

THURSDAY 7TH APRIL 2011

The Speaker, Sir Allan Kemakeza took the chair at 9.34am.

Prayers.

ATTENDANCE

At prayers, all were present with the exception of the Minister for Foreign Affairs & Trade Relations; Forestry & Research; Lands, Housing & Survey and the members for Temotu Vattu; West Kwara'ae and Temotu Pele.

Mr Speaker: Honorable Members, in order for the Public Accounts Committee complete its consideration of the Supplementary Appropriation Bill, I will suspend sitting until 2pm this afternoon.

Sitting suspended at 9.35am.

Sitting resumed at 2.03pm

BILLS

Bills – Committee of Supply

The 2011 Appropriation Bill 2011

Mr Chairman: Members, we are now in the Committee of Supply to consider the 2011 Appropriation Bill 2011. Again, may I remind all Members that when we consider each head, Standing Order 64(3) requires that we all must adhere to a few rules, and that is to say: reminded

- 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, and that is after page 10 of the Bill.

Head 289: Ministry of Communications and Civil Aviation - \$17,388,018

Mr Sogavare: Can the Minister clarify to us the Ministry's establishment. As I note in this draft, the Ministry is seriously under staffed by 33 posts. How important are these posts for the work of the Ministry and what are the plans of the Ministry in filling those vacant posts and how many posts will be filled this year?

Hon Lonamei: Yes, we have been understaffed for a long time and we like to fill all our vacant posts. And we are satisfied with the \$15million put aside by the Ministry of Finance for salaries, so we think some of them will be paid under that \$15million.

Mr Sogavare: On item 2091 – Overseas Travel – MP's, there were only \$30,000 under this provision for you. Are you planning to go on an overseas trip this year?

Hon. Lonamei: Yes, on overseas travel we will only select trips that will benefit us; those are the trips I will attend. If the trips are not necessary I will not want to attend.

Mr Gukuna: Item code 2070 is on staff travel. Last year there was a budget provision of just about \$30,000. It appears that they spend nearly \$300,000. This year its low again, why did the Ministry not take into account the spending last year, even if you have shortened that provision by more than a quarter million dollars.

Hon. Lonamei: Last year we spend a lot of money on our staffs that were made redundant. Hopefully this year we will not have those redundant staffs again.

Mr Maneniaru: I am on page 401, item-2012 water, there is an increase in this particular item, just want to know the water situation at the airport. It looks like the facilities there usually run out of water. Is this short of reflective of the situation chairman if the minister can clarify that they are going to address the situation that is known to those who use the facilities.

Hon. Lonamei: Yes, water is very important to places such as the Aviation that is why it increases. Because of the water problem, we don't normally get water, but water is very important at the aviation.

Mr Maneniaru: Just a follow up question. The fact that our rainfall is quiet high and knowing that we had problems with water, SIWA cannot provide enough to meet the need of the town and operations residence. Is the Ministry looking at getting water tanks to capture rain water, now that we need water, how about going into that sort of option? I want to hear from the Minister if they can look at these other options as well.

Hon. Lonamei: Affirmative - we are getting new tanks now.

Mr Sogavare: Page 402, item 4001, training- general. What sort of training is this, the provision there is only \$2,000. Just for the Minister to clarify what kind of training, and how many trainings they will hold this year. If training is important to that division, the allocation doesn't seem to support - a credible training program.

Hon. Lonamei: This is for local training and our internal trainings.

Mr Vangara: I would like to ask my question on house rent, I want to know if the Minister can inform the House. The establishment is just the same and why has the rent reduced compared to last year.

Hon. Lonamei: Yes, the rents decrease. It is finance that reduced the amounts, so we will try and make do with what is at hand, until if further we really need more money, then we will ask Finance again during supplementary.

Mr Ete: On spectrum management services, I understand that there was a redundancy last year and I expect zeros here: payroll; other charges and all these things. But it seems to appear again, is it the Ministry's plan to return those people or what is the story?

Hon Lonamei: Yes, they were made redundant on the Act that we made in the past. So when we pass the Act everyone here suppose to move to the commission, but that did not happen, so everyone was made redundant. But now, we realise that we still need people in the communication division to deal with policy and other things, so we will advertise for recruitments again. So the spectrum will retain to the Ministry and we will advertise for people to come back and work on it.

Mr Abana: On Page 43, under item 0034 – radio license fees and income. The revised estimate is \$144, 000, but in 2011 we do not have an estimate, if the Minister could clarify if people can still buy radio license or not for this year?

Hon Lonamei: Regarding License for Telekom or Radio, it will be paid to the Commissioner and it will not come to the Ministry.

Mr Sogavare: Regarding income too, what statutory charges does Bemobile and Telekom pays to operate in the country. Anyway if they do where do we reflect them in the budget?

Hon Lonamei: Telekom paid their license to operate. The license that they operate on goes to the commissioner. The commissioner receives the license. Currently, the Ministry no longer receives anything

Mr Sogavare: So it will not be reflected in this budget?

Hon Lonamei: No, because the budget of the Commissioner or regulator's is not catered for under this Ministry, so it will not appear here.

Mr Sandakabatu: Looking at the original budget for 2010, then revised 2010 and also the 2011 budget, the same head that we are looking at, there seemed to be a lot of big differences in terms of the increases. My question- is there a restructuring or major shift in the organization or the ministry last year that is also anticipated for this year?

Hon Lonamei: Since he generalized his question and not specific to any heads, the answer is yes, I think there was a major sift last year when we passed that Telecommunication Act; a lot of things have been changed within the ministry that is why we can see a lot of increases and decreases in there.

Hon Silas: Page 406 on staff traveling and transport caps 2070, again I want to ask the minister, the establishment is still the same, but the amount is reduced, can you inform the house why it has been reduced?

