



National Parliament of Solomon Islands

Public Accounts Committee

Committee Report

**Report on the 2022 Supplementary Appropriation
Bill 2022**



NP-Paper No. 30/2022

Presented on 28 August 2022

National Parliament Office



Committee Membership

The members of the **Public Accounts Committee** (11th Parliament) are:

Hon. Douglas Ete, MP, Chairman

Hon. Matthew C. Wale, MP

Hon. John D. Kuku, MP

Hon. Rick N. Houenipwela, MP

Hon. Lilly Maefai, MP

Hon. John Maneniaru, MP

Hon. Alfred Efona, MP

Hon. Ethel Lency, MP

Hon. Commins Mewa, MP

Hon. Silas V. Tausinga, MP

Secretary: Mr David Dennis, Auditor General

Secretariat: Mr Heston Rence, Committee Clerk

Contact details

Public Accounts Committee
National Parliament of Solomon Islands
P O Box G19
Honiara

Telephone: (677) 28520/24161

Email: ComSec@parliament.gov.sb

URL: www.parliament.gov.sb

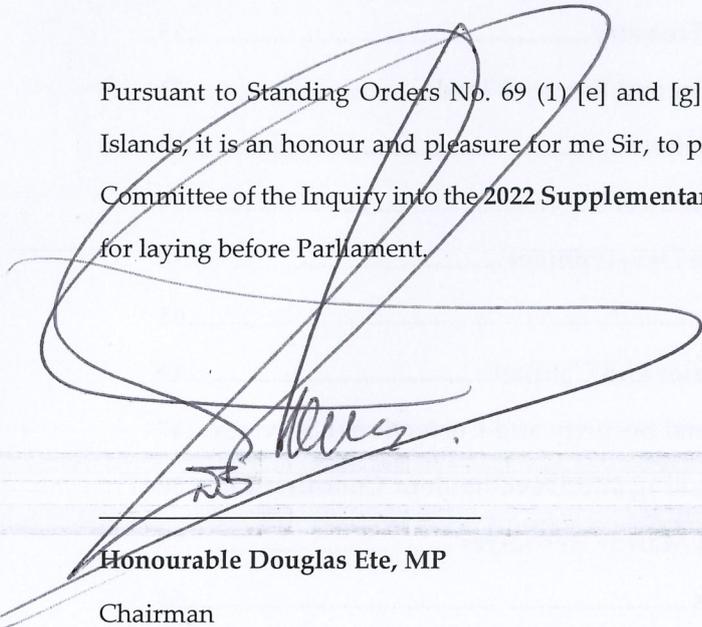
Chair's Foreword

REPORT OF THE PUBLIC ACCOUNTS COMMITTEE



Mr Speaker,

Pursuant to Standing Orders No. 69 (1) [e] and [g] of the National Parliament of Solomon Islands, it is an honour and pleasure for me Sir, to present the Report of the Public Accounts Committee of the Inquiry into the **2022 Supplementary Appropriation Bill 2022 (No.5 of 2022)** for laying before Parliament.



Honourable Douglas Ete, MP

Chairman

Public Accounts Committee

28 August 2022

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Executive Summary

The Public Accounts Committee (“the Committee”) completed its examination of the 2022 Supplementary Appropriation Bill 2022 (No.5 of 2022) from the 17 to 22 August and 73 witnesses appeared before the Committee.

The Bill seeks to appropriate an additional \$284,102,296 from the Consolidated Fund for the service of the financial year ending 31 December 2022. It seeks to regularize Contingency Warrants of \$5,464,810 Advance Warrants of \$166,296,752 and \$47,140,734 additional recurrent expenditures and \$65,200,000 development expenditures for the services in the year ended 31st December, 2022.

The Committee makes a total of nineteen (19) recommendations to the Solomon Islands Government:

Recommendation 1

The Committee noted the Central Banks observations on Agriculture. The Committee agrees that the Ministry of Agriculture and Livestock Development should be better supported and that the Ministry should consider a sizeable increase in the region of \$50 to \$100 million additional budget in strategic areas to support the recovery of the economy.

Recommendation 2

The Committee noted the need for the Ministry of Finance and Treasury to improve revenue collection and minimise tax leakages. The Committee recommends that the Ministry publish all businesses who are granted tax and duty exemptions and invest further in tax investigations unit to crack down on tax evasion.

Recommendation 3

The Committee appreciates the research capability of the Central Bank of Solomon Islands and requests the Central Bank undertake further research into why when the Solomon Islands economy is performing strongly, the government revenue is also not performing strongly.

Recommendation 4

The Ministry of Finance and Treasury should ensure sufficient budget is allocated to the Ministry of Agriculture and Livestock Development to allow early planning and preparation for the sustenance needs of the Pacific Games 2023.

Recommendation 5

The Committee observes that the Ministry of Agriculture and Livestock Development which has been identified by the Central Bank and Ministry of Finance and Treasury as a key driver of our economy, which needs the appropriate level of support to effectively contribute to the recovery of the country.

The Committee also notes the need for robust food security planning to protect the country's food stock in the event of significant disruption of the global food supply chains or significant temporary needs for large events like the PG.

The Committee recommends that the Ministry of Agriculture and Livestock Development work with other Ministries like MFAET, MNPAC, and MID to prepare an effective growth policy and suitable budget to deliver significant economic growth through the Agriculture industry.

Recommendation 6

The Committee commends the Ministry's efforts to mobilise learning and agilely deal with health issues on the ground as they arise. This approach is working with the existing resources the Ministry has.

The Committee recommends that the Ministry of Education and Human Resources Development continues with its school infrastructure upgrades to ensure that all schools that remain operating must meet minimum health standards expected to address major health issues like COVID and Influenza outbreaks and to sustainably address loss of learning impacts that health issues cause.

Recommendation 7

The Committee is concerned that the Members of Parliament (MP) constituency scholarship is not delivering what was expected of this scheme. The Committee recommends that the Ministry engage with MPs and work collaboratively towards a new scheme which is funded by the Ministry but delivers scholarships allocated in line with specific MP constituency needs.

Recommendation 8

The Committee notes the ongoing tax reform underway and recommends the Ministry of Finance and Treasury accelerate the tax reform program including the broadening of the tax base.

Recommendation 9

The Committee recommends that the Ministry of Health and Medical Services tracks the use of all funds and services delivered for the benefit of Solomon Islands through their Ministry. The Committee further requests that a listing of current donors and their amount of contribution for 2022 both through and off budget be provided to the Committee.

Recommendation 10

The Committee recommends that the Ministry for Health and Medical Services is the right body to be administering all requests for international health referrals under any Government scheme or arrangement with overseas partners. The Ministry should seek to reinstate their budget head and administrative oversight of Government Health scheme for entitled members and officers.

Recommendation 11

The Committee recommends that the Ministry of Infrastructure Development publish listing of all CAPEX grant recipients, the Province and the basis for their selection. The Ministry should also consider a policy of fair distribution of CAPEX grants to all Provinces who meet the approved published strategic economic benefits criteria.

Recommendation 12

The Committee noted that the lack of budget for Standing Select Committees is impacting on their roles to hold the Executive Government to account in various areas and impinges on the independence of the legislature.

The Committee recommends that the Office of National Parliament takes necessary steps to improve planning and ensure appropriate budget is in place for the coming budget periods.

Recommendation 13

The Committee Committee recommends that the Office of the Prime Minister and Cabinet submit to the Public Accounts Committee all financial reports obtained from the Mustard Seed International relating to the annual \$3 million budgetary allocation under the National Parliament Office for the Members of Parliament Health Care Scheme.

Recommendation 14

The Committee recommends that the bilateral agreements pertaining to these foreign forces be reviewed so that the country's bilateral partners can assist with the funding for the foreign forces currently in country. The Committee further recommends that more effective disciplining requirements be imposed on all foreign troops in country and that these be reflected in these agreements.

Recommendation 15

The Committee is concerned that there is no governance framework in place for PRC Projects and notes that the US is considering a MOU format which is expected to set out the governance framework for their projects. The Committee recommends that the Ministry of National planning and development Coordination together with the Ministry of Foreign Affairs and External trade formalise the required governance framework for all relevant donors before the Projects commences and as a priority for those already commenced.

Recommendation 16

The Committee is concerned that the poor screening and oversight of development projects will lead to many failed projects and poor accountability.

The Committee recommends that the Ministry of National Planning and Development Coordination implements a more effective oversight function from planning through to implementation. The Ministry should work with the Ministry of Finance and Treasury to ensure no development budget allocation is approved without the involvement of MNPDC.

Recommendation 17

The Committee recommends that since the Ministry of Home Affairs has already received the fund from MFAT last year that they should appropriate that fund via support budget rather than an Advance Warrant

Recommendation 18

The Committee recommends that the Ministry of Home Affairs collaborates with the Ministry of Provincial Government and Institutional Strengthening to share best practice between the Honiara City Council and Provinces. The Committee also recommends expediting the implementation of the audit recommendations from two years ago.

Recommendation 19

The Committee recommends that the Ministry of Rural Development publish the allocation of awareness funding and provide justification for this expenditure to be under the Ministry of Rural Development.

Chapter 1: Introduction

This Chapter provides an introduction to the Inquiry including information on the Public Accounts Committee (PAC) and the inquiry process.

Overview

- 1.1 The National Parliament is the independent law making arm of government to which the Executive is accountable to. The Parliament is also the only institution vested with the power to authorize the allocation of public monies through the Annual Appropriation or Supplementary Appropriation Acts. The Parliament also performs many of its oversight functions through its Standing Committees. The Public Accounts Committee (“the Committee”) is one of the committees and is given the power to examine the annual Draft Estimates budgets prior to their tabling before Parliament.
- 1.2 The 2022 Supplementary Appropriation Bill 2022 was received by the Speaker and certified on Friday 8 August, 2022. The Committee began its deliberations from 15 and 16 August, and held public hearings from 17th to 22nd August to examine the Bill that seeks to appropriate an additional \$284,102,296 to the service of the year ending 31 December 2022.
- 1.3 In compliance with the Standing Orders, this Report has been prepared for the information of Members of Parliament to assist them in their debate on the Bill. It aims to draw the attention of the Members of Parliament on the Committee’s findings and recommendations after the conclusion of its detailed examination of the Bill.
- 1.4 The Committee considered evidence provided by government ministries, statutory bodies, the Central Bank of Solomon Islands and sought advice from the Office of the Auditor General.
- 1.5 This Report outlines the findings of the Committee's examination of the Bill that comprises the Contingency Warrants (CWs), Advance Warrants and Additional Supplementary Expenditure for both the Recurrent and the Development Expenditures.
- 1.6 The Permanent Secretaries (PSs), Deputy Secretaries (DSs) and senior officials of various ministries who came before the Committee provided valuable information. The Committee also benefited immensely from the Office of the Auditor General. The Central Bank of Solomon Islands (CBSI) and the Ministry of Finance and Treasury provided insight and projection of economic performance for 2022.

Inquiry Process

- 1.7 In accordance with its mandate under Standing Orders 69 of the National Parliament, the Committee resolved at its meeting on 15 August, 2022 to commence the examination of the Bill from 17 to 22 August 2022. The full terms of reference are included on the Appendices of this report.
- 1.8 The inquiry process included inviting key financial institution and government ministries to make written submissions and appearing at public hearings.
- 1.9 The Committee examined 16 government agencies, including one statutory bodies, and received 19 submissions. A list of submissions can be found at the Appendices of this report and copies of the submissions are available at the Committee Secretariat.
- 1.10 Transcripts of the hearings are available at Parliamentary Hansard Department.
- 1.11 Minutes obtain from the hearings can be found in the Appendices of this report.

Chapter 2 - Background Information

This chapter outlines the brief background of the 2022 Supplementary Appropriation Bill 2022 (No.5 of 2022).

2.1 The Bill seeks to appropriate an additional \$284,102,296 for the service of the year ending 31 December 2022, which includes \$5,464,810 for Contingency Warrants, \$166,296,752 for Advance Warrants and \$112,340,734 additional expenditures for the services in the year ended 31st December, 2022.

EXPENDITURES	AMOUNT (\$)
CONTINGENCY WARRANTS - RECURRENT	5,464,810
ADVANCE WARRANTS - RECURRENT	166,296,752
ADDITIONAL SUPPLEMENTARY - RECURRENT EXPENDITURES	47,140,734
ADDITIONAL SUPPLEMENTARY - DEVELOPMENT EXPENDITURES	65,200,000
TOTAL APPROPRIATED EXPENDITURES	\$284,102,296

CONTINGENCIES WARRANTS

RECURRENT			
Head	Ministry	Amount	Purpose
12	National Parliament of Solomon Islands	1,075,810	This amount provides additional funds to cater for the upgrade work to the Chamber sound system.
16	Ministry of Police, National Security and Correction Service	4,389,000	This amount provides funds for cost associated with security engagement for the Royal Papuan New Guinea Constabulary in Solomon Islands
	Total Recurrent Contingency Warrants	5,464,810	

ADVANCE WARRANTS

RECURRENT			
Head	Ministry	Amount	Purpose
01	Solomon Islands Electoral Commission	11,714,801	Budget Support funded by Asian Development Bank (ADB) to cater for the Western and Choiseul provincial elections and other bye-elections

03	Ministry of Agriculture and Livestock	5,099,904	Budget Support funded by Accountable Cash Grants provided by the Government of New Zealand through the Ministry of Foreign Affairs and Trade (MFAT) to implement a number of important activities which are not done in year 2021 and for continuation implementation of Coconut Rhinoceros Beetle (CRB) program in Makira/Ulawa, Isabel and Guadalcanal provinces and Russell Islands in the Central Province.
05	Ministry of Education and Human Resources Development	77,201,539	Budget Support funded by the Government of Australia through the Department of Foreign Affairs and Trade (DFAT) and the Government of New Zealand through the Ministry of Foreign Affairs and Trade (MFAT) to implement a Transport Management System (TMS), re-appropriation of the unspent funding in 2021
06	Ministry of Finance and Treasury	35,062,307	Budget Support jointly funded by Asian Development Bank (ADB), SIG, Domestic Development Bonds, Japan International Cooperation Agency (JICA), the Government of Australia through the Department of Foreign Affairs and Trade (DFAT), United Nations Development Programme and World Bank(WB) towards Economic Stimulus Package to cushion the negative impacts of COVID-19, Consultants (Mr Jim Sutton and Douglas Michael Creevy) working as comptroller of Customs and Excise Division (CED) recapitalization of State Owned Enterprises (SOE)- Solomon Airlines, support to Our Telecom, outstanding payments to Mamara project, and Financial Management Information System (FMIS) upgrade project in the Treasury division and contribution towards Solomon Water for the work towards South Pacific Game (SPG) 2023 in relation to sewage works at King George intersection. Also, as financial support to the Climate Finance unit within the Ministry.

07	Ministry of Foreign Affairs and External Trade	2,270,000	Budget Support is funded by United Nations Office for Project Services (UNOPS) mainly for machinery grant for Sape Farm in Guadalcanal and PZTR Investment in Temotu Province and support to normal operational necessities and project activities towards the Ministry donor interim budget
09	Ministry of Health and Medical Services	10,000,732	Budget Support collectively funded by Government of New Zealand through the Ministry of Foreign Affairs and Trade (MFAT), the Government of Australia through the Department of Foreign Affairs and Trade (DFAT), Global Fund, European Union (EU), Republic of China/Taiwan (ROC), K-Water, Solomon Sheet Steel, Forum Fisheries Agency (FFA), SurfAid and United Nations Population Fund (UNFPA) to support National Vector Borne Disease and RWASH programs, for the construction of pre-fab mental acute ward, for clinical training attachments at the National Referral Hospital (NRH), operational costs including World Food Safety Day Celebrations and sundries and COVID-19 outstanding and response payments.
14	Office of the Prime Minister and Cabinet	1,542,837	Budget Support funded by World Bank to meet several urgent and outstanding payments for live broadcasting and publications of Prime Minister's address regarding COVID-19 outbreak and radio talkback shows, work on extension of Office of the Prime Minister and Cabinet (OPMC) building and medical referrals
23	Ministry of Fisheries and Marine Resources	3,416,433	Budget Support funded by the New Zealand Government through the Ministry of Foreign Affairs and Trade (MFAT) towards Mekem Strong Solomon Islands Fisheries (MSSIF) project
26	Ministry of Home Affairs	5,032,699	Re-appropriated Budget Support funded by the New Zealand Government through the Ministry of Foreign Affairs and Trade (MFAT) to support good governance, inclusion program in Honiara and launching of the sports policy.

