

TUESDAY 29TH NOVEMBER 2011

The Speaker, Sir Allan Kemakeza took the chair at 9.38 am.

Prayers.

ATTENDANCE

At prayers, all were present with the exception of the Prime Minister and Ministers for Foreign Affairs & External Trade; & Employment; Finance & Treasury; Health & Medical Services; Communication & Civil Aviation; Environment, Conservation & Meteorology & Disaster Management Culture; Cultural & Tourism; Rural Development & Indigenous Affairs and Women, Youth, Children & Family Affairs; and the Members for North Guadalcanal; West New Georgia and VonaVona; Ngella; Maringe Kokota; North West Guadalcanal; Kia/Hograno/Havulei; Fataleka; North New Georgia; Aoke/Langalanga and Malaita Outer Islands

PRESENTATION OF PAPERS AND OF REPORTS

- Ministry of Public Service 2010 Annual Report (*National Parliament Paper No.28 of 2011*)

MOTIONS

Mr Speaker: Honourable members the Buala Premiers' Communiqué was tabled on 28th of March 2011. The Minister had moved the motion according to standing order 17 and 18. The debate will now continue.

Hon ALFRED GHIRO (*Minister for Public Service*): Thank you for recognising me to join other colleague parliamentarians to debate the motion that has been moved by the honourable Minister for Provincial Government and Institutional Strengthening.

First of all, I would like to join other colleagues to thank the Minister for tabling this motion in which I would like to extend my thanks to the people of Lau/Mbaelelea

for electing somebody very distinctive and has a fatherly heart for the people of Solomon Islands. Before I commence, I would like to inform you, Mr Speaker, that there are few of us in this House who have had the benefit of coming through the provincial level on our way to this Parliament. And being one of them, I wish to share some real experiences encountered whilst serving as a member of the provincial executive.

I wish to confirm to members of Parliament that the competency of provincial governments must not be underestimated. There are seasoned brains down there that have the capacity to lead and govern the people of their provinces. I also wish to join the member for East Choiseul in saying that the Premiers Conference is a very powerful forum comprising nine provincial premiers under the auspices of the Provincial Government Act.

Whilst serving as a member of the provincial government, my level of thinking as a way forward is restricted to only my provincial ward and the provincial jurisdiction area. The thinking of all provincial members will always be in line with the resolution under the Buala Communiqué. That thinking is obviously because of limited powers bestowed upon provincial governments because of lack of appropriate manpower, obviously because of unfair distribution of national wealth, obviously because of discrimination and the list goes on. Those are the bases of the Buala Communiqué.

I am of the opinion that if a little more power is vested on the provincial governments to enable them legislate for their means of raising revenues, the issue under the Buala Communiqué will not be an issue of discussion now because they should have their own money now, they should raise their own revenues now to meet whatever their aspirations are. As a matter of fact, with the limited powers they have, you cannot expect provincial governments achieve the outcomes through provincial policies, which means that any achievements they make is financed by somebody else.

The Buala Communiqué is therefore an effort by all provinces put together to manifest to the Solomon Islands Government find a better governance system, a system that will promote a standard formula in dealing with provinces, a system that recognises and respects resource owners, a system that recognises and respects the land tenant system, a system that recognises and respects our traditional cultures and values, a system that recognises the farmers, the fishermen who tirelessly continue to contribute towards the national economy.

On the other hand, I do not think Resolution No. 6 can solve this problem. We can address these issues under the provisions of the current Provincial Government Act. There is no need to go into federal constitution to do it. When I came into Parliament, my thinking is focussed on my constituency and Solomon Islands as a whole, and not narrowed down. May be the initiators of the current constitution must have some broad and deep wisdom on the physical structure and geography of our country when they adopted the current constitution. I do not want to go in detail because its time will come for us to look into that proposed federal bill. But what I am trying to put across here is, there are avenues under the current Provincial Government Act that we can use to address some of the concerns of the provinces and also we can use to adopt some requirements under the proposed federal bill. I can assure you it only needs three more devolution powers down to the provinces and we would expect the federal government system to be born here under the current constitution.

To conclude, in my view it only needs a legislative mechanism and then the Buala Communiqué should put to rest. Give them a little bit more power to manoeuvre. I would like to ask all the Premiers to fully exhaust all avenues under the current constitution before they can call for a change to the constitution of this country. I still think the economic base and the population of this country is still young to warrant a change to the constitution.

I will be brief because some very important views and suggestion have already been alluded to by my colleague parliamentarians and so I support the motion.

Mr DOUGLAS ETE (*MP East Honiara*). I am going to be brief because most of the things we have discussed yesterday and today. But first I want to thank the hard working Minister for bringing this paper to Parliament. I think this is a very important communiqué for Parliament to debate. Yesterday I listened carefully to the debate and a lot of points have been raised. But this morning I wish to dwell on some important points that I think should be discussed.

First, I could not agree more with the Prime Minister yesterday when he made reference to the preamble of the constitution. Provinces, as we know are creatures created by the constitution and the national government by strict law. This means the system we currently have is distinct from the federal government system. This means any decision made by the central government under this current system can alter the provincial government. It is like a unitary system that is centralized power based here

in Honiara - this current system that we now have. I want to make a distinction between federacy and the current provincial government system.

In other countries in the Pacific, some provinces have been suspended, especially in PNG if you do research it suspended one or two provinces. It was the central government that did that. Similarly, the Minister for Home Affairs can suspend the Honiara City Council and this is because of that centralized power – that unitary system. This means if this Parliament makes a decision to suspend a province because of things that happen in the province it can suspend it. The central government can also change provincial boundaries. That is the unitary system we currently have. It can also create a new province, and the list goes on. This is with the current government system that we have whether it is a two tier system or a three tier system, but it is unitary in the sense that this Parliament we are now sitting inside, if it decides so it will affect the province. That is why I think what the Prime Minister said yesterday is very true in that we should accept this communiqué to be brought here to this Parliament because this is the place where we can alter it or not, in here. Bills will be coming forth from some ministers at a later time on individual aspects of the communiqué. But this is the central hub, and that is why under the current the independence constitution of 1978, the architects of that independence constitution lay down the unitary, meaning it is this Parliament that decides on every other small government. I term it small governments because they are elected governments.

Federacy on the other hand is strictly opposite of it or it runs parallel to it, and is not the same. Because what a federal government is doing will not affect the small states unless small states agree to it. That is one distinct difference in term of its legality.

During this transition period, what are we going to do? The Prime Minister said that the government is going to bring a bill into Parliament in 2013, but from now to 2013, in between, what are we going to do? Are we going to jump into the hot waters and test it later? What are we going to do with the inefficiency of the provincial governments? That is probably one of the important questions for those of us sitting here must be asking - what are we going to do in between? Are we just going to lie in slumber and sit down? No!

Yesterday when I heard those talking, I am very happy, East Choiseul, East Kwaio and the Prime Minister, and the Minister for Public Service, thank you, you all

were talking and said no we must go forward from here. We must not close our eyes to the people and just live like this.

The NCRA initially was talking about retaining the provincial government when it came into office in August last year, and reforming this current system in the transition period. Of course, I was very happy indeed about this idea. We must also reform the institutions to push forward the progress and development of the idea to enhance the provincial government whilst we wait for the new system which, in my mind, I think a national referendum must take place prior to that.

The first thing I want to say is I want an amendment to the preamble of the constitution. That was the intention of NCRA. I think the former Prime Minister was behind this thinking, which states that the resources of this country are owned by the people and the state. That concept is what NCRA was thinking as causing a bit of confusion and so if we can sit down and amend the preamble of the constitution, I think we can be able to make amendments to other acts of Parliament - the organic laws and principal acts, in particular the Lands and Titles Act.

Secondly, we were talking about bringing a bill to Parliament called the Customary Land Institutionalization Bill. In my view, that is a very hard word. In my mind it is called the Customary Land Titles Act. From a stroke of a pen by the Minister of Lands today, by tomorrow all lands in Solomon Islands would be registered. And then we also bring back for review the Lands Recording Act of 2004 because when that Act was introduced in 2004, it has a few loopholes inside. When you go out and actually administer this law to get a person's genealogy, to get what tribe should be recorded, to get what kind of methodology should be used to appoint the trustees to it and so forth, there are some problems to this.

Also, that Act of Parliament poses one or two problems that I would like to discuss now and that problem is what would happen to the current cases in courts, what we are going to do to those? Those things must be included in Resolution 4 of the Communiqué on review of the provisions of the Lands and Titles Act relating to the acquisition of customary land. This needs bringing a bill to Parliament and that was initially the intention of NCRA, which has my support.

The third point I would like to talk about today is that all lands in our country, about 85 percent or 89 percent of our customary land tenure system are not regulated by the current act of Parliament that is under the custody of the Minister of Lands, but it caters for only about 10 percent of the land of this country. This means that if we would

now want to bring a bill to Parliament on customary land or make an amendment to the current act of Parliament, one thing has to take place, and that is giving recognition under the Customs Recognition Act of 2002. We must come back again. Section 8 of that Act, it was claimed, is in breach of international conventions and international laws, and so if it is in breach of those laws and conventions why was it not brought back to Parliament in the last 10 years. I have all hope in NCRA to do this. I have trust in NCRA that it can do it.

Seemingly, if you look back at history all customary lands, the Order in Council in 1893 precludes disputes to customary land since 1931 to 1941 no changes happen to it. Like we will have to empower chiefs and our elders at home through an act of Parliament called the Customs Recognition Act 2002 where we only put section 58 of the Constitution which says the Government can just shelve that act away without using it. I think that one is important.

I quite agree with the observation by the Minister for Education yesterday that once land is put without liberalizing or opening up its legislation and is locked, there is not going to be production in the country and we would not be able to hit the potential of this country on production called the PPF. Those of you who are economists would know this. If that happens we would not be able to produce in this country, and so I am quite happy with it. But reading through some of the thinking of Solomon Islanders, especially those writing from Vanuatu, a recommendation from one of the journals of Mr Foukona said "all alienated lands must first be returned to landowners on trust". I wholeheartedly agree with what the premiers were saying about this in the communiqué that somehow they must hold this in trust and then probably give it to the national government or the province to develop that alienated land so that it remains with the right customary landowners.

I want to make a few comments on teacher's personal emoluments under Resolution No. 17. This is a long standing issue causing inefficiency in the country's teaching profession. I suggest that a wage commission be established by the government because if it is only done in cabinet and only through whatever avenues we have been doing we will just remain stuck in the same place. I want us to do it properly though a bill of Parliament. I understand that the current Minister of Commerce and I we went down to Fiji last year purposely to review this; to observe and come back. And I understand the Commissioner of Labour and the Permanent Secretary of public service have already completed this last year. This is already in a form a bill. When

will it come to parliament is our question. And I encourage the Minister of Commerce and the Minister for Public Service to bring this bill to Parliament. And it should not only be salaries and wages, but he must also look into the legal minimum wage, he has to look at wages, he has to look at entitlements, he has to review our Parliamentary Entitlement Regulation, he must look into the provincial entitlements of elected members of the province; he has to do all these inclusively. That and only that way can we move this country forward rather than doing it on a piecemeal basis.

All wages must be done on agreement; a master agreement must be done on it so that we do not come back and say 'let us go to negotiate again because the price of rice has increased'. No, it should not be that way. That brings stability to any government of the day, and we will not continue to argue with the unions. The onus is not on unions, the onus is not on any stakeholders, but the onus is on this House to do it. And I encourage both ministers to try and bring a bill to Parliament; review the General Orders, passages under the General Orders Chapter J(501) must be paid for by the national government. I think the partnership arrangement that has been there for the last 10 years is not working well: the government pays the fare first, teachers do not return on time after the holidays and thus affecting students.

Travel and transport was previously \$120, we negotiated it to \$1000, and so all public servants who go on holiday have \$1000 in their bank accounts. Why can the Government not do this to teacher? What is the fuss about this? I think it only needs a paper to Cabinet and it. It is as easy as that. There are only 3,000 teachers in the country. There are 11,000 public officers; government is the largest employer in this country. In most pacific island countries, the government is the largest employer. Let us do this properly through a bill to Parliament.

Direct employees in provinces are a headache. I say this from the point of view of the Ministry of Health; the last place I was employed before coming here. AusAID is the largest funder and the only funder for medicine in this country, the Government does not fund medicine. It then goes further so much so that the Australian Government is funding direct medical employees throughout the country. Resources that could have been used for something were paid for emoluments for direct employees that should have been met by provinces. A system, a mechanism should be imputed in this instance. That is the problem with our education system in this country.