Hon Lonamei: We will try and make do with the allocations made by the ministry of Finance for this time, because they wanted to see quality spending. So we will try and see how we will spend this in a quality way. If we can manage it we will only use these allocations otherwise we would need a supplementary.

Mr Wale: I wish to come back to page 405 on the incomes. I want to know whether EGA has set those air space fees as contra entry to \$8 million in the income, and then if you look at page 406, there is an \$8 million for expenditure out of the civil aviation special funds. My question is related to the basis of the fees, the rates charged when a plane fly's over. Do they charge it per passenger or per plane, and who sets that, do we set the rates or some international organization or who?

Hon Lonamei: Yes each year we do the contra entry all over again because it goes towards the special fund. On basis of the rate I myself do not know sir because it was controlled by those in Australia, and they calculated the rate and passed it to us. But what I only know is around 60% of that goes back to them basically for the fees. So a very minimal amount is received by us. Therefore the Ministry will seriously look at it, so that we control it ourselves, so that the amount we always hear being collected are controlled here and we collect it and mange it here ourselves.

Mr Wale: I am just worried because the Minister said he does not know otherwise it is set very low and then 60% of what has been that low is even lower. I mean it is big, what they are getting, 40 percent of it is even lower. I think it would be very useful and important for the government to know the basis on which it is calculated so that we know whether this 40 percent is real or not. But I suppose the Minister's answer is honest, and so we cannot do anything

about it, we will just stop here, but maybe this is for the ministry and the Ministry of Finance to pick it up.

My other question is on page 406, on maintenance of provincial airfields, which has reduced quite significantly by \$3.6million. I note in the development budget that there is an allocation there for airfields. My question is why they are separate; some in the recurrent and others in the development estimates. Do they relate to separate lines of activity?

Hon. Lonamei: Yes, as already stated by the Member, most of the expenses will come in the development budget. We usually do not receive big amounts in the development budget and so it always comes under the recurrent budget. But this year it is being picked up very well in the development budget and so it will cater for those airfields.

Hon. Maneniaru: On page 406, item 3114. Pilot licensing's renewal. I understand we trained or local Pilot; number of them are attracted overseas, our only air operated company is still recruiting foreign pilots as I understand. What really make the difference whilst we trained our own pilots? If they are attracted to packages outside and if so, why other foreigners come to work for Solomon Airlines in that case?

Hon. Lonamei: Yes, the pilots as rightly said by our member, look for where the grass is green. So we will continue to recruit foreign pilots. We always have to renew their license.

Mr. Sandakabatu: Page 406, item 7500 on Civil Aviation Special Fund (stat expenses). Can the Minister expand a little bit on what this special fund is normally spent on?

Hon. Lonamei: This special fund is meant to be spent on our airspace, airfields, for equipments, tracking of aeroplanes, and on terminal. This fund is spent on anything to do with aeroplanes. This fund is now under the control of CASI and is the one using this fund.

Mr. Ete: Page 406, item 4004 on training. I understand from the Minister's statement that they want to control the airspace, which used to be run by Oakland in America, but now is controlled in Australia.

My question is on training. Currently, in the Civil Aviation Department there is only one qualified per se Air Traffic Controller, and another one is hanging around in Bellona and another one is in Nadi. The training component is inclusive of \$11,000, which I believe we will not do anything with it. But I would like to ask if training for ATCs can be looked at. A good number of them there are unqualified and if there is a big disaster we will be in trouble here. I want the Minister to look at the training component of the Air Traffic Control. I think this \$11,700 is not sufficient.

Hon. Lonamei: Yes, the control tower personnel are trained in New Guinea and overseas under the spearhead funding. This is only for local trainings.

Mr Vangara: My question is on page 405 – item 0085 on landing fees. As you know, Solomon Airlines has increased its flights to four flights per week and so there will be more landing fees paid. My question is why a decrease in the projected income?

Hon. Lonamei: On landing fees, that is the estimated amount we think we will get. But if there are more flights the better as it will increase the income here.

Mr Maneniaru: Page 406, item 3235 – airport lighting purchase. I understand there have been plans to put lighting in some of our airfields. Is this increase reflective of this or is it for continued maintenance of current lightings in our airstrips? Can the Minister give some clarifications on this?

Hon. Lonamei: Yes, this allocation is mainly going to be taken up by the Henderson airfield runway.

Mr Sandakabatu: My question is on item 3114 page 406 – pilots' license renewable and for this year the budget is \$270,000. Does this mean that payment for renewable of license for pilots is taken up by the Ministry?

Hon. Lonamei: The answer is, yes.

Dr Sikua: Page 406 – Item 3002 – books and magazines. It looks like they are spending a lot of money on books and magazines on civil aviation division. Are these magazines useful for them to utilize fully for us to spend that much money on it?

Hon Lonamei: Yes, they are very useful magazines for my Ministry. Otherwise some of you might think they are magazines of the kind that are in your imagination. These are not. These are professional magazines.

Mr Wale: I don't think Finance will agree on quality expenditure for such magazines. But my question is to do with Pilot License renewable, it is on page 406, it is item 3114 - \$270,000, which pilot was his license renewed. Do we have a test pilot or something like that in the Ministry? I want the Minister to clarify.

Hon Lonamei: We do not have it here, CASI usually does the testing, renewal and so forth.

Mr Wale: Yes, thank you just a follow up question, I want to know the line of delineation between CASI and the Ministry. It still looks blurred. And it is understandable, because the act just come into force and so which funds, in the budget goes to fund CASI and its other activities. And also, the \$8million in the special Aviation fund is budgeted in here but in terms of administrative control, CASI is the one using it. Just for clarification.

Hon Lonamei: The point that the Honourable MP for Aoke/Langa Langa raised is important and valid too. Like he said, because of the Act that we just passed, we have just gone through the transition period as to what is CASI going to do and what will the Ministry going to do. And that is what we are currently working on. The point that he raised are really true. CASI should only be the regulatory Authority. And it is us who should implement it. But they also want money too. We will sort out such issues.

