and what they spend their income on.

Mr Wale: On this new Treasury building, last year \$4million was allocated and only \$427,000 was used and this year \$6million, presumably this \$427,000 is for design. Can the Minister update us on this?

Hon Lilo: Yes, that is correct. Remember in 2009 a tender was called for the design of this building, the design is completed and now tenders will be called to start the construction, and so the reasonable expectation is that this amount would be spent this year, but it will be a three-year project cycle and so it cannot be lumped out. If the total cost is \$30million, we cannot say \$30million will be spent in 2011 because we can only capture what will be spent this year, and 2012 will be another allotment.

Dr Sikua: Item 4676 on customs and excise. It says exercise there so maybe the Minister has a house to exercise. But is this for staff housing or for the office building?

Hon Lilo: It is really for the headquarters of customs and excise. And you are right that it is not exercise but excise. So cross out the letters 'e' and 'r', because it should be excise. This is to build the headquarters of the Customs and Excise Department in Solomon Islands.

Mr Wale: Secure facility for cargo is half a million dollars. I presume this is in customs as well. Where is its location and how does it work?

Hon Lilo: As part of the ongoing work at our ports for us to effectively monitor international trade, both imports and exports, there needs to be pre-shipment inspections on all goods so that the total value of goods exported can be properly valued. And in the case of goods coming into the country, queries are normally called on certain imports that come into the country which importers might undervalue their documentations.

The intention here is that within the Ports area, Customs should have a secured place to do inspections. The whole intention here is to build that place where no one else will interfere but only Customs and tax officers are allowed to go in to do proper valuations.

There is also a benefit to this activity. As a result of pre-shipments and inspections at the ports, revenue increases because people are actually coming forward to declare the true value of goods and pay up their dues on time.

Mr Gukuna: Item 2525 - rural equity has no allocations to it. But I just want the Minister to inform us if the current government does not have an interest in that facility.

Hon Lilo: It is part of NCRA's policy, and we have just started this year, and it is good that the Member enquired about this. We are exploring other avenues as to how we can provide rural equities to our people in the rural areas, and one way of doing it is to either put it out as a wholesale approach or do it through the economic growth centers that we are doing right now by identifying the right investment, call on people in those areas and regions to come forward and tell them that these are facilities available for them to access capital to start enterprises in their areas.

The starting point is that you will see economic growth centers and together with that, we will see everything eventuate.

Mr Sogavare: Item 4528 is appropriated zero this year. Can the Minister confirm whether this office has already been established and where?

Hon Lilo: I am not too sure how far the work has been completed with the Ministry of Commerce. This has been put to the Ministry of Commerce for it to handle the secured transaction register. I think it would be part of the registration system they are working on now to establish it there.

Dr Sikua: I just have one simple question. We have spent a lot of funds on this national population and household census, but has the report published already or is it still in the process? If no report is published as yet, when do we expect it because it is a very important report that we should take into consideration. I just want the Minister to confirm this.

Hon Lilo: The report has been published already. I think you may have been busy with something else and that is why you did not hear me say it. But the report has already come out, and it will be a report to be tabled before Parliament on the census report.

Our official population now stands at 500,000 plus people. The population report has come out and it shows that Malaita has the highest population, Guadalcanal is second, Western Province is third, and Temotu Province has more females than males; those are the kind of data in the census report. But it is a very good report that we all must read.

Head 473 agreed to.

Head 479: National Parliament - \$3,982,000

Mr. Sogavare: The only item there is 4211 read as non appropriated fund. My question is specific to the building that is now going up on the other side there - the ROC funded office for Members of Parliament. How and where is that reflected in here? Is it reflected in the non-appropriated fund? If that is not the case, why is it not taken up?

Hon. Lilo: You will note in my earlier statement about page 13 in the recurrent the budget support from ROC of \$80million. That building is part of that \$80million on the bilateral support between ROC and Solomon Islands. The only thing is that it is not reflected in here, but I am sure all of you will accept the fact that it is a project that is catered for under this particular development grant support from ROC to the Solomon Islands Government.

Dr Sikua: Normal support from the Republic of China every year is already over \$80million; it is around \$95million to \$100million. If that building over there is added onto this, and that building there is almost \$30million, how is it only reflected as \$80million in this budget support because that ledger reflects total support from the Republic of China?

Hon. Lilo: We will have difficulty tracking down where that \$80million is spent strictly within a one financial calendar year. We all know that ROC assistance always rolls over from one government to the other so that when it gets to another government when the quota comes down below 80 to some 50, we borrowed it to the next year. That is what we have been doing with this funding. So in our records we can only say that we have met that \$80million because it is that \$80million that we take, and the \$50million is already inside here. We almost come to it when you are going to ask questions on it - \$50million for rural development.

It is the balance of that amount that we all the time roll it over to the next year so that when a new government comes into power it may say 'priority is on this particular project and so let us borrow from another year' and so on. That is the mechanics of this bilateral scheme we have. I think sooner or later we need to work it out with ROC so that we can visibly see what is dropping in a one financial calendar year which is from January to December. That is what we need to work out now. But if we have to do that, when another government comes in, it will change that again, and say 'no, that is not the way to do it, just wait for us to continue to advance it'. So that is that, and you know that very well, Mr Chairman, as you have experienced that particular aspect. But that is the situation why that particular assistance cannot be reflected here.

Head 479 agreed to.

Head 480: Ministry of Forests - \$16,500,000

Mr Sogavare: Item 4144 -5799 – downstream processing. Can the Minister brief Parliament as to how the Ministry is going to implement this programme this year?

Hon. Tovosia: In regards to item 5799, when I came into the office I want the Ministry to ensure that this is properly shared amongst all MPs. I also want every MP to submit what each constituency wants so that it is properly distributed to everybody rather than only some constituencies getting it and others miss out. I have records up there which are not very good, but thank you for raising that question, my ministry will try and see that this is equally shared in all the constituencies.

Mr Sogavare: So I take it that this will involve the supply of some more equipment to our constituencies to help people to cut timber. Is that what is envisaged here?

Hon Tovosia: I think this is for downstream processing, and this is to Lucas mills and chainsaws. As I have said, it will depend very much on individual constituency or what a Member wants. But it is for cutting of timbers to build houses, and so chainsaws and portable saws is what we are talking about here.