I am going to repeat what Robert Wadell, Professor of New South Wales said “an education system is as good as those that make it”. Those of us who are sitting here are the ones who make it, the 50 of us, we are the ones making the education system. Education for what? Is it for us to learn agriculture, technology or what are we to learn? Who is the employer of those teachers, who is paying their wages and their travel? Is it the education authority in the provinces or the provincial governments, or the teaching service or the public service or who? This is not really clear. Who is the employer of the church based organisations such as the Su’u Secondary School, the teachers who are paid under the consolidated fund, who is their employer? Our education system must be relooked into and overhauled. I am saying this to you in the spirit of a true Solomon Islander. Otherwise we just go around in hiluxes this way and that way and people waved ‘bye bye minister’.

I want to encourage us to dig deep and try to review again that this country is ours, and not the country of those people from Guadalcanal, the people of Bellona, people of Temotu, people of Malaita, but this country belongs to all of us and so the unitary system demands that those of us who are sitting down here with this current provincial government system must make the decision here. Let us do it to the best of our ability so that people in this country can benefit.

On Resolution No. 10 on national development projects, I overwhelmingly agree with the communiqué. This is an issue that ties up with a lot of things, one of which is the resources of this country. A lot of people who are giving more resources to this country, the provinces are calling for shots. They are saying that because our province makes a lot of money most of the money must stay here - projects must remain on Guadalcanal, projects here and the others have to wait. The thing is if we begin to develop a young country like ours for the betterment of our people, what the member for East Kwaio and East Choiseul were saying yesterday were very true and appropriate and also the Prime Minister himself.

This meeting should be the utmost meeting which after they come back; something like the forum meeting where there is a post forum meeting where there is an agenda, a pre-forum; you come and make an agenda for it and then the forum proper followed by talks later. Just like donor talks later on where we are talking. The resources are here and who is going to take what. Something like that. It is very important that this is done. Otherwise we will be seeing development projects going to

only one province. I hope that the new budget for 2012 resembles wider consultations with provinces and premiers so that it benefits our provinces.

The fourth point I want to say regarding this, I feel that over time provincial governments through subvention and other tied funds that go to the provinces, especially the SIG component fund both development and recurrent underfunds the provinces. We are only giving them bare minimum and we expect more out of them. Thank you hardworking Minister for bringing this paper to Parliament!

The fifth point I would like to discuss today is just a word of encouragement. I can see three huge monsters created by government. The first is called the Bureau of Social and Economic Development. The second is called the Ministry of Rural Development which administers both ROC funds with SIG funds. The third big monster is called the Ministry of Planning, which only deals with European Union funds, the criteria of EU.

I am just making a statement of encouragement here, and not pointing finger at anyone of you my colleague members of Parliament. But I think if the Government is serious about reforming this, then bring a bill to Parliament for the Bureau to strengthen it and then get the Ministry of Rural Development to go under the Bureau, the Aid Coordination through Planning goes back to the Ministry Finance and Treasury; this is reform, and get Planning back to Bureau so that it does planning there. I am saying this because what we are doing is creating monsters just to look after one fund of one donor here that has tied money, that has its own criteria and has its own round table cycle that once you miss out in five years you will not benefit in the next five years.

Rural Development only administers ROC funds, and so why do we not put Bureau here and get provincial officers, bureau so that the money that goes down through this Bureau will conduit down towards the provinces so that they administer it properly within the provinces, rather than going down and there is no report from Honiara going down – a centralized thing.

I would like to encourage government to look into this concept. It may be wrong but in the economics of scope sharing of resources is very important where there are limited resources, like what we have in our country now. Probably you may want to, Mr Speaker, merge the ministers together in one huge ministry where they are going to work doing something other than this one doing a ramp program there, that one there doing ROC funding and the discretionary fund under somewhere. Mr Prime Minister, I

would like to acknowledge the fact that you have announced that the discretionary fund will be opened up a bit and will go through legal channels. I would like to thank the Government for doing that.

I suggest that the Bureau must be fully funded and we map straight out where development projects are going to be in the provinces, put a bureau office in Gizo, Auki, Munda, Kirakira, Lake Tenggano, and all those places so that we know exactly that funds are getting there. Otherwise we will be

Mr Seth Gukuna (*interjecting*): For what, there are no people living there.

Mr Speaker: Order, order member of Parliament for East Honiara you may continue.

Mr Douglas Ete: This is our country and we must love our country by doing things correctly and spread national development throughout the country. And when developments are given down the premiers and executive assemblies must help the national government when projects go wrong in that particular province. Any obstructions to national projects, I appeal to the premiers and your executives to please assist the national government sort out those projects and help the government move forward to see what other options are available there in. Because national projects and national programs are not only for those in South Malaita, nor those in Makira or elsewhere, but they are owned by the people of this country. So premiers and your executive governments we must help together with the national projects to help our country move forward. On this note, I thank you and I conclude here.

Hon CLAY SOALAOI (*Minister for Police, National Security and Correctional Services*): Thank you for allowing me to also comment briefly on the motion moved by the minister for Provincial Government. In doing so, allow me to thank the Minister also for seeing it fit in bringing this motion. Before doing so, let me firstly underscore comments made by previous speakers. I think they all have stated very good thoughts already, which would be very helpful to our provincial premiers. My only hope is that our premiers take heed of what we are saying in here, so that they know who is supporting them and who is not.

Allow me to say that we are not the only leaders in this country. We are only but 50 of them. The premiers are part of a team that we might want to call "Solomon

Islands leaders". And some of us here have yet to show some leadership qualities too. I am saying this because I want us to act like leaders.

As I have said, we are not the only leaders leading this country and the onus is on us to ensure that we lead our people in the right direction. And it will be a disaster for this country if we as leaders are not able to see the end from the beginning. I think what I am saying is common knowledge that we should all know as leaders. We are here in this place because we have a vision for this country.

Having said that, allow me to take this opportunity to thank our premiers for helping us govern this country. This is a vast and scattered island country and we need a strong team of leaders to be able to govern this country. Therefore some of the resolutions in the Communiqué are raising alarms to some of us, some are raising support and also optimism from some of us. But I think with the help of our premiers we should be able to govern this country or find better ways to govern this scattered country. This is already a challenge for us. The fact that we have so many islands making up Solomon Islands is already a challenge for us in trying to govern this country.

It is also good for us to find out what really is wrong here in this country. Is it because we have the wrong systems? Is it because the systems are not being followed or is it because we do not have the right people in place? The question for us to answer is what is wrong? Is it the system or the people? Is it the system or the leaders?

Hon Sikua (*interjecting*): It is you.

Hon Soaloi: I think the problem is the one making noise on the other side there.

(laughter)

But having said that if the systems are okay then I think the problem is with us, we need to deal with ourselves to be able to follow systems or to be able to do things rightly.

Up until today it sounds as though we still do not know what is wrong. We blame the provincial government system as not good and so we prefer the federal government system. But nobody really tells us that the provincial government system is not good and the federal government system is much better. We know that since

independence we still need to develop. I agree with some of the speakers who said that it took some countries 30 years to progress to become industrialised countries. We are all under the same sun, we all serve the same God, we all have access to the same resources that other countries have access to. Some countries have nothing at all, just look at Singapore. We have very good potentials of our natural resources and I think this will help us to identify where the problem lies.

When I am saying this, you would agree with me that the problem is not the system. It looks like us, the human beings that are the problem. If we are not able to agree that the problem is with human beings or is with the system and we continue to blame the system, blame the people without having to agree on where the problem is, then we will not be able to move forward. I think the onus is on us leaders to be honest and really identify where the problem lies.

I guess what I am saying is if our systems are good, I think this country should have been somewhere already. I think our premiers should be able to help us find better ways to govern our beloved country and we should also help them find better ways to govern this country. It is an island country. It is not a country like Tonga or an island country. As the former prime minister usually said, he loves to be the prime minister of Tonga than Solomon Islands. I agree with him somehow but having ended up here in Parliament, you have no regrets. You should not have any regrets as to which country you are trying to lead. But having said that, having an island country like Solomon Islands is really a challenge for us, and I think we can only move forward if we put our hands together and help our Prime Minister, help our premiers and we should be able to develop our country and make life easier for our people to live in.

In terms of the resolutions of the Buala Communiqué, I support all of them and want to offer some advice on Resolutions No. 4 and 5. Resolutions 4 and 5, I think need to be massaged very carefully through us the leaders and also by our people with the help of our experts. Just imagine rushing these things and sometimes we might not know where to pay tax to. Whether we are going to pay tax to landowners or pay tax to whom. And the government will end up as not in existence. If we do not collect any revenue, the government will not have any money to function.

I am not against returning land to landowners, I am also not for it, but I am for a proper consultation with our people to ensure where we should put these lands. Whether it should be us and the people owning it or with the state or we throw it one side and then later having to look for land for development. I guess our focus in terms

of land reform should be on land that we want to develop. We should also allow our people to have some land as well.

Our people will agree with us, given the amount of land disputes that is happening, we really do not know where we will end up if all the land goes back to landowners and also if the all land comes to the state. We will look at both sides, and the problem would still occur on both sides, and so we really need to strike the balance on where the ownership of land should be.

That also applies to Resolution No 5. Let me encourage our premiers to work with us carefully on this, as I said, if I can use the word 'massage through' with our experts and also with our people. A lot of people outside Parliament know very much about these things and they can help us do it properly. There is no need to rush with some of these things. Let us do them properly and as a government we need to have a handle on some of the things that are crucial to the development of this country, especially land and our resources.

Without taking more time, I wish to once again underscore comments made by previous speakers. Having listened to those comments, I myself have gained some very important information from the debates in Parliament. My only wish is to encourage the Minister for Provincial Government to continue the good work. We will support you and our premiers. If there is anything that the national government can do to assist, then I think the right thing is what we are doing now. We need to know what they talk about and this is the communiqué as a result of the Buala meeting.

I also think that sometimes we should allow them to have access to what we talk about, perhaps in Cabinet or in Parliament. Sometimes they listen to us in here, those that have radios, but most importantly our premiers need to know what the Government is talking about, as these are our fellow leaders and we need to be on the same line with them as far as the development of this country is concerned.

Having said that, I thank you once again for this opportunity and I would like to support the motion.

Hon MOSES GARU (*Minister for Mines, Energy and Rural Electrification*): Thank you for allowing me to contribute to this very important motion moved by the good Minister of Provincial Government and Institutional Strengthening that Parliament resolves itself to the committee of the whole house to consider the Communiqué of the Buala Premiers conference. In so doing, allow me to first congratulate my good honourable colleague

for his reappointment as minister responsible for the welfare and the administration of all nine provinces of Solomon Islands. I would like to further congratulate my good honourable Minister for swiftly taking measures to ensure provincial governments are strengthened to raise their level of accountability in terms of their administration and management of devolved functions as translated in improved delivery of services to our people that we are seeing much improvement today.

Many studies have been undertaken by way of reviews, reports, highlighting major constraints, oversights of the provincial government system, which hinges on the deficiencies of the Provincial Government Act of 1980, so much so that the nation is on a very high temperature to now call for a federal system, as we have heard. This was adequately dealt with yesterday by the colleague member for East Choiseul in great detail, and I need not go further to discuss why the provincial governments were deemed to be ineffective in their capacity as agents of the national government, to act as catalysts for national development. My only intention is to endorse all the issues raised as contained in the resolutions of the Buala Communiqué as very important, very critical in our continued recognition of provincial governments as equal and important players in the delivery of devolved functions and efficient delivery of services to our people.

For some time now, much has been said and exposed about the manner in which our provinces manage and administer provincial governments and administrations both positively and negatively. So much so that provincial governments are seen as greater liabilities to the national treasury. They are seen as huge creatures that stand ready to devour our people's basic services, grants and capital development funds for unreasonable and unwarranted priorities and other material items. I stated this with due respect to our provincial leaders and administrators. This is the perception that our people have, public's perception, even I think those of us the national leader too as to how we see our provinces. Maybe we are thinking as to how they manage properties, assets, lands and money. I think a lot of perceptions have already painted our provinces as to how they manage the affairs of our people.

Provinces have plagued themselves so poorly from their past performances that their own people and simply the national government has lost total confidence in these institutions that should be complementing in implementing the delivery of services and development to our people. In saying so, I do not intend to underscore the importance of the Premiers Conference or to undermine the resolutions of the Buala Communiqué

and the importance of provincial government institutions, as provided for in the constitution and other subsidiary provincial government acts that regulates the administration of provincial governments. No.