Mr Sogavare: Page 406, item 6121 - Henderson Operating Costs.

Number of questions, I want to ask. (1) there is a big substantial decrease there of over \$6million. That is one concern Sir. And for the Minister to confirm whether this item is the one that we use for the cleaning up Henderson Airfield? For the Minister confirm those figures.

Mr Lonamei: Yes, that one is for the cleaning of Henderson Airfield. Last year, it seems we spend too much on that one. It was only last year that we managed to clear off 5 years worth of Credit that is very huge.

Hopefully this year we will start off with a fresh sheet. I think with that amount and with the development budget coming up, we can make do with that.

Mr Sogavare: I understand that those who are doing work there are actually on contract and are engaged by the ministry by way of the ministry tendering out the jobs, they apply for it and if they are successful they are then engaged. Are the same people still engaged or are there new ones?

Hon. Lonamei: When all the contracts lapse, we would want to advertise for new contracts so that new ones can apply. When old contracts lapse sometimes this year, we will not renew the contracts again.

Mr Sogavare: It is just a follow up question on some outstanding issues on that area. As you may remember, I think in 2009 there were some apparent report of some misuse of funds that involves the allocations that we pay to people who do subcontracting to clean the areas. I think the Auditor General made some reports on it and the report came to the Public Accounts Committee. The question was raised on the floor of this parliament at that time for the Ministry to confirm to us whether some investigations will happen to it. I want to ask whether the investigations are already done and what is its outcome.

Hon. Lonamei: I think with the investigation issue, some of the committee members, are from Papua New Guinea. I think the cashier don't have enough money to transport him back and forth. That is why this investigation is still not complete regarding the work they have done.

Mr Sogavare: I don't know which investigation the Minister is referring to but the people involved are only Solomon Islanders who live here. I just want to find out whether the investigations are still happening because they are called to account for what is alleged or not.

Hon. Lonamei: Yes, I do not really know what kind of investigation the Honorable Member is talking about, but I will find out so that we will follow up the local investigations.

Mr Gukuna: In 2009, the Minister of Foreign Affairs of New Zealand, actually went to Munda. He made an offer to upgrade Munda airport. I tried to look through the development and the recurrent, nothing there seems to pickup that offer, what happen to it?

Hon. Lonamei: Yes, New Zealand continues to do their work in research. There is a report that they want to confirm and by June they should report to us, and confirm their assistance or how much they will help us with on the Munda airport. They still show their interest in helping us.

Mr Wale: First, I want to congratulate the Minister he really fixed the domestic. Now the domestic toilets had water in them, only toilet at times missing and if he would make sure of that. Also if the toilets at the international airport should be fixed, then that will be very good. You know people travelling and transiting, toilet is an important place. I don't know who is responsible for the VIP and the toilet inside the terminal. But I just want to congratulate the Minister if he could continue with the good work on the VIP and International airport would be good.

My question is on page 406, the second last item on assessment of documents has a provision of \$225,000 this year, last year was \$100,000. Pardon my ignorance, but just for the Minister to clarify what assessment of documents is this and what kinds of documents are being assessed.

Hon Lonamei: They are documents such as airport manuals, and such documents. Now with the increase in business, we expect more of such documents to come for assessment.

Dr. Sikua: Item 6133 on minor works installation has been drastically reduced by \$4.4million. Does this reflect what has been completed and what is needed to be done?

Hon Lonamei: Last year, we have not used much of the special fund for these. So hopefully the new development budget to fix these we can cater for them.

Mr Gukuna: Just a general one, if you look at income, page 405, 406, it listed all these income which obviously come from the Airlines. I just wonder as you know Chairman the route

between here and Brisbane and the other neighbouring countries are now the most expensive in the whole world. I just wonder whether the Ministry have any idea, how much do they contribute to the cost of the tickets because it is very expensive - the travel cost out of Honiara and into Honiara?

Hon Lonamei: How much tickets to go and come, I think the record can be obtain from the airlines, we do not keep those records.

Mr Sandakabatu: This is just a general question in reference to pilots. Our pilots, we might refer them as local pilots and also pilots from other countries coming to fly our planes here in the country. Is there a difference in terms of their pay structure or is it just the same based on their rank? Because you are from another country coming to fly here, you follow a different pay structure?

Hon Lonamei: Yes, obviously there is a difference. The expatriates are paid higher but it is the Airlines that deal with those.

Head 289 agreed to.

Head 290: Ministry of Fisheries and Marine Resources - \$13,489,223

Dr Sikua we would expect that rental would be lower. You have appearing here a sum of more than \$363,000. It goes up by more than \$179,000. What we were expecting is now that the new office complex is open; the amount of office rent should have gone down. Why is that going up again, is there more recruitment or some part of the ministry is still there at Ranadi?

Hon. Fugui: Ministry is no longer renting now; they are all together in one building. I suppose that is an outstanding rent that needs to be settled.

Mr Ete: Page 413, item 0105 on fisheries license fees for overseas vessels. The head has increased by \$19million. Was it because of this new agreement between Japanese tuna and other overseas investors in here, or was it because the fees will increase on vessels fishing in our country. Coupled with that I want to know how many vessels fish in this country and how they pay per annum in terms of US dollar?

Hon. Fugui: All the fees for our ships have increased -- before it was \$30,000USD. Now its \$49,000 and the number of ships operational at the moment in our waters are between 250 to 300 ships. The total amount of money that comes in-in any one year I will find out and make reference to the member concerned later.

Mr Sogavare: The data the Minister mentioned is quite frightening-300 ships. All of them only come to get fish and go back to their places. So I guess the long term concern of this country and I have been saying that in this house and that is downstream processing. It is probably the way to go in the long run and I understand that the government is seriously looking at that direction.