Mr Sogavare: We have had some very bad experiences as to how this project has been implemented in the past, so maybe the Ministry needs to take note of that. There have already been a lot of chain saws and sawmills given out through Members of Parliament. May be the appropriate question is what have we achieved through the first supplies of sawmills, who is in charge of those sawmills?

Hon Tovosia: Sorry, I just came in, but I believe last year equipments given out of this head, while in some constituencies were properly done, in others it was not done properly, I mean some people receiving the equipments did not do it according to government intentions. That is one reason why the Ministry wants all MPs to come up with what it is that they actually want because I believe needs vary from one constituency to another; some constituencies might want different things altogether. It therefore depends very much on Honourable colleagues to decide on what suits our respective constituencies.

Mr Tozaka: Item4705-5799 - North Georgia Forests Plantation. I am not arguing over this because this particular plantation has contributed positively to our national coffers. But I just want to ask the Minister of the ministry's mechanism on how this huge amount of money is disbursed, if you can kindly explain.

Hon Tovosia: I thank the Member for North Vella La Vella for raising that question. I think this money will be administered by the Ministry. This is very much similar to government money that comes through the normal process where the ministry looks into it, makes recommendations before approval is given before it is disbursed to the people.

Mr Ete: Just a follow up question on the \$2.5million for the North New Georgia Forests Plantation. If you look at the background of this company, it was established by the 1977 Timber and Utilization Act, which gives right to customary lands. In the past this was usually given to crown lands to do logging. Now this is opening up a floodgate. My question is, this is a private company for which money is given to it, where would be money for other farmers like in Malaita and others throughout the country, where is the contribution given by the government that can be used to enhance plantations because they are also growing trees? I want the Minister to explain to the Committee.

Hon. Philip: I want to contribute to this question. The North New Georgia Forests plantation is not a private company. The project emanates from a church driven self help project of the Christian Fellow Church (CFC) which has been going on for many many years. Two governor generals and one prime minister have visited and promised them certain things, but it never happens and so they are asking again for assistance as to when the government is going to help them. They have been doing what they can do and they did ask again and that is why the government wants to support them. This statement 'the government helps those who help themselves' is sometimes not true because there are many people who have been helping themselves but the government does not help them.

This is one of the single biggest agro forest projects where a group of people are of one mind through their own resources, and I think this is the time that government puts a little bit of gesture to help them out in enhancing that project. So it is not a company but it is a community group working from its own sweat and its own money, and so this is something the government is giving to help them. If there are anybody else in the country that needs some kind of token help, they can come forward so that the government can recognize and help them too.

It is so difficult and so questionable to give money to our own people by none other than ourselves. Yes, the accountability process is very important, and so the \$2.5million is going to be left in the Ministry of Forests and it is not going to be in cash, it is non cash, which means when people need something and they come, the Ministry of Forests and its procurement department will help them get what they want to continue with their work on this particular project. Those are just some clarifications.

Hon. Tovosia: I just want to add on to what the Prime Minister has said. Palm oil growers are also ordinary people, and I think whether it is an entity that is private or whatever, we just want to help people. This is a serious thing that we must consider and take into account. If we are here to help people it does not mean it has to be in the form of a government or whatever before they can be assisted. If people are serious and want to move on, the government is here to help everybody. That is just to further explain things.

Mr Ete: Thank you for those explanations. If you read reports, the NNGGC Act of 1979 came about because of the idea of the government at that time where if anyone wants to go into a customary land to log, they have to come up with some kind of a company. In saying that, my point has not been clearly answered. What about other people like my people in Malaita who have big teak plantations, where will they go to for assistance? I believe everywhere in the country people are planting plantations, but I cannot see here how the government is going to support them in this budget.

Hon Tovosia: If you look at item 4546 on strategic support to reforestation, I think that caters for anyone that is not really identified. Maybe we want to name individuals and groups, but if anyone in our constituency wants assistance, they can apply under this item and we will consider them under this \$6million which is readily available.

Mr Wale: I come back to downstream processing, and as was rightly pointed out by the Minister for Forests, previous funding was not properly administered and therefore many in our constituencies did not receive the distribution. For example, in Aoke/Langalanga we

still have a few mangroves remaining there, but we did not receive any chainsaws. And I think there are more than 20 other constituencies that suffered the same result. Maybe that is fine as it allows our mangroves to grow, but I am raising this in terms of equity and fairness. But you have answered that aspect already. But my question is on what action has the Ministry taken against the individual who is almost solely responsible for this mess? I heard that this person is still one of the senior staff within the Ministry. Has any disciplinary action been or will be taken on this particular individual?

Hon Tovosia: I think I have ready said that publicly this can be termed as corruption. That is a very good question which seriously if it has to be dealt with, it has to involve the entire ministry. The MP referred to one particular section dealing with this matter, but having come from a police background, I have evidence to pin someone that is not based on stories.

In this regard, I will go back and check the Ministry regarding the question raised and if it is proven to be true then actions must be taken because we do not want a similar thing to happen in a ministry that has been termed as a corrupt ministry.

Mr Gukuna: Subhead 4705 on North New Georgia reforestation. The Member of Parliament who is directly responsible for these communities has apparently disagreed with this provision, as we all know. I just want the Minister to confirm that the MP for these communities was not consulted when discussions were made that gave rise to this provision.

Hon Tovosia: I think provision has been allocated because of NCRA's policy. I think if the honourable colleague is not happy with it, but it is his people who will benefit from this. It could be for some reasons that we do not know why the MP disagreed, which he himself can explain. If this was for my constituency, I think I will be very happy with this \$2.5million given to my people. If the MP thinks otherwise then I think there is a reason for it.

Head 480 agreed to.

Head 48: Office of the Prime Minister & Cabinet - \$10,300,000

Hon Lilo: Point of order. There is a corrigendum that has been circulated now to correct a typographical error in the Bill. The figure should have been \$15,300,000 and not \$10,300,000. There is a corrigendum that is being processed now to be circulated.

Mr Chairman: Minister of Finance, I was being informed that you should raise this during the third reading and so time will come for this.