What I am trying to say is that I believe that we can learn to recognize the provincial arm of government as the rightful and equal partner, as agents and catalysts for change, growth, development of province and our people. We must allow them as key players to participate in all spectrums and facets of our development process from national legislations, national budgetary processes and donor consultation negotiations like they have asked for.

This motion is simply calling on us to recognize them. And only through us acknowledging that recognition would we be able to come to appreciate the importance of the Premiers conference; only then would we come to appreciate the constraints and challenges faced by our provinces in their tasks to effectively and efficiently deliver services to our people. We need to support our agents with adequate and quality capacity and resources to our fullest support.

Without going through the specifics of the resolutions, which I feel have been thoroughly diagnosed by all other colleagues since yesterday, my intention through this contribution is simply to call for the national government to give due regard and recognition to the wishes of our provinces through their premiers conference, to be will be willing to listen to them. Let us not repeat our past negligence and ignorance to the cries of our provinces as rightly echoed by the honourable member for East Choiseul yesterday. Mr Speaker, just being able to listen to our provinces makes me seem to be able to understand their grievances, and this in itself is a positive gesture of respect to our provincial leaders.

As I said, my presentation is very general in nature as intended in support of this motion. Once again to conclude, I want to thank all the good contributions that are jointly shared by all colleague ministers, backbenchers and also those on the opposition side since yesterday until this morning. Lastly, I want to thank the Minister for bringing this motion for us to consider in Parliament. In itself, this is an achievement for the Premiers that at least their desires have now come through, and now that we are beginning to consider what they have been crying for, for some time now, I just want to thank you for giving me this opportunity to contribute to this motion. I support the motion.

Hon COMMINS MEWA (*Minister for Justice and Legal Affairs*): First of all, I wish to thank the good honourable Minister for Provincial Government for bringing this document to this honourable House. It is a very good document, but I must say here that it is untimely. For me as a new comer to this House, I should say that this is very, very untimely. I do not expect to see this sort of document at this point in time. I expect this to be brought to this honourable House earlier on.

I am really surprised that those who have spoken yesterday and even this morning, although they came up with some very good points, which I appreciate, of course, my only regret is that they sound as though they are new comers like me. Such a document like this should have been brought to this honourable House in the past so that these recommendations would have already been implemented in our various provinces in the country.

I am very, very sad that the fact this is delayed until now is how we lead astray our people in the rural areas.

Hon Derek Sikua: Point of order. Previous governments have very good reasons for not tabling these reports in Parliament. We have very good reasons. And so honourable colleagues should not dwell on the point as to why previous governments have not brought in the first Communiqué, the second Communiqué and the third Communiqué. I think that is an unfair criticism. Thank you.

Hon Commins Mewa: If the honourable Leader of Opposition has good reasons to substantiate his points, then I think he should do that later on at the sine die motion. But I would like to hear those reasons because I am very concerned about this document, especially...

(Members giggling and laughing)

Mr Speaker: Order, order, allow the Minister of Justice and Legal Affairs to continue.

Hon Commins Mewa: Looking at all these recommendations, as I said are things we have experienced in the provinces.

Mr Speaker, for your information I spent all my life working with my people for 20 years in the province, and all that are mentioned in this communiqué are things we have experienced. I was longing in the past to see some of these things implemented in

my province, the furthest province from Honiara. But not much have been done and this is why I am a bit aggressive from the inside when I see all these things not being done, and I see it as being very late.

I will comment on Resolution 6 on the federal system, and I will reiterate some of the things that have been already mentioned. On federal system implementation, I believe as echoed by my sonny boy, the Minister for Police,

(Members giggling)

Yes he is my son, in case you do not know.

I believe the system even the provincial system now is not that bad, it is the people that implement the system that are not performing to what is expected of them. I believe that there is no system that is bad, it is the people who are bad, it is the implementers that are bad.

About two months ago we had a conference here and I said, this is one of things I said and I want to reiterate “the harder the problem is the problem of the heart”. It is us who are implementers that are the problem. It is not the system. I believe most of the systems that are laid down in black and white in most books are absolutely correct. It is the people, it is the human beings that actually implement those systems that are bad. Whether we actually move on quickly to this federal or not, I believe if we are to move on to any system it is us who have to change so that we actually implement good things for our people because it is not the system but it is us.

My second point is on Resolution No. 17 and this is concerning teachers travel. I do agree with the honourable member for East Honiara, being in the education authority for some six to seven years, this is one of our main problems. Although the Ministry of Education says that the education authorities are responsible for teachers travel, the Ministry does not give us the money for teachers travel. Just imagine like in Temotu province where I look after 400 teachers, at the end of the day when they tell me to pay for their fares or their travel expenses, every December I have to run around and I have conflict with my PS and Premier because the thing is vague, I should say, it is vague, it is not clear who is actually responsible for the payment of fares. I want this to be put straight because it causes a lot of problem to provinces. I believe if Temotu Province is facing this problem other provinces, I believe are also facing the same problem. There must be a clear distinction as to who is to actually pay for the fares. I want to give a concrete example of this before I take my seat. Now we have cows

ordered from Vanuatu and the Minister of Agriculture is responsible for that. If the Prime Minister tells the Minister of Agriculture to release the cattle and distribute them to the provinces without giving any money to him, how would the minister be successful? It would be difficult for the minister to do that because he only looks after the cattle, they do not belong to hi, they belong to the government and so the government has to give him money to actually disburse the cattle to the various provinces. That is how I see myself when I was chief education officer of Temotu Province.

Every time in December I was expected to send all the teachers to their respective villages, but I do not employ those teachers, the teachers are employed by the government, I am only administering them, but when the teachers wanted to go back to their villages I was told to pay for their fares. I see this as nonsense, and so I believe the NCRA Government is going to do something about this that it must be clearly stated as to who is going to pay for the fares. If the province is going to pay for teachers fares then the government has to give money to the premier or the provincial governments. This must be clearly stated.

I always fight every December, I have to fight with my Premier, I have to fight with my Provincial Secretary. Resolution No. 17, I really agreed with what the honourable member for East Honiara said earlier today. I would like to make that part very clear so that we look at this very carefully and improve on it so that we do not fight every December. With that I will take my seat and I support this motion.

Hon HYPOLITE TAREMAE (*Minister for National Unity, Reconciliation & Peace*): First of all, I would like to thank my colleague, the good Minister for Provincial Government for taking this motion to this House for us to debate.

I just want to say something about premiers in the provinces. I normally picture this as a tractor where a tractor is a machine that can do multiple works that we know is one of the best machines. If you look carefully at a tractor, in between it is a hook, it only has one hook, not two hooks. And the premiers, I see them as the hook and the province as the trailer of the tractor. If the hook is not connected to the head, no work will be done and it will be lost and the trailer would not be pulled. I am sad about this as someone living in the province for a good part of my life and I see this.

I think what the premiers are doing is more than enough. It shows they are doing things that should be supported by us. All the resolutions in this paper show the

problem that it is only us that are not connected with them. And throughout the times when provinces try to bring these things to our attention, it is good that we do those things so that our provinces can come up in the way they should be.

The systems that we are trying to adopt, I do not believe in systems because we can say if we follow this system it will be all right. I think I support those who said that I think it is us human beings who are the problem. If we looked at this carefully, I think the system itself is good. Whatever system we are going to adopt will be there, but it is only us, the human beings that would make the system come to reality. Whatever system we are going to adopt and say this is the best system, but if human beings are not right, the system will not be valid. I think that is what we have been always doing. Whatever systems we adopt all comes down to us leaders, and the 50 of us in here - we represent our provinces back in our constituencies. I do not believe in the system. I think it is human being that is the problem. If a human being is good, the system will also be good. Even if we take a system that is working, but if a human being is not good, the system would not work as well; the system will not be right.

The other thing I would like to comment on is Resolution 4, which talks about land. I see this as a major problem. Today, if you see our courts, some of the cases heard there, I often noticed this, and I am not sure about other provinces, but in Makira, court cases on land; sorry for using this word, but if you are a skilled con-person you can easily win your land case. No matter how much the land is not yours, but if a person is very skilful in con deals you will win the case in court, the real owner will lose the case. This is a real concern and I do not agree with this. For myself I feel hurt that the real landowners often lose their land, it is the con-artist after all that wins. Sometimes we can go further in bribing judges. And that is for those who have money in addition with their skills in conning, the result is often in their favour. But really it is not their land.

Just imagine those elderly people back in our villages who cannot even talk properly in courts, which just make it worse. I am really sad about this. There is need for change to this system. And like I said, whatever system we would like to adopt, if such behaviour of dishonesty is prevalent, the problem will still linger and nothing will be straight.

Again, I would also like to contribute on Resolution 17 on teachers. Being a former teacher myself, I also sympathise with teachers. This has been a long standing issue that we need to address. If we look carefully at all the jobs, I think teachers are the

bottom-line of all careers. Before anyone becomes a doctor, he or she must be guided by a teacher. I mean someone has to teach him or her you on how to become a doctor. There is no other system we can go through, but we have to go through someone teaching us. Therefore, it is good that we must recognise teachers. I sympathise with them because during my 18 years of teaching, I never received any fares and travelling allowances. It was too difficult. Even the salaries of teachers are very small, and really inadequate to survive on.

I think what I see here is that it would be good for the government to look into this concern and I hope we can address it so that we improve the system. In Solomon Islands, I think teachers receive the lowest salary. Those of us sitting down here sometimes we say we want our salary to increase. But the teachers have been crying for a long time - they want their salaries to be increased or whatever entitlements they should receive, and I think we should support them to get it.

Before I sit down, the last thing I would like to say is I think one of the problems here is that those of us sitting down here, sorry to say this, but we do not work together with our provincial members and the premiers. I am saying this, especially for us in Makira because I know that Makira Province has been in existence for about, say 20, 28 years, but this is the first time in history this year for the four members of Parliament from Makira Province to go to Makira during the second appointed day and meet with the Makira Provincial executive. That is the first time in history. I do not know about the other provinces whether you MPs arrange to meet with your provincial executives or not. Maybe that is one area that we need to look at. I think if we go down to meet with them, we can find out what their problems are rather than us just sitting down here and provinces sending their problems to us and then we debating them on the floor of Parliament. With these few remarks, I support the motion.

Hon BRADLEY TOVOSIA (*Minister for Fisheries and Marine Resources*): I would like to thank other colleagues too for a lot of good contributions on this motion. I think a lot of discussions are full of wisdom, and so I would like to thank the Minister for Provincial Government for bringing this motion to Parliament.

I would like to take us back to the time of this conference as I was the minister for provincial government at that time. During that time I was in Buala for the whole week of the conference. This communiqué is a simple one. I think the premiers are asking us members of Parliament to seriously look into what they are facing.

I was sitting down here listening to a lot of good things being raised. A lot of you members have debated this motion in detail on important issues, which is good. I think for us, the new ones, we have learned a lot.

This communiqué is a simple one. The premiers are not asking for food, colleagues, they are not asking for every day food. Let us look into these issues seriously.

I am a bit sorry because I started my political career as a provincial member, and I did not properly complete it and I came to Parliament. But I can see the seriousness of the issues expressed by the premiers. If we are to take care of this country and our people, we have to look into this communiqué very seriously. The next stage is I really want us colleagues to pass this communiqué. We cannot just see this and do nothing about it. It does not mean anything if we talk about us as leaders of the country and we take people very lightly like this.

I personally must express it very strongly on this floor that we must pass this communiqué - it must go through. Who are we talking about every day in here? Are we going to speak very good English in here and do nothing about our people?

Colleagues, as I have said I like the way you contribute, it is wisdom for me and I believe all of us and the people who are listening out throughout the country now as we are talking in Parliament.

I would like to say that the theme of the Buala Conference is 'unity, harmony and progress.' I think premiers are looking much deeper into this issue. Let us look at the theme of this communiqué. What does it mean to us in here? People out there are waiting. Because in the 2014 elections we will go down again and ask our people to vote us back again into Parliament, and for these four years we will just be sitting down here doing nothing. Honourable colleagues, that is my encouragement and I will stop here. I want us to now go to the next stage so that we pass this Communiqué. I once again would like to thank everyone for their contributions and I support this motion.