I understand that we as PNA countries work together on this-toward that direction. So maybe the Minister can take this opportunity to brief the Parliament what is the long strategy of PNA countries towards that objective, of course, without drastically undermining the foreign earning reserve capacity of the country. I think that is the very important concern we have as a country if logging and fishery is stopped immediately, we will have problem. We save our fish and logs but we will have problem in foreign reserves earning capacity of the country.

What is the long term systematic strategy in PNA countries to go towards more downstream processing without undermining the foreign reserve earning capacity of those eight countries?

Hon. Philip: That is a very important policy consideration to expressed by Member for East Choiseul. We are planning to get into the trend of thinking and as we already know certain announcements are being made; one from the Western Province just arrived last week to establish one new on shore fishing base supplying the existing facility; as well as the Doma establishment which is probably a lot bigger than Noro is coming up in the West Guadalcanal at Doma. On Malaita Suava Bay is processing very well and there is also another one down at Tenaru on this side of the town. So we are slowly getting into the trend. Also we are losing out on many things the Member mentioned; on employment, added value to our products.

Very soon with the new legislation that is coming up the EU we are going to trace where the frozen fish come from and the method of catching them. We will find it a little bit difficult, whether we just sell it outside of the EEU market, but the end product will end up in European Union. So it is a consideration that is very serious and yes, the government is very much aware of it.

Mr Sadakabatu: I am referring to Item 0282 – Trans-shipment Levies–on Income – page 413. This is a very good thing to notice that in 2009 there were \$3m plus as actuals. And then this year it is \$2.2m in anticipation to have as income.

Now, my question is though this is a very good thing to have and I did not see in the forestry or agriculture or mining sector as levies. It is a very good intention and I am happy to see it. My question is what is it spent on? Is there are a programme that the levy we have is tied down to spend on?

Hon. Fugui: As government usually do, all the money collected goes straight into our national coffers.

Hon Sikua: Also on income - item 0232. I would like to ask about this revised income in 2010 which was \$305,000 plus. This is where the ministry deposited the 20% sell on bechedemer or it goes straight to the Ministry of Finance?

Hon. Fugui: The question is the same; it goes straight to our main basket in the Ministry of Finance.

Mr Wale: I would like to know that I think there were statements made perhaps by the Minister of Finance during the debate on the motion of the resolution at the end of last year, and I think also, as consistent with the PNA Agreement that we are shifting away from access fees to resource rent basis on the revenue we will be collecting on fisheries resource. But it is obvious, well, at least from the narration here as fisheries license fees local and then overseas. I am wondering whether we are still in that regime of licensing only access fees. And if so, when are we moving into this resource rent base regime? Because the increase will more than perhaps treble in the first year that we do so, but that does not show here, and so I am wondering when will be the first year that we will move into that new regime.

Hon Lilo: Negotiations and the cooperation of the PNA is still continuing. They are looking at various aspects of resource management between the PNA member countries including even the tax regime of the tuna sector.

As you know, we also have a multilateral arrangement that is governed under the FFA arrangement where the determination of access to the countries or the EEZ of these countries is based on access fees; fees based on the rates of tones of the vessels that come in and the catches in the jurisdiction of the countries.

Now that we have the PNA that is determined to move into more resource rent tax which will change the whole regime which will also, as we all know, have implications too on the way the tuna resource is managed by International Law. There are countries that are very strong on that species; it is a migratory species that does not only belong to one particular country. So when the ships chase the fish, the fish swim into the jurisdiction of other countries. The issue of where that tax value is derived from does come in. So we have to look at how we will do it. These are the discussions that are still going on inside the PNA.

Recently we have commissioned a tax review with the assistance of the International Monetary Fund and the tax financial experts that come here to help us from the IMF based Pacific Financial Technical Assistance (PFTA) based in Suva. The PFTA has done the tax review in the natural resources sector, including tuna.

For the time being what it is recommending to us is that, until such time the PNA comes up with what sort of protocols we will be doing when we move away from other members of the FFA and start our own, you just have to continue to see how you will police the surveillance of your seas to see the number of vessels coming in - the catches.

You will see that one of the measures description of this ministry this year is the \$1.5million on the observers program expansion, which is basically for us to beef up the capacity of our locals based in ships that fish inside our waters getting collection of data in

order for us to have a good management of the tuna stocks inside our country is like. That is where we are at for the time being.

As you know, the PNA member countries are trying to move into the idea of pricing the tuna. Just like what the oil exporting countries are doing where they price the oil. That is the whole idea of what we want to do, but it will take some time because of the implications it has on certain international laws that governs this species we are talking about here. The whole negotiations and discussions within the PNA member countries still continue.

Mr Sogavare: The allocation regarding the technical meetings and negotiation. I guess that funds the series of negotiations. You have \$1million there and its zero this year.

Is this not a recurring expenditure or how? If those talks that the Minister is mentioning continues; these are serious issues that the Minister raised and we need to handle it very carefully.

In terms of third off or their value: may be let's go down to, what is the tax value that we will based on, to collect tax on. So there are serious questions to be, issues to be- we need to clear on it, before we go into the new resource based tax that the minister is saying. May be when the full paper comes into parliament, before we just look at it. But at this point in time we are just guessing.

So this is quite a serious issue and the government must continue to engage the countries with these talks. This allocation is zeroed, this year what is it going to be?

Hon. Lilo: You will see on the page off shore fisheries management, what is called the observer program for expansion. And then the technical meetings will deal with; those meetings which the minister so attend.

We are also contributing to the PNA and the PNA meet all the expenses of all the member countries that attend the meetings and negotiations of PNA member countries. We are also members of the Western Pacific tuna commission. So the subscription that we do, I think they are all valued in US Dollars. Recently we paid up our contribution to the tune of US\$700,000. They all met up there, and the Commission also has it and then the PNA also has certain fees it collects from distance fishing nations and the tuna associations of distance fishing nations that fish inside our waters.