Hon Tozaka: Item 4710 on economic growth centres, can the honorable Prime Minister can inform the Committee, what this \$6 million is for? Is it for feasibility study or for actual building of the centres?

Hon Philip: Obviously, the kind of plan the government has is to have growth centers throughout the country. This \$6 million is very dismal, it is really inadequate. What this amount represents is just preparatory work to deal with growth centres in Malaita that were

already earmarked for work to commence this year in places like Afio, Wairokai, Faumamanu, Suava Bay and those places.

This is a provision that will be used to get around, consult with people to sort out land issues, logistics and come up with physical plans of growth centres and if possible to do a little bit of this and that. So obviously it is inadequate but we will have to start somewhere to establish something, plan and start building our growth centres.

Mr Sogavare: Can the Prime Minister also brief the Committee of its work plan on rehabilitation of RIPEL, as the allocation requested is \$5 million?

Hon Philip: Yes, I would like to say that work on rehabilitation of RIPEL is progressing very well. There are still certain things that need to be looked at. Some things, of course, because of the sensitivity of deals and negotiation processes make it not possible for me to divulge the whole information. But between the mortgages and the shareholders of RIPEL and the three-men negotiating team, progress has been going on very, very well. We hope that by the end of the day we will avert a possible liquidation process and come to a compromised exit package between the two parties, and that is what is going on right now.

That much I can tell you but, of course, we have been having some meetings with stakeholders and the union, the former workers, settlers as well as the indigenous Lavukal people last week where we have had very good discussions with them.

I would like to mention to Parliament that while we are still on this process, we have been receiving expressions of interest from investors that wish to come into RIPEL to run the place. Some would want a total agro-forest business such as copra, cattle, agriculture and some want to set up an integrated kind of development investment process. So it has been exciting to us, and most probably before the end of this month we should be able to disengage with the people we are negotiating with and come to an exit package that is acceptable to everyone. That is as much I can inform Parliament.

Mr. Sogavare: We take note of the concern made by the Prime Minister that he is not going to divulge all information about RIPEL.

One of the objectives of liquidation is eventually to pay off people who have stakes in the company, so maybe if it is not a confidential information whether the deal that the government is starting to strike with whoever when it takes over will also take into account the creditors, and at what percentage?

Hon. Philip: Yes, we have all those considerations in place that stakeholders, especially people who have been suffering through the process for reasons they are not totally responsible for, we are taking those creditors in consideration as we negotiation for the exit package. For example, the NPF contribution of workers, their holiday pays, their long-term benefits and so on. For myself on the part of the government, I wish to cover our own people, our own citizens in all these things. So, yes they have been taken into consideration.

Mr. Gukuna: The explanation given by the Prime Minister makes me feel that we are looking for a big amount of money. Is there any money in this budget that will take of that or would that come later?

Hon. Philip: The negotiating people have some ideas on how to get things organised and make the place become operative once again. Of course, the government has a lot of hands into this. What I mean is what level of say we can get from which place, of course, it will be short term and as soon as a new investor comes, it will put it straight back in and if there is any extra on top of that sale, it can be ploughed back into its place so that it becomes a robust and active place once again.

Head 481 agreed to.

Head 483: Ministry of Police, National Security & Correctional Services - \$15,300,000

Mr Gukuna: I would like to ask the Minister how do you decide where to put the police houses? And why are you not putting some funds for police housing on Rennell and Bellona?

Hon. Tora: I would like to thank my colleague MP for Rennell & Bellona Constituency for his concern. I would like to first of all thank the Honourable Minister of Finance and Treasury for recognizing the police housing project as very important and that is why funds we ask for were given to us, although it is not enough but it is an ongoing SIG housing project.

In regards to Renbell constituency, I do not see any provision for Renbel police housing there, but I can assure my colleague Member but we will be looking into it. It is included although it does not appear here, but it could be under the next supplementary appropriation.

Mr Sogavare: Our concern is the capacity of government in implementing this project. For example, item 431, the original allocation for that project, the Naha Police Housing is \$3million and during the course of the year only \$127,651 was utilized on that. That is a reflection of what will happen on the other projects too. What guarantee is there that these projects will be implemented?

I joined the Minister of Police in thanking the Government for starting to seriously look at police housing as it is quite a serious project. But only the guarantee that these projects will be implemented is the concern here.

Hon. Tora: I thank the colleague Member for East Choiseul for the question. You would note that last year a 25% reservation was imposed as a cost cutting measure. For this year you can see it appear there and that amount will cater for new police housing whereby one house will cost about \$480,000, and the balance will go towards purchase of other things for those houses.

Dr Sikua: Has phase 2 of the Tetere prison housing completed and that is why there is zero allocation this year ?

Hon Tora: In the case of Tetere prison housing, phase 1 has been completed and we will go onto phase 2.

Dr Sikua: My question is if you are going into phase 2 right now, why is there no allocation for phase 2 in this year's budget?

Hon Tora: Sorry to say that we are going into phase 2. We have made a bid this year to continue with this project in Tetere, but the Ministry of Finance and Treasury turned down our bid.

Mr Wale: I would like to congratulate the Honorable Minister for being a champion in building our relationship with Interpol. This is one very important step forward for us and previously the Minister made an announcement that an Interpol office will be set up here. But I have not seen any allocation for it in this budget and so I was of the view whether the Honorable Minister will seek assistance from Interpol to fund the office and that is why it is not in this Budget? And if so, it also does not appear in the non-appropriated funds, so maybe a bit clarification from my dear brother, the Minister.

Mr Chairman: I think the Minister of Police will find it difficult to answer that question because there is no Interpol in this Budget. I am sorry I cannot allow that question to be asked. Only ask for subject matters in the Development Estimates.

Mr Wale: Point of order. When there are policy announcements by ministers and then such policy announcements do not end up in the budget, Parliament has the right to inquire into the rationale for exclusion from the budget and therefore even though it is not included in the line items it remains a relevant item for question.

It is on that basis that I asked and because the announcement has been made, it is something that the Minister would want to clarify. That is the basis of my question.

Mr Chairman: Maybe you should submit that question in a question form for the Minister to answer. I cannot allow that question to be asked.