Mr MATTHEW WALE (*MP Aoke/Langalanga*): I would like to add my voice to the chorus of debate that has been ongoing on the Communiqué. I was not going to speak but listening to my dear brother, the Minister for Fisheries prompted me to add my voice because he is right. It is very important and I think that like all other matters that come before us in this House, we do need to hold them in some balance that we do not overreach and that we do not set expectations way, way too high so that when we do not meet the expectations, because Rome is not built in a day, these things will take

time, and I think that is where expectations can become high for something to happen tomorrow and when it does not happen and then we come back and blame each other saying the government does not do it. But these things take time.

The other aspect of the debate that I have been listening to and which I suppose a reiteration of it is not heard is that there is absolutely nothing standing in the way of provincial governments negotiating additional functions and through devolution that is already a law and seeking additional resources under the annual agency agreements. The practice of negotiating annual agency agreements has died out and there is absolutely nothing stopping the provincial governments coming to the central government and doing it. They should start it now for next year. It is a bit late but there is nothing stopping them. Certainly, they can start it next year. They wanted health services to go down but last time it went down, and I think the Mamaloni Government recentralized it, which the MP for East Choiseul touched a bit on it. It can go down again, perhaps last time it went down without the doctors and without the money and so this time it should go down with the doctors and the money. We know better now.

Should education go down totally so that the issue of travel and who the employer of teachers is and so forth should go down totally? Give down totally issues like that. There is nothing standing in the way, there is nothing stopping provinces from assuming full control on these matters. That is the thinking behind devolution and this is already a law. There is no need to pass a new law to give this power down because it is already there, we just have to use it. That is the reality of it. And because it is like that, the system is important. It is true that even if the system is not really a good one but if there are good people that system will work properly. If a system is not good but there are good people, those people might flag the loopholes and the system might work properly again. If a system is very good but conman are running it, the system will not function properly. That is what it is. And so the point made by the Minister for Justice and the Minister for Reconciliation that people are very important is very true. However, the system is also very important because the system is already there, the powers are there and it is provinces to assume the powers through legal mechanisms that are provided, that process along the way seems to fail somewhere or has stopped. There is a disconnection.

If you take that and you look at all the aspects covered in the Communiqué, but more broadly more widely, the issues that are required for any system of government to

work, and in this case for the provincial government system to work, I think we would come to, in summation we would say that the provincial government system has failed for the want of trying. We do not really try to fully implement it. We have never tried testing all the legal mechanisms and provisions that are already in place. This is like us having a canoe we have not gone out fishing in it yet, but we are now saying the canoe is leaking and things like that and so we now want an outboard motor and a fibreglass canoe. But nothing is wrong with the canoe. There maybe things wrong with it, but we would not know if we do not try it out fully. I suppose that is my point.

The other point is that any system, whatever system we are looking at, whether it be the federal state or the current provincial one, the provincial one is copying the example of Papua New Guinea by the way and Papua New Guinea has evolved now with its provincial government system, and so perhaps we need to look at PNG'S example as well. But any system can only facilitate development in a country and the aspirations of its people. The system itself cannot be a substitute for the initiative and industry of the people. And so perhaps in this debate we do not get lost on the point that everything will be determined by the system so that if the system does not provide for it, we cannot do anything. There is nothing stopping us as a people. We are an industrious people, and perhaps the question of resourcing is the issue and this is an issue for the government to look at. And I am sure the Minister of Finance is thinking about this in the budget that he will be tabling in Parliament very soon.

It is important we talk about the delivery of public goods and services to the people, and we say it is important as agent of the central government that provincial governments are to deliver the services. Even governments do not have a monopoly on the delivery of public goods and services to the people. But perhaps the system is important in setting the boundaries for governance and also the allocation of resources at the national level to look fairly at every province. This, I think, is a latent issue where the current debate and the process of the federal state – the government that we are looking at and thinking about is still struggling with. The question of resources, natural resources or a resource base for each state in the future; some provinces or states will have access to more resources than others. And so what does it mean to be a country together? What does it mean to be a Solomon Islands together? And some of those issues are in some of the resolutions here on amendments they want to the Lands and Titles Act and the Mines and Minerals Act. This is not mentioned in here, but I am sure there are other areas that if we are to pursue the particular direction the premiers are

pointing towards, then it will begin to point to a kind of a Solomon Islands nation state we are talking about.

This leads me to say that there must be a robust process where issues to be considered by a premiers conference must go through. It is obvious in some of these issues that some of these were not well researched and some of these were not well thought-out in terms of the kind of vision of the Solomon Islands state that we want and the kind of Solomon Islands society we want to see in the next hundred years. Let us not think back to the tension that happened to us in the past and therefore we must be this and that. History is important because without history we will be floating all over. But at the same time history helps to guide us as to the kind of future society we want to create. And in these particular matters, I think the kind of Solomon Islands state we want is to hold together the Solomon Islands society that we want to see. These are very significant issues but it points to, and we are not blaming the premiers; there is no proper robust process in place and perhaps it is really good the Minister brings this paper for debate here so that a more formalised process is established to look carefully at these issues; get all information together, research them and make it consistent with government policy and the kind of vision the government wants to give this country because this is important.

If we are to follow some of the directions—for arguments sake I am outlining it this way, some of the ideas going down one road, we may end up in a Solomon Island state where the state itself is unable to hold the society together. This basic question of, do we want a Solomon Islands sovereign nation within the integrity of our geographical boundaries intact? If the answer is yes, how can we ensure this country remains as a nation state, and what does it mean for Solomon Islands to be a nation state? What does it require for a nation state to function, and what does it mean for that nation state to exist perhaps as an equal within the region where other nation states compete for international resources, international attention and international relations? These issues are important. If we lose sight of that big picture, it is important in the detail but then we may get it out of kilt, we may get it out of balance. I think it is important to hold together both ends a bit tight when we talk about the details of it. The detail of it is important to connect the two ends.

I just want to reiterate a bit the point made by the MP North Vella and the MP for East Choiseul. We do not stop until the proposed federal state constitution comes to Parliament next year because June next year is the timetable they were saying it will

come to this floor. Let us not assume either that when it comes here, it will be passed as it is. That is a huge question. It may be rejected outright or parts of it may be rejected. We are not in that canoe yet, it is going to take some time to work it through and nurture it through the process that will culminate in a new constitution. Let us not wait until that time, and provinces, the premiers themselves should not wait until that time. Powers are already in the Provincial Government Act; provisions are there and certainly the constitution is clear about the expectation that provinces will assume more powers and more functions. And where there is responsibility there must be capacity. Responsibility comes from existing powers, if provinces want it, then the central government must give resources to provide the capacity to be able to deliver on the ideas, on important responsibilities that provinces would want to take on. But this argument to quickly implement the federal state government; if you want it quickly now then you have to assume those powers so that you demonstrate that you can administer those powers with the resources given by the central government in a way that is responsible and in a way that people can trust the provincial level government.

Many speakers who have contributed earlier on talked about the question of trust in leadership. I think this is a very pertinent issue for all of us here on the floor of this House and also on the floor of provincial assemblies - trust in leaders. And perhaps it goes further down, trust in leaders — we do not have area councils now but trust in village leaders, tribal leaders in the way they especially handle money and where there are powers, where there are governance responsibility, and where there are governance responsibilities governance powers at stake, and especially when those powers touch a bit on responsibilities of resource allocation decisions. When this happens these powers could become commoditised; decisions taken using those powers relate to allocation of resources or allocation of licenses or permits, rights and things like that, the trust of people on us begins to be questioned, sometimes wrongly because leaders have to take these decisions. And we note that our culture is a bit common on hearsay where we accuse each other on things where a lot of time is not true. In our culture to make up stories is very easy but when it comes to proving whether the story is true or not before we realized there is nothing to it; so sometimes wrongly but other times rightly. The question the Minister for Justice referred to it earlier today in his speech when he said something about the problem of the heart or the heart of the problem. In that workshop he was speaking and the Minister for Foreign Affairs was also speaking during that particular workshop, pointing to the fact that there are, for example, say an officer

works at the Lands Department earning a salary of perhaps \$1,000 a fortnight as take home pay, yet that officer accumulates a couple of houses, we begin to ask the question how can an officer; we are not saying it is bad, we want all officers to have many of houses, but we are saying do it rightly. When the responsibilities are in our hands to administer and we begin to accumulate wealth beyond our means, are we surprised that the people do not trust us? Are we surprised that our leadership is seen with some derision that people do not look up to?

These are issues for all of us, and we are not pointing fingers at anyone of us, but these are issues for all of us because we all handle large sums of money. We all handle the RCDF, the Millennium and other development funds directly in our hands. But as ministers, some of you are also responsible for decisions that impact on these kinds of issues but also down at the provincial level. And so this issue is an issue that we would wish we could just wipe it clean. Even if a tsunami comes and the 50 of us die, this is an example, and 50 new one comes in tomorrow, I think it will not fix the problem. This problem is a bit entrenched and so it is not something that can be quickly fixed.

We have had Christianity in our shores for more than a hundred years now and yet we begin to struggle with the human condition of greed because greed underwrites this lust for more, which gives rise and give cause to the fact that our people lose trust in leadership. And so it is an ongoing issue for us to continue to think strongly about.

I also want to raise that PNG has moved to the governor system and perhaps it is something for the federal state process to look at once it gets there. Or even beforehand, may be the Minister wants to do some research into that. Perhaps the premiers ought to have some seats here in parliament so that issues of provinces can be brought straight onto the floor of Parliament. I think the Prime Minister is going to tell us clearly that we have to give 10 seats to women, and this is a really good thing that we must do. But also perhaps we should also give it to the premiers.

We know in Afghanistan it has this Loya Jirga where may be once every four or five years tribal chiefs come together, and so it is like parliament plus community leadership where issues are flashed out and so forth and then the formal process of parliament and legislation continues. It gives a sense of direction as to how parliament and government can move on issues they are moving forward on.

I will not dwell too much on these issues because when we go into the committee, I am sure more details will come out from the Minister. But I am impressed

by the level of debate that has happened on this particular Communiqué, and like others before I support a lot of the thinking that the premiers came up with. But above all I support the thinking that these thinking must come up to Parliament. The engagement of the highest law making body in these lovely islands with premiers is an important thing. But I caution that we need to hold things in balance. It is not good we look at one part of the elephant and we say that part is more important than all the other parts. We need to hold everything in balance under the wisdom of knowing that Rome was not built in a day. Let us work consultatively and when we talk about consultation it will take time so that we carry the rest of the community with us in addressing some of the issues that are very fundamental reforms, especially in regards to land. With these few comments, thank you very much.

Hon Walter Folotalu: In winding up the debate, on behalf the nine premiers of the nine provinces of Solomon Islands, the Lord Mayor of the Honiara City Council, I would like to thank all speakers from both sides of the House. I would like to thank you all speakers for your support, your contributions, your counsel, your advice I have taken note of all your opinions, I will get a copy of Hansard and so I will sit down to scrutinize all your comments properly.

In response to all parliamentary debates since yesterday on the federal constitution, the provincial premiers have noted that good efforts are being made in this direction, but they also feel strongly that the empowerment of provincial governments should not depend mainly on the adoption of the federal constitution. On the question asked by the honourable member for North Vella La Vella on should the Minister wait for the federal constitution, no, we will not wait for it, service delivery cannot wait any more. The increase and flow of public funds to provincial governments to align their resources with their mandated responsibilities and to build capacity through incentives to improve performance must go on.

On devolution of powers from provincial headquarters to communities for participatory planning, these are areas where the Ministry of Provincial Government and Institutional Strengthening is working on with the PGSP. A framework for participatory planning is already developed and this would be tabled before Cabinet for endorsement by early next year. This would enable communities to participate meaningfully in the local development decision making process.

On the Prime Minister to chair the premiers' conference, I acknowledge the advice given by the member for East Choiseul that the honourable Prime Minister should himself be the chairman of the premiers' conference. This is a matter I would pursue further with provincial premiers in due course. I also indicated in the closing speech I delivered to honourable premiers that if they want to see results of premiers' conference, they should broaden the parties involved in the conference. (see a copy of the speech attached to the Taro Conference report). My speech is here including my photograph.

On the failure of provincial governments, we all recognise the failure of provincial governments to deliver services effectively, but there has not been consistent efforts so far to decentralise service delivery and provide resources for service delivery. In the past, no efforts have been made by successive national governments to build the capacity of provincial governments to take their rightful responsibilities. Instead what we have been seeing over the years has been reduction of provincial administration to a level where they cannot deliver services anymore. I am making efforts to reverse the trend. I believe with the help of the NCRA Government, we would take concrete steps to empower provincial governments.