In terms of our attendance in those meetings, they are all paid for by the commissions and also the PNA that we are a member to. If you look at the technical here, you might not have it here but we have beefed up the observer expansion program somewhere here in offshore fisheries. I cannot find it here, but during the consultations I heard about that when it was mentioned, I heard it.

Mr. Mane: It is on page 420.

Hon. Lilo: That is what we need to look at; the burden of tax that falls within this sector that we will have to run tax against because that is very important for us to determine. At the moment we cannot determine that because the fee that we are taking is basically an access fee from how

many vessels that comes in and the catches that we get. We still do not have the exclusivity for us to be able to say that is the real value of this fish within our jurisdiction and therefore we leverage tax on it. We are still not there yet. These are the things that we need to continue to work with the PNA member countries to detail out with them.

Mr Wale: I just want to know the results of the dolphin study. What is the sustainable level of harvest, and I am not sure if this is covered in the CITES but whether we are living within our obligations if it is covered by CITES. Is the revenue on dolphin exports come under licenses or is it per catch?

Hon Fugui: The study still continues until 2012, next year.

Mr. Vagara: Just a general question. Can the Minister inform the house whether our waters are over fished or closed to being over fished?

Hon Fugui: Fish is still plenty; we have not over fished as yet.

Mr. Sandakabatu: Just a general question on the whole of the section on page 416 on aqua culture. Was there any study, or consideration we made for this division perhaps to amalgamated with the Ministry of Agriculture and Livestock

Mr Sogavare: On page 416, aquaculture division: In fact the Ministry is asking for \$ 905 488 for that work. If you read the government policy it is quite serious on aquaculture. It's an ongoing program of the Ministry: what is the Ministry been doing and will do now, in terms of encouraging our people to venture into this aquaculture?

Hon Fugui: The Ministry still continues with that, especially when we have the growth centres in terms of how they are patterned or aligned, aquaculture will become a big part of it in terms of inshore fisheries. We do encourage our women of, for example, instead of going into deep sea fishing they start to cultivate fish around the mangroves and the shorelines. That is a part of this government's policy that is encouraged.

Hon Sikua: Page 416, item 3220 - materials and equipment. Since last year I have been asking the aquaculture division in the Ministry of Fisheries to produce fiberglass pools for us to feed eel fish and tilapia inside, because our area is basically flat, and so when we feed eel fishes and tilapias in swamps, when floods come they carry away all the eel fish and tilapias into the swamps. I am asking whether these materials and equipments are for making of fibre glass pools for my constituency of Northeast Guadalcanal.

Hon Fugui: This is where innovation comes in, and so we encourage the Leader of Opposition and Member for Northeast Guadalcanal to keep on asking the Ministry of Fisheries, so that even if it does not make allocations that cater for fiberglass tanks, we must have fiberglass tanks

because where they are located is not close to the sea. So let us say it is an ongoing thing and we will consider it.

Mr Maneniaru: My question relates to the last head of this page, on community education, item code 6096. What form of community education is this and which communities are able to benefit from this one? May be it is also related to the other two items above; 4193 is community based management programs and maybe extension services on the other head, in between those two - may also relate to the question. If the Minister can clarify which programs and which communities will benefit or how should the communities benefit if they would like to?

Hon Fugui: That \$166,000 plus is for ongoing training of communities, especially resource owners because in the near future resource owners will manage their own resources. That item is allocated for that for workshops and radio programs.

Mr Chairman: For seaweed, pearls and something like that.

Mr Maneniaru: Maybe the answer I am looking for is what you have said, but I want to hear from the Minister which resources is he focusing on and the communities that have that resources which you have already worked with.

Hon. Fugui: It refers to all inshore resources that are under our custody because they are closer to us or inshore resources is where we will get the programs to cover where most of our resources owners live or have.

Mr. Sandakabatu: My question is on page 417 on refrigeration spares. The amount of \$67,000 plus, do you think is enough? From what I have observed, there are quite a few fisheries centres in the provinces that are lying idle because of non-functioning of these refrigeration equipments.

Hon. Fugui: This only refers to refrigerator spare parts at the headquarters. The provincial refrigerators will be funded under OFCF funding.

Mr. Sogavare: Item 6768 on page 420. Can the Minister officially tell us what that allocation is for and the work plan to utilize the sum of \$1.8million? The Minister for Finance had already touched on maybe one of its uses.

Hon. Fugui: This cost is for the observers for part of their training where they will have to be station in ships. They are paid in USD so the \$1.8million is a huge chunk of money but when you translate it in terms of USD, it is very small.

Mr. Sogavare: It is not available to cover the cost for the technical negotiation?

Hon. Fugui: No, it is a different allocation altogether.

Mr. Houanipwela: On page 422, item 2120 - Hire of Shipping. This is under market and business development. I just want to know what this activity is and whether the Minister considers this amount sufficient?

Hon. Fugui: Since the ministry's ship - MV Daula was damaged during the ethnic tension; we do not have any ships at the moment so we are handicapped. This one is only for hiring of canoes and not ships.

Mr Sogavare: The Division exists for very important functions and that is marketing and business development, and it exists for a very long time since 2009 and including 2008. And in fact, they asked for \$414,109 this year to work on it. Can the Minister brief Parliament on the achievements and successes of this division? What actually have they achieved in terms of market and business development?

Hon. Fugui: This is really under-developed because only two officers are responsible for that part and as you would know despite of important perform not only for business but also for fisheries. I think this is the place where we can beef up in the future. But so far for coordinating activities between headquarter and provinces we only have two officers undertaking that function at the moment.

Head 290 - \$13,489,223 agreed to.