Mr Tozaka: Just on police housing again. If you move across to the other page on non appropriated funds, there is the Police Housing New Zealand/RAMSI, but for this year there is no allocation for it. Then there is the Criminal Justice Prison - New Zealand Aid - Police Housing Project of \$51 million. Why is that provision not considered for police housing in our other centres?

Hon Tora: On part one of the question, New Zealand has been generous in funding 34 houses as we have heard with a total of \$25million for police housing. Unfortunately, the Correctional Services has not been included. With the police criminal justice, part of this component is for construction of the correctional service centre in Gizo, Western Province.

Head 483 agreed to

Head 484: Ministry of Provincial Government and Institutional Strengthening – \$13,800,000

Mr Wale: On Malaita Provincial Housing for \$1.5million; which parts of Malaita is earmarked for this housing?

Hon. Folotalu: These are for houses in Malu'u and Maka'a, which have deteriorated after more than 30 years.

Head 484 agreed to.

Head 485: Ministry of Lands, Housing & Survey - \$9,150,000

Mr Sogavare: Can the Minister explain to us Project 4719 – Honiara and Urban provincial centres. What is that project?

Hon Sopaghe: This item is a new project, and it is especially for the UN Habitat Urbanization program, and this allocation is purposely for SIG contribution towards this program.

Mr Sogavare: Can the Minister further explain what this project aims to achieve?

Hon Sopaghe: This program is purposely to carry out rapid urban sector profiling. This fund is purposely for UN Habitat program currently undertaken to prepare the urbanization profile in Solomon Islands, and the aim is to assist government formulate an urbanisation policy.

Mr Tozaka: Item 4647 - land acquisition; and I think the Ministry has successfully completed this project last year. Can the Minister explain what this project is and why is there no allocation this year?

Hon Sopaghe: This is catered for in the recurrent budget.

Mr Wale: Similarly, just above land acquisition is land reform (TOL) in Honiara. Can the Minister clarify whether that work has been completed and that is why no funds are allocated for it this year or has it been moved to recurrent?

Hon Sopaghe: I think I have already mentioned when we discussed the recurrent budget that this head has been moved to the Prime Minister's Office.

Mr Ete: Just a follow up question on item 5799 - temporary owner's license. Since this has been moved to the Prime Minister's Office, what is government's policy in converting every temporary owner's license into FTE? I say this because half of East Honiara Constituency is on TOL land.

The idea of the TOL, I am not ashamed to say is a post-mortem idea brought in by the wasteland policy and ordinance of the past which is still practised until today. What is the government's policy in converting these lands?

Hon Sopaghe: I think the Ministry is taking it seriously that TOLs are converted to FTE. Yes, the Ministry is taking this matter seriously and there is a management process on this.

Hon Tozaka: I am very impressed to see site development, item 4645 with an allocation of \$2million. I think this allocation is to open up some more sites in the Honiara town boundary. Can the Minister just explain where these sites are?

Hon Sopaghe: This is an ongoing process of funding any new sites that need accessibility and it will be given upon request.

Mr Wale: On Honiara boreholes and tanks, are the boreholes on customary lands and that is why this allocation is to acquire them or what actually is the nature of this item?

Hon Sopaghe: This allocation is for the Ministry to acquire areas that JICA has dug boreholes on for lands that other title holders are residing on.

Head 485 agreed to.

Head 486: Ministry of Development Planning & Aid Coordination - \$1,550,000

Mr Chairman: The substantive Minister is not here, and so I will call upon the Minister of Foreign Affairs who is the supervising Minister to take care of questions raised on the ministry.

Mr Wale: The first item on this page is institutional capacity building and provincial planning with an allocation of \$600,000. Assuming that this covers all the provinces, it is such a meagre sum; it looks like it is under provided. This, again, in light of the fact that the Ministry itself, its capacity is not really good, it is very low and so it raises the question of how this capacity building exercise will be done across all the provinces for a small allocation of \$600,000. Perhaps the Minister could care to explain how they are planning to do this?

Hon. Agovaka: The overall objective of this project is to assist the provinces to formulate their provincial development plans and also to improve planning capacity both at the provincial and the national levels. Now having said this, let us bear in mind that it will not be done all at once, but it will be done from province to province. This year a number of provinces will be done and next year more provinces will be taken up as the years go by.

Mr. Sogavare: On the issue of planning and the relevant item is 4228 on Solomon Islands long term development plan. I just want to know what that \$350,000 is for. Also, maybe the Minister could define the terms – medium term, long term and short term. How many years is short term, medium term and long term? This is for long term development plan and so we want the Minister to explain those areas.

Also, whilst I am standing, in light of the government's intention in its policy translation to legislate the long term development plan, is that what the government is working towards here?

Hon. Agovaka: Let me explain the Solomon Islands long-term development plan. The amount specified here is for the national undertaking by which the Ministry of Development

Planning is mandated to develop the country's national development strategy. Consultation work on the NDS has commenced and is ongoing since early March.

In terms of short-term, medium term and long term plan, the government is at the moment doing a lot of consultation work with our stakeholders, and we have our partners assisting us, in particular the ADB and the European Union.

As you can see there, the amount is quite small but we will be looking at technical cooperation facilities which are on the other side of the page to assist us in getting our national plans together.

Mr. Sogavare: Just a follow up question. So when this document eventually comes, it covers how long, what period are we talking about here on the Solomon Islands long term development plan?

Hon. Agovaka: It was intended that the medium term plan would be from 2011 to 2015. This is the medium term plan for the NDS.

Mr Sogavare: I am just pursuing this because the expressed narration there is that the Ministry will come up with the Solomon Islands long-term development plan. So when this document comes out, is what the Minister mentioned will be the product of this work?

Hon. Lilo: On development plans, people always lock it up according to years; the number of years they cover. Long-term development plan would normally be within the range of five to ten years. Less than five years would be medium-term. That was what the Minister was referring to, and so between now until 2015 we would be looking at something that is more medium term.

But I think the most important thing here is for us to get back to what we normally have in the past, and that is to put our vision on what is the long term development of the country rather than come up with short-term plan like programs of action and things like that that we used to have in the past, which runs for maybe only one or two years and then falls down forever.