30	Ministry of Women, Youth, Children and Family Affairs	8,500,000	Budget Support is funded by the New Zealand Government through the Ministry of Foreign Affairs and Trade (MFAT) to support Provincial Youth Centre Infrastructure in Western province and for the revitalization of the youth programs in the provinces as well as in Honiara
32	Ministry of Environment, Climate Change, Disaster Management and Meteorology	6,455,500	Budget Support is funded by the Asian Development Bank (ADB), the Government of New Zealand through the Ministry of Foreign Affairs and Trade (MFAT) and the Government of Australia through the Department of Foreign Affairs and Trade (DFAT) to support ongoing National Disaster Management Office COVID-19 operations and Management of the quarantine station facilities in Honiara and the provinces.
	Total Recurrent Advance Warrants	166,296,752	

ADDITIONAL SUPPLEMENTARY EXPENDITURE

RECURRENT EXPENDITURE			
Head	Ministry	Amount	Purpose
05	Ministry of Education and Human Resources Development	15,000,000	This amount provides additional funding to cater for office rents, outstanding Solomon Islands contribution(Grant) to the University of the South Pacific (USP), various Educational Grants and national examinations related expenditures
07	Ministry of Foreign Affairs and External Trade	500,000	This amount provides additional funding to cater for outstanding arrears of the Solomon Islands Diplomatic Mission Office in Brussels.
08	Office of the Governor-General	1,000,000	This amount provides additional funding to cater for the shortfall in maintaining residential and non-residential buildings, house rentals, and utilities.
10	Ministry of Infrastructure and Development	2,000,000	This amount provides additional funding to cater for outstanding costs of contracts awarded by the Ministry Tender Board (MTB) and Central Tender Board (CTB) to avoid legal issues

16	Ministry of Police, National Security and Correction Service	22,800,000	This amount provides additional funding to cater for fuel and utilities to maintain the operational services of the Royal Solomon Islands Police Force and Correctional Services. Also for house rent for officers within the respective divisions
19	Ministry of National Planning and Development Coordination	840,734	This amount provides additional funding for overseas travel to support the Ministry's dialogue meeting with development partners on joint commitments and the progress of development initiatives
31	Ministry of Rural Development	5,000,000	This amount provides additional funding to supplement subvention and grants to maintain ongoing implementation of constituency programs in 2022
	Total Recurrent Supplementary Expenditure	47,140,734	

DEVELOPMENT EXPENDITURE			
Head	Ministry	Amount	Purpose
06	Ministry of Finance and Treasury	35,000,000	These amounts provides additional funding to cater for court Judgement on Levers Solomons Limited against the Solomon Islands Government, and to rebalance ICSI's shares in KFPL
10	Ministry of Infrastructure Development	30,200,000	These amounts provide additional funding to cater for road works across various constituencies within the provinces, purchase of ship and completions of provincial wharves
	Total Development Supplementary Expenditure	65,200,000	

Chapter 3 - Issues of Concern

Central Bank of Solomon Islands

State of the economy in the first half of 2022

- 1. The global economy now faces a gloomier and uncertain outlook as lingering effects of the pandemic and now the war in Ukraine took their economic toll globally. Global growth** for this year has been revised downwards to 3.2% and 2.9% next year, owing to downturns in the world's 3 largest economies, namely the US, China and the Euro area. **Global inflation** on the other hand, has been revised upwards to 6.6% in advanced economies and 9.5% in emerging and developing economies, as rising energy and food prices continue to fuel inflation world-wide, triggering central banks around the world to tighten monetary policy.
- 2. Against this backdrop, domestic economic activities remained weak in the first half of 2022** as persistent effects of the pandemic and spillover effects from the war in Ukraine weighed on economic activities. Key export commodities including logging, palm oil, fishing, copra and cocoa recorded falls across the first six months to June. Other key economic indicators including the production index, manufacturing index, retail & wholesale, energy usage and tourism also declined. Construction, investment and the communication sectors, on the other hand, picked up. This led to the **production index falling further by 26% 55 points in the six months to June. The CBSI manufacturing index contracted by 1.1% from 284 points to 281 points**, mainly reflecting lower manufactured goods for export.
- 3. Despite weak outcomes in the first half of the year, the reopening of the economy and easing of containment measures in May this year provided significant support to the economic outlook in the near and medium term. As a result, CBSI revised its growth projection for 2022 to -4.3% from a -7.3% growth forecasted earlier.** This forecast also takes into account the on-going constructions of key infrastructures such as the Pacific Games facilities and upgrade of roads, wharves and the international airport. **This construction-led growth is expected to continue into 2023 with a 2% growth projection. In the medium term, an average growth rate of 1.8% is expected, as the economy resets for upward trajectory, assuming that necessary reforms are undertaken.**

4. **Headline inflation remained muted in the first half of the year, recording a 1% in May 2022 (latest) compared to 2.5% in December 2021. The drop was driven primarily by the decline in domestic inflation which fell to minus 2.5% from 1.9% in December 2021. Imported inflation conversely surged to 10.1% in May from 4% earlier, reflecting higher food and fuel prices following the Ukraine war. Core inflation rose from 1.2% to 4.1%, attributable to broad price increases in the first half.**
5. **On the fiscal front, the fiscal balance recorded a deficit of 0.7% of GDP (or \$95 million) at the end of June 2022. The narrow deficit stemmed mainly from lock-downs and late passage of the budget in April, resulting in lower revenue collections and expenditure. Total revenue declined by 14% to \$1,594 million while expenditure contracted by 23% to \$1,685 million.**
6. **Total Government debt stock declined to 14% of GDP to \$1,823 million, driven largely by movements in the exchange rate and partially by debt servicing. The external debt fell by 6% to \$1,073 million compared to December 2021 while domestic debt grew slightly by 0.2% to \$750 million, driven by the ongoing issuance of Treasury Bills.**
7. **With respect to the external sector, the overall balance of payments position recorded a deficit of 0.3% of GDP (or \$20 million) in the first half. This came mainly from a widening deficit of 10% of GDP (or \$597 million) due to a wider trade in goods deficit, reduction in secondary income surplus as well as wider deficit in trade and services. Exports fell by 19% to \$1,278 million whilst imports dropped by 7% to \$1,904 million.**
8. **As a result, gross foreign reserves declined by 3% to \$5, 465 million, equivalent to 13.8 months of import cover, still well above the minimum threshold of six months.**
9. **Monetary conditions slowed in the first six months to June with key monetary aggregates slowing down during the period. Reserve money (M0) fell 5% whilst money supply (M3) remained muted. In contrast, total liquidity and Private Sector Credit declined sluggishly over the first half of the year.**
10. **Private sector credit fell by 0.2% to \$2,595 million in line with slowdown economic activities. Driving the fall in lending were the manufacturing, forestry, tourism and distribution. In contrast, credit to the personal, agriculture, construction and transportation sectors increased during the period. The interest rate margin remained**

unchanged at around 9.6%, with lending rates averaging around 10.09% and deposit rates hovering around 0.44%.

12. Inflation: CBSI expects inflation to be around 6.9% by the end of 2022, higher than was anticipated in the first quarter. Faster-than-expected rise in the imported fuel and food prices drove this upward revision. The on-going war in Ukraine and higher global inflation is anticipated to keep imported prices rise further in the second half of 2022. Core inflation is also projected upward within a 5% and 6% range by year end as pass-through effects of higher food and fuel prices and supply chain disruptions in the domestic market impact consumer prices in general. Risks to this outlook are on the upside, including the uncertainties in the global environment and higher than expected hike in global food and fuel prices. In a worst-case scenario without counteracting policy measures, headline inflation could climb to 8% by end of the 2022.

13. In terms of the fiscal outlook for 2022, the size of the fiscal deficit is expected to hover around 9% of GDP, with anticipated lower tax revenue amid mounting spending pressures. Fiscal risks have increased both on the external and domestic fronts. On the external front, inflationary pressures now triggering financial tightening in the world's largest economies, the United States, China and Euro area, have dented global growth prospects. Slower growth in China means weaker demand for our log exports thus fewer tax revenues from export duties on logs. On the domestic front, fewer export receipts earned by domestic businesses will translate into weaker domestic demand for consumption and negatively impact the domestic revenue collections on income and profit taxes, and GST.

With economic prospect remaining muted overall, sustaining fiscal operations at the current level requires more donor funding to avoid debt rising faster than otherwise. If the current rate of government borrowing persists, \$500 million annually, the debt-to-GDP ratio could reach 30% of GDP within the next 5 or so years.

Issues of Concern

Matters raised by the Committee include the following:

- 3.1 **Export-led growth and regulations on down-streaming of all primary commodities** – the Committee was concerned that construction-led growth was not sustainable growth. The

Central Bank confirmed that sustainable growth needed to be above 5%. This was particularly important when considering the population growth rate in the Solomon Islands. The growth rate needs to be above the population growth to be sustainable. It was the Bank's view that the country needed to have good policies in this area. The Bank noted one important policy being the export-led growth and regulations on down-streaming of all primary commodities. The Bank also noted other areas also available to the Government. Once such is within Agriculture. Substantial support in the region of \$50-100m would need investing in the budget to have a significant effect.

Recommendation 1 (attributed to Ministry of Agriculture and Livestock Development)

The Committee noted the Central Bank's observations on Agriculture. The Committee agrees that the Ministry of Agriculture and Livestock Development should be better supported and that the Ministry should consider a sizeable increase in the region of \$50 to \$100 million additional budget in strategic areas to support the recovery of the economy.

- 3.2 **Construction sector's contribution to the GDP** – the Committee asked what contribution the construction sector has to GDP. The Bank confirmed that they would provide the contribution level of all sectors to GDP. The Committee were concerned that the Pacific Games construction, whilst contributing significantly towards GDP at present was expected to complete next year, and therefore, whether this could have an adverse effect. The Bank stated that any policy intervention should start now to ensure that jobs can be absorbed when the Games ends, to avoid any increase in unemployment.
- 3.3 **Fiscal deficit** - the Bank confirmed that the fiscal deficit, based on the 2022 Budget passed earlier this year was 8-9%. The Committee noted that the 2022 Budget required \$562 million funding to be provided by donors and \$406 million for additional revenue sources. The Bank noted that the Committee would need to address any questions on the progress of this with the Ministry of Finance and Treasury.
- 3.4 **Balance of payment** - the Committee sought additional information on the overall balance of payments. The Bank noted that the current account is the interesting element of the overall balance of payments as this reflects the levels of imports and exports. The Bank noted the need to build exports to support foreign reserves.
- 3.5 The Committee asked what the reason was for the fall in the overall balance of payments. The Governor noted that the Solomon Islands relies heavily on key commodities such as logging. Since the global pandemic commencing in 2020, border restrictions and more recent lockdowns, the level of exports had been affected. Other commodities have also

experienced a fall in volumes for similar reasons. Fishing on the other hand has experienced a strong year, although there are signs of some decline here too.

- 3.6 **Level of borrowing** - the Committee was concerned that the Government wanted to further increase the level of borrowing and whether it was being used appropriately and if it was within the DSA limits set. The Bank noted that the majority of the Government's debt was external (\$1.073 billion) compared to \$750 million held domestically. The Bank was unable to confirm how the debt was applied by the Government and that that should be directed to the Ministry of Finance and Treasury. But the Government had previously communicated that development bonds were supposed to be used on infrastructure. The Bank noted that the sustainability threshold is 35% and had been raised to 40% therefore the current levels were within this although increasing. The Bank explained the need to ensure that debt was applied to quality capital expenditure allowing a higher return through GDP. The Bank noted the importance of the need for sustainable borrowing and this included the Government's ability to repay its debt which in the current environment wasn't strong.
- 3.7 The Committee asked whether the Governor was aware of whether the Government had borrowed to fund any of the Mamara housing development. The Bank was unable to confirm this.
- 3.8 The Committee noted that the Governor had previous highlighted the important point that normally when an economy is performing strongly, then government revenue also is strong but that these have not moved as expected in the Solomon Islands. The Bank noted two reasons that could potentially be leading to this. One that too many exemptions have been provided. The other that businesses were evading tax.

Recommendation 2 (attributed to Ministry of Finance and Treasury)

The Committee noted the need for the Ministry of Finance and Treasury to improve revenue collection and minimise tax leakages. The Committee recommends that the Government publish all businesses who are granted tax and duty exemptions and invest further in tax investigations unit to crack down on tax evasion.

- 3.9 The Committee noted that CBSI was well placed to undertake a study to understand the reasons behind this and recommended that CBSI be asked to consider this.

Recommendation 3

The Committee appreciates the research capability of the Central Bank of Solomon Islands and requests the Central Bank undertake further research into why when the

Solomon Islands economy is performing strongly, the government revenue is also not performing strongly.

- 3.10 **CBSI to provide advice to government** - The Committee noted previous concerns that the Bank had not been used effectively as advisor to the Government and asked whether this had improved. The Bank noted that they had been asked to join a task force to address some of the issues why banks were not lending. They are also part of the Debt Management Advisory Committee and attend the Monthly Monitoring Management Meetings between CBSI, Finance, Customs and Inland Revenue. This enables more information sharing and informs the Bank on key economic data.
- 3.11 **Concessional loans and treasury bonds** - The Committee returned to the question of debt and what the impact on the economy was of the use of concessional loans or treasury bonds. The Bank explained that Development bond interest rates tend to be more expensive at around 4-5% compared to concessional loads which would be expected to be under 1%. However, he noted that the exchange rate risk associated with concessional loans can have a significant effect. As such, if a loan is not concessional, then it carries significant risk, both through the higher rate of interest and the exchange rate risk. The Committee asked what the current strength of the currency was. The Bank noted that the US had recently tightened their monetary policy leading to increases in the USD rate and the SBD dropping. However, over time, the SBD has remained relatively stable. Foreign debt held includes a large debt in Japanese Yen.
- 3.12 **Monetary policy tool** - The Committee sought an explanation on quantitative easing as a monetary policy tool. The Bank noted that more recently, Central Banks around the world tend to use interest rates as a means to undertake monetary policy. However, they found during the COVID19 pandemic that this didn't have the desired effect and so resorted to more traditional tools. This include buying government bonds in secondary markets. The Committee closed asking how foreign investment levels compared to pre-COVID19 times. The Bank agreed to provide this information. This information was still outstanding as at the date of this report.

01 Solomon Islands Electoral Commission

1. Variation in appropriation

Recurrent - Advanced Warrant

Source/subhead/item	Description	Original Estimate (\$)	Supplementary Estimate (\$)	Revised Estimates (\$)
218-010-0000-22806	Election & Bye Elections	Nil	11,714,801	11,714,801
Total		Nil	11,714,801	11,714,801

Purpose: Budget Support funded by Asian Development Bank (ADB) to cater for the Western and Choiseul provincial elections and other bye-elections

2. Appropriateness of expenditure

The Advanced Warrant was approved by the Minister on 17 June 2022.

3. Issues of Concern

Matters raised by the Committee includes the following:

- 3.13 **Budget for National General Elections** – the Committee asked whether the Commission is working on a budget for the upcoming National General Elections (NGE).
- 3.14 The Commission stated that work on the budget for the upcoming NGE has not started, but voter registration and the next NGE will be appropriated for in the 2023 budget. The Commission notes that there are developments on the deferment of the NGE, hence work will commence once the Commission sets a policy direction for the Electoral Office.
- 3.15 **Biometric voter registration software upgrade** – the Committee asked whether the biometric voter registration software upgrade will be ready for use in the next NGE.
- 3.16 Commission informed the Committee that it was over ten years that the system has not been upgraded. The Commission plans to upgrade the system in September 2022 and should be completed by October. Payments for the upgrade have already been made with initial work in September to be conducted offsite before flying into country in October to complete the work.