Head 291: Ministry of Public Service - \$24,823,094

Mr Wale: Page 428. In last year the original Budget was \$1.2m for rental fees – income. It was revised down to \$1,150 so obviously making a rather large increase in the projections of \$1.9m for this year. So if the Minister could care to explain that situation.

Hon. Sofu: Chairman, the increase there reflects the number of officers in the Public Service that join this rental scheme.

Mr Sogavare: Page 429, item 6004 - Public Service review. What will the Ministry be doing in that review? Reading through the policy of the government, what it focuses on is rightsizing. Would the Minister be able to confirm whether the special select committee which the Ministry has been saying will be established this year has been established or is in the process of establishing it to start work on that review?

Last year the allocation was \$1.8million, this year it is \$901,422, a decrease of \$900,000. I want the Minister to explain to us what his Ministry is intending to do with this Public Service review?

Reading the policy, can the Minister maybe confirm that it is all focused on rightsizing, which means reduce or increase. Rightsizing is either go up or go down and the specific strategy, and the Minister talked about is to establish a special select committee. Maybe an added question to that is how is the special select committee different from what the Ministry has been already doing because public service review is an ongoing activity. Therefore, what will this special select committee be doing that will probably improve on the work that the Ministry has been already doing to achieve the objective of rightsizing the public service.

Hon Sofu: Yes, after the budget is passed we will work on it.

Mr Ete: I want to ask a question on item 2112 on page 429. There is an increase of \$5.6million for the long service benefit. I just want to ask the status of this or are negotiations going on or have amendments made already in the General Orders and gone down to the Public Service Commission for its blessing? Can the Minister explain this to us?

Hon Sofu: I would also like to thank the former Minister for Public Service, the Honourable Member for East Honiara for the question which I know he knew very well. Anyway since he asked the question I am going to give an answer.

That provision is for claims of those who are qualified for long and dedicated service benefit. The \$5million increase is what is anticipated that some public officers will fall under this benefit. We anticipate an amendment to the General Order Chapter F2901.

The second part of the question is whether it has already been paid for or whether it has already with the Commission, what is its status, I would like to say that negotiations are still continuing and looking good between the government and the SIPEU.

Mr Vangara: My question is on page 428 item 2010 on office expenses. Can the Minister explain this huge reduction of \$200,000?

Hon. Sofu: The Ministry is trying to control spending on office expenses.

Mr Gukuna: Page 429 on local supplementation, there is a reduction of about \$300,000. Are you also trying to control or have some wages been cut?

Hon. Sofu: It is for salary allowances of TAs in Aviation and our local staffs at the national authorizing office in the Ministry of Planning. That is government contribution towards local supplementation scheme.

Mr Mane: Page 428, item 2074, provincial visits. The provision has increased, and I assume that is to cater for the nine provinces. If that is so, is that amount sufficient? If not, how many provinces have in their plan to actually make visit?

Hon. Sofu: That is for provincial visits to our provinces. We think that provision is enough for the number of times the Ministry is planning to conduct trainings.

It is very important to conduct training in the provinces on the code of conduct, the public service procedure, provincial workshops and general orders awareness. The Public Service Ministry is responsible for our nine provinces. I agree with my colleague Member for West Are Are that it may not be enough, but as time goes during the year, if there is need, certainly I will come back to ask for additional funds to complete the training.

Mr Sadakabatu: Page 429, item 5000 on the General Orders provision for \$700,000 plus, for this year's budget estimates. Can the Minister give some examples of what these provisions will be spent on?

Hon Sofu: I thank my colleague for North Choiseul for asking that very important question for this House to know. This cost is related to the review of the General Orders which those of us in the last House would know that work is continuing on this and hopefully will be completed in June. The decrease reflects our anticipation of completion of the work by June this year.

Mr Vangara: The question is on item 3100, page 429 on house rents. Why is this amount decrease by \$270,000? Can the Minister please explain?

Hon Sofu: This decrease of \$270,000 reflects the actual that can be seen there, which we think will be enough for this year. The Ministry of Public Service has about 30 officers.

Mr Wale: Page 431 and it relates to page 429. Under page 429 it says 'training public service for \$636,000 and under IPAM -item 431 on training/general is another \$1.43million. I am just wondering whether the two relate to the same thing or are they different training under different divisions in the Ministry.

Hon Sofu: Training - general is for IPAM trainings. That is the purpose of that item. Training of public officers is important in government policy to provide capacity and skills. This training is purposely for under secretaries who have successfully gone through the BA programs at the USP Campus, and human resources managers within our various ministries.

Why there is an increase of \$159 000 is based on our plan to allow it to continue train the executives, leadership trainings for under secretaries and heads of department which the Ministry will continue to support.

Mr Gukuna: On subhead 1000, can the Minister confirm that there is a chairman, and second, there appears to be a shift in the status of salaries being moved from statutory to civil. Can the Minister comment on that shift?

Hon Sofu: Yes, it is shown as zero there, but if you look at item 1010- civil service salaries that caters for the salaries of staff of the Public Service Commission and the Chairman.

Mr. Wale: I am following up on my previous question. There is a third delineation on training offered and provided by IPAM for public generally, and the training which the Minister mentioned for senior executive management of the public service throughout the ministries who have completed BA programs at the USP. I am just wondering about that training on page 429 as to who is the provider of that training for executive managers, and presumably is it fees for their training that is listed on page 429?

Hon. Sofu: My colleague from Aoke/Langalanga quoted training for IPAM there and the other one on general training, IPAM training is for skills training for public officers and it is the USP and SICHE that provides the training.

Mr. Gukuna: The Minister did not answer the last part of my question. I asked why the Chairman's salary has appeared to have been moved from statutory to civil. As you would remember, my understanding on budgeting is that statutory is passed under different legislation and so why does it appear to have been moved and treated as a civil salary this time?