In terms of terming the development plans, I think that is what we are looking at now, and then eventually to come up with a plan that it will be entrenched in a legislation where Parliament must own it, and so it has to be brought into this Chamber, we debate it, accept it, so that any government that comes in and wants to change it has to bring it back here to Parliament and show how good its ideas are so that it wants to change what is already in the plan or the legislation.

Mr Sogavare: I fully understand what the Minister was saying. What appears here in the Budget is the Solomon Islands long-term development plan and so I guess the product that will come out as a result of spending this \$350,000 is medium-term and not long-term development plan. Is that correct?

Hon. Lilo: No, there are donors that are helping us on this. Are you concerned about the amount or the narration there? On the amount, that is what we will contribute. What we are intending to with this amount here is to have consultations happen in nine of our provinces.

In the past, plans were written up just by going to the ministries, ask them questions and then write up the plans. This amount will ensure the coverage of the consultation is not here in Honiara, but goes right down to people in the provinces. I do not know which parts of the provinces they will go to visit, but I would say it is the provincial centres that they will go to, talk to them and then see what provincial governments have by way of plans that we can pick on to put in our national development strategy and development plan of the country.

Mr Sogavare: Which donor will support us, if the Minister can refer us to the right page on support for the long-term development plan?

Hon. Lilo: We have the Asian Development Bank that is supporting the Solomon Islands Government on this plan. There is a TA programme with the Asian Development Bank that provides for that. In fact, the person who is engaged to do it for us here is the former Governor of the Reserve Bank of Fiji.

He is the one helping us on this particular thing.

Mr Sogavare: Can the Minister refer us to which item in the non appropriated funds does that assistance comes under?

Hon Agovaka: As I was saying earlier in referring to the right hand side of the non appropriated funds, it will be the technical cooperation facility under the EU-EDF10. That is the fund that will be used by the Ministry to assist in developing its medium-term and long-term development plans.

Mr Sogavare: I get it now that this \$350,000 is Solomon Islands contribution to the development of the long-term development plan. Therefore, what exactly is the Ministry going to be doing with this \$350,000?

Hon Lilo: I thought I have mentioned earlier that the Ministry....

Mr Sogavare: I want it from the Ministry of Planning.

Hon Lilo: Okay. I had a bit of knowledge about this because that is what they said when they came to the consultations, and so even though you may have criticized the consultations that we have had but it was very useful. So I can convey that to you now.

The whole purpose is to fund this consultation. The team of officers from the Ministry of Planning and others involved in it will be travelling throughout provinces to hold consultations with provincial governments and other stakeholders to gather information that will be put into the writing up of the long-term development plan.

Mr Gukuna: The Minister of Finance has made some very interesting observations. He referred to the need of legislating it so that any government that comes in pursues the long-term development plan.

As we know, any development plans that we have, any new government that comes in comes in with new ideas, the next government that comes in throws it out and may come in with its own and so on.

The Minister was talking about going around the provinces and spending some more moneys. Is that a good thing to do? I am asking because otherwise we spend money on this and a new government comes in next year and this plan is thrown out of the window.

Hon Lilo: Unless the Member of Parliament for Renbell has a different concept in doing planning. I mean there are two tools that have to be employed in coming up with a plan. A plan does not come out of a man's ideas; it has to come out from a process that engages other stakeholders in order for us to come up with good information that will be translated into a good plan.

The intention of legislating it is an option that we will be considering. But I am sure the person sitting next to you is already in support of that concept and then you differ and so you two are separated. This is a good thing because we need to have a vision forward for this country, and not the kind where it is the idea or the plan of a small group of people who decide to form a government and then come up and say 'we will take the country this far, and when that government falls it falls down there forever.

We need to look at how we can actually print the long term movement of this country, a part of this country to move ahead. That is the whole thinking behind. But these are options that will be opened up for further discussions as to whether we can just have a document to look at it and say it is a national development plan and then it sits down there forever or it needs to be in a bill so that when governments come in and look at it they can say "oh yes, it is an idea put in legislation and so they have to do it". These are options that we need to look at.

Head 486 agreed to.

Head 487: Ministry of Culture & Tourism - \$42,500,000

Mr Tozaka: Item 4358 on eco-tourism, the amount has reduced to \$3million from last year. I have two questions: why is it reduced to \$3million, and what is the mechanism to account for these grants?

Hon. Manetoali: Eco-tourism grants are looked after by my Ministry, and the requirements on how to get the funding is through application to the Ministry. The forms are in the Ministry and you have to apply for that funding under my Ministry.

Mr Sogavare: Item 4233 – New Heritage Centre; in 2010 \$2million was allocated and from how this budget document is presented \$1.2million of that project has already been implemented. What is the status of that project and why is it discontinued when \$1.2million has already been spent?

Hon. Manetoali: That new heritage centre is meant for the Arts Gallery where an auditorium has to be set up. That \$1.2million has been used on drawing up of a plan for the auditorium, but now there is nothing there and so it is pushed to the auditorium so that we can cater for the \$6million.

Dr. Sikua: The Ministry of Culture and Tourism does not have any non-appropriated funds, but I can see ROC mixed up on the left side. Is how this Budget presented correct or

should it have been placed on the right side on non appropriated funds? I just want to ask the Minister of Finance if this is correct or not.

Hon Lilo: It is in its correct side because if you look at ROC it is this \$80million, which is part of that budget support, and so it is correct.

Mr Tozaka: Page 4557 on Balalae WWII relics. Maybe there is a very good point of putting this project, but why are there no funds for it? It is zero in 2010 and zero again in 2011. Maybe the Minister could explain that please.

Hon Manetoali: The Balalae WWII war relics is not appropriated any funds at the moment because of landowners issues. Only when landowners sort themselves out, maybe next year some funds will be put there.

Mr Gukuna: On the new heritage centre, during my time, the understanding was that it was supposed to be part of making preparations for the Pacific Arts Festival next year. Apparently according to these allocations, it is no longer there. I understand too that the plan we came up with was a very good plan, very expensive, but this auditorium is \$6,000. What exactly is going to be put there with this kind of money? Is the plan nonexistent because clearly this \$6million has nothing to do with the plan?