On section 19 of the Provincial Government Act, 1997, section 19 of Provincial Government Act 1997 has been handled by my Ministry, and we are waiting for response from the Attorney General. I have meanwhile circulated a letter to the honourable members. I noted calls from both sides of the House for caution on this resolution because of its implication on democratic processes in provincial assemblies. Any amendment on this shall be discussed by this House.

On the Buala Conference communiqué, the delay in tabling the Buala resolutions to Parliament has been due to the following reasons. The communiqué was ready to be tabled before Parliament in the month of March 2011. But we were told that the March parliamentary meeting was only for the budget process and since then there has been no parliament meetings. The proposed August meeting did not take place as well and therefore I had no opportunity to table anything before the National Parliament. Some have also made comments on the Temotu Communiqué, the Tulagi Communiqué, the Lake Tengano Communiqué asking why these communiqués are not brought before this House. Those communiqués were not brought before this House and I cannot table them.

On the issue of planning and budgeting, I wish to inform the Leader of Opposition that the ministry has so far developed very good planning guidelines for provincial governments through the technical support of the Provincial Government Strengthening Program. Training is being conducted for provincial staff on a continuous base and review meetings are being held to review plans with regards to their quality.

On strategic plans, the Ministry with the UNDP funded PGSP shall assist the provincial governments in developing five-year strategic plans based on wards and provincial profiles to be compiled next year. You may not be aware honourable colleagues but the provincial government planning system seems to be of better quality compared with what we see in line ministries of the central government. But since there is no room for complacency my ministry shall continue to improve the planning and budgeting system in the provinces.

On provincial budgets, provincial budget are now linked up to annual work plans of provincial governments and the cash basis of budgeting is linked to the International Public Sector Accounting Standards (IPSAS), something the national government is yet to achieve. All efforts are being made to upgrade the skills of provincial staffs in this area.

The objective of the Ministry of the Provincial Government and Institutional Strengthening through the PGSP is to strengthen the public expenditure management capabilities of provincial governments. This is the only to ensure that public funds are fully accounted for and to give assurances to the national government that provincial government have the capacity to account for public resources. My Ministry shall therefore continue to spend resources in public expenditure management, capacity building and also build the capacities of provincial elected leaders in good governance.

On devolution of functional responsibilities, my Ministry is carrying out a study to seek clarification on functional responsibilities of provincial governments at the provincial level. This study shall intensify next year to determine who is responsible for what and who should pay for what.

From the speech delivered by the Deputy Prime Minister in Taro last month, the Ministry is ensuring that costing of service delivery is undertaken by the ministry through the PGSP in 2012. This is a tedious exercise but the outcome of the exercise shall be critical to provincial government planning and budgeting process and even the Ministry of Finance and Treasury. It will enable the national government to determine

expenditure needs of provincial governments and thus allocate resources accordingly to the needs of provinces.

On deficiencies to the Provincial Government Act 1997, my Ministry is aware of deficiencies in the current Provincial Government Act 1997 as it has been overtaken by modern day events. In this regard, we are making efforts to review the Provincial Government Act 1997 with the help of PGSP and the Centre for Democratic Institutions in Canberra. Provisions for this are being made in the PGSP annual work plan of 2012.

I must assure you that whatever reviews are recommended, it would be brought before the House for serious debate before endorsement. I see these reviews as forerunner to the federal system. An example of this is that in biblical times, when John the Baptist introduced the new government of the Messiah, he was the forerunner. Therefore, this is also a forerunner - these changes. But the message that John the Baptist brought is repentance. To enter into a new government and into a new kingdom, it must be through repentance. Therefore, we too, when we go into transition we must also must change. We must change in our attitudes, change in our minds, change in our mentality. For us to say we are going into the new federal system as it will bring miracles to this nation, I do not think so because the heart of a man is more deceitful than anything. It is these changes that have to take place. Let us set some platforms so that when we escalate into the federal system, at least we have some benchmark to step upon and then we go into the new one because if we do not prepare we will go into the unknown.

In regards to the Taro Conference, I wish to inform you that the Taro Conference and Cabinet submission of the Taro Communiqué are now ready. The report has already circulated and the Communiqué will be tabled in the next sitting of Parliament. With those remarks, I beg to move.

Question agreed to

Committee of the Whole House

Mr Chairman: Honourable Members, the paper before this Committee is the National Parliament Paper No.1 of 2011, Buala Communiqué of the 4th Premiers' Conference.

Before we go through the paper, I wish to remind all honourable Members that debate may extend over all the details contained in the paper. I will allow discussion on

paragraphs of this paper but will not put any question or allow any amendment in relation to the paper. I propose that we go through the paper page by page.

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Mr Milner Tozaka: I will ask a question on Resolutions 1, 2 and 3. Can the Minister inform us of his recommendations to the Cabinet for his ministry to implement these three resolutions? Resolution 1 is for the premiers' council to be established by law, revise section 25 of the PGA etc, and revise the PGA. What is the Ministry's advice to Cabinet on these important resolutions to be implemented and what is the Cabinet's advice?

Hon Walter Folotalu: We have submitted a paper to Cabinet because we need the advice of the Attorney General as to whether this will need new legislation or an amendment to the existing Act.

Mr Chairman: I will also allow the Minister for Fisheries and Marine Resources to assist the Minister for Provincial Government because this paper was during his time as minister for provincial government and so the Chair allows the Minister for Fisheries to assist the Minister for Provincial Government.

Mr. Matthew Wale: Just a follow up to the question by the MP for North Vella. Has the Attorney General given the advice already as to which direction ought to be taken with regards to this matter?

Hon. Folotalu: The paper is now before the Cabinet. We have submitted a paper three weeks ago and so it is in the process of being debated in Cabinet and then the Cabinet will decide on it. So far we have not received from the Attorney General yet. But the paper is there, and since the AG will also be in Cabinet, and so the matter is before Cabinet.

Hon. Derek Sikua: On the premiers' council, I would like to ask if the Minister can inform us on the proposed composition of this council. How many members and who will be in the council? I guess it will be the premiers but how long will be their tenure in the council and where will the secretariat of the council located?

Hon. Folotalu: The paper is put forward; it is a concept paper and when the Attorney General and the Cabinet see it fit for us to establish the council, then those components will be considered. So far we only requested that a concept paper will be put forward to institutionalize the council. It is just a concept paper and if Cabinet agrees to it then the details will be looked into later.

Mr. Wale: To help our discussions flow a bit, perhaps the Minister should make clear to us which matters is the Cabinet yet to properly consider. It is not good for us to jump ahead of the Cabinet on this. Ideally it would have been better had the Minister wait for the Cabinet give directions on those matters so that which way the Government wants to go on these matters would be clear so that when we discuss it is a bit more productive, there is some clarity as to which direction to go. Otherwise we go through these things, we come to the same answer, it is still on the paper, we wait for the concept paper, we will just be going around. Perhaps a little bit of clarification will be useful because obviously there maybe questions of a little bit more detail on issues that premiers request in the resolutions. But if Cabinet is yet to deal with them, then it would be difficult to really go into any of those details. Perhaps the Prime Minister might like to help out on this.

Hon. Gordon Darcy Lilo: Like the Minister has said, we are still doing further investigations and assessment as to how this council will look like, its makeup, what sort of powers will be vested on the council and so forth. As the intent of the Communiqué says, and that is to bring parts of it that is required to go to Cabinet, I think that is basically what it is saying there. And also for the information of Parliament, and that is why it is here. As the Minister said, as soon as all the necessary research and work is done on what the whole concept will look like, obviously it will be put out to the public for us to start discussing. And if it comes in the form of a bill, then obviously it will not go anywhere but it must come here. Whatever Cabinet is yet to consider, I do not think is right for us to mention in here.

Mr Manasseh Sogavare: I think going back to the point made by the member for Aoke/Langalanga and the response by the Prime Minister, if you look at the Communiqué itself, I think paragraph two is very relevant to the point raised by

Aoke/Langalanga, 'that Premiers also call upon the honourable Minister to take this Communiqué to Cabinet with recommendations and to table it before Parliament alongside the national government's response to this Communiqué'. I think what is missing here is the Cabinet's response. And so we miss one very important document. And this goes back to the point raised by Aoke/Langalanga that every time we raise an issue, the Minister will turn around and say the Cabinet is yet to decide on it. Who knows whether what the Minister is saying is true. Maybe we can use Cabinet to escape from answering questions in Parliament.

What really should accompany this Communiqué is a response by the Government on all these 25 items in response to premiers. We can go on asking questions but if the Minister says it is still in Cabinet, we will just stop there, we cannot go on and pre-empt Cabinet's thinking because we have to stop right there in terms of protocol. So where do we start? We might not be able to continue with this committee until we have the response of the Cabinets to all these items.

Hon Walter Folotalu: That is quite a valid point. I just came into this office about eight months ago and so when I am saying these things I am honest that I am taking them to Cabinet but Cabinet is yet to decide on them. If you want us to find the details we will be pre-empting Cabinet's decision. And so what I said is true. We should only look at the spirit of the Communiqué. Because when you ask me for the details, some of these things is what I have presented in my report yesterday in that I have achieved some of and others not yet. Unless you ask me of some of the things I have achieved before it is right, but the others I think it does not make sense to me. But it is good for us to look through the comments.

Hon Gordon Darcy Lilo: Obviously, if you look at paragraph two of Resolution 1, that is the desire of the premiers. That is the premier's desire, it is what the premiers want. But for the Minister to report to Parliament he can simply submit the paper and then allow Parliament to consider what is the desire of the premiers, and then later on we can come back and resubmit it again.

There is nothing wrong in us taking this paper back and resubmitting it here. In fact, the rules of the Standing Orders of Parliament do not forbid us doing that, but it is always right for us to give the spirit of the communiqué what it intends, which is what the premiers wanted that whatever comes to Parliament must contain alongside the

government's response. The Minister said that he is in that office for only eight months and given that time has already overtaken us, I think it is best for us to go through with it and then go back and come back again with nice responses the government will make.

Taking the words of the member for Aoke Langalanga earlier on today, we have to hold the balance of ever thing that comes in here. And by doing that we do not cause one aspect that might have the balance to this whole discussion deprived of it too.

Say for instance in Resolution 2, the premiers would like to make an amendment to section 25 of the Provincial Government Act but the government has instead of amending section 25, it has gone ahead to budget for the salaries of speakers and clerks under the 2012 budget. This will be reflected in the 2012 budget, and so instead of amending section 25, the government has gone ahead to include it as an expenditure under the appropriation act which serves the same purpose. And so there is no need to change section 25 of the Act.

The other issue on Resolution 3 is the same problem we also have here in this Parliament. For instance, last time we want to hold the government balanced and so we change the Minister's Prescription Act where it started off from 19 to 21 to 23 and now it hits 24. And why it hits 24 is simply because we have another scheme under the Parliament for the chairman of standing committees and also the chairman of caucus which have become parliamentary positions to hold the government balanced. I think this must be the same thinking the premiers want. I think that is the kind of scheme that premiers want to try to hold their government stable.

But as you can see this is very much political but, of course, we are talking about provincial government and it is also as what the constitution says, it talks about the political division of the country, and so if politics is part of our country and part of what the constitutions says for a sovereign nation then let it be so; let us talk it out here, let us discuss it.

Mr. Maneniaru: I noted what the honourable Prime Minister is saying. I am still quite confused as yet with the procedure. Because the Minister has confirmed that these important resolutions are yet to be considered by Cabinet to be formally put as East Choiseul has said. If this goes through Parliament, it means we are hijacking the process as far as the procedure is concerned. If we make the decision here what would Cabinet do? The fact that almost the whole house is in support of the resolutions in our

contributions and so if the Cabinet's responses on these 25 resolutions are here, and then we go through them now, then I would see it as right. But otherwise Parliament is here to look at these, what sort of decision are we going to make here when Cabinet is yet to come up with its decision on these resolutions. That is what I am still confused about.

I think the procedure is that the Ministry forwards it to Cabinet and Cabinet's responses on the resolutions come and then Parliament considers it then that would be right to me. But I need a clarification on that. Thank you.

Mr Chairman: I want to clear the Chair's position, the Parliament's position on this. In fact, Parliament is only giving its blessing to this report and the proposals recommended in the report. That is the reason why we cannot vote for or make any amendment. And then that will go ahead for the government to continue and because Parliament is now giving its blessing for all the recommendations contained in the report. That does not stop the government to continue on with the recommendations to be implemented or make policy or amendments in whatever relevant acts as maybe forthcoming. That is the position of Parliament.