- 3.17 **Voter Registration** – the Committee is of the view that voter registrations should be updated with new names for each poll.
- 3.18 The Commission stated that the work on updating the electoral roll should start in October this year as part of the Electoral Office’s role which is also happening now in Choiseul Province and Western Province.

03 Ministry of Agriculture and Livestock Development

1. Variation in appropriation

Recurrent - Advanced Warrant

Source/subhead/item	Description	Original Estimate (\$)	Supplementary Estimate (\$)	Revised Estimates (\$)
202-001-0000-21105	Consultants	617,000	929,175	1,546,175
202-001-0000-22106	Management Fees	143,000	326,000	469,000
202-001-0000-22110	Publicity & promotions	3,000	3,600	6,600
202-001-0000-22301	Maintain - Non Residential Buildings	1,750,000	2,144,554	3,894,554
202-001-0000-22311	Maintain - Other Equipment	93,000	285,155	378,155
202-001-0000-22401	Conferences, Seminars and Workshop	104,000	177,676	281,676
202-001-0000-22517	Others - Local Other Costs	541,500	1,215,744	1,757,244
202-001-0000-22810	Monitoring & Evaluation	7,000	18,000	25,000
Total		3,258,500	5,099,904	8,358,404

Budget Support funded by Accountable Cash Grants provided by the Government of New Zealand through the Ministry of Foreign Affairs and Trade (MFAT) to implement a number of important activities which are not done in year 2021 and for continuation implementation of Coconut Rhinoceros Beetle (CRB) program in Makira/Ulawa, Isabel and Guadalcanal provinces and Russell Islands in the Central Islands province.

2. Appropriateness of expenditure

The Advanced Warrant was approved by the Minister 14 April 2022.

3. Issues of Concern

Matters raised by the Committee include the following:

- 3.19 **The Coconut Rhinoceros Beetle (CRB) program** – the Committee queried how much funding from the NZ Government support towards the CRB program was still not used, now that the Ministry is seeking an additional \$5 million, and when will the funding be fully utilized. The Committee also queried what the Ministry is doing to ensure the program reaches its intended goals.
- 3.20 The Ministry responded that when they received this funding last year, they were not able to implement a lot due to the COVID-19 restrictions. The Ministry informed the Committee that they sought an extension to June 2023 from the NZ Government for this funding program which has been approved. The Ministry assured the Committee that they have enough time and can fully implement the program within the extended period if there are no more restrictions.
- 3.21 The Ministry also informed the Committee that in 2021 only 15% of the funding was spent and this year about 30% was spent so far with total expenditure expected by end of next year.
- 3.22 The Ministry informed the Committee that the beetle will be here to stay and they are embarking on a long term strategy to manage the pest rather than giving the false impression that it will be eradicated.
- 3.23 **Other important activities not completed in 2021** – the Committee noted under the 2022 SAB 2022 that part of the funding is to implement a number of important activities not done in 2021. The Committee wanted to know what other important activities are not done in 2021 besides the CRB program.

- 3.24 The Ministry advised that activities not completed in 2021 included activities to support plantation owners, clean up and destroy breeding sites of the pest which involves hiring of casuals, fuelling and logistics. The Ministry is also currently carrying out its activity under the program in the Russell Islands and Guadalcanal and will next move to Makira, Ulawa, and Ysabel Province. The whole expenditure is for CRB activities only.
- 3.25 **Management of CRB** - the Committee is concerned that the Director of Biosecurity of the Ministry commented that the CRB is here to stay. The Committee is concerned on the effects the CRB will have on commercial plantations such as in Yandina, Russell Islands. The Committee wants to know what control the Ministry had on the CRB and whether it is going to be totally eradicated. What are the outcome of the joint research with the Australian CSIRO?
- 3.26 The Ministry informed the Committee that the CRB is now regarded as one of the most invasive species in the world. It is found in almost all countries in the Pacific region. The Ministry had hope to eradicate the pest but due to limited resources this will not be achievable. The Ministry informed the Committee that they are ahead in other countries in terms of research on this pest with some positive results in some plantations. The scale, however, of the resources available to implement their activities is limited compared to the huge scale of the plantations like in Guadalcanal.
- 3.27 The Ministry emphasized that the thinking now is to do the CRB activities in order to educate and demonstrate to farmers, plantation owners, major industries with clientele farmers (e.g. Kolombangara Plantation Solomon Islands) how to reduce and eradicate this pest.
- 3.28 **Ministry's support to the 2023 Pacific Games** - the Committee also queried the Ministry's plan in preparation for the 2023 Pacific Games.
- 3.29 The Ministry informed the Committee they have submitted a budget to the Government. They are planning to host a trade show to coincide with the Games and they are working with farmers to supply food for the Games.
- 3.30 The Committee further enquired whether these activities will involve farmers throughout the country or just farmers on Guadalcanal Province.
- 3.31 The Ministry responded to the Committee saying they will try to get representative farmers from the Provinces to be involved in the trade show, however, the supply of food to the Games will be according to what the Ministry can afford. The Committee encourage the Ministry to supply niche products to the Games such as nambo from Temotu. The

Committee is of the view that the Games is an opportunity for farmers to showcase their agricultural products.

Recommendation 4

The Ministry of Finance and Treasury should ensure sufficient budget is allocated to the Ministry of Agriculture and Livestock Development to allow early planning and preparation for the sustenance needs of the Pacific Games 2023.

- 3.32 **Scale up support on Agriculture for a vibrant economy** - the Committee is concerned that the Agriculture sector is not accorded the right level of importance as the key driver for economic activity and growth in Solomon Islands. Limited resources are given to the Ministry to do activities which limits its potential and contribution towards the overall economy. It seems every year is the same. The Ministry is not focused on the economy even though the Ministry of Finance and Treasury and the Central Bank refer to coconut and cocoa as key drivers to our economy. The Committee also observed that the country has other biosecurity threats but wondered why the Solomon Islands weren't treating these threats in the same way that the threat of COVID is handled. Food security in the current uncertain world is also important. Even extension officers in the provinces are ineffective. The Committee noted that manpower is needed to address security threats, food security and growth. CBSI stated we need export led growth through agriculture. The current MALD budget is inadequate. The Committee is interested in what the Ministry has to say about these observations?
- 3.33 The Ministry in its response highlighted that the Agriculture sector has been forgotten for years and not just the current Government. Previous governments have also neglected this Ministry. The Ministry's growing culture of accepting handouts, especially from RCDF, has destroyed the motivation to engage in Agriculture.
- 3.34 The Ministry has engaged in new products like Kava. The Sape farm will launch soon allowing cassava exports especially for the people of Guadalcanal. Other fresh exports will benefit from the new biosecurity vapour treatment plant.
- 3.35 In terms of the import substitution, the Ministry is looking at livestock industry including cattle and chicken. A packaging house for chickens is being developed. The Ministry is looking at providing feed to farmers and thereby removing the largest cost component to our farmers.
- 3.36 In terms of coconut, the Ministry is rehabilitating plantations around the country, rolling out in line with our resources. The team in Malaita and Western Province is small but is committed. The Ministry trains farmers in all these areas to support all these initiatives.

- 3.37 COVID has been a challenge. Solomon Islanders around the country need to engage. The Ministry has also established a donor partner working group to coordinate donor support. The Ministry agrees that it requires more support if it is to engage more meaningfully in growing the economy.

Recommendation 5

The Committee observes that the Ministry of Agriculture and Livestock Development which has been identified by the Central Bank and Ministry of Finance and Treasury as a key driver of our economy, which needs the appropriate level of support to effectively contribute to the recovery of the country.

The Committee also notes the need for robust food security to protect the country's food stock in the event of significant disruption of the global food supply chains or significant temporary needs for large events like the PG.

The Committee recommends that the Ministry of Agriculture and Livestock Development work with other Ministries like MFAET, MNPAC, and MID to prepare an effective growth policy and suitable budget to deliver significant economic growth through the Agriculture industry.

- 3.38 **Revitalisation of Agriculture Research Stations** - the Committee enquired about the status of the revitalisation of Agriculture Research Stations program.
- 3.39 The Ministry informed the Committee that they are working on re-establishing the field station at Tenaru. Ground work with the land owners had been resolved. Next year the Ministry will allocate budget to put some infrastructure on the ground after UXO checks have been completed. The longer term strategy is to build suitable research stations across the country.

05 Ministry of Education and Human Resources Development

1. Variation in appropriation

Recurrent - Advanced Warrant

Source/subhead/item	Description	Original Estimate(\$)	Supplementary Estimate (\$)	Revised Estimates (\$)
Source/subhead/Item	Description	Original Estimates	Supplementary Estimates	Revised Estimates
201-001-0000-22105	Consultancy Fees	3,000,000	670,000	3,670,000
202-001-0000-22105	Consultancy Fees	Nil	330,000	330,000
201-057-0000-22208	Reference & Education Materials	Nil	1,054,000	1,054,000
201-064-0000-22208	Reference & Education Materials	Nil	19,066,667	19,066,667
202-064-0000-22208	Reference & Education Materials	Nil	19,183,333	19,183,333
201-074-0000-22401	Conferences, Seminars and Workshop	200,000	44,667	244,667
202-074-0000-22401	Conferences, Seminars and Workshop	Nil	22,000	22,000
201-050-0000-22402	Training – In Service	Nil	5,293,333	5,293,333
202-050-0000-22402	Training - In Service	19,000,000	4,190,000	23,190,000
201-050-0000-22403	Training - Materials	Nil	558,333	558,333
202-050-0000-22403	Training - Materials	2,500,000	275,000	2,775,000
201-074-0000-22510	Public Servants Local Other costs	80,000	217,868	297,868
202-074-0000-22510	Public Servants - Local Other	Nil	108,800	108,800

	costs			
201-005-0000-22517	Others - Local Other Costs	Nil	89,333	89,333
201-057-0000-22517	Others - Local Other Costs	Nil	5,844,000	5,844,000
201-061-0000-22517	Others - Local Other Costs	Nil	559,000	559,000
201-062-0000-22517	Others - Local Other Costs	Nil	100,499	100,499
201-064-0000-22517	Others - Local Other Costs	Nil	335,000	335,000
201-070-0000-22517	Others -Local Other Costs	Nil	2,660,000	2,660,000
201-073-0000-22517	Others - Local Other Costs	Nil	600,000	600,000
201-076-0000-22517	Others - Local Other Costs	Nil	2,500,000	2,500,000
202-005-0000-22517	Others -Local Other Costs	400,000	44,000	444,000
202-061-0000-22517	Others -Local Other Costs	3,000,000	1,958,071	4,958,071
202-062-0000-22517	Others - Local Other Costs	450,000	49,500	499,500
202-064-0000-22517	Others - Local Other Costs	15,000,000	165,000	15,165,000
202-073-0000-22517	Others - Local Other Costs	Nil	200,000	200,000
201-005-0000-23002	Capex - Non Residential Buildings	Nil	6,106,633	6,106,633
202-005-0000-23002	Capex – Non Residential Buildings	26,970,000	2,316,700	29,286,700
201-073-0000-25011	Provincial Grants	2,900,000	647,667	3,547,667
202-073-0000-25011	Provincial Grants	Nil	319,000	319,000
201-076-0000-25026	Basic Education Grant	Nil	1,693,135	1,693,135
Total		73,500,000	77,201,539	150,701,539

Budget Support funded by the Government of Australia through the Department of Foreign Affairs and Trade (DFAT) and the Government of New Zealand through the Ministry of Foreign Affairs and Trade (MFAT) to implement a Transport Management System (TMS), re-appropriation of the unspent funding in 2021

Recurrent - Additional Supplementary Expenditure

Source/subhead/item	Description	Original Estimate	Supplementary Estimate (\$)	Revised Estimates (\$)
101-001-0000-27004	Office Rent	3,760,110	1,650,505	5,410,616
101-051-0000-27004	Office Rent	2,040,000	424,110	2,464,110
101-063-0000-27004	Office Rent	2,200,000	1,569,615	3,769,616
101-072-0000-21209	Sitting Allowances	4,205,092	500,000	4,705,092
101-051-0000-22112	Subscriptions	13,329,864	8,015,746	21,345,610
101-051-0000-22518	Others - Overseas Fares	10,512,800	800,000	11,312,800
101-051-0000-25022	MP Scholarships Award Grant	14,500,000	400,000	14,900,000
101-076-0000-25026	Basic Education Grant	69,059,612	900,000	69,959,612
101-075-0000-25012	T.V.E.T. Grant	3,324,520	216,774	3,541,294
101-073-0000-25011	Provincial Grants	7,642,350	500,000	8,142,350
101-073-0000-25001	Church Education Authorities Grant	2,983,075	23,250	3,006,325
Total		133,557,423	15,000,000	148,557,423

This amount provides additional funding to cater for office rents, outstanding Solomon Islands contribution (Grant) to the University of the South Pacific (USP), various Educational Grants and national examinations related expenditures.

2. Appropriateness of expenditure

The Advanced Warrants were approved by the Minister on 1st April and 8th February 2022. We note that the approvals in February were in advance of the 2022 Appropriation Bill.

3. Issues of Concern

Matters raised by the Committee includes the following:

- 3.40 **Budget shortfall** – the Committee was concerned that the shortfall from last year was brought in to this year’s budget.
- 3.41 The Ministry explained that 201 and 202 are donor budgets, and there were vendors that were not paid in 2021 due to delays the Ministry experienced. Those students who trained in June had yet to obtain their allowances and the Ministry cannot predict when this can be solved. The same for school infrastructure projects, some vendors had been paid while others are not. This is a systematic issue managed by MoFT and it’s beyond the Ministry’s control.
- 3.42 **Additional Supplementation** – the Committee asked why funding through additional supplementary expenditure is supposed to be urgent and unforeseen.
- 3.43 The Ministry had used current year’s budget to clear prior year debts and consider this as unforeseen as it was outside of their control. As such the additional supplementation is to cover for the unanticipated expenditure.
- 3.44 **Scholarships** – the Committee was also concerned that scholarships continues to be funded in other institutions like China, Fiji, and other countries. The Ministry has subsequently published this information.
- 3.45 **Pandemic requirement to schools** – the Committee requested an update on the schools and whether they have been upgraded to meet the minimum health standards as a result of COVID-19.
- 3.46 The Ministry stated that one of the impacts caused by COVID-19, is that students experienced a loss of learning. This year it only has 27 weeks of learning instead of 40 weeks. The Ministry developed a strategy to support teachers as well as the examination classes. The Ministry is working with their current resources. Principals now can make decisions to protect their school welfare like with recent health outbreaks and will close schools to protect student welfare. Currently, all schools have reopened except for 3 schools which have closed due to the severity of health issues like influenza infection.

Recommendation 6

The Committee commends the Ministry’s efforts to mobilise learning and agilely deal with health issues on the ground as they arise. This approach is working with the existing resources the Ministry has.

The Committee recommends that the Ministry of Education and Human Resources Development continues with its school infrastructure upgrades to ensure that all schools that remain operating must meet minimum health standards expected to address major health issues like COVID and Influenza outbreaks and to sustainably address loss of learning impacts that health issues cause.

- 3.47 **MPs Scholarship Award Grant and its future Scholarship Policy** - the Committee was concerned about the MPs' constituency scholarships and its current policy.
- 3.48 The Ministry pointed out that the SITESA Act governs the administration of government scholarships. The request by members of Parliament (MP) to move this to MRD requires a legislative change before this can happen. MPs initiated this scholarship scheme and this scheme was not structured. The Ministry designed the concept but the scholarship funding came from MP's. The Ministry's system is a merit based one. Only the MPs' constituency scholarships are not merit based and this system is the only one which the Ministry receives significant complaints about. The Ministry noted that the Permanent Secretary does not have power under the SITESA. It is the Committee that makes the decisions. To make any changes suggested by MPs would raise requires changes to the Act.