Hon Manetoali: This auditorium would consist only of a stage and a place to watch the cultural festival. I will not go into details on the original plan.

Mr Sogavare: On item 4232, what is the timing for the completion of the SICHE tourism school?

Hon Manetoali: The school should be completed by June or July this year.

Head 487 agreed to.

Head 488: Ministry of Commerce, Industry, Labour and Immigration - \$15,500,000

Mr Chairman: I have been given notice that the Deputy Prime Minister is going to respond to questions asked of the Ministry because the substantive Minister is engaged.

Mr Sogavare: I want the Minister to explain some new projects appearing there, especially item 4729 - consumer affairs project, what does that really entail. And what is the current status of the SME policy development because \$300,000 has been allocated for that particular project in 2010.

Hon Maelanga: This is head for the national measurement and testing laboratory, and this is specifically for architectural design, tendering and construction by contractors.

Dr Sikua: Suava port development does have zero allocation and so I want the Minister to confirm that this work will now be done under the Suava Bay growth centre?

Hon Maelanga: Yes, it will come under the Suava Bay economic growth centre.

Mr Sogavare: The Deputy Prime Minister has not given an answer to my second question on Project 4730. As it is a policy development \$300,000 has been allocated for that project in 2010, and yet nothing has been done on it, and again this year, \$500,000 has been allocated. The question is, why has this project not eventuated in 2010 and what exactly is being done in developing this policy with this \$500,000?

Hon Maelanga: There is a small medium enterprise policy development the Ministry is currently working on. I think the survey they are working on is yet to be completed and that is why you would see there is still spending there.

Mr Tozaka: Item 4652 - standby generator for passport processing machine. The amount there is a bit substantial. Standby generators are just less than \$1million, and so why allocate such a huge amount on it?

Hon Maelanga: Yes, I think that generator is very important to the Ministry of Commerce, and this is for support to the machine that processes passports. That is what they want to acquire this generator for.

Dr Sikua: On Noro industrial development, what sort of activity will be done to the industrial work at Noro?

Hon Maelanga: Project phase 1 is construction work, survey, demarcation and that is what that allocation will go towards. Those things are going on at this time down at Noro.

Head 488 agreed to.

Head 489: Ministry of Communications & Aviation - \$37,100,000

Mr. Sogavare: Can the Minister explain project 4737 - airspace design for \$500,000? What will the Ministry be doing?

Hon. Lonamei: One of the major projects undertaken by the Ministry is replacement on the location of DVOR/DME grounds to air navigation equipment. This project will involve realignment of air routes in Solomon Islands flight region.

Mr. Sogavare: Project 4365 - provincial rehabilitation and construction of provincial airfields. Does the Ministry have any work plan for that project?

Hon. Lonamei: Yes, \$10million is for this project and it will involve perimeter fencing of the following airfields: Lata, Taro, Kirakira, Seghe, Rarotutu, Auki, Gizo, Fera and Munda. Phase 2 of the project will involve tar sealing of airfields that will be repaired, which will be jointly coordinated by the Ministry of Infrastructure and Civil Aviation, and the first priority is Lata, Taro, Kirakira, Seghe and the second priority is Auki, Gizo and Munda. Part of this phase will involve construction of two new airfields subject to free land issues, one at

Manaoba in the northern region of Malaita Province and the other one in Lomlom in the Reef Islands in Temotu Province.

Phase three of this project will involve rehabilitation and reopening of closed airfields like Parasi, Yandina, Anuha and Ringi Cove. Phase 4 will involve the refurbishment and rehabilitation of existing airfield terminals, buildings to accommodate office space, toilet facilities, lockup shops and waiting space.

Phase 5 of this project will involve the construction of eight new airport terminal building for eight airfields and to accommodate office spaces, toilet facilities, lock up shops and waiting spaces for Balalae, Taro, Fera, Seghe, Parasi, Ringi, Avu Avu, Kirakira, Marau and Mbabanakira.

Mr Tozaka: I did not hear the Minister mention Barakoma, South Vella La Vella. Can he also include that?

Hon. Lonamei: If Barakoma misses out this time, it means it will not be forgotten. It will be included in the next budget.

Mr Gukuna: Previously during the lobbying period, some people approached me saying 'come to this side so that your airport at Rennell can be built'. Why is Rennell not included now? Is it because I am not in government?

Hon. Lonamei: The answer is the same to what I have said earlier on; it is not forgotten it, it will be included in the next budget, so do not you worry as we go easily with this project.

Head 489 agreed to.

Head 490: Ministry of Fisheries and Marine Resources - \$3,750,000

Mr Chairman: I understand that the supervising minister of this ministry is the Minister for Environment, and he will answer questions asked of the ministry.

Mr Sogavare: I want the Minister to explain what project 4739 – Wantok Project is for \$350,000.

Hon. Fugui: This is a new project in Doma, the Doma project where work has already started.

Mr Sogavare: Another project is 4738 – pilot scale commercialization of pearl, and it is good to see some allocations there. Where exactly is the pilot project going to happen?

Hon. Lilo: The piloting on commercialization of pearl farming is going around now. If you go to Nusatupe in Gizo, pearl farming is going on there. I think they are doing a little bit of testing in the borders between Isabel and Choiseul. They are looking at the possibility of doing one in Guadalcanal in Marau. Those are the work they are doing right now.

Head 490 agreed to.

Head 491: Ministry of Public Service - \$10,000,000

Mr Sogavare: Item 4741 on Public Service Housing. What is the policy reason behind that? Is the Government going into building houses for public service? Is that the case now?

Hon Sofu: Let me first of all thank the NCRA Government for recognizing housing as very important for public officers. And so this is just the beginning of funds allocated in the budget for housing because public officers deserve to live in decent homes. Public officers are dedicated and committed to serving the government, and so it is very important that they deserve this kind of allocation of \$5million. I think we are now starting the government's policy by building houses for public officers.

For further explanation to Parliament, this \$5million when compared with the cost of renting houses for public officers in the open market, which is about \$60million per year, is very expensive. The Ministry of Public Service recognizes that fact and so it negotiated with the Home Finance Corporation to purchase five new houses for officers reaching the posts of Under Secretaries, Commissioner of Forests and Directors.