Hon Derek Sikua: This side of the House will have questions on all the resolutions, and as the Minister has mentioned yesterday he is yet to implement 13 out of the 25 resolutions. That means he only implements 12 or is setting in motion implementation of the resolutions.

Now it would be of great assistance to the committee if the national government's response to this Communiqué accompanies the Communiqué so that questions we have either in support of or questioning why government would like to make those moves. Because if, in the case where a resolution is not yet being implemented by the ministry responsible and for which a cabinet paper or a concept paper is already in Cabinet but government is yet to make its decision on it, we stand the chance here of the Minister saying something that maybe is not true and therefore contempt of Parliament. That is my concern. Otherwise the minister might be saying one thing this time but when the government goes to discuss it later on, it comes up with a different thing, and that is contempt of Parliament, in my mind.

I think we need to seek some legal advice on this and so let us suspend the Committee of the Whole House so that we get advice on this and then we can come back in the afternoon to hear the advice and to proceed or we suspend it.

Let me make it very clear to you Mr Chairman that we are going to bless this or we will support it, but the national government response is what I think this side of the House will support or will question. Otherwise we might be talking nonsense but then at the end of the day something different altogether will be the way the government would like to implement it.

Hon. Gordon Darcy Lilo: We do not vote in the committee of the whole house so as to hold any body accountable. But we do ask questions for clarifications. I think that's what the Standing Order states. I do not have the standing order with me here, but the Speaker, I think will guide us on this.

My understanding is in the committee of the whole house, you do not vote. You basically ask questions or a clarification, that's all we are asking for in the committee of the whole house. And if clarifications and question are to be asked, how can you relate it to any matters of contempt in that way, I do not think so. Because clarification, whether in affirmative or no! it remains as it is; it will be guided by the Speaker too, as we go through the committee of the whole House. So I do not think there is any harm at all at the committee stage to proceed for us to look through this report.

I think the only thing which this resolution highlighted that should go to cabinet is the resolution Number 1 - The premier's council. I think that's what the minister was saying, that they are currently developing a concept paper on it that is now before the Attorney General's chamber for them to advice on the actual submission to cabinet will look like on the establishment of that premier's council.

All others I believe these are matters that you know we can teach ourselves to clarify questions and things like that as we go along in proceeding of the committee of the whole house.

Hon. Dick Ha'amori: This is an issue confronting us, I think are procedural matters, whether it should come forward at this time or wait. That is the issue, it's not the question of whether this communiqué is good or not. But in my humble, there is nothing wrong, especially when we consider the bipartisan spirit of the submission. I am sure that the government could have – like some other governments they decided

that the communiqué only reaches the cabinet and they dealt with it. But this government thinks that it comes here first and we consider it together. Both sides of the house in a good spirit, after we sighted it and then it's either we accept it or do not accept this communiqué. Now we have reached that stage already. We have come down to the committee stage, which like the prime minister has mentioned, we will ask some more detailed questions and clarification about the intentions behind this communiqué.

Once we accepted this communiqué, then the government through its cabinet will go back and deal with the details. Some will require a bill whilst other will only require a policy, and that which will need the blessing of the parliament will eventually come back. Unless something prevents it. We will come back here and say this particular part like this on the communiqué will require a bill.

The other ones that we have not seen out of the 25 Resolutions, are merely policies, so we can deal with them down there and not necessary to bring them back to Parliament. So in my opinion I see all is in order. There is no mistake to it— just an addition thing as mentioned earlier on that this government decided to share this with all of us in a bi-partition spirit behind it, that we considered it. But if we think that it's not a good material, then never again will such communiqué be brought again to parliament. If that's the underlying thought then it would turn out that way. But if we think that it's a good thing - and I heard a lot of speakers in parliament have mentioned it- that it's a good idea that we have brought it, and now we are at this stage for this particular communiqué – the Buala Communiqué. There will be other times where we will deal with other communiqués But the general spirit of communiqué coming into the parliament, it is in order especially the bi partition spirit because all of us admit to it, that side of the house and this side of the house. The thinking of premiers is so important to us that we should share it among all of us. It should not be stopped at the cabinet level it should really come in here so that we all share it, we argue over or whatever. Then we move to further clarifications on some points. Maybe after we say that we accept the communiqué then the house basically say to the government, 'you go back and you deal with the details'. Some will become bills, some will be just policies, then the ones that are necessary to come back. Unless there is something that stops it from coming back, we bring it back and look at it again. So, in my opinion, in matter of procedure as the west Are Are honourable colleague mentioned, it is in order.

Mr Manasseh Sogavare: The way the Minister of Education made mentioned and, of course, the response by the Prime Minister earlier on. It is always a good practice in any parliament the democracy letter. Any report of any meetings on any subject matters, must be properly nurtured through the appropriate portfolio Ministry and the minister. And any report that comes to parliament it must not come raw; it must come with the thoughts of the appropriate line ministry and the minister that is entrusted with that portfolio by the Prime Minister.

It is so clear from the statement of the guiding principles and that needs to come. This report must carry the thinking of the government, statements of guiding principles. The premiers humbly acknowledge the honourable ministers statement emphasising that the communiqué must contain issues of substance which are achievable and in line with the overall national development plan of the government of the day.

the preamble itself and the statement that have the principle really stated that it must happen like that. So it is very important that the thinking of the government that comes in different volumes must also come with this report. That has been the practice all along when the report is considered by parliament, it must come with the thinking of the government. I can stand here now and ask the minister now, you said that the concept has been submitted to the Attorney general, can you outline fully that concept, and you explain to the parliament what you submitted to the Attorney General's chamber.

We can say that and we can stay whole day here and ask the Minister to explain what he already submitted so that we discuss that concept.

So that is the thinking from this side of the house, that the parliament must be properly guided not only by the word of mouth by the minister, it is easy for ministers to jump to cabinet to defend their answers. ' it is already in the cabinet, so we can't discuss it here, cabinet still have to decide on it. You can easily use that and get away with all sorts of things.

So if unless that report comes, yes, the cabinet decides like this and we can discuss the thinking of the cabinet and give the sort of advice that the minister of education have mentioned. And said yes, the cabinet thinks like this but parliament is thinking like this again. So you take it and think about it. And right now we do not have these documents to really see what the cabinet already decides on or is about to decide on. So what I am referring to this House is that it is always a good practice that we follow for a long time

that any report must not be submitted raw, it must come with and nurtured through the appropriate portfolio minister. So that parliament is properly guided.

Mr. Chairman: those points are very valid and parliament is very clear in its position to consider this report put before parliament. We are using standing Order 18(3). And normally the committee does not agree. It has gone passed, that is why parliament allows this paper to be tabled because later on the separate amendments; separate changes of the constitution, maybe the Provincial government act or the budget for that matter has to end up here in the parliament in relation to this report.

So the Speaker's office is very clear and we allow this to go ahead understanding order 18(3). We continue please, on page 3

Hon. Derek Sikua: I thank you for that clarification. Now that we move on; I am still on page 2. I would suggest that you allow us to ask questions on separate resolutions. Resolution 2, I just want to know the; because the Minister says that they have approved this one for the inclusion in the 2012 budget. I just want to know the approximate costing of the Salary and the allowances of speaker and clerk on each provincial assemblies.

Hon Walter Folotalu: This one two weeks I took this paper to cabinet. Because when we find difficulties; because it is quite complicated regarding law. I just took it to the cabinet. So the cabinet has approved the salaries of the speakers and the clerks of the Provincial Government and the clerks. So we include this in the 2012 budget. But then to pursue this change to the existing provincial act will be done later. That is the action we take so far.

Mr. Milner Tozaka: Just following up on my first question regarding the council. The Minister has said that some work has been done on it. Is he happy to say on it that; because he is still doing some work on it. And still have to go to cabinet. Is he happy that we note it. Is it alright with you?

Hon. Walter Folotalu: I do not get quite clearly of what the member for North Vella la Vella is asking? Is he talking on something on this council?

Mr. Tozaka: Yes, my question is that because you are still in the process to doing something on the establishment of the Premiers council. So now we have noted the good work you are doing. You went to the Attorney Generals chamber something like that. That is an excellent job, so can I say to you thank you Minister, we take note of the good work you are doing. Are you happy with that?

Hon Walter Folotalu: Very much appreciated, I am happy*. I want to say this because it will go to the legal section, I am not a lawyer, so that they can put in the concept paper and will be the ones who write the law. But I am following it. And so far I appreciated it.

Mr Manasseh Sogavare: Resolution 1 and the Minister made reference to this concept. Would he be kind enough to outline this concept for us in Parliament so that we have some insights into what the Minister suggested as to how this council will look like into that concept?

Hon Walter Folotalu: That is what I've just said. I will put forward what we wanted and something like this is what we wanted; number of premiers including the Honiara City council mayor, things like that but the lawyers will frame the law. I'm not a lawyer- but we are working on a concept paper, if the cabinet says go ahead minister for provincial government. I will come back to my staff and ask them to make a concept paper to cover such areas, elements or provisions like this. those are what we are going to work on. But cabinet must approve it. That is why I say if any decision we make today we will take over from the cabinet, thank you.

Mr Manasseh Sogavare: That is exactly what I'm concern about here, the minister talks about the concept. He did not answer my question and whether you will allow that to happen that the Minister outlines the concept he put to cabinet.

Mr Chairman: What would be the skeleton of this concept, I think that is all what is required by the member of Parliament for East Choiseul is nothing contravening the secrecy of cabinet. What is the skeleton idea that the concept will come about. I think that is what minister you have some idea on that please.

Hon Walter Folotalu: That is what I've just said this concept paper is with the cabinet. I don't know what else to say.

(laughter)

Mr Chairman: Order, order. Thank you minister, the answer here is that.... oh! Sorry the prime would want to assist.

Hon Gordon Darcy Lilo: even the idea that you just intend to put across is just like the concept. If the committee can just recall what the minister says, the -composition would be nine premiers. This kind of ideas is now currently going in each process that goes in there. But at the same time to we would want to ask you what would be your idea for us to include in this concept, something like that because it's a bi-partition process that we are asking here.

So that we can help to improve the concept that me and the minister still working on, we want to perfect this concept. Obviously the premiers when they come up with this idea they gave us a very raw one; just the council. So we don't know who will elect the premiers inside the council or automatically they will be a member of the council.

Obviously they will be an automatic member not by person but by position. These are the kind of things is going on but we might also ask too from the other side- the opposite side of the House to give us some idea so that we can complete this concept.

Mr Matthew Wale: I like to ask on point number 1. The concept is still going around between the Prime Minister and the Minister but the part when they are still going around this concept. They said, 'the Premiers request the establishment of a Premiers Task Force to assist the ministry to put together this council. I think this is the concept which the Prime Minister is talking about; it is a task force to put together. I would like to ask the Minister, whether that Task Force is already being set up or is it still awaits the Cabinet Concept Paper.

Hon Folotalu: Sorry, we have not yet established the Premiers Task Force. First of all when the premiers came up with this concept or this idea they do not bring in any concept paper. They just submitted a bulk thing. But we are looking at it.

Mr Manasseh Sogavare: I think we just go round and round this circle, I think the truth is that the concept is not yet. If the Minister would like the advice of parliament; the proper thing to do is to bring the concept paper here and to attach with the report so that we can comment on it.

I think what some of us are thinking is if you want to pick it up as the Minister say, you might want to read it in the Hansard so that we contribute in that, on some of the issues. As to how we would like to see maybe the structure of this so called council.

The other thing is that the new federal constitution makes reference to, I mean the proposed section 149(a) actually has a small provision there that the premiers state conference (premiers conference) must be formalised under a Federal law. So as well in the debate proper, some of us felt that we need a proper established premiers conference- under law. And the membership will be the premiers- who will then be in the council? Are we talking about the same thing? or the Premiers are going to be in the council, so that we change its name from Premiers conference to Premiers council? Or is it different people who will be in the council and not premiers?

If that is the view of the Government then it is probably not in line with the direction that the people are continuing to say now that they want the Premier's conference must be formally established by law under this proposed section 149(a) of the new proposed Federal constitution.

Maybe for our benefit, who is going to be in the council" is it the premiers? or are you converting the premiers conference into premiers council. Are you just simply changing the name and the same people are still involved in it?

Hon. Walter Folotalu: I accept those comments but you wait until when I bring in this bill and table it there then we can debate.