Recommendation 7

The Committee is concerned that the Members of Parliament (MP) constituency scholarship is not delivering what was expected of this scheme. The Committee recommends that the Ministry engage with MPs and work collaboratively towards a new scheme which is funded by the Ministry but delivers scholarships allocated in line with specific MP constituency needs.

- 3.49 **USP Programs** – At the moment more students are being sent to SINU, but SINU still does not offer other programs that USP offers. Further a lot of these courses are being delivered virtually. The Committee asked for an update on SINU and plans to introduce more face to face programs in Honiara especially for USP courses.
- 3.50 The Ministry responded that the Solomon Island Campus development project has almost 50% of the construction completed and should be finished by April 2023. It will provide classrooms, library and IT facilities. Further investment in digital will improve the virtual learning experience. The Ministry pointed out the need to have funding support to invest more in SINU.

06 Ministry of Finance and Treasury

1. Variation in appropriation

Recurrent - Advanced Warrant

Subhead/item	Description	Original Estimate	Supplementary Estimate (\$)	Revised Estimates (\$)
201-155-0000-21102	Salaries - Public Servants	Nil	480,630	480,630
210-159-0000-21102	Salaries - Public Servants	Nil	36,498	36,498
201-155-0000-21202	Housing Allowance - Public Servants	Nil	72,065	72,065
210-159-0000-21202	Housing Allowance - Public Servants	Nil	3,650	3,650
201-155-0000-21205	Various Allowances - Public Servants	Nil	1,372	1,372
210-159-0000-21208	Special Duty Allowance - Public Servants	Nil	8,212	8,212
201-158-0000-21212	Uniform & outfit allowances	Nil	415,287	415,287
201-155-0000-21301	NPF-Employers contribution	Nil	49,562	49,562
210-159-0000-21301	NPF-Employers contribution	Nil	2,737	2,737
201-155-0000-22105	Consultancy Fees	Nil	8,416,037	8,416,037
219-001-0000-22105	Consultancy Fees	Nil	1,619,820	1,619,820
201-158-0000-22112	Subscriptions	Nil	148,956	148,956
201-155-0000-22205	Office Stationery	Nil	5,000	5,000
210-159-0000-22205	Office Stationery	Nil	1,973	1,973
201-001-0000-22212	Disaster preparedness & relief	Nil	10,000,000	10,000,000
201-158-0000-	Maintain -	Nil	201,625	201,625

22305	Canoes and Boats			
210-159-0000-22401	Conferences, Seminars and Workshop	Nil	9,866	9,866
201-155-0000-22514	Public Servants - Annual Leave Fares	Nil	26,992	26,992
210-159-0000-22514	Public Servants - Annual Leave Fares	Nil	8,250	8,250
217-150-0000-22804	SOE Recapitalisation	Nil	5,342,000	5,342,000
201-158-0000-23009	Capex - Motor Vehicles	Nil	342,700	342,700
201-158-0000-23011	Capex - Office Equipment	Nil	299,183	299,183
201-158-0000-23013	Capex - Computer Software and Hardware	Nil	247,500	247,500
210-159-0000-23013	Capex - Computer Software and Hardware	Nil	47,358	47,358
218-150-0000-29001	ESP Relief Support for Grants	265,635	15,500	281,135
218-150-0000-29004	ESP Support to Infrastructure Initiatives	Nil	7,259,534	7,259,534
Total		265,635	35,062,307	35,327,942

Budget Support jointly funded by:

- Asian Development Bank (ADB),
- SIG Domestic Development Bond,
- Japan International Cooperation Agency (JICA),
- Government of Australia through the Department of Foreign Affairs and Trade (DFAT),

- United Nations Development Programme (UNDP)
- World Bank (WB)

Funding was for Economic Stimulus Package to cushion the negative impact of the COVID-19, payment of consultants (Mr Jim Sutton and Douglas Michael Creevey) working as Comptroller of Customs and Excise Division (CED), recapitalization of State Own Enterprise (SOE)- Solomon Airlines, support to Our Telecom, outstanding payments to Mamara project, and Financial Management Information System (FMIS) upgrade project in the Treasury division and contribution towards Solomon Water for the work towards South Pacific Game (SPG) 2023 Games in relation to sewerage works at King George intersection.

Also, as a financial support to the Climate Finance unit within the Ministry.

Development - Additional Supplementary Expenditure

Source/subhead/item	Description	Original Estimate	Supplementary Estimate (\$)	Revised Estimates (\$)
102-150-0077-22804	SOE Recapitalisation	Nil	15,000,000	15,000,000
102-001-0077-22805	Court Judgements Provision	Nil	20,000,000	20,000,000
Total		Nil	35,000,000	35,000,000

These amounts provides additional funding to cater for court Judgement on Levers Solomons Limited against the Solomon Islands Government, and to rebalance ICSI's shares in KFPL.

2. Appropriateness of expenditure

The Advanced Warrants were approved by the Minister 18 March, 30 March, 1 April, and 26 May. The Committee noted that the approvals in mid-March were in advance of the 2022 Appropriation Bill.

3. Issues of Concern

Matters raised by the Committee includes the following:

- 3.51 **Budget deficit** – the Committee noted that when the Budget 2022 was presented to Parliament, it forecast a deficit of \$972 million. Of this, \$563 million was expected to be funded by donors and \$409.6 million would be sourced from revenue. The Committee was pleased to note that additional revenues were now being forecast at \$12 million and donor funding of \$102.2 million had increased. But with the increases in the forecast expenditure covered through the Supplementary Appropriation Bill, the deficit was now forecast at \$200.2 million. The Committee asked where the new development financing would come from. The Ministry noted that donor support was coming from new support for this year and some that was rolling over from last year. The Ministry would provide a breakdown. In terms of new funding, the Ministry highlighted the following commitments: New Zealand \$85 million, Australia \$137 million, ADB \$80 million, World Bank \$120 million, European Union \$23 million, and PRC \$125 million. The Ministry also stated that the Bill seeks to raise the annual borrowing limit to \$650 million to help cover the deficit.
- 3.52 **Debt financing** - the Committee noted the concerns they had discussed with the Central Bank in relation to how debt is used to finance the deficit and asked what areas were to be financed by borrowing. The Ministry confirmed that they would remain within the guideline under the Public Financial Management Act with no bond being applied to recurrent expenditure. Areas where bonds were to be applied were infrastructure and constituency projects. The Committee noted that Agriculture was an area the Governor had highlighted as not receiving sufficient funds to achieve economic growth. The Ministry agreed that Agriculture is an important sector. In 2022, they had received \$25 million. But in addition, funding had been provided through the Ministry of Commerce to CEMA; through to the farming sector through DBSI. They have also recently requested additional funding through DFAT to support agriculture and this response was expected soon.
- 3.53 **Economic indicators** - the Committee noted that some of the economic indicators reported by CBSI and PSF remained inconsistent and asked what was causing this. The Ministry noted that there may be some differences due to modelling techniques used, but the outcomes were similar. Key data was consistently shared.
- 3.54 **Export-led policy** - the Committee asked what the Ministry was doing to address export-led policy as highlighted by the Central Bank. The Ministry agreed the need for an export-led policy to build foreign reserves. The Ministry noted that in the recent years some of the big contributing sectors of forestry and mining had seen downward trends recently. One of the potential new areas to address the downfall is minerals. The Ministry noted that Gold Ridge was expected to contribute in the near future and would see contributions, along with fisheries to offset the decreases in logging.

- 3.55 **Gap between economic growth and revenue collection** - the Committee asked the Ministry to expand on the matter discussed with the Central Bank why economic growth and revenue collection is not increasing together. The Inland Revenue Division (IRD), a division of the Ministry, noted that tax collection had been increasing over the past ten years although more recently a number of factors had started to impact this. The IRD noted the elections, then the impact of COVID19 as causes impacting this. IRD's expectations are that revenue will again start to increase as the country moves out from the restrictions of COVID19. In July IRD saw a movement from \$43 million deficit to \$21 million surplus against budgeted collections.
- 3.56 The IRD has started a range of activities too to address collection including audit and inspection activity and debt collection. They have implemented incentives for tax payers and have worked to restructure some debts to enable payment over time. IRD has noted that compliance behaviour in the Solomon Islands is unusual and often tax payers will move from compliance to non-compliance and back over time. One of the key policies for the IRD is tax reform.

Recommendation 8

The Committee notes the ongoing tax reform underway and recommends the Ministry of Finance and Treasury accelerate the tax reform program including the broadening of the tax base.

- 3.57 **Level of unpaid tax dues** – the Committee asked what the level of tax was due but not paid. The IRD noted that this was one of the reasons for the need for tax reform. The system at the moment wasn't able to determine the overall level of debt and that this was one of the significant investments planned. IRD was able to confirm though, that through their regular audits, they discovered \$150-200 million tax due each year while those customers who pay in instalments would be around \$250 million. They estimate total tax debts around \$500-600 million.
- 3.58 The Committee asked more broadly about the general capacity of IRD. The Ministry informed the Committee about the development of the customer service centre where it educates customers. The Ministry noted the intention to recruit and restructure IRD. They plan to gradually recruit the right officers into the right parts of the business. Another important reform project from the IRD encourages customers to use cash registers in shops.
- 3.59 The Committee asked for clarification on the court costs included in the Supplementary Appropriation Bill. The Ministry confirmed this was in relation to the court judgement on

SI Levers Limited. The court had ordered the Government to pay \$50 million and the Ministry had previously made the statement, which was reiterated, that the Government would pay this in 3 instalments. This was therefore the costs for the first instalment, with the others expected in subsequent years. The Committee asked about other similar cases awaiting judgement. The Ministry stated that they were as yet unaware of the outcome of the court yesterday but that where a judgment was reached, the Government would pay.

- 3.60 The Committee came back to the question of how the increased supplementary pressures of \$112.3 million would be funded. The Ministry confirmed there was an additional \$150 million pressure, and the Minister of Finance recently announced increasing Treasury Bills to a limit of \$200 million from \$100 million to assist with managing cash flows, and there were ongoing discussions with partners. The Ministry confirmed the development budget was the key challenge.
- 3.61 The Committee asked for an update on the scanner for containers. The Committee was informed that the machine bought was not conducive to operations in the Solomon Islands and there were risks in the planned use that needed addressing. They were therefore working through with SIPA and the provider to confirm it had been appropriately maintained and were looking to use it in an alternative safe manner.
- 3.62 The Ministry noted that as at last night they were up 34% on their Customs revenue collection target for the month. The Ministry noted that through COVID19, Customs revenue had not been as badly affected as might have been expected but the main area of decrease being logging. The Ministry had enquired what was potentially driving this and noted one reason might be due to the lockdowns in China resulting in backlogs at China's timber mills therefore a slowdown in demand for timber. However, the Ministry also noted that they are starting to see movement in this area and noted that August should deliver a better month. Another significant contributor was SITCO which was put on a repayment plan following the riots. This has now normalised too

07 Ministry of Foreign Affairs and External Trade

1. Variation in appropriation

Recurrent - Advanced Warrant

Source/subhead/item	Description	Original Estimate (\$)	Supplementary Estimate (\$)	Revised Estimates (\$)
209-182-0000-22105	Consultancy Fees	500,000	130,000	630,000
209-182-0000-22109	Printing, stationary & photocopying	200,000	100,000	300,000
209-182-0000-22110	Publicity & promotions	150,000	100,000	250,000
209-182-0000-22203	General Stores & Spares	200,000	50,000	250,000
209-182-0000-22205	Office Stationery	150,000	70,000	220,000
209-182-0000-22208	Reference & Education Materials	20,000	10,000	30,000
209-182-0000-22211	Fuel	40,000	10,000	50,000
209-182-0000-22306	Maintain - Motor Vehicles	45,000	20,000	65,000
209-182-0000-22401	Conferences, Seminars and Workshop	180,000	30,000	210,000
209-182-0000-22404	Training - Other	200,000	30,000	230,000
209-182-0000-23010	Capex – Plant and Machinery	750,000	800,000	1,550,000
209-182-0000-23011	Capex - Office Equipment	150,000	70,000	220,000
209-182-0000-23013	Capex - Computer Software and Hardware	80,000	50,000	130,000
209-182-0000-25009	Subventions and Grant	100,000	800,000	900,000
Total		2,765,000	2,270,000	5,035,000

Budget Support is funded by United Nations Office for Project Services (UNOPS) mainly for machinery grant for Sape Farm in Guadalcanal and PZTR Investment in Temotu Province and support to normal operational necessities and project activities towards the Ministry donor interim budget.

Recurrent - Additional Supplementary Expenditure

Source/subhead/item	Description	Original Estimate	Supplementary Estimate (\$)	Revised Estimates (\$)
101-001-0000-22702	Brussels Mission Grant	Nil	500,000	500,000
Total		Nil	500,000	500,000

This amount provides additional funding to cater for outstanding arrears of the Solomon Islands Diplomatic Mission Office in Brussels.

2. Appropriateness of expenditure

The Advanced Warrant has been approved although is undated.

3. Issues of Concern

Matters raised by the Committee includes the following:

- 3.63 **Sustainability of the Project funded under the Advance Warrant** – the Committee noted that the project funds supported activity which was shared across three different Ministries. The Committee raised a concern about the sustainability of the Project and queried the Ministries plans to handover the Project to relevant Ministries once the project phase is complete.
- 3.64 The Ministry pointed out that in some cases they would turn to private sector like in the case of the Art Gallery to ensure the ongoing effective management of key projects. In the case of the tractors and agriculture related activities, the initiator was the Ministry of Agriculture, Livestock and Development and it will likely be the same Ministry who will take over the ongoing operational needs once Project is completed and handed over.
- 3.65 **Explanatory Notes under Advance Warrant silent on Malaita Projects** – the Committee noted that in the explanatory notes for the Advance Warrant, it only mentioned Sape Farm in Guadalcanal and PZTR Investment at Temotu as the recipient of the Budget

Support. But there was no mention of Malaita Projects as stated by the Ministry, so the Committee asked for clarification on this.

- 3.66 The Ministry told the Committee that, “the fault is on our side as we did not provide in-depth explanation on the Explanatory Notes. There is also money included under the project to support those companies for overseas travel to observe how other farmers do their packaging”.
- 3.67 **Diversification of Trade Opportunities in preparation for LDC Graduation** – the Committee commended the Ministry for linking the Solomon Islands with the World Trade Organisation for these projects as it will significantly impact our economy. However, to broaden the base of our economy and be ready for graduation from Least-Developed Countries (LDC), the Committee stated that we need to involve other crops beside taro & cassava in the conversations.
- 3.68 The Ministry was conscious that the LDC graduation is expected in 2024 and will continue to focus on projects in the Productive Sector especially on existing gaps in the market.
- 3.69 **Supplementary Expenditure for known expenses** – the Committee noted that the supplementary budget requested funding for the Brussels Mission which they felt should have been addressed during the main budget submission earlier in the year. The Ministry did not respond to this comment.

08 Office of the Governor General

1. Variation in appropriation

Recurrent - Additional Supplementary Expenditure

Source/subhead/item	Description	Original Estimate (\$)	Supplementary Estimate (\$)	Revised Estimates (\$)
101-040-0000-22301	Maintain - Non Residential Buildings	274,998	215,288	490,286
101-040-0000-22302	Maintain - Residential Buildings	426,260	222,712	648,972
101-040-0000-22651	Electricity	430,212	180,000	610,212

101-040-0000-22655	Telephone and Faxes	481,712	290,000	771,712
101-040-0000-22656	Water	94,898	72,000	166,898
101-040-0000-27001	House Rent	180,500	20,000	200,500
Total		1,888,580	1,000,000	2,888,580

These amount provides additional funding to cater for the shortfall in maintaining residential and non-residential buildings, house rentals, and utilities.