Mr Sogavare: Can the Minister confirm to us whether the policy now is for Government to aggressively address the building of houses for public servants? Is that the new policy now?

Hon Sofu: I want to confirm that it is the government's policy.

Head 491 agreed to.

Head 492: Ministry of Justice & Legal Affairs - \$1,440,000

Mr Sogavare: Can the Minister outline his work program for these two projects - 4742 & 4743 – all housing projects?

Hon Mewa: This program will start immediately after the budget is passed.

Dr Sikua: I just want to ask the Minister about this New Zealand RAMSI Law and Justice Project; what has happened to it hence there is zero allocation this year, and then it will start again in 2012? Just for the Minister to explain to the House.

Hon. Mewa: This is to assist the judges.

Mr Tozaka: A follow up to the question by the Leader of Opposition. The Minister said that it is to assist the judges, which means this year there would be no assistance for the judges?

Hon. Mewa: The funding will end in June.

Head 492 agreed to.

Head 493: Ministry of Home Affairs - \$5,000,000

Mr Sogavare: There are two new allocations there. The first one is 4744; what aspect of the sports stadium development will be funded from that allocation?

Hon. Maelanga: This allocation is for the sports stadium development and this is to assist the work that is now going on at the national stadium at Burns Creek. This is an allocation that will be used to work closely with people on areas that we will come up with such as relocation and so forth.

Mr Sogavare: Can the Minister confirm whether the design for the sports stadium has been already acquired?

Hon Maelanga: This is a long time plan and the holdup is on what I have stated earlier on in our discussion of the recurrent budget that it is a matter to do with people.

But the plan for the stadium is already there. But how we are going to deal with relocation of people is the reason for the slowness because we have to negotiate with people living in that area.

Dr Sikua: Just for the Deputy Prime Minister to inform the House on what activities will be done on the electoral reform requiring a sum of \$3,500,000.

Hon Maelanga: This is a new project that will happen in the Ministry on electoral reform. The Ministry will work on registration of voters as names are not properly placed. As we all know, during the elections people still complain about registration of voters and so this is an allocation for the Ministry to start work on electoral reform.

Also with this allocation, the Ministry will look at some of the systems that would enable us capture all names for the registration list. For instance, one of the systems they are working on now is the use of a software like a mobile phone registration. That is something that experts who are going to work on it would know how it operates.

Mr Ete: I just want the Minister to confirm whether the plan for relocation is already in place with the government or it is something it is still going to do. I am saying this because there are virtually no negotiations going on as yet. We have already made submissions to the government on this, but as the Member of Parliament representing East Honiara, I have not had any response from the government. I want to confirm if there is a plan available on the table rather than just planning to do it.

Hon Maelanga: As I have stated earlier on, this is a long time issue which we have been working together with the Ministry of Lands on. I know there were meetings that we have arranged but no one from that area attended.

I have also written a letter in reply to my colleague MP for East Honiara's letter and so you should have received it. I think we should arrange for another meeting to meet with our people at Burns Creek.

Head 493 agreed to.

Head 494: Ministry of National Unity, Reconciliation & Peace - \$3,500,000

Mr Sogavare: Item 4380 –on the National Reconciliation Program. This is a very important program and we have allocated \$5million in 2010 and only \$72,000 appeared to have been used. Why is that so, was there no reconciliation programs happening in 2010? What is the Ministry's work program on how it will implement this \$2million allocation this year? If you do not fully utilize that \$5million in 2010, why do you need another \$2million?

Hon Taremae: Just for correction, that \$5m allocated last year was not given to us in full. The only amount we received was \$2.5million. But this \$2million allocation this year is for an ongoing program and the Ministry thinks this is sufficient to conduct its program this year.

Mr Sogavare: Item 4158 on the truth and reconciliation commission; there is also a similar amount here to the recurrent estimates. What is this exactly for?

Hon Taremae: The amount there is a typing error. It should not have appeared there as such; even the allocation for 2010 should have come under the national reconciliation program.

Mr Sogavare: Can the Minister repeat his explanation?

Hon Taremae: Your question relates to item 4158 right? Yes, that allocation for the Truth and Reconciliation Commission of \$5million was not given to us last year. And that is why in this year's budget it appears as zero there. That amount in 2010 should have come under the national reconciliation program; it was a typing error.

Head 494 agreed to.

Head 495: Ministry of Mines and Rural Electrification -\$19,400,000

Mr. Sogavare: I want the Minister to brief Parliament on what stage has been reached on improvement of the water supply system in Honiara and Auki? It is \$58million from the Japanese aid, and that amount appears every year? Where are we now in the implementation of this project?

Hon. Kemakeza: For the information of the House, this component is jointly funded by the SIG and JICA. Currently, progress on this work is not doing very well as there are some areas that needs to be sorted out between the authority and the SIG.

Mr. Sogavare: If the Minister can further elaborate as to why this project is not doing very well; which areas seemed to be hiccups that needs to be sorted out to enable the project go on?

Hon. Kemakeza: For the information of the House, I think the most problematic area this project is facing is how it was established and also its ongoing process both with the management authority and also the workforce of SIWA.

At this point in time, as you may be aware, when the NCRA Government came into office, it has at least seen some areas that is not in the interest of the project, except that there

are some areas that need to be further sorted out before this project can run smoothly and also proceeded with as expected.

Mr. Sogavare: The reference to authority here, which authority is the government having problems with?

Hon. Kemakeza: The authority here is in regards to the appointment of the Board and the functions they have been carrying out during the process of negotiating this particular project.

Mr Sogavare: So what steps is the Ministry taking to rectify that problem and how far have you gone in sorting out this problem?

Hon Kemakeza: For the information of the House, the appointed chairman has already been terminated by my Ministry or me as well as all the other board of directors. However, there was an injunction for which legal action was taken so at this point in time that legal clarification needs to be sorted out from that side before we could proceed.

Dr Sikua: I just want the Minister to explain the renewable rural electricity allocation for this year of \$5million. What are you going to do with this money?

Hon. Kemakeza: For the information of the House, this allocation of \$5million is for the purchase of solar panel units for all 50 constituencies. At the end of the day, each constituency should receive at least 100 units at 30 watts per unit plus 3 bulbs and one extension cable.