Now let me take the process through the cabinet then we will give it to the legal group to make it into law. And in here then you will debate that law whether you want to change that name or what? The bill will come. The amendments to the existing legislation of the provincial government might come or a separate act might come - not might but will come.

So that is what we will debate here. In the mean time, give me time. so that I can take it to the cabinet *through this process here; building these concepts and bring the whole thing here, and then you will debate it here, pass it here and then we will execute it.

Mr Chairman: And also the point raised by the member of parliament for East Choiseul is they are also mechanism in over sighting in parliament which also the point. So that you also can use the avenue of Parliamentary standing committees in others issues if the government can decide otherwise. I think that is also another alternative East Choiseul wants to say.

Hon. Manasseh Maelanga: I simply want to assist the Minister for Provincial Government by adding something. I think my good two colleagues from the other side know this well - the Leader for Opposition and the member for Aoke /Langalanga, we have been on the same side previously and we have been talking about this issue. And at that time I was the Minister for Provincial Government during our government. So I guess you are aware of the task force that is why you are asking that question. And that is why this new premier's conference that has just emerged covers this item. And during the time of CNURA, they were working on a task force. They want to form a taskforce in the previous Premiers conference at Tulagi, Central province.

They were looking at setting a taskforce. And the structure which the member for East Choiseul talks about; they were thinking of forming a task force besides the premiers, because what they have mentioned was, during the process of bringing these ideas up they never reached this level. That is the whole idea behind this in making it clear to the House. That is why during the Buala Premiers' conference this has been raised, because they want to legalise the council so that they would have more powers to be able to push things through to the central government. That is the view of the premiers during that time.

I think there is an understanding why the minister has brought this to the floor of parliament, so that we brainstorm it and give some idea to this. That is why we are here to discuss these issues. If we try and say "bring the structure here" it will be - like the minister has mention, if possible let's allow the ministry to deal with it. And once they have dealt with it and if there is a need that they can bring it here- as a bill, then we will again discuss, and debate it here again. If we don't want some of the areas within that, then it's up to us here to deliberate upon it.

I think that is what the premiers would have wanted and I think they will form - some of the premiers will form that council with some of the stakeholders, like they have legal advisors in there, something like that. I am simply giving you some insights that the premiers have.

So Mr Chairman, we will leave it to the ministry to bring it. Let us just discuss and give some ideas here.

Mr Chairman: Thank you Deputy Prime Minister for your explanation. If you would concentrate your questions on page 2, we will soon move into page 3. I'll give the opportunity to the member of Parliament for East Honiara.

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Mr Douglas Ete: I would like to ask a question concerning item 2, amendment to section 25 of the Provincial government Act, 1997. And thank you Prime Minister for the inclusion which you have done. But I think this question would be better answered by the Minister of Finance. I am making a comparable here; the entitlement of members of Parliament is reflected in section 69 B of the national constitution to which there must be a commission established. These premiers are elected, and in my mind after looking at the Provincial Government Act, there is nothing there even in their schedules of the Provincial Government Act. On what basis, when you mark the figures where you put in the budget for 2012, on what basis are you reflecting that in? Why do you pick that amount - that X amount of money? What was the basis of that fixed amount that is going to be reflected in the 2012 budget? That is my question.

Hon Rick Hounipwela: Thank you for the question. The understanding was that the speakers and clerks of the provincial government are paid by the provincial government as their normal wages. A decision was made that this item, this cost will now be taken up by the Ministry of Provincial Government as a line item in its expense. Maybe the Minister might help out on this, but that is what we did.

Mr Douglas Ete: Just a follow up. If you look at section 69(c) on movements of salaries and entitlements, these are confined within the parameters of the law. You have to pay the public service before you pay us. That is a rule by virtue of the national constitution and that is why you must have had some idea as to what are the disparities between these bread baskets then you can fix the amounts. I am just asking because we are doing it to help them otherwise you are fixing it too low or you are fixing it a bit higher. That is the idea I posed Minister of Finance and nothing else. Otherwise we just bring a

fixed amount and put it into the 2012 budget and it might burst during the middle of the year.

Hon. Gordon Darcy Lilo: As we all know, the speakers and clerks are not elected by the people. Section 69 deals with the commission that is established for elected representatives. And only the commission knows what determines the level of salaries and allowances that elected representative are entitled to.

In the case of speakers and clerks, I think the provincial government can tell us what they are paid for, but I think they are only paid sitting allowances or some kind of honorary allowances or something like that that they are drawing or salaries that are set by respect provincial governments throughout the country . Depending on the capability of each provincial governments, it is not uniform I understand, in some provinces the salary of the clerk is higher than the others.

I think the concern expressed here is that they are all speakers serving what is called elected assemblies or elected provincial assemblies and so they must be remunerated at the same level. I know the provincial government is working on some figures which I think is equivalent to something almost like public service level. I am not really sure of what it is but the Minister is going to rise very shortly to tell us what that is.

The essence of this whole thing is that, one we are trying to create uniformity - a level playing field, fairness, equity to these very two important officials that are serving the elected provincial assemblies in the country. The second thing they must be paid out of the consolidated fund. so if they come out of the consolidated fund then it is not automatic charge. It means that parliament must budget for it- parliament must appropriate for it. That is what we did. We have included it in the 2012 budget –a provision for appropriation, which is exactly what the Minister of Finance has told us.

Those are the two things that we have done to bring justice to this part of the resolution that is stated in here. But to amend section 25 in the Provincial Government Act, maybe something later on when we see the relevance, as to how to deal with, then that one will come.

Hon. Derek Sikua: I want to move to resolution 3. We will await the specifics of this Resolution No 3. My question is this amendment to section 19 of the Provincial Government Act 1997, the way the law is framed in that way must have a perfectly

good reason and that is why it worked out to be that way, and that is for it to be not more than half of the total provincial assembly. Can the Minister inform the Committee why that law is framed that way at the beginning?

Hon. Walter Folotalu: I do not know, because as human beings we are not perfect, and so it could be that these laws are not perfect too. So when we see there is a need that arises then we make changes as time changes. And that is what we see here, the Provincial Executive normally comprises of 50 percent of the elected members of the Provincial Assembly. That being the case the Executive finds it difficult at times to get through the resolutions without intensive debate or clarifications sought by elected MPAs. So that is in the Buala Communiqué Resolution 3 where the Premiers endorsed that the Provincial Government Act be changed so that the executive will comprise of half plus one. This shall give the provincial executive an absolute majority to pass most of their recommendations. That is their reason. But on the original intention, I do not know because I was not the designer or I am not the architecture of that law.

Mr Manasseh Sogavare: That is a very important question and I think I make reference to it during the debate. You just need to read through some of our history and see how our designers design the Provincial Government system that it was never intended to have an opposition or something like that.

It goes back to the committee kind of system that we started off with at the national government since 192, when we develop our government system. It operates on committee systems. It has a chairman of four committees that looks at specific issues. They do not have an opposition as we have today like we debate issues until we forward to it. This is a round discussion until they agree on matters and they took up, there is never the intention of the designers of provincial government system to have an opposition in the provincial government system. It is more or less a committee kind of system which everyone decides on before they carry out. May be that is why it is design that way if its fifty; you cannot get through any debates if you get half you only need to fuelled one to swing on the other side, provincial government or their decisions will never be carried out. Because they want to copy the way national government do things. So I guess this is addressing the reality of the situation as it evolves provinces would want to be like us-national parliament. They also want premier there, opposition party there and they debate issues. I guess this is addressing what is really happening. I

guess We cannot escape it, it has to be done that way so that we make this provincial government work. If they want to go one side to oppose the move by the executive, provincial government cannot work.

I just want to make that comment; it is a stressing reality as we have it right now on the difficulty that the provincial government system has to get things moving.

Mr Matthew Wale: I want to comment a little bit different from my colleague from East Choiseul I suppose from the point of view that it is important from whatever level that those in government are accountable to a wider body, and therefore, for instance, for us here, the wider Parliament, the executive arm, Cabinet need not be half plus one to the total number in parliament. In that way the accountability of the executive arm of government to Parliament is not just nominal, in the sense that we raise questions and so forth but when things are not right or someone steals some money and things like that, Parliament can resolve to change the government. And so in that sense I think it is a safety mechanism, which must not be dealt lightly with but must be seriously considered to rush into giving an executive whether it is the executive of a province or any other level for that matter, the absolute majority is also a danger as well because it makes that executive and perhaps the boss of that executive wield too much power. And so I think it is again one of the issues, and perhaps we will be waiting for the concept paper. Because the concept paper needs to consult as well the so called opposition in provincial assemblies might have some views on these matters.

The question of stability of provincial governments is a pertinent one because we do want to see greater stability at all governance levels. It is the same kind of concern that we want for stability for the executive arm here on the floor of parliament at the national level. But perhaps there are other ways of skinning this cat. Perhaps give a grace period for no motions of no-confidence or some other tests could be applied that would make sure instability in provincial governments is not over issues or questions that are vexatious in nature but there are substantive issues.

When laws are made, obviously the founding fathers; sorry no mothers was involved with them, but the founding fathers were thinking perhaps of worse case scenarios, what could be some safety mechanisms. And I think this particular matter should not be brushed aside lightly and jump immediately to this resolution as it is, but to look around it properly, and the concept which the Cabinet is going to give directions for the Ministry to work on it will flash it out a little bit more and perhaps a white paper

or a black paper or a red paper or any paper is brought back here for us to look at again because it is an essential part of making sure there is a greater stability but not stability at the expense of accountability.

Chairman: we move to page 3. Honourable member for Aoke/Langalanga?

Hon Matthew wale: Thank you chairman. One last comment on page 2 and then I go. Thank you for your indulgence on giving me the chance. Just on the matter on the task force; premiers task force where the government thinking of setting up. And the question of us talking about seats for women in parliament, greater representation for women. And we laugh at it, we joke about it but it is a very serious matter and I hope it is something that we will pass it. But also at that level it is still a man's domain, and so perhaps in the task force itself, perhaps the ministry could care to make sure there is, the women are well represented in that task force so that the gender issues are not lost in the process and the debate to put together this council. That is the point I want to make Mr Chairman.

Hon Dick Ha'amori: Thank you chair. Chair, I think I almost call for point of order because we are falling into talking about things that perhaps we should not start talking about.

In my opinion chair, we should only identify issues, and clarify them then we find out whether parliament agrees that we further pursue all these things or we should stop. Take for example; the first issue is about the premiers council. Is that an issue the parliament wants to task the government to work on? Number 2 next one, further down is the payments of the speakers. Do we agree on it or not? The nature of how we pay them is a matter for a little bit later on, little bit later on. Then we go down to number.3, the majority of the issue is the majority of th3e executive of provincial government. That is what we should, whether parliament would like to deal with this matter or, cause the government to deal with it or not? It is something that we need to hear. On number.4 resolution, it is clear...

Chairman: Thank you, your point is well taken. The chairman is mindful of your very valid points. I want to make sure the pros and cons of this issue is well covered.

Page 3

Hon Derek Sikua: Prime minister you better caution your minister not to talk ahead of you in some issues. No nonsense talking. Resolution number 4, I think that we need to *be very cautious with these resolutions. Especially if the attempt to make it simpler meant that we need to take on few short cuts. We are dealing with customary land which belongs to our people and we would not opt for any heavy handed tactics exercised by the provincial executive which might favour a commercial entity which is a close associate of his to victimise our people in terms of our customary land. So I simply wish to provide a word of caution when we consider this resolution.

I support Resolution 5, my question to the minister is, and will this include the view that ownership of what is beyond 6 feet below the surface level will go to the tribes and clans. Is this where the idea is coming from? That we also own what is beyond 6 feet under surface level.

And resolution 6 I do support it, but I wonder if the minister can inform the committee as to where are some of our maritime boundary hot spots. Is it between provinces or is it between us and other countries?

Hon. Gordon Darcy Lilo: Thank you Chairman and Leader of Opposition for those observations. Well the principle the NCRA has adopted – we do not want to say it is a reform of land registration but I think it's how do we improvise or optimise access to land. I think there are three principles that we have stated in our policy. It must be equitable and transparent. And legitimacy must be well founded based on people's support right behind it. And the process is on right now, even though what the premiers may have wanted to see happening here is basically to give them that exclusivity almost immediately, so that they can start going ahead and doing it. Obviously it's so difficult, given the history we have come through in terms of land acquisition. And all the issues of bad governance that all of us- both sides of the house, we spoil those in the lands department in the sense that they have been carrying out their responsibility in the execution of acquisition of land throughout the country. And so the question that we all wanted to ask is what is really the nature of the land reform? The former Prime minister when he was the Prime minister talked about institutionalisation, and the member for East Honiara touched on that one. Whereas some of us were talking about how we actually optimise to improve on access to land and so forth. Because for us to reform land – we have claimed that our land tenure is wrong, this is not right. Our customary tenure system is obviously a right one. What

makes it difficult for us to commercialise it, is basically how do we access it. So you can actually trace the way, how efficient it is for people to gain access to resource is what we are currently working on. And for all the foes and woes that we have been saying to the forestry industry, but look at the way it has been efficiently define in the legislation. That is how people run and do have access to it.