2. Appropriateness of expenditure

No matters to note.

3. Issues of Concern

- 3.70 **Additional supplementation** – the Committee asked why the supplementary was not included within the original budget.
- 3.71 The Office responded that it was due to the unforeseen circumstances that they encountered in the 2nd and 3rd quarter this year with his Excellency for his medical treatment in Australia for two and half months. This was not included in the budget.
- 3.72 As result we have a shortfall in the office line items which requires this additional supplementation to operate until the end of the year.

09 Ministry of Health and Medical Service

1. Variation in appropriation

Recurrent - Advanced Warrant

Source/subhead/item	Description	Original Estimate (\$)	Supplementary Estimate (\$)	Revised Estimates (\$)
206-001-0000-22109	Printing, stationary & photocopying	Nil	63,865	63,865
226-206-0000-22109	Printing, stationary & photocopying	Nil	267,000	267,000
214-215-0000-22203	General Stores &	Nil	2,166,748	2,166,748

	Spares			
231-209-0000-22212	Disaster preparedness & relief	Nil	212,390	212,390
214-215-0000-22302	Maintain Residential Buildings -	Nil	37,211	37,211
206-215-0000-22401	Conferences, Seminars and Workshop	Nil	35,700	35,700
206-001-0000-22404	Training - Other	Nil	458,056	458,056
214-215-0000-22510	Public Servants - Local Other costs	Nil	1,145,730	1,145,730
205-202-0000-22801	Refund of Previous Years Revenue	Nil	220,400	220,400
214-215-0000-23002	Capex - Non Residential Buildings	Nil	917,039	917,039
215-209-0000-23002	Capex - Non Residential Buildings	Nil	803,494	803,494
214-215-0000-23003	Capex Residential Buildings -	Nil	541,420	541,420
226-206-0000-23008	Capex - Canoes and Boats	Nil	2,486,679	2,486,679
226-206-0000-25005	Health Services Grants - Primary	7,414,211	645,000	8,059,211
Total		7,414,211	10,000,732	17,414,943

Budget Support collectively funded by

- Government of New Zealand through the Ministry of Foreign Affairs and Trade (MFAT),
- Government of Australia through the Department of Foreign Affairs and Trade (DFAT),
- Global Fund,
- European Union (EU),
- Republic of China/Taiwan (ROC),

- Asian Development Bank (ADB),
- World Health Organisation (WHO),
- K-Water,
- Solomon Sheet Steel,
- Forum Fisheries Agency (FFA),
- Surf Aid
- United Nations Population Fund (UNFPA)

This funds were to support National Vector Borne Disease and RWASH programs, for the construction of pre-fab mental acute ward, for clinical training attachments at National Referral Hospital (NRH), operational costs including World Food Safety Day Celebration and sundries for COVID-19 outstanding and response payments.

2. Appropriateness of expenditure

Advanced Warrants (AW) approved by the Minister of Finance on 23 and 24 February 2022, 17 and 19 March, and 7 June.

3. Issues of Concern

Matters raised by the Committee includes the following:

- 3.73 **Advance Warrant** – the Committee noted that most of the AWs were approved prior to the main budget and enquired why this was considered urgent and unforeseen.
- 3.74 The Ministry advised that most of these funds were left over from previous year and were required for immediate use. The Ministry of Finance had advised that this was the most appropriate way to utilise these donors’ funds immediately.
- 3.75 The Committee further queried that some donors who appear in the media do not appear to be approved through the budget process. The Ministry was asked to explain why this is.
- 3.76 The Ministry in their response noted that they have over 18 donors with ADB, World Bank and China joining more recently. In some cases, donors do go off system and use their own rules to do the job for us. The Ministry try to strike a balance to ensure the benefits reach the community.
- 3.77 The Committee noted this and raised a concern around the circumvention of our appropriation process and the need to at least track the use of off budget contributions.

Recommendation 9

The Committee recommends that the Ministry of Health and Medical Services tracks the use of all funds and services delivered for the benefit of Solomon Islands through their Ministry. The Committee requests that a listing of current donors and their amount of contribution for 2022 both through and off budget be provided to the Committee.

- 3.78 The Committee noted that the report requested from the Ministry was still outstanding as at the date of this report.
- 3.79 **Referral of Patients** – the Committee raised a concern that Members of Parliament who require urgent medical attention not available in country were being referred to the Prime Minister’s Office. The Committee believes that any health referral should be managed by the Ministry of Health and Medical Services and not by the Prime Minister’s Office.
- 3.80 The Ministry responded that previously all international medical referrals were managed via a Committee within the Ministry. However, as the Prime Minister’s Office has a cost head for this scheme they too now administer this scheme.

Recommendation 10

The Committee recommends that the Ministry for Health and Medical Services is the right body to be administering all requests for international health referrals under any Government scheme or arrangement with overseas partners. The Ministry should seek to reinstate their budget head and administrative oversight of Government Health scheme for entitled members and officers.

- 3.81 **Ongoing COVID and Health Threat Protocols** – the Committee queried the ongoing monitoring of COVID and other health related issues in conjunction with other authorities like MEHRD and Customs.
- 3.82 The Ministry advised this is ongoing and that the Standard Operating Procedures (SOP’s) are in place to deal with any health crisis. Recent COVID outbreaks has strengthened the inter-ministry communication which the Ministry will continue with to support and protect the Community.

10 Ministry of Infrastructure Development

1. Variation in appropriation

Recurrent - Additional Supplementary Expenditure

Source/subhead/item	Description	Original Estimate (\$)	Supplementary Estimate (\$)	Revised Estimates (\$)
101-251-0000-22301	Recurrent Budget	2,777,833	2,000,000	4,777,833
Total		2,777,833	2,000,000	4,777,833

This amount provides additional funding to cater for outstanding costs of contracts awarded by the Ministry Tender Board (MTB) and Central Tender Board (CTB) to avoid legal issues.

Development - Additional Supplementary Expenditure

Subhead/item	Description	Original Estimate (\$)	Supplementary Estimate (\$)	Revised Estimates (\$)
102-001-0033-23005	Capex - Roads and Bridges	30,000,000	21,768,684	51,768,684
102-001-0033-23006	Capex - Structures, Airfields and Wharves	13,200,000	2,431,316	15,631,316
102-001-0033-23007	Capex - Ships	3,000,000	1,500,000	4,500,000
102-001-0033-23010	Capex - Plant and Machinery	9,000,000	4,500,000	13,500,000
Total		59,000,000	30,200,000	85,400,000

These amounts provide additional funding to cater for road works across various constituencies within the provinces, purchase of ship and completions of provincial wharves.

2. Appropriateness of expenditure

No matters to note.

3. Issues of Concern

Matters raised by the Committee includes the following:

- 3.83 **Maintain Non-Residential Buildings** – the Ministry stated that \$2 million additional recurrent supplementary funds was needed to cater for the outstanding costs of the contracts awarded by the Ministry Tender Board (MTB) and Central Tender Board (CTB) to avoid legal issues from contractors for the year ending 31 December, 2022.
- 3.84 **Capex – Roads and Bridges** – the Ministry submitted a list of roads and bridges that requires additional funding of \$21,768,684 to cater for road works across various constituencies within the provinces. The original estimate was \$30 million. The revised estimate is now \$51,768,684.
- 3.85 The Committee enquired into the Ministry’s plan to build the Seghe-Noro road in the Western Province.
- 3.86 The Ministry stated that work has not yet started on this project as survey works still needed to be done and consultations with landowners finalised. Under this project, there are two proposed routes and the Ministry is still considering which route to select. This is a very big project and the Ministry is working on it now.
- 3.87 **Capex – Structures, Airfields and Wharves** – the Ministry stated that an additional funding of \$2,431,316 is required purposely to cater for wharves in Ysabel Province (Kaevanga, Gojoruru, Kia, and Tatamba). The original estimate was \$13.2 million and is now revised up to \$15,631,316.
- 3.88 The Committee enquired about the Ministry’s list of wharf projects in the southern region of Malaita Province that was worth \$4 million and whether this funding allocation is sufficient to complete the identified projects? Similarly, whether the budgetary allocations for the wharves in Ysabel Province was sufficient? The Committee is quite concerned that budgetary allocations may not be sufficient for contractors to complete those projects resulting in unfinished projects where large amounts of monies have already been spent.
- 3.89 The Ministry stated that some of the wharves require only minor maintenances and it will cost \$4.828 million to maintain them. The Afio wharf will require significant maintenance. The total costs come from the assessment report carried out by the Ministry’s engineers. However, the Ministry can apply for variations in the budget if there is a need for additional funding for these wharves.
- 3.90 The Committee requested the Ministry to submit the list of the wharves and jetties in the southern region of Malaita and the budgetary allocations for them.
- 3.91 **Capex - Ships** – the Ministry stated that additional funding of \$1.5 million is required for Members of Parliament s’ constituencies (East Makira and North-Vella Lavella) and other

private sector ships. The original estimate was \$3 million and is now revised up to \$4.5 million.

- 3.92 The Committee enquired whether the Ministry has started supporting our local boat/ship builders.
- 3.93 The Ministry stated that they planned to conduct an assessment tour on local ship building sites with the Solomon Islands Maritime Authority (SIMA) last year but was hampered by the Covid-19 pandemic and funds. The Ministry also stated that the Assessment report will then inform the plans for the Ministry to work together with local ship builders annually. This year, the Ministry has started allocating funds to support at least 10 local ship/boat builders under its budget. Around 10 applications have been received and the Ministry is looking to support them with \$200,000 each.
- 3.94 **Capex – Plant and Machinery** – the Ministry stated that an additional funding of \$4.5 million is required for plant and machinery requested by Members of Parliaments. The original estimate was \$9 million and is revised up to \$13.5 million.
- 3.95 The Committee enquired which constituencies were recipients of this year’s plant and machinery.
- 3.96 The Ministry stated that funding for plant and machinery depends on Members of Parliaments who wants to apply for them. However, all Members of Parliaments that are recipients of the grant are required to submit their retirements or acquittals before they are qualified for the next trench. If there are no retirements of the grant, the Ministry will not allow further applications.
- 3.97 The Committee is very concerned about the fair and equal allocation or distribution of infrastructure projects to certain constituencies who continues to benefit from these projects while other constituencies are being left out and whether the allocations are strategically aligned to maximise socio-economic gains from those infrastructures. The Committee requested the Ministry to submit a list of recipients for all Capex grants dating back from 2018 up until 2022.
- 3.98 The Ministry stated that the supplementary budget is aimed towards fair distribution of infrastructures projects and one that is based on strategic economic gains. Roads and wharves are being built or rehabilitated to reach areas in provinces with high agricultural production.

Recommendation 11

The Committee recommends that the Ministry of Infrastructure Development publish listing of all CAPEX grant recipients, the Province and the basis for their selection. The Ministry should also consider a policy of fair distribution of CAPEX grants to all Provinces who meet the approved published strategic economic benefits criteria.

- 3.99 The Committee noted that the reports requested from the Ministry remain outstanding as at the date of this report.
- 3.100 **Ministerial reform to improve contracting and procurement** – the Committee is concerned about the Ministry’s internal reform programs aimed at strengthening its processes for selection and awarding of contracts and procurement processes to mitigate alleged corrupt practices within the Ministry.
- 3.101 The Ministry stated that they have actually started to take proactive measures to control bad corrupt practices within the Ministry and its officials. The Ministry is doing away with the ‘Three Quotes’ requirement for procurement. The Ministry is allowing for potential contractors to submit their ‘Expression of Interest’ (EOI) to the Ministry if they want to take on a contract. The Ministry will not allow entertainment of contractors and officers within the Ministry.
- 3.102 **Upgrading of Lata airport** – the Committee enquired about the need to upgrade Lata Airport to cater for bigger planes such as the Dash 8 and the Ministry’s position on the matter.
- 3.103 The Ministry stated that the Lata Airport upgrade comes under the Solomon Islands Road and Aviation Project (SIRAP) which is aimed at improving Lata airport runway, and the project will take place this year.

12 National Parliament

1. Variation in appropriation

Recurrent - Contingency Warrant

Source/subhead/item	Description	Original Estimate (\$)	Supplementary Estimate (\$)	Revised Estimates (\$)
101-001-0000- 22105	Consultancy Fees	Nil	794,260	794,260

101-001-0000- 22516	Others - Local Accommodation	Nil	210,035	210,035
101-001-0000-22518	Others - Overseas Fares	Nil	71,515	71,515
Total		Nil	1,075,810	1,075,810

This amount provides additional funds to cater for the upgrade work to the Chamber sound system.

2. Appropriateness of expenditure

The contingency warrant was approved by the Prime Minister and Minister 28 June 2022.

3. Issues of Concern

Matters raised by the Committee includes the following:

- 3.104 **Defunct Chamber Sound System and air-condition system** – the Committee noted that the audio and air condition units for Parliament are long outstanding issues and requested an update from the Office of the National Parliament.
- 3.105 The Office responded that the audio system was originally installed in 2009. In 2019, a further assessment was undertaken and agreed works totalling \$2 million were sought to upgrade the audio system. The budget is now only \$1.1 million as borders are now open so costs to bring the consultants in country have now been reduced. Other features like live streaming are not in current bid and will need to be looked at in the future.
- 3.106 In relation to the air-conditioning units this system is 20 years old with only 2 of the 4 centralized system still working. The Office plans to make a bid for next budget. We also are looking at a structural assessment for the parliament building which will include air-conditioning units which the Office can look at for a development bid in later years.
- 3.107 **Parliamentary Committees budgetary allocation** - the Committee is very concerned about the adequacy of funding for the Committee's operations like the Bills and Legislation Committee (BLC) and other Standing Committees. With the current constitutional amendment being sought it requires the BLC to tour however there is no budget.

- 3.108 The Office advised that they are currently looking at the BLC and considering if timing is adequate to consider the extension bill then Parliament will approach the Government for funding. Funding can also come from other sources too.
- 3.109 Budget planning for Committees is not easy. Having an annual work plan would help. This year, the Office continues to operate on a COVID budget which reduces committee activities. It is hoped that next year the Office will move back to normal activities and build estimated budgets to support committee activities.

Recommendation 12

The Committee noted that the lack of budget for Standing Select Committees is impacting on their roles to hold the Executive Government to account in various areas and impinges on the independence of the legislature.

The Committee recommends that the Office of National Parliament takes necessary steps to improve planning and ensure appropriate budget is in place for the coming budget periods.

- 3.110 **MPs Health Scheme** – the Committee queried the current medical scheme provided to members of Parliament. The Committee is concerned that that despite the millions paid to the service provider, even claims of hundred thousand is being declined. The Committee expressed a need to review the current service provider’s performance and suitability.
- 3.111 The Office responded that this matter has been referred to the Prime Minister’s Office (PMO). They will also make a submission to Parliamentary Entitlements Commission (PEC) for outstanding claims and consider options for future budget. The Office pointed out that the scheme sets its own conditions with PMO. Parliament is not involved in the setting of the scheme terms and conditions. The PMO and the PEC is the right party to sort out any issues in relation to the scheme.
- 3.112 **Budgetary allocation for Opposition and Independent Offices** - the Committee also pointed out that the Office of the Opposition and the Independents do not have their own budgets.
- 3.113 The Office noted this and updated the Committee that submissions have been made for these offices to have their own accounting heads so they can control their own budget. The Office hopes this will happen this year.

14 Office of the Prime Minister and Cabinet

1. Variation in appropriation

Recurrent - Advanced Warrant

Source/subhead/item	Description	Original Estimate	Supplementary Estimate (\$)	Revised Estimates (\$)
219-300-0000-22110	Publicity & promotions	Nil	290,000	290,000
219-301-0000-22110	Publicity & promotions	Nil	172,400	172,400
219-304-0000-22110	Publicity & promotions	Nil	251,613	251,613
219-300-0000-22301	Maintain - Non Residential Buildings	Nil	328,824	328,824
219-300-0000-22522	Patients - Overseas Fares & other costs	Nil	500,000	500,000
Total		Nil	1,542,837	1,542,837

Budget Support funded by World Bank to meet several urgent and outstanding payments for live broadcasting and publications of Prime Minister's address regarding COVID-19 outbreak and radio talkback shows, work on extension of Office of the Prime Minister and Cabinet (OPMC) building and medical referrals.