Head 495 agreed to.

Head 496: National Judiciary - \$1,700,000 agreed to.

Head 497: Ministry of Women, Youth, Children & Family Affairs - \$2,000,000

Mr Sogavare: The first item 4392 is originally funded by ROC and the estimate in 2010 is \$1million and only \$406,492 was utilized. It looks like the Solomon Islands Government is taking over the funding of that project this year and \$500,000 is allocated for it. Can the Minister justify that level of request of \$500,000 and what exactly is this? What was already achieved in 2010 on the use of \$406,492 to justify the increase allocation of \$500,000?

Hon Onika: My Ministry is asking \$1million in this year's budget but the Ministry of Finance and Treasury has only given us \$500,000. We have consultations with the Minister of Planning and Aid Coordination and he has agreed to give us \$500,000 for a national centre. Also, AusAid and UNICEF are willing to support this project.

Mr Sogavare: Maybe I do not get this clear, but I was asking about the National Centre for Women, Youth, Children and Family Affairs. Where are we now on that project, what is its status? I think this concept was thought of since 2010.

Hon Onika: There is no funding for this in 2010, only the figure is there but it was abolished. This year \$1million is allocate for this, but as I have said earlier on today, \$500,000 was removed and given to the planning project.

Dr Sikua: On musical youth empowerment, line item 4393, last year \$1.2million was allocated and it was overspent, it went up to \$1.4million and then this year's allocation was only \$500,000. I think this is what we have read about in the papers that some people have abused. I would like to ask the Minister what kind of mechanisms or guidelines has the Ministry put in place to avoid abuse of this fund.

Hon Onika: The assessment of musical groups and studios has been already done. Right now cheques are ready to be collected but documents are yet to be signed before payment is released.

Head 497 agreed to.

Head 498: Ministry of Rural Development - \$103,000,000

Mr Sogavare: Line item 4369 - what is the new policy of the government on development of rural fisheries, especially inshore fisheries?

Hon Alex: In regards to fisheries funding, the Ministry is not appropriating any funds for this in the budget this year.

Mr Sogavare: So what does that mean now in terms of assisting the rural fishermen?

Hon Alex: There was a separate bid put forward in this budget for this but it was not considered. But if you look at the Rural Constituency Livelihood fund, there is an additional \$3million that in there so that \$3million can be used as fisheries fund.

Head 498 agreed to.

Head 499: Ministry of Environment, Climate Change, Disaster Management and Conservation - \$10,100,000

Mr Sogavare: Item 4759 on provincial emergency centre building. Where will this building be set up?

Hon Fugui: This is funding under the European Union which comes through SOPAC, and buildings will be located in Western, Makira, Temotu and Renbel provinces. With this provision of \$1.5m, we are building a SIG financing provincial emergency centre buildings also for Malaita for \$1.5m.

Mr Sogavare: Item 4760 on the early warning system, where will this be set up?

Hon Fugui: The simple to that is that it will be built here in Honiara. This is for tsunami warnings and this \$2m is for the intended introduction of what is known as a Yellow Bird

early warning system on both the capacity and capability for us to reach the last part of our work on this issue on implementation of the early warning system.

Hon Sikua: Item 4582 - coral triangle initiative (CTI). There has been a lot of talk about the CTI, but looking at the right column there it seems that those who promised funds for this initiative are not supporting it as shown there. Would the Minister care to inform the House on the current status and funding available for the Coral Triangle Initiative?

Hon Fugui: I would like to thank the honorable Member for that very important question. US aid will provide USD\$1.2m for the coral triangle support program to implement what we term in our ministry our National Plan of Action. Also, the GEF under the ADB will provide another USD\$3.2m for a period of four years. Solomon Islands is the deputy chairman of the CTI at our meetings, and so as the deputy chair it is reasonable that we show our leadership by committing \$1m as a one to one funding, which is simply giving assistance when we are given assistance and so \$1m is our commitment towards the Coral Triangle Initiative.

Mr Sogavare: Just a follow up question on the explanations made by the Minister. The USD\$1.2m and the \$3.2m respectively from the sources he stated, are they reflected here?

Hon. Fugui: They did not appear in the consolidated fund, but they will appear in the supplementation budget that will be provided later.

Mr. Soalaoi: Can the Minister confirm whether we do not have any endangered species in Solomon?

Hon. Fugui: There are endangered species in Solomon Islands and they we will come under CBD funding instead of under that line item.

Head 499 agreed to.

The total development estimates of \$497,700,000 agreed to.

Mr. Sogavare: Point of order. Before you put that total to vote, I just want to seek clarification on changes that we have before us whether it affects this total.

Mr Chairman: No, when Parliament resumes then the Minister will make a corrigenda. It does not affect the figures.

Mr. Sogavare: Because when you put these two heads to the vote, the Chair mentioned the figures that do not appear here. We are actually voting wrong figures. How we are going to correct that is a matter that maybe the AG can help us to sort out; how are we going to re-vote the new amounts that appear in the addendum.

Mr Chairman: Your consideration is being taken note of and would be dealt with when Parliament resumes after this committee of supply. But if the Attorney General wants to say otherwise he is at liberty to say something in relation to your concern. But as far as this Chair is concerned, your concern has been taken care of.

Attorney General: I concur with your views.

Mr Chairman: Thank you and so now we will move on.

The total expenditure of \$2,031,527,874 agreed to.

The first schedule agreed to.

The second schedule agreed to.

Clauses 1, 2, 3, 4, 5, 6 & 7 agreed to.

Parliament resumes.

Hon Lilo: I am pleased to report that the 2011 Appropriation Bill 2011 has passed through the Committee of Supply with no amendments.

BILLS

Bills - Third Reading

The 2011 Appropriation Bill 2011

Hon Lilo: I am obliged to report that the error as identified earlier on in the Bill is identified in the list that has been shown to you, Mr Speaker, and that I propose to have it corrected as described in that particular list as well. And I table that list for the Parliament's record.

The House has been duly informed of corrections to the Bill under Standing Order 58(2).

Hon Lilo: I move that the 2011 Appropriation Bill 2011 be now read a third time and do pass.

The House adjourned at 7.46 pm.