Hon. Sofu: I think it is very important for us to know why it has been moved since it is statutory. I think if the Minister for Finance is present he would answer why it was removed from there. But we understand that the salary of the Chairman of the Public Service Commission has moved to civil salaries.

Mr. Sogavare: I think the Attorney General should be around here so that he can clarify these legal points.

The question I want to ask is on page 430 on public service commission members' salaries. Are they paid salaries? The other point is, is NPF deducted from the salaries or are they contributing to the NPF or not? If the answer is no, then under which law does it state that they should not pay?

Hon. Sofu: The members, as we know, only receive an allowance of \$400.00 per sitting. It is the officers of the Commission who are paid salaries and that is what that provision is for.

Mr. Sogavare: So what does the NPF law states? The Attorney General is not here, but my understanding of the NPF law is that it captures the NPF, even if someone receives \$20.00 the NPF starts to apply. Maybe it is a legal question which will be unfair for us to put to the Minister.

Hon. Sofu: I thank the understanding of the Member for East Choiseul for the absence of the Attorney General.

Mr. Hanaria: What is the highest level of training offered by IPAM, and how many have gone through it already?

Hon. Sofu: The IPAM conducts training for officers from level 1 to level 7 and special training for all public officers up to SS3.

Mr Sogavare: Just for the Minister to confirm to us pages 432, 433, 434 on those units, the Public Service Reform Unit, Human Resource Management and Development Division (a division is higher than a unit) and then the Management Services Division. People are there and their salaries, but I am just asking about the provision for logistics and resources for these people to use to work.

Hon. Sofu: I would like to thank the MP for East Choiseul for his final question. If you look at headquarters administration it is well taken care of there.

Head 291 agreed to.

Head 292: Ministry of Justice and Legal Affairs - \$19,668,061

Mr Sadakabatu: My question is on page 439, items 2070 and 2071. My question is would these two heads support magistrates to go out and conduct court cases in the provinces?

Hon. Mewa: We are still on headquarters and we are yet to get to magistrate.

Mr Sogavare: Item 2003 on upkeep and repair of official buildings in the provinces. How many buildings are we talking about here because the provision here is only \$28,000? Whether that is adequate to do the work you are asking for?

Hon. Mewa: This year we are not looking so much at this nature of job.

Mr. Sogavare: Maybe a question of the same nature on item 2091 - overseas trip only for \$12,000 for you Mr Minister. Are you planning for any trip this year?

Hon. Mewa: I am also planning to go overseas because the Minister for Justice has never been abroad since the formation of this Government. But I will look for other sources somewhere to cater for it if this amount is not enough.

Dr. Sikua: Page 439, item 2011 - electricity and gas. For just a small ministry like that of the Minister, it seems the expenses for electricity and gas is very high. Is there a kitchen in your Ministry to cook and that is why it is very expensive like this?

Hon. Mewa: The amount you see there is also to cater for other constitutional post holders in my ministry.

Mr. Sogavare: Just want to follow up in my previous question asked earlier on as it brings up a very important budgetary policy and probably the Minister of Finance or the PM can help him out here.

In cases where small allocations or token allocations are there, and ministers are going to take trips. What is the policy there? If the Minister is saying that he is going to take a trip, this \$12,000 is only enough for him to board a plane, reach midair and then returns; he would not be able to reach his destination.

Hon. Phillip: The provision in the Prime Minister's Office is almost about \$4million to supplement those token figures in ministries.

Mr. Wale: Page 441 under public solicitors, how many of our provinces have an official of the Public Solicitor's Office in their capital so that legal aid is available to people who would want to access legal aid?

Hon. Mewa: So far our people can be able to access such services in Gizo and Auki at this point in time.

Mr. Wale: Just a follow up on my first question. Therefore, how about people in the other centres or the other provinces have access to legal aid, for example, on land matters or other matters to come to Honiara is a bit expensive.

I can also see that tours and travel has been drastically reduced, and presumably there might have been a way that solicitors might move around, but it is also reduced dramatically. I think this has significant impact on a core function on access to our justice system. Could the Minister clarify that?

Hon. Mewa: Those that we cannot reach with this service can be reached through tours, like my colleague has said that the provision for that has been reduced. It means we will use what appears here and if there is a shortfall we will go for supplementary or CW.

Mr Hou: Page 441, and I think this is a similar issue that was raised previously when we were on the Ministry of Public Service, but this is regarding statutory salaries. I can see that for one officer only \$78 will be paid for the whole year as the estimate for 2011. I do not know as to why only \$78 will be paid. But the question I want to ask is for the Minister to clarify the NPF contribution, it is zero there; these numbers are a bit confusing so perhaps the Minister could clarify.

Mr Chairman: Thank you Honourable Member for Small Malaita. In fact, part of the second question is what we sorted out earlier to the question by the Member for East Choiseul. The first part of it is with the Minister for Justice and Legal Affairs.

Hon. Mewa: I think the second part of the question can be seen in item code 1005 on the NPF contribution.

Mr Chairman: No Minister, the question referred to the statutory salary that has been raised in the public service as to why it is only \$78 for statutory salary. That is the question of the MP for Small Malaita but the post is level SS5. That is the question.

Hon. Mewa: The figure there is an error. I will refer the colleague Honorable MP to subhead 1010 which is inclusive and says civil service salaries; that is covered under that subhead.

Mr Sogavare: It goes back to the question that the MP for Aoke/Langa Langa as asked about the public solicitors. Here you have four vacancies in the public solicitors office for this year. What is your plan whether to recruit to fill these posts or not?

Hon. Mewa: Yes, definitely I will do that as soon as possible.

Mr Sogavare: Page 442, item 6089, land acquisition, about \$84,000 was actually allocated for it in the first place and then \$5,400. Has that acquisition already happened because there was nothing for it this year? Which land and has acquisition already done.

Hon Mewa: I discovered that that was done in the past, but now I do not want that responsibility to be taken care of by my Ministry. Land acquisition is now left entirely to the Ministry of Lands to do.