2. Appropriateness of expenditure

Advanced warrant was approved by the Minister 12 April 2022.

3. Issues of Concern

Matters raised by the Committee includes the following:

- 3.114 **Publicity and Promotions** - the Office requested additional funding of \$290,000 to pay SIBC for the coverage of the Covid-19 messages broadcasted by the PM, the Talkback show, and other radio programs three times a week. Another additional funds of \$172,400 was to pay off Solomon Star invoices, and \$251, 613 was paid to One Media invoices for live TV productions incurred over a period of five months.

- 3.115 **Maintain Non-Residential Buildings** – the Office stated that additional funds were needed for the two-story building extension project at the back of the OPMC building that will be used to house the OPMC dining room to host government events and also to house the Secure Network System for network information security. An additional total of amount \$328, 824 was needed to top-up the original budget allocation due to increase in supply prices as a result of economic shocks due to the COVID-19 community outbreak and the Honiara riot in November 2021.
- 3.116 **Patients Overseas Fares & other costs** – the Committee is very concerned that the Members of Parliaments Healthcare Scheme operated by the Mustard Seed International (MSI) is no longer viable for Members of Parliament who are experiencing difficulty in accessing the services offered under the scheme. The Committee suggests that the Members of Parliament health care be operated by the Office until another proper arrangement is identified.
- 3.117 The Office stated that the Parliamentary Entitlements Commission ('the PEC') is the body that appointed the MSI to look after the comprehensive medical support for all Members of Parliament, plus their dependents. The responsibility for overseas and local treatments is with MSI, except areas where MSI does not cover which will be picked up by the Government.
- 3.118 Under the signed contract, MSI can only cover certain costs. For instance, MSI only covers Members of Parliament's cost during overseas treatment but cannot meet the cost of any other accompanying person(s), and only pays for economy class airline tickets. In terms of referrals where a patient seeks medical attention with other local medical practitioners or services that MSI does not recommend, the Government also meets those costs. Therefore, the additional \$500,000 that the Office is requesting is to meet the medical expenses of the late Honourable Member of Parliament for West Kwaio (under AUD14, 000) incurred last year with Mater Hospital in Australia. The remaining balance was to meet the medical expenses of the Minister of Culture and Tourism and the Speaker of the National Parliament in Australia and Fiji respectively.
- 3.119 The additional \$500,000 is supplementing what MSI is doing and the Government will be recovering 25-30% of this amount from MSI. At this stage, the Chairman of the Parliamentary House Committee has written to the Government about MSI and so the Government is looking at further mechanism to cover Members of Parliament next year.
- 3.120 **Outstanding Members of Parliaments' invoices with MSI** – the Committee is quite concerned about the non-payment of invoices by MSI to private medical clinics that were accessed by some Members of Parliament for treatment and procurement of medicines.

Additionally, the MSI has also changed from its initial health and medical arrangements where Members of Parliament can access their preferred private clinics and having the clinics to bill MSI. Now Members of Parliament have to pay for their own expenses with those preferred private clinics.

- 3.121 The Committee further noted that since the beginning of the scheme in 2020, \$9 million has been paid to MSI. There is a concern why MSI was not able to meet the invoices of other private clinics accessed by Members of Parliament and their dependents given that during the COVID-19 pandemic and related overseas travel restrictions, the company should have been in a position to make payments to those clinics. The Committee would like to see the administration of the Members of Parliaments' health and medical care referred back to the Office until a better arrangement can be identified.
- 3.122 Under the scheme's arrangement, The Office stated that the Parliamentary Entitlements Commission ('the PEC') is the main client, which is also under the OPMC, and the Parliament Office administers the scheme.
- 3.123 The Office stated that before the PEC and MSI health scheme, the budget for Members of Parliament's overseas referral was under the OPMC. However, to fast-track support to Members of Parliament, the OPMC also uses the old method even though the PEC and MSI scheme is in place. Discussions are now considering whether or not the whole support to Members of Parliament should not be looked after by the National Parliament Office but by the Ministry of Health. The issues that needs to be looked at is the efficiency and effectiveness of delivery this service to Members of Parliament to avoid delays in processing medical requests.
- 3.124 **MSI reports** – the Committee is also very concerned that the Clerk of the Parliament is not privy to any financial reports from the MSI and asks the Office to furnish the Committee with the schemes annual financial reports.

Recommendation 13

The Committee Committee recommends that the Office of the Prime Minister and Cabinet submit to the Public Accounts Committee all financial reports obtained from the Mustard Seed International relating to the annual \$3 million budgetary allocation under the National Parliament Office for the Members of Parliament Health Care Scheme.

16 Ministry of Police, National Security and Correctional Services

1. Variation in appropriation

Recurrent - Contingency Warrant

Source/subhead/item	Description	Original Estimate	Supplementary Estimate (\$)	Revised Estimates (\$)
101-333-0000-22212	Recurrent Budget	9,250,000	4,389,000	13,639,000
Total		9,250,000	4,389,000	13,639,000

This amount provides funds for cost associated with security engagement for the Royal Papua New Guinea Constabulary in Solomon Islands

Recurrent - Additional Supplementary Expenditure

Subhead/item	Description	Original Estimate	Supplementary Estimate (\$)	Revised Estimates (\$)
101-333-0000-22211	Fuel	7,828,773	11,447,465	19,276,238
101-333-0000-22651	Electricity	11,400,000	2,040,733	13,440,733
101-333-0000-22655	Telephone and Faxes	3,060,626	1,456,170	4,516,796
101-333-0000-22656	Water	1,191,843	664,516	1,856,359
101-333-0000-27001	House Rent	22,151,483	2,191,116	24,342,599
101-333-0000-22514	Public Servants- Annual leave Fares	6,190,213	1,616,284	7,806,497
101-333-0000-22306	Maintain-Motor Vehicles	600,000	533,290	1,133,290
101-330-0000-22211	Fuel	953,848	284,920	1,238,768
101-330-0000-22655	Telephone and Faxes	600,600	199,406	800,006
101-330-0000-27001	House Rent	10,122,600	1,833,476	11,956,076
101-330-0000-27004	Office Rent	272,900	171,700	444,600

101-001-0000-22655	Telephone and Faxes	403,371	330,576	733,947
101-001-0000-22306	Maintain-Motor Vehicles	84,224	30,348	114,572
Total		64,860,481	22,800,000	87,660,481

These amounts provides additional funding to cater for fuel and utilities to maintain the operational services of the Royal Solomon Islands Police Force and Correctional Services. Also for house rent for officers within the respective divisions.

2. Appropriateness of expenditure

The Contingency Warrant was approved by Cabinet on 23 June 2022 and the Minister on 5 July.

3. Issues of Concern

Matters raised by the Committee include the following:

- 3.125 **The new financial system** – the Committee is concerned about the Ministry’s 2021 outstanding payments which is also included in the supplementary budget.
- 3.126 The Ministry stated that the reason for the outstanding payments is the issue with the new D365 financial system currently in place. As the Ministry is transitioning into the new system there have been some challenges, for example, a total of \$13 million of their payments did not go through up until the end of the financial year.
- 3.127 The Committee also questioned whether the Ministry is still piloting this financial system. The Ministry confirmed they were a pilot but have now transition to full deployment around the fourth quarter of last year. Despite this, as the system is fairly new the staff has taken time to be accustomed to the new system. Now the Ministry’s finance staff are hands on with the system and things are running more smoothly.
- 3.128 **Contingency Warrant on the recurrent budget** – the Committee enquired on whether the Ministry’s contingency warrant for the recurrent budget includes expenses for the Papua New Guinea (PNG) constabulary force. The Committee is concerned that such a large amount of the country’s money is being used to fund these foreign forces. It is of the opinion that with the current state of the economy with an economic growth of -4.5% such bill should be footed by the country’s bilateral partners and the money currently used for the above purpose be refocused on other much needed resources.

- 3.129 The Committee is concerned how long these forces will remain in the country and whether there is a definite figure on the future cost should these forces remain in the country longer.
- 3.130 The Ministry responded that the funding for the PNG constabulary force is met by the Solomon Islands Government while the Fijian force comes under donor funding through Australia. It also stated that the forces will remain in country for as long as they are needed which maybe up until next year. In the meantime, they are reviewing all arrangements in place. At this stage the Ministry is unable to provide an accurate future cost of this deployment. The current supplementary is only for their, food, accommodation, fuel and other necessary support to enable them to carry out their operations alongside the RSIPF.
- 3.131 **Abuse of power by the PNG constabulary force** – the Committee is concerned how the PNG constabulary force conduct their activities. There have been reports that the PNG constabulary force has often abused its power by threatening Solomon Islands citizens as well as using inhumane tactics when arresting citizens suspected of illegal activities. The Committee shared a number of examples including videos uploaded on social media. The Committee is concerned with how the Ministry deals with such reports and who these forces report to directly.
- 3.132 The Ministry is in agreement that there have been mixed responses regarding the forces but the overall support has been positive especially for the Fijian forces. It also stated that the forces report directly to the Police Commissioner’s office and also get their specific orders directly from his office as well. The Ministry assured the Committee that there are strict protocols in place and in such cases where members of the constabulary force are out of line the Ministry works together with their team leader to discipline them. So far, two members of the PNG constabulary force have been sent back to PNG.

Recommendation 14

The Committee recommends that the bilateral agreements pertaining to these foreign forces be reviewed so that the country’s bilateral partners can assist with the funding for the foreign forces currently in country. The Committee further recommends that more effective disciplining requirements be imposed on all foreign troops in country and that these be reflected in these agreements.

- 3.133 **Additional supplementary expenditure on fuel** – the Committee is concerned about the disproportionately high cost (\$11.4 million) for fuel. It questioned the Ministry on how much their initial bid was for fuel because they are only given \$7.8 million. It would seem that almost 60% of the Ministry’s budget is not budgeted for or was not given to the

Ministry. The Committee also questioned whether the Ministry's normal operations for a year falls just below \$10 million.

- 3.134 The Ministry stated that fuel is an important component of Police mobility for example, for vehicle, motorcycle and sea mobility. The Ministry, however, is currently underfunded for fuel, with the year to date expenditure being \$7.5 million in which 96% of the current annual budget has already been spent. Quarterly spending for fuel for 2022 also increased due to higher fuel prices pushing up the current estimates for the quarterly spending for fuel to \$6.5 million. The forecast for the remaining months for this year is \$13.5 million. Thus, there is a shortfall of the requested budget of \$12.8 million which is requested under the supplementary for the remaining months for this year.
- 3.135 The Ministry intends to manage this by putting in place stricter control measures for fuel to be well utilized for RSIPF services to continue. In terms of whether there was an initial bid, the Ministry clarified that a submission was made but did not go through. There were also pressures from added operations for the border and COVID-19 operations.

19 Ministry of National Planning and Development Coordination

1. Variation in appropriation

Recurrent - Additional Supplementary Expenditure

Subhead/item	Description	Original Estimate (\$)	Supplementary Estimate (\$)	Revised Estimates (\$)
101-373-0000-22518	Recurrent Budget	40,083.50	840,734	880,817.50
Total		40,083.50	840,734	880,817.50

This amount provides additional funding for overseas travel to support the Ministry's dialogue meeting with development partners on joint commitments and the progress of development initiatives.

2. Appropriateness of expenditure

No matters arising.

3. Issues of Concern

Matters of concern to the Committee includes the following:

- 3.136 **Travel budget** – the Committee was concerned by the significant increase in the travel budget.
- 3.137 The Ministry advised that the travel needs requested cover both international and domestic travel. International travel includes for the Minister to attend the 77th UN General assembly, travel in relation to LDC graduation in 2024 and a sustainable development conference for two officials.
- 3.138 Local travel is for monitoring of development budget plus responding to an earlier Committee recommendation to monitor national development projects.
- 3.139 **SCALE Project** – the Committee sought updates of the Solomon Islands Strengthening Competitiveness, Agriculture, Livelihoods, and Environment (SCALE) and Millennium Challenge Corporation (MCC) projects.
- 3.140 The Ministry confirmed that they have signed the financing agreement for MCC, one for tourism and the other for forestry. The rollout will commence once mobilization process is completed which is expected this year.
- 3.141 The SCALE Project is with USAID. US AID subcontracts activities and this is therefore not accountable to the Government. The Ministry is looking at a modality to allow effective monitoring of their projects. The Ministry is still discussing the governance arrangements for SCALE as the National Government and Ministry does not have oversight, unlike with other projects.
- 3.142 **Governance framework arrangements for US and PRC** - the Committee is aware that United States (US) and Peoples Republic of China (PRC) as new partners would require some agreement in place to manage governance. The Committee requested an update on the Governance framework arrangements for US and PRC.
- 3.143 The Ministry advised that USAID do have a Memorandum of Understanding (MOU) template being developed but nothing yet for PRC.
- 3.144 The Committee expressed concern that PRC is working on major projects in country with majority of these funds not coming through our budget appropriation. The Committee asked what the Ministry was doing to ensure proper oversight and effective governance in place for these projects.
- 3.145 The Ministry pointed out that MFAET is leading the MOU arrangements for PRC together with the Prime Minister's Office.

Recommendation 15

The Committee is concerned that there is no governance framework in place for PRC Projects and notes that the US is considering a MOU format which is expected to set out the governance framework for their projects. The Committee recommends that the Ministry of National planning and Development Coordination together with the Ministry of Foreign Affairs and External trade formalise the required governance framework for all relevant donors before the Projects commences and as a priority for those already commenced.

- 3.146 **Effectiveness in coordinating development projects** – the Committee queried the Ministry’s effectiveness in coordinating development projects. Members of the Committee shared a number of failed projects in their constituency which remain incomplete. Further the Committee asked if the Ministry is aware of the current MID development budget and the basis by which these development budgets were assessed and approved.
- 3.147 The Ministry confirmed that they were not aware of any development budget for this current supplementary budget. The Ministry requires a proposal for any development which must be screened. All proposals follow minimum criteria and recommendations are made where gaps are identified. The Ministry confirms they were not made aware of the current MID development budget requests

Recommendation 16

The Committee is concerned that the poor screening and oversight of development projects will lead to many failed projects and poor accountability.

The Committee recommends that the Ministry of Foreign Affairs and External Trade implements a more effective oversight function from planning through to implementation. The Ministry should work with the Ministry of Finance and Treasury to ensure no development budget allocation is approved without the involvement of MNPDC.

23 Ministry of Fisheries and Marine Resources

1. Variation in appropriation

Recurrent - Advanced Warrant

Source/subhead/item	Description	Original Estimate (\$)	Supplementary Estimate (\$)	Revised Estimates (\$)
202-001-0000-21102	Salaries - Public Servants	475,198	130,400	605,598
202-001-0000-21202	Housing Allowance - Public Servants	5,000	1,600	6,600
202-001-0000-21207	Various Allowances - Others	Nil	3,000	3,000
202-001-0000-21301	NPF- Employers contribution	33,945	9,780	43,725
202-001-0000-22101	Advertising	15,000	5,000	20,000
202-001-0000-22105	Consultancy Fees	30,000	24,560	54,560
202-430-0000-22105	Consultancy Fees	1,513,502	676,653	2,190,155
202-432-0000-22105	Consultancy Fees	200,000	31,000	231,000
202-435-0000-22105	Consultancy Fees	945,600	500,000	1,445,600
202-001-0000-22109	Printing, stationary & photocopying	130,000	50,000	180,000
202-430-0000-22109	Printing, stationary & photocopying	50,000	15,000	65,000
202-434-0000-22109	Printing, stationary & photocopying	100,000	25,000	125,000
202-435-0000-22109	Printing,	Nil	20,000	20,000

	stationary & photocopying			
202-001-0000-22110	Publicity & promotions	95,000	40,000	135,000
202-001-0000-22205	Office Stationery	110,000	50,000	160,000
202-430-0000-22205	Office Stationery	10,000	5,000	15,000
202-001-0000-22211	Fuel	10,000	5,000	15,000
202-435-0000-22211	Fuel	20,000	10,000	30,000
202-432-0000-22301	Maintain - Non Residential Buildings	80,000	32,120	112,120
202-001-0000-22306	Maintain - Motor Vehicles	10,000	2,000	12,000
202-001-0000-22401	Conferences, Seminars and Workshop	30,000	7,000	37,000
202-430-0000-22401	Conferences, Seminars and Workshop	120,000	30,000	150,000
202-433-0000-22401	Conferences, Seminars and Workshop	850,000	270,000	1,120,000
202-434-0000-22401	Conferences, Seminars and Workshop	80,000	20,000	100,000
202-435-0000-22401	Conferences, Seminars and Workshop	200,000	50,000	250,000
202-001-0000-22514	Public Servants - Annual Leave Fares	60,000	2,000	62,000
202-001-0000-22651	Electricity	29,820	19,820	49,640

202-432-0000-23002	Capex - Non Residential Buildings	2,816,955	1,062,410	3,879,365
202-001-0000-27001	House Rent	370,800	152,000	522,800
202-001-0000-27004	Office Rent	354,180	167,090	521,270
Total		8,745,000	3,416,433	12,161,433

Budget Support funded by the New Zealand Government through the Ministry of Foreign Affairs and Trade (MFAT) towards Mekem Strong Solomon Islands Fisheries (MSSIF) project.

2. Appropriateness of expenditure

Advanced Warrant approved by the Minister 16 February 2022. We note that the approval was in advance of the 2022 Appropriation Bill.

3. Issues of Concern

Matters raised by the Committee includes the following:

- 3.148 **MSSIF** – the Committee asked the Ministry to elaborate further on the status of MSSIF Project and its functions.
- 3.149 The Ministry informed the Committee that MSSIF stands for Mekem Strong Solomon Islands Fisheries. It is an in-house institutional strengthening program which is initiated and funded by the New Zealand Government and it's been there since 2016. All the divisions within the Ministry are supported by this initiative every year to carry out and implement their programmes/ work plans. The MSSIF has been strengthening the work of the ministry all these years and one of the biggest funded projects under this program is the Aruligo Tilapia project. This initiative does not bring any parallel program from outside but intends to support the implementation of the Ministry's work plan.

26 Ministry of Home Affairs

1. Variation in appropriation

Recurrent - Advanced Warrant

Source/subhead/item	Description	Original Estimate	Supplementary Estimate (\$)	Revised Estimates (\$)
202-001-0000-22105	Consultancy Fees	Nil	1,478,031	1,478,031
202-001-0000-22109	Printing, stationary & photocopying	Nil	561,136	561,136
202-001-0000-22110	Publicity & promotions	Nil	100,000	100,000
202-001-0000-22204	ICT Supplies	Nil	371,240	371,240
202-001-0000-22205	Office Stationery	Nil	65,000	65,000
202-001-0000-22401	Conferences, Seminars and Workshop	Nil	422,950	422,950
202-001-0000-22508	Public Servants - Local Fares	Nil	376,308	376,308
202-001-0000-22509	Public Servants - Local Accommodation	Nil	427,350	427,350
202-001-0000-22510	Public Servants - Local Other costs	Nil	410,150	410,150
202-001-0000-22517	Others - Local Other Costs	Nil	141,215	141,215
202-001-0000-22807	Legislation Review	Nil	106,045	106,045
202-001-0000-23011	Capex - Office Equipment	Nil	573,274	573,274
Total		Nil	5,032,699	5,032,699

Re-appropriated Budget Support funded by the New Zealand Government through the Ministry of Foreign Affairs and Trade (MFAT) to support good governance, inclusion program in Honiara and launching of the sports policy.

2. Appropriateness of expenditure

The Advanced Warrants were approved 1 March and 23 May 2022. We note that the March approval was in advance of the 2022 Appropriation Bill.

3. Issues of Concern

Matters raised by the Committee includes the following:

- 3.150 **Advance Warrant (AW) of \$ 5,032,699 provided by MFAT** – the Committee understands that the fund already been received by the Ministry in 2021 and some of it been committed late last year. Committee wants to know why the Ministry sees fit to apply for the fund as AW rather than appropriate through normal budget support process. AW under the Act is for unforeseen and urgent needs.
- 3.151 The Ministry confirmed the fund already received in CBSI under the control of MOFT and used AW to apply for it.

Recommendation 17

The Committee recommends that that since the Ministry of Home Affairs has already received the fund from MFAT last year that they should appropriate that fund via support budget rather than an Advance Warrant

- 3.152 **Honiara City Council (HCC)** – the Committee enquired into the status of the ongoing work of strengthen HCC governance and operation.
- 3.153 The Ministry stated that since the special audit completed two years ago, the Ministry has been implementing the recommendations. This includes reviewing the HCC Act by establishing a taskforce and recruiting a consultant to progress the review of HCC Act 1999.
- 3.154 For the financial management ordinance for HCC the draft is already with Attorney General. In addition, HCC have a new City Clerk and the Ministry now have more regular meetings with them on discussing issues affecting HCC. The Ministry aims to recruit competent officers to key positions with the HCC.
- 3.155 For Financial Management Ordinance institutional strengthening of HCC, the Committee stressed whether there was any collaboration or engagement with MPGIS as they had been

doing this exercise for years within the provinces and had seen a lot of improvement in the provinces.

- 3.156 The Ministry confirmed they have consulted MPGIS on some of their activities and will continue to progress that with them.

Recommendation 18

The Committee recommends that the Ministry of Home Affairs collaborates with the Ministry of Provincial Government and Institutional Strengthening to share best practice between the Honiara City Council and Provinces. The Committee also recommends expediting the implementation of the audit recommendations from two years ago.

- 3.157 **Sport Federation** – the Committee noted that the Pacific Games is only a year from now and the aim of the Government is to get 40 gold medals from the games. The Committee is concerned that from their observation, no active domestic competitions have been organised by the sport federations except for soccer. The Committee is concerned that the country is not ready to compete against the other Pacific countries.
- 3.158 The Ministry updated the Committee that the National Sport Council now have a new CEO and an Institute of Sports (SINIS) who are supporting the athletes in their preparation. The Ministry is currently working on improving the governance of each federation to meet the criteria of National Hosting Authority (NHA) and National Olympic Committee Solomon Islands (NOCIS). There are plans to host Solomon games in November this year, however, this depends on availability of funds. Also a new HCC facility is now open and federations can now organise their competitions. The Ministry stated that most federations find locating an appropriate venue the biggest challenge.
- 3.159 **Citizenship application** - The Committee wants to know the process for applying for citizenship.
- 3.160 The Ministry explained the process and further stated that the Citizen Commission consists of immigration, foreign investment division, police (including Interpol) and Tax IRD. The Commission uses these members to provide information and/or necessary clearance for all applicants.

30 Ministry of Women, Youth, Children and Family Affairs

1. Variation in appropriation

Recurrent - Advanced Warrant

Source/subhead/item	Description	Original Estimate	Supplementary Estimate (\$)	Revised Estimates (\$)
202-550-0000-22105	Consultancy Fees	Nil	700,000	700,000
202-001-0000-22401	Conferences, Seminars and Workshop	Nil	500,000	500,000
202-550-0000-22401	Conferences, Seminars and Workshop	Nil	3,000,000	3,000,000
202-001-0000-23002	Capex - Non Residential Buildings	Nil	3,000,000	3,000,000
202-550-0000-25009	Subventions and Grant	Nil	1,300,000	1,300,000
Total		Nil	8,500,000	8,500,000

Budget Support is funded by the New Zealand Government through the Ministry of Foreign Affairs and Trade (MFAT) to support Provincial Youth Centre Infrastructure in Western province and for the revitalization of the youth programs in the provinces as well as in Honiara.

2. Appropriateness of expenditure

The Advanced Warrants were approved by the Minister on 23 May 2022.

3. Issues of Concern

Matters raised by the Committee include the following:

- 3.161 **Safe houses** – the Committee wants to know the status of the expansion of safe houses to the provinces given it is such a significant issue facing the country concerning our women.

- 3.162 The Ministry confirmed the severity of the issue and their plan to address this is in development for 2023. They anticipate a budget need of \$20 million based on a survey conducted by the Ministry and Ministry of Justice and Legal Affairs. The Ministry anticipates building 2 to 3 buildings each year. The plan is for Ministry of Justice and Legal Affairs to include it in the development budget as both Ministries are custodian to the Family Protection Act and co-chair of the Family Protection Advisory board. The budget would also support police in training them on how to address family protection or violence against women and girls.
- 3.163 The Committee were concerned that for the interim period while the safe houses are yet to be built. The Ministry confirmed that rented houses were available as well as through recognised faith based organisations.
- 3.164 **Youth Empowerment** – the Committee wanted to know what is the youth age ranges and how the Ministry will help to empower the youth.
- 3.165 The Ministry informed the Committee that the youth age range is from 15 to 35 year of age. Current population statistics show youth comprises 70% of the population. Of that 50% were drop-out youths and only 20% currently under formal education. The Ministry alluded that based on the budget the Ministry’s objective is to build 5 youth centres in 5 different provinces which will enable the youths to have a hub to develop their potential and share issues. Those facilities are multi-purpose and all youths both in informal (drop-outs) and formal education can access to facility

31 Ministry of Rural Development

1. Variation in appropriation

Recurrent - Additional Supplementary Expenditure

Source/subhead/item	Description	Original Estimate (\$)	Supplementary Estimate (\$)	Revised Estimates (\$)
101-560-0000-25009	Recurrent Budget	80,000,000	5,000,000	85,000,000
Total		80,000,000	5,000,000	85,000,000

This amount provides additional funding to supplement subvention and grants to maintain ongoing implementation of constituency programs in 2022.

2. Appropriateness of expenditure

No issues noted.

3. Issues of Concern

Matters of concern to the Committee includes the following:

- 3.166 **\$5 million reimbursement for Subvention and Grants** – the Committee understand that the \$5 million is to replace/reimburse the money which the Ministry took from this sub-head/item for the ‘Awareness Program’ on the Deferment of the 11th Parliament” by the 49 Members of Parliament and as such this is not additional expenditure in nature.
- 3.167 The Committee also emphasised that this is a clear example for misappropriation. The Committee felt this awareness program was not the responsibly of the Ministry. According to the Committee, this awareness program should come under the Prime Minister’s Office, as the Ministry is only mandated to develop the Constituencies and not to do awareness programs. The Committee queried whether, despite this misappropriation, the cash grant for all constituencies still remain intact.
- 3.168 The Ministry stated to the Committee, “They will get back to their authorities and provide that response, as it must be something they discussed at the Cabinet level”.
- 3.169 The Ministry stated that, “There are supposed to be \$1.6 million per constituencies. But it seems to us that there are variations as well, as some receive more than that allocation”. Anything above \$1.6 million will be through the development budget.

Recommendation 19

The Committee recommends that the Ministry of Rural Development publish the allocation of awareness funding and provide justification for this expenditure to be under the Ministry of Rural Development.

- 3.170 **China (PRC) Aid** – the Committee enquired into the next step/phase for China aid towards the Ministry. The Committee understands that for this year, there is an allocation of \$400,000 for each constituency.
- 3.171 The Ministry responded that they had some discussions with PRC already and had talked over the Ministry’s next priorities and those priorities of PRC. Some of the outcome areas mentioned are; Infrastructure (small scale & large scale), income generating activities and Water & Sanitation”.

- 3.172 The Committee was also informed that in order to get access to such funds under PRC, each constituency must submit their acquittals of the previous year and from there, the Ministry will support those acquittals with a report and then PRC can release those support.
- 3.173 **Extra Constituency Fund** – the Committee enquired if there are extra funds beside those allocations for each Constituency which the Members of Parliament can also access but unaware of.
- 3.174 The Ministry told the Committee, they were unaware of such funding. But the Ministry further encouraged constituencies that there are other micro-projects which other development partners usually provide for the grassroots”.

32 Ministry of Environment, Climate Change, Disaster Management and Meteorology

1. Variation in appropriation

Recurrent - Advanced Warrant

Source/subhead/item	Description	Original Estimate	Supplementary Estimate (\$)	Revised Estimates (\$)
218-571-0000-22212	Recurrent Budget Support	Nil	6,455,500	6,455,500
Total		Nil	6,455,500	6,455,500

Budget Support is funded by the Asian Development Bank (ADB), the Government of New Zealand through the Ministry of Foreign Affairs and Trade (MFAT) and the Government of Australia through the Department of Foreign Affairs and Trade (DFAT) to support ongoing National Disaster Management Office COVID-19 operations and Management of the quarantine station facilities in Honiara and the provinces.

2. Appropriateness of expenditure

Advanced Warrant approved by the Minister 14 March 2022 and 1 April 2022. We note that the approval in mid-March was in advance of the 2022 Appropriation Bill.

3. Issues of Concern

Matters of concern to the Committee includes the following:

- 3.175 **Quarantine Centre Outstanding payments** – the Committee queried whether there were outstanding payments that the Ministry needed to clear for quarantine centres that were hired by the government.
- 3.176 Ministry confirm there were outstanding payments that relate to operations in late 2021 and early 2022. The amount of outstanding arrears is about \$38million or more. There are funds in the current budget to settle that.

END OF REPORT

Appendices

Committee Functions

The Committee is established under *Standing Order 69*; an Order made pursuant to the *Constitution*¹ and has the functions, together with the necessary powers to discharge such,

- (a) examine the accounts prescribed by Section 77 of the Public Financial Management Act 2013, together with the report of the Auditor General thereon, and to report the results of such examination to Parliament;
- (b) establish the causes of any excesses over authorised expenditure and to make recommendations to Parliament on any appropriate measures to cater for such excesses of expenditure;
- (c) examine such other accounts laid before Parliament as the Committee may think fit, together with any auditor's report thereon and to report the results of such examination to Parliament;
- (d) summon any public officer to give information on any explanation, or to produce any records or documents which the Committee may require in the performance of its duties;
- (e) consider in detail the Draft Estimates prepared by the Government in support of the Annual Appropriation Bill;
- (f) summon and examine the Accounting Officers and Technical staff of Ministries and Departments and require the production of background information and explanation in relation to Draft Estimates;
- (g) report to Parliament in such a way that the report may inform Members prior to the Parliamentary debate thereon of the background to the Draft Estimates draw attention to those matters which the Committee feels should be the subject for such Parliamentary debate; and
- (h) make such recommendations as the Committee sees fit and subsequently receive comments and reports on such recommendations from the Government.

¹ Section 62, *Constitution of Solomon Islands* 1978.

APPENDICES

Minutes of Public Hearings Proceedings

NATIONAL PARLIAMENT OF SOLOMON ISLANDS

PUBLIC ACCOUNTS COMMITTEE

P.O. Box G19,
Honiara.
Tel: 28520/24164.
Fax: 24272

Minutes of Proceedings**Committee Inquiry into the 2022 Supplementary Appropriation Bill 2022 (No.5 of 2022)****Day 1/2022**Wednesday 17th August, CRII, Parliament Building, 09:44 AM**1. Members Present**

Hon. Douglas Ete, MP- Chairman
 Hon. John Dean Kuku, MP
 Hon. Rick Houenipwela, MP
 Hon. John Maneniaru, MP
 Hon. Lilly Maefai, MP
 Hon. Commins Mewa, MP

2. Apologies

Hon. Matthew Wale, MP
 Hon. Ethel Vokia, MP
 Hon. Silas Vaqara Tausinga, MP
 Hon. Alfred Eфона, MP

3. Secretary

- 4.** Mr. David Dennis, Auditor General
 Ms. Rachel McKechnie, Deputy Auditor General

5. Secretariat

Mr. Heston Rence, Committee clerk

Ms. Salome Pilumate, Committee Secretary
 Ms. Monica Sekonga, Committee Admin
 Ms. Cordney Wale, Committee Secretary
 Ms. Sherilyn Ragoso, Hansard Officer
 Mrs. Esther Turangaluvu, Hansard Officer
 Mrs. Hazel Fafale, Hansard Officer
 Mr. Greg Kinimete, Hansard Officer
 Mr. Sunjay Dhari, IT Officer
 Mr. Lawrence Scott, Media Officer

6. Prayer

Hon. John Maneniaru said the opening prayer.