Mr Wale: Page 443, on the front of the estimates it says 'one off', this local supplementation of \$862,000 for legal draftsman. I know this person has actually been here for over a year now, so why is it one-off. Is this going to be a recurring item and how long is the contract of this person, and if it is more than a year where else would it be picked up, is it going to be under some other project funding?

The second question is on subventions and grants on page 443, under the office of the Attorney General. This is subvention and grants to where?

Hon Mewa: I think the first question, this legal draftsman, the Ministry will contract him for only one year and it is for this year only. The second part of the question, this money goes for the financial intelligence unit based at the CBSI.

Mr Sogavare: We also note the Attorney General's office has five vacancies, we do not have. The deputy solicitor general; Principal crown solicitor; senior crown solicitor; senior draftsman and a domestic servant. Can the Minister tell us if he is going to recruit them this year?

Hon Mewa: The Ministry will recruit subject to Public service approval.

Speaker: That question relates to the vacant post in the different groups which is complimentary to this estimates.

Mr Wale: I am still on 443, same item 4121 subventions and grants, which the Minister said it is funding for FIU based at the Central Bank and Chaired by the Attorney General.

Since this is funding going to that, this is perhaps a matter that come under finance because it is part of banking supervision. Whether the Minister knows whether the FIU receives funding from other sources perhaps from the Central Bank or is this total funding for this very important unit: hence it is very small as it is shown. Yes it used to co funded by AusAID, but it will cease this year.

Mr Wale: Just a follow up since the minister said that the AusAID co-financing will cease this year, where will the extra come from, because our funding only goes up to \$18,000. So this difference which was funded by AusAID will be coming from where; in order for this Unit to work effectively.

Hon Mewa: In fact in my bid to the Minister of finance concerning this budget, that was brought forward, but maybe they have not approved it. But I will negotiate if there is need for this funding to continue.

Mr Chairman: I think that has been declared by the minister for finance, that there would be assistance given to the ministries in the form of virements or whatever.

Dr. Sikua: In most of this division, there is allocation for shelving of records, allocations are there. What does the ministry do to shelf the records of those divisions? Does it build a new building, or what measures does it take?

Hon Mewa: Yes, in our Ministry we shelf those things inside containers because we do not have enough space.

Mr Wale: I am concerned a bit concerned of Post RAMSI, because we are thinking post RAMSI and the capacity of the office of the Director of Public Prosecutions is obviously a key one, and for example one prosecution could cost up to \$100,000 to prosecute one case. And so this is a very important office but all the allocation as we can see are going down. There are reductions in almost all of the allocations in the DPP office. For now perhaps it is understandable in terms of it being picked up perhaps by the support program which RAMSI coordinates. But beyond

that, next year and onwards, and with the wind down of the support how are we going to sustain this office to be able to function effectively?

Mr Chairman: Apologies Member of Parliament for Aoke/Langalanga, we cannot talk about the budget for next year. This budget is for 2011 so the question you are asking is from next year onward. So maybe we would be looking at that during the course of November /December.

Mr Wale: I suppose the converse of that question is why it is consistent to the reduction to this year on those budgeted items.

Hon. Mewa: I believe with the little money we have, we can carry out trials or court cases despite even if we do not have support from RAMSI.

Mr Sogavare: On page 447. Can the minister inform parliament of the progress for recruiting or filling the post of the Chairman for Law Reform Commission?

Hon Mewa: This is a very important post in my Ministry. The post have been advertised twice. Unfortunately for those who have applied they did not actually meet the criteria so I have to turn them down. I will have another try this year, for the last time then I will look for alternatives. I will try to fill up the post this year.

Mr. Sandakabatu: This is a follow up of my first question on this Ministry in terms of the Ministry's assistance in terms of sending magistrates down to the provinces to conduct a backlog of court cases in the provinces?

Hon. Mewa: We will deal with that when we come to head 296.

Mr Sogavare: The post of Registrar General, we noted that it is also vacant; will you also recruit this year?

Hon. Mewa: Yes, we all understand that is a very, very important post, it has been vacant for some time. Our Ministry will work on to try to recruit anybody to fill up this year.

Mr Wale: In the Registrar Generals Office regarding income on item 449 - Business Registration Fees, as recorded there. Perhaps this has been moved from Finance to Commerce Because Company's Registry has moved, away from Registry General's Office to Commerce who has its own registry. Perhaps maybe a clarification from Finance might help...

Hon. Lilo: Mr Chairman, registration of Ministry of Commerce is Registration of Companies. The Business Names Registration is still under the Registrar General's Office. There are two

different things. Either you incorporate the company or just a business registered under the Business Registration Act.

Mr Wale: Just to follow up for clarification. Obviously, when the Companies Registry was set up, perhaps wrongly but the assumption was that all things related to Business Registrations, not just Companies and Corporations would shift to that Registry and Business Names Registration are obviously one aspect of it.

We also note from new Companies Act, Community Companies and the Registry is also with the new Companies Registry. So if the true position is as outlined by the Minister of Finance, then perhaps the government ought to be considering shifting the business names register all things business related I suppose to one registry, maybe can either of the Ministers, maybe the Justice Minister ought to, I mean, care to comment a bit on this one, whether this one is part of thinking of the government to house in one centre, one registry all the business related registry matters.

Mr Chairman: It seems that you gave a statement. Is it a question or a statement?

Mr Wale: No, this is what they will do in...because they separate the business related matters, what about bringing them together under one house?

Mr Chairman: This is a statement the government needs to take note of.

Head 292 - \$19,668,061 agreed to.

Mr Chairman: Honorable Members, we will now interrupt the proceeding of the Committee. Parliament will now resume.

Parliament resumes.

Hon. Philip: I beg to move that this House do now adjourn.

The House adjourned at 4.32pm