7. Welcome/ Opening remarks

The Chairman of the PAC welcomes members of the committee, witnesses, committee secretariat and supporting staff and then said his opening remarks. The Chair informs the witnesses of the Parliamentary privileges.

8. Inquiry into the 2022 Supplementary Appropriation Bill 2022 (No.5 of 2022)

The Hearing proper commenced and the following witnesses from the Central Bank of Solomon Islands were admitted.

Hearing 1 Witnesses

- i. Dr Luke Forau, Governor
- ii. Mr. Michael Kikiolo, Management Advisor Policy
- iii. Mrs. Louisa Baragamu, Chief Manager/ ERSD

The witnesses made their presentation before the Committee.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

Hearing suspends for lunch at 11.07am

The Hearing proper resumed at 11:30am and the following witnesses from the Ministry of Finance and Treasury were admitted:

Hearing 2 Witnesses

- i. Mr. McKinnie Dentana, Permanent Secretary, MoFT
- ii. Mr. Paula Uluinaceva, Accountant General, MoFT
- iii. Mr. Coswal Nelson, Deputy Secretary Fiscal, MoFT
- iv. Mr. Douglas Sade, Deputy Accountant General, MoFT
- v. Mrs Primula Kingmele , Director Economic Reform Unit, MoFT
- vi. Mr. Joseph Dokekana, IRD Commissioner, MoFT
- vii. Mr. Jim Sutton, Comptroller of Customs, MOFT

The witnesses made their presentations before the Committee.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

Hearings suspends for lunch at 1:08pm

The Hearing proper resumed at 2:20pm and the following witnesses from the Ministry of Foreign Affairs and External Trade were admitted:

Hearing 3 Witnesses

- i. Mr. Collin Beck, Permanent Secretary, MFAET
- ii. Mr. Cornelius Walegerea, Deputy Secretary, MFAET
- iii. Ms. Loise Daga, Financial Controller, MFAET
- iv. Mr. George Tuti, Director of Trade, MFAET

The witnesses made their opening presentation before the Committee.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

Hearings suspends at 2:51pm

The Hearing proper resumed at 2:58pm and the following witnesses from the Ministry of Police, National Security and Correctional Services were admitted:

Hearing 4 Witnesses

- i. Ms. Karen Galokale, Permanent Secretary
- ii. Ms. Julia Twumasi, Deputy Secretary Corporate
- iii. Mr. Mostyn Mangau, Commissioner RSIPF

- iv. Mr. Gabriel Manelusi, Commissioner CSSI
- v. Mr. John Vaefa, FC

The witnesses made their opening presentation before the Committee.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

Hearing suspend at 3:34pm

The Hearing proper resumed at 3:39pm and the following witnesses from the Solomon Islands Electoral Commission (SIEC) were admitted:

Hearing 5 Witnesses

- i. Mr. Freddie Bosoboe, Chief Electoral Officer (Ag)
- ii. Mr. Reuben Rongomea, Finance Manager

The witnesses made their opening presentation before the Committee.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

9. Adjournment

No closing prayer was said.

The hearing adjourned at 3:56 pm

Day 2/2022

Thursday 18th August, CRII, Parliament Building, 09:38 AM

1. Members Present

Hon. Douglas Ete, MP- Chairman
 Hon. Matthew Cooper Wale, MP
 Hon. John Dean Kuku, MP
 Hon. Rick Houenipwela, MP
 Hon. John Maneniaru, MP
 Hon. Ethel Vokia, MP
 Hon. Lilly Maefai, MP
 Hon. Commins Mewa, MP

2. Apologies

Hon. Silas Vaqara Tausinga, MP
 Hon. Alfred Efona, MP

3. Secretary

Mr. David Dennis, Auditor General

4. Secretariat

Mr. Heston Rence, Committee clerk
 Ms. Ivory Iruha'a, Committee clerk
 Ms. Cordney M Wale, Committee Clerk
 Mr. Whitmon Tabiru, Committee clerk
 Ms. Theresa Nori, Hansard Officer
 Ms. Sherilyn Ragoso, Hansard Officer
 Mrs. Esther Turangaluvu, Hansard Officer
 Mr. Greg Kinimete, Hansard Officer
 Mr. Sunjay Dhari, IT Officer
 Mr. Lawrence Scott, Media Officer

5. Prayer

Hon. John Maneniaru said the opening prayer.

6. Welcome/ Opening remarks

The Chairman of the PAC welcomes members of the committee, witnesses, committee secretariat and supporting staff and then said his opening remarks. The Chair informs the witnesses of the Parliamentary privileges.

7. Inquiry into the 2022 Supplementary Appropriation Bill 2022 (No.5 of 2022)

The Hearing proper commenced and the following witnesses from the Ministry of Agriculture and Live Stock were admitted.

Hearing 6 Witnesses

- i. Ms. Ethel Frances, Permanent Secretary
- ii. Mr. Francis Tsatsia, Director Biosecurity Solomon Islands
- iii. Mr. Elda L Wate, Deputy Secretary Corporate
- iv. Mr. Paul Greg, Financial Controller
- v. Michael Ho'ota, Deputy Secretary Technical

The witnesses made their presentation before the Committee.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

Hearing suspends at 10.30am

The Hearing proper resumed at 10:40am and the following witnesses from the Ministry of Education and Human Resources Development were admitted:

Hearing 7 Witnesses

- i. Mr. Franco Rodie, Permanent Secretary, MERD
- ii. Mr. Chris Sakiri, Deputy Secretary, MERD
- iii. Ms. Merylyn Kodoleke, Director Finance, MERD

The witnesses made their presentations before the Committee.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

Hearings suspends for lunch at 11:18am

The Hearing proper resumed at 11:24am and the following witnesses from the National Parliament Office were admitted:

Hearing 8 Witnesses

- i. Mr. David Kusilifu, Clerk,
- ii. Mr. Jefferson Hallu, Deputy Clerk,
- iii. Mr. Lloyd Bera, Financial Controller,
- iv. Mrs. Joycelyn Hevalao, HRM,
- v. Mr. Boniface Supa, Director Information

The witnesses made their opening presentation before the Committee.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

Hearings suspends at 11:58am

The Hearing proper resumed at 1:52pm and the following witnesses from the Ministry of Health and Medical Services were admitted:

Hearing 9 Witnesses

- i. Ms. Pauline Mcneil, Permanent Secretary,
- ii. Dr. George Malefoasi, CEO,
- iii. Dr. Nema Bainivalera, DHSI
- iv. Dr. Gregory Jilini, DSHC,
- v. Dr. Lazarus Neko, DSC,
- vi. Ms. Esther Tekulu, FC (S),
- vii. Ms. Esmu Magu, Principal Accounts

The witnesses made their opening presentation before the Committee.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

Hearing suspend at 2:35pm

The Hearing proper resumed at 2:43pm and the following witnesses from the Office of the Prime Minister and Cabinet were admitted:

Hearing 10 Witnesses

- i. Dr. Jimmy Rodgers, SPM
- ii. Mr. Leonard Ofainu, DSPM CS
- iii. Mr. Malcolm F Soai, FC (Ag)

The witnesses made their opening presentation before the Committee.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

Hearing suspend at 3:05pm

The Hearing proper resumed at 3:08pm and the following witnesses from the Ministry of Fisheries and Marine Resources were admitted:

Hearing 11 Witnesses

- i. Dr. Christian Ramofafia, PS,
- ii. Mr. Edward Honiwala, Director,
- iii. Mr. Patteson Lusi, DSC,
- iv. Ms. Caroline Merigi, FC (Sup)
- v. Ms. Mary Vuto, CPA,

The witnesses made their opening presentation before the Committee.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

8. Adjournment

No closing prayer was said.

The hearing adjourned at 3:19pm

Day 3/2022

Friday 19th August, CRII, Parliament Building, 09:45 AM

1. Members Present

Hon. Douglas Ete, MP- Chairman
Hon. John Dean Kuku, MP
Hon. John Maneniaru, MP
Hon. Matthew Wale, MP
Hon. Ethel Vokia, MP

2. Apologies

Hon. Rick Houenipwela, MP
Hon. Lilly Maefai, MP
Hon. Commins Mewa, MP
Hon. Silas Vaqara Tausinga, MP
Hon. Alfred Efona, MP

3. Secretary

Mr. David Dennis, Auditor General
Mr. Johnson Lobo, Manager Audit

4. Secretariat

Mr. Heston Rence, Committee clerk
Ms. Cordney Wale, Committee Secretary
Ms. Salome Pilumate, Committee Secretary
Ms. Ivory Iruha'a, Committee Secretary
Ms. Sherilyn Ragoso, Hansard Officer
Mrs. Esther Turangaluvu, Hansard Officer
Mrs. Hazel Fafale, Hansard Officer
Mr. Greg Kinimete, Hansard Officer
Mr. Sunjay Dhari, IT Officer
Mr. Lawrence Scott, Media Officer

5. Prayer

Hon. John Maneniaru said the opening prayer.

6. Welcome/ Opening remarks

The Chairman of the PAC welcomes members of the committee, witnesses, committee secretariat and supporting staff and then said his opening remarks. The Chair informs the witnesses of the Parliamentary privileges.

7. Inquiry into the 2022 Supplementary Appropriation Bill 2022 (No.5 of 2022)

The Hearing proper commenced and the following witnesses from the Ministry of Home Affairs were admitted.

Hearing 12 Witnesses

- i. Mr. Jeffery Sade Deve, PS
- ii. Mr. Freddie. I. Otaku, DSC
- iii. Mr. John Foseliwale, DST
- iv. Mr. Roderick Kidve, Registrar
- v. Mr. William Misibini, Director CAD
- vi. Ms. Yvonne Lipa, FC
- vii. Mr. Selison Faisi, Director Sport

The witnesses made their presentation before the Committee.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

Hearing suspends for lunch at 10.14am

The Hearing proper resumed at 10:20am and the following witnesses from the Ministry of Women, Youth, Children and Family affairs were admitted:

Hearing 13 Witnesses

- i. Mr. Cederic Alepindara, PS
- ii. Mr. Andre Tipole, Director
- iii. Mr. Malcolm Mataifo, FC
- iv. Ms. Sarahlyn Houla, Intern

The witnesses made their presentations before the Committee.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

Hearings suspends at 10:46am

The Hearing proper resumed at 11:00am and the following witnesses from the Ministry of Environment, Climate Change, Disaster Management and Meteorology were admitted:

Hearing 14 Witnesses

- i. Mr. Melchior Mataka, PS
- ii. Mr. Jacob Akao, FC

The witnesses made their presentations before the Committee.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

Hearings suspends for at 12:17pm

The Hearing proper resumed at 1:24pm and the following witnesses from the Office of the Governor General were admitted:

Hearing 15 Witnesses

- i. Mr. Rawcliffe Ziza, Private Secretary
- ii. Mr. Maxwell Banyo, Deputy Private Secretary

The witnesses made their opening presentation before the Committee.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

Hearings adjourned at 1:35pm until Monday 21 August 2022

8. Adjournment

No closing prayer was said.

The hearing adjourned at 1:35 pm

Day 4/2022

Monday 22nd August, CRII, Parliament Building, 09:42 AM

1. Members Present

Hon. Douglas Ete, MP- Chairman
 Hon. Matthew Wale, MP
 Hon. John Dean Kuku, MP
 Hon. Rick Houenipwela, MP
 Hon. John Maneniaru, MP
 Hon. Lilly Maefai, MP
 Hon. Ethel Vokia, MP
 Hon. Commins Mewa, MP

2. Apologies

Hon. Silas Vaqara Tausinga, MP
 Hon. Alfred Eфона, MP

3. Secretary

Mr. David Dennis, Auditor General

4. Secretariat

Mr. Heston Rence, Committee clerk
 Ms. Salome Pilumate, Committee Secretary
 Ms. Ivory Iruha'a, Committee Secretary
 Mr. Whitmon Tabiru, Committee Secretary
 Ms. Sherilyn Ragoso, Hansard Officer
 Ms. Theresa Nori, Hansard Officer
 Mrs. Esther Turangaluvu, Hansard Officer
 Mr. Greg Kinimete, Hansard Officer
 Mr. Pamenta, IT Officer
 Mr. Lawrence Scott, Media Officer

5. Prayer

Hon. Rick Houenipwela said the opening prayer.

6. Welcome/ Opening remarks

The Chairman of the PAC welcomes members of the committee, witnesses, committee secretariat and supporting staff and then said his opening remarks. The Chair informs the witnesses of the Parliamentary privileges.

7. Inquiry into the 2022 Supplementary Appropriation Bill 2022 (No.5 of 2022)

The Hearing proper commenced and the following witnesses from the Ministry of Infrastructure Development were admitted.

Hearing 16 Witnesses

- i. Mr. Steven Maesiola, PS
- ii. Mr. Paul Ne'e, FC
- iii. Ms. Lorraine G. Galo, HR

The witnesses made their presentation before the Committee.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

Hearing suspends at 10:28am

The Hearing proper resumed at 10:32am and the following witnesses from the Ministry of National Planning and Aid Coordination were admitted:

Hearing 17 Witnesses

- i. Ms. Susan Sulu, PS
- ii. Ms. Judith S. Vava, FC

The witnesses made their presentations before the Committee.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

Hearings suspends for lunch at 11:13am.

The Hearing proper resumed at 11:17am and the following witnesses from the Ministry of Rural Development were admitted:

Hearing 18 Witnesses

- i. Mr. Hugo Hebala, DST
- ii. Mrs. Constance Wane, DSC
- iii. Mr. Milfred Delemani, Director Rural Development
- iv. Mr. Timothy Paoka, FC

The witnesses made their opening presentation before the Committee.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

Hearings suspends at 11:39am

8. Adjournment

No closing prayer was said.

The hearing adjourned at 11:40am

List of Submissions

Submission#1, SIEO, Additional Explanatory Notes
 Submission#2, SIEO, Attachment to Explanatory Notes
 Submission#3, CBSI, Recent Economic and Fiscal Developments and Outlook
 Submission#4, MOFT, Talking Notes PS Finance
 Submission#5, MFMR, Brief on 2022SAB2022
 Submission#6, OGG, Explanatory Notes 2022 Supplementary Budget
 Submission#7, CBSI, GDP
 Submission#8, MID, Explanatory Notes
 Submission#9, MHMS, Donor
 Submission#10, MWYCFA, Authorized Expenditure
 Submission#11, MEHRD, SITESA Briefing for PAC

List of PAC Generic Submissions

1. NPO, PAC Generic Template 2022SAB2022
2. SIEC, PAC Generic Template 2022SAB2022
3. MFAET, PAC Generic Template 2022SAB2022
4. MPNSCS, PAC Generic Template 2022SAB2022
5. MECDM, PAC Generic Template 2022SAB2022
6. MHMS, PAC Generic Template 2022SAB2022
7. OPMC, PAC Generic Template 2022SAB2022
8. OGG, PAC Generic Template 2022SAB2022
9. MFMR, PAC Generic Template 2022SAB2022
10. MHA, PAC Generic Template 2022SAB2022
11. MNPDC, PAC Generic Template 2022SAB2022
12. NJ, PAC Generic Template 2022SAB2022
13. MEHRD, Generic Template 2022SAB2022
14. MAL, Generic Template 2022SAB2022
15. MWYCFA, PAC Generic Template 2022SAB2022