So in the case of land, that is exactly what I think we need to do as well. And we have placed as part of our program that there needs to be some- i don't want to say changes but improvement to be done in the way that we make registration to gain access to the use of land.

So the whole process is still on going right now. Like what some of us have talked about in the past, that we need this customary land recognition act or let us do the genealogical recording first of all. So that we can record what tribes have that particular land there and the legitimacy of the registration must be vested in a tribe. So all of these, we try to map out now that all the beneficiaries must not be deprived.

This task is ongoing and we all know how complex it is for us to handle land in the country. We have handled it cautiously. Care must be taken in terms of all the issues surrounding it - equity, transparency, legitimacy in terms of the coverage of the people that are concerned in ensuring that we have a best registration in the land system in our country.

But we got to measure it against the backdrop of the way that we have; not only Provincial Assemblies. I come back to the issue mentioned by the member for East Choseul on the history of the Provincial Government. It is quite true, I actually find that out in my reading about the Provincial Government act. There was never meant to be any opposition because they are provincial to the Government. Therefore they run like a committee or a board- to hold the trust and the asset of the Province. You will find that even the vesting of the land is not on the executive rather it is on the assembly- It is with the assembly. If you read the Provincial Government Act, it shows that they are supposed to be united - which is a very difficult thing. But that is what happens here. Who should the title be vested? if it goes to the Province, who should hold it? If you give it to the Premier, the Premier will start selling it like all the complaints that are happening right now throughout the country. I think we should appropriately vest it on the authority - which is the assembly, so that is place in the name of the people and the state that we looked after.

Let us come to the issue about mines. Again I don't want to make this comment with all absolute thoughts on it that we found all finality to the issues that surrounds the Minerals, oil or all the natural resources in the country but we can only trace back and track back the kind of concerns that our people have been raising about the deprivation of rights to the benefits that come out of the natural resources and that is exactly maybe what the Province or the Premiers raised here. About where the wealth should be vested, is it with the people – or with the state? In here they bring in another issue that is must be with the customary owners. That is from here you take it and reverse back here; from the state we are reversing backward the ownership- like the crab.

What I mean the way that we are doing here. So instead of going forward we are reversing back to the customary owners. So we need to give some great thoughts into this whole thing. Because if we say we move to the customary owners then what are we doing. We are disempowering the state. Or are we moving back into a stateless society? Things like that do prop up. We need to have a good look at it. I am sure it will be, all these we will discuss in the task force.

Hon Sikua (*Interjecting*): Committee?

Hon Lilo: Committee, yes. We will be discussing this concept so that we can find the best way. but I think one thing sticks out, benefit from the exploitation of our resources must be maximised and must go down to the people. Those are issues that I think for now we need to identify how do we tackle that issue of ensuring that we maximise the benefit and that benefit must be channelled right down to the people? That is the cry of the people. To try to twist the system to find an answer to that issue is one thing we have look at seriously. Otherwise we just say we go back to the customary owner, there people will benefit. We have to look at it seriously; you know what I mean, that now it is with the state and the way we channel it is what they are questioning.

And the premiers are taking the peoples voice and say, 'look, people are not benefitting from you, so reverse it back. And from there then people will see the benefit. These are the issues that we need to start looking at it.

Come with all the issues about us human- humanity, human frailty that we all have. That when we are trustees, but instead of trustees for the people, we are the ones filling ourselves. These are the things why these concerns are coming out. I think what the

minister of education said, we need a bi-partition approach in sharing ideas, bringing these issues so that we find a better solution to it.

But I think when the time comes for us to really have a good look at these things, we will be able to look at the details of some of these things.

Page 3 and 4

Hon Sogavare: It is just heartening just listening to what the prime minister said, more specifically regarding resolution 5, it strikes directly at the heart of the NCRA policy, that is to return the ownership of lands and resources and minerals and everything to the people. And the strategy, the way that was supposed to be done, is to remove the reference to the Solomon Islands government as the core custodian of resources and land in this country.

Is the Prime Minister saying that we are rewriting, we revisit the expressed policies of NCRA? If that is the case then this side of the house will not have any problems with it, we will be comfortable with that. It is an issue that some of us are having serious problem with. If you start to meddle with the constitution removing Solomon islands, the reference to Solomon Islands government as the core custodian or owner of land and resources in this country. We are heading for some serious problem. I would have thought that Sir, if we are really serious about what the premiers are saying. Maybe we start to bring some papers to some of the serious fundamental reforms that the NCRA government is talking about so that we can also hear the voice of the parliament instead of us incubating it in the offices and all of a sudden we have a law here that we will have problem for. When you have numbers to push a law it would be probably too late for the voice of this parliament to heard properly. It is heartening to hear what the prime minister is saying; he seems to be saying that they are revisiting the idea of removing the Solomon Islands government ^{*1.08}as in reference to that in the constitution. If that is the case then that is a very comforting thought.

Mr Matthew Wale: I want to add my voice to the view the Member for East Choiseul shared and express an appreciation for the sentiments made by the Prime Minister. At last commonsense is coming through. This one drives at the core of this concept that was written in the constitution of a nation state is what this one drives at. So the Prime

Minister has hit the nail on the head. I sense a look of confusion on the DPM's face but this is really true.

(laughter)

It is really true what the Prime minister said, and I was referring to your comments in relation to this, regarding the review of the land titles act and especially about the review of the land titles act. These are the most appropriate sentiments and common sense has finally shined through. The former prime minister I guess is a bit confused so it is appropriate that you have clarified that.

Even if the issues of equity and distribution of the wealth and income that come from the resources, as the Prime Minister said, these are what we fix the mechanisms and the budgetary process to make the distribution of the cake is proper. But what goes to weaken the nation state and the government that it would empower to exercise that nation state—that thing ought to concern us that it is of the greatest gravity. If it does not give us the concern of the highest gravity, 'Maekarage', we are going back to the feudal days where clans set up boundaries and turf, so that if you come I will kill you or if I go you will cut off my head. And it drives at many other issues that is fundamental and is foundational both to the current constitution, as we see it, and the proposed federal system. And so at least now the Prime Minister is putting this back on the table for debate; a much more reasoned debate and hopefully rationale will have the outcome by the end of the day so I rise to express my appreciation on this.

Page 5

Hon Derek Sikua: Just on Resolution 9. The Minister mentioned in his introductory speech during the debate that \$24 million has been endorsed by caucus for provincial investment initiatives. I just want to know the allocation for each province, or will it be allocated to each province equally or, will follow proposals from province; first come first serve, or what is going to happen here?

Hon Walter Folotalu: Thank you chairman. I prefer to make a response during the time of debate on this budget. I think that will be the right time for me to make it. As of the \$24million, it should be \$30million but I do not know why it has been cut. There is only

\$25million, it should be \$30million plus contribution of \$5m plus 3 percent interest, it should reach \$30million. But I do not know why, I will follow that up.

Mr Chairman: You mention in parliament you should give the answer to the leader of opposition. You should give how the break down, though you will say it again in parliament during the budget but it is appropriate to say it because you have mention that in your speech in relation to this particular motion.

Hon Walter Folotalu: It will come under the development budget and the allocations for 2012, 2013. But provincial governments as you know Malaita is a big population ,so it will receive \$7,913,161 a difference of \$4,976,780; Makira/Ulawa will receive about \$3,856,098 difference of \$2,640,256; Western Province will receive \$5,335,579 difference of \$3,495,924; Isabel \$2,780,518 difference of \$2,040,185; Central \$2,637,293 difference of \$1,928,871; Guadalcanal \$5,401,197 difference of \$3,529,629; Temotu \$2,658,330 difference of \$1,928,510; Choiseul \$3,248,211 difference of \$2,324,421; Rennell Bellona \$1,616,742 and difference of \$1,311,552 about 430 percent change. That's what we have been planning to give to the provinces.

Mr Sogavare: That is a very big money more than \$24million. How exactly these funds will be given, is it going to be given directly to the provincial government or assistance to the investment arms of the provinces? If you can clarify to us because if you give to provinces then you forget it because we really need to be sure here. How exactly is this thing going to be administered? Who is this money going to be given to, the provincial government or to the provincial business arms?

Hon Walter Folotalu: Usually these funds the practice that it normally does is it went through PCDF, then the provinces will forward their submissions or applications or project appraisals through PCDF. Then PCDF will release the funds. But the original idea is that these funds must go towards economic activities^{*1.18}but not just giving them but if Education like schools like before that most of these funds go towards building the clinics, infrastructures, class rooms and so forth in Education. But since they are taken care of by the line ministries on those projects, then most of these funds should go towards the economic activities that will create wealth in our provinces, these should be the intention. Thank you.

Mr Maneniaru: I would like to thank the Minister to recognize the desire of our provinces to come up with investment initiatives through this assistance. Some of the investments of our provinces continue to fail Minister. I am worried if there is no guide line to help the Provincial Government, otherwise the same one that failed they continue to submit their proposals for it again. Like in other provinces- shipping as we see today is a problematic one. But my worry if we do not put a guide line with I mean that money, if they submit a proposal on their failed investment then it will remains the same. I think we also need to help them for them to understand that oh this one you do not have a strength with it for us to approve it.

My question, are there are some guideline to guide which particular investments in those provinces, we try to help them in regards to history of those provinces. In terms of their investment initiative as well as their failures.

Hon Folotalu: We strive to apply the best practices as we can make. As we know all these projects and the Provincial Consolidated Development Fund- they make evaluation within every three months to evaluate the progress of these projects. And we are very strict that anyone not doing its acquittals it will disadvantage them for receiving other funds. So they must be very careful on how they will use those monies and they are accountable for it.

So we are very strict and the measures that we apply within the provinces are very, very strict. So if any provincial Government don't make your acquittals then you are disadvantaged. I can name a few but the Premiers love me so much at this time. So I will not announce names. But there are some who will be disadvantaged from receiving some of these funds, it will deferred further because they do not make their acquittals so they fail to make those projects successful.

Mr. Seth Gukuna: The Premiers are listening and heard the amounts of money; I think they must be very happy. The only problem is the amount where the Minister is distributing is well over the \$33million. He was talking about \$24million. I just wonder whether he is talking about the same amount of money or this is different money that he is talking about.

The point I raised is that he was distributing \$33million. I think in his speech he was talking about \$24million.

Hon Walter Folotalu: If the Member of Parliament for Renbell comes early he would have heard what I have told this House. I said that it is \$24million plus some more money, which should have been more than \$30 million, but it has fallen short. But we are now sorting that out with the Ministry of Planning. There is a shortfall there as you might wonder why it has reduced to \$25million. But we are still working on it, hence the budget that is yet to come.

Mr Wale: I just want to ask the minister, how the ministry portioned that allocation - how do they calculate those allocations? Is it based per head or per capita- population of province or the proposals received from the provinces or plans submitted or how?

Mr Folotalu: We do have some formula which we use for the calculations. I think it is 40:60, 40 percent on the base line and 60 percent on the population, something like that. But they do have a formula that they use for this calculation.

Mr Maneniarau: Just a comment. The minister has come up with nice figures on the allocations intended for our province. When the minister for finance is now looking directly at me – I want it to be increased a little bit, because this is where our resources and people are. So even with this budget, if the minister of finance reviews it to around fifty million or sixty million, I will be in support of it. Because that's where our resources are, so that work can happen and our people's livelihood which we often talked about, the funds will be directly received by them. So on that note I do encourage the minister of Finance to give it some consideration and support our hard working minister for provincial government – increase the budget allocations.

Hon. Sikua: Resolution 12 is quite an interesting one, I spotted. I would like to ask the minister, what is the nature of this arrangement between Honiara City Council and Guadalcanal province?

Hon. Folotalu: I have the least knowledge on this issue, because the details are not produced as yet, so I will not give an answer to it.

Hon Gordon Darcy Lilo: The revenue sharing issue here such as the basic rate, business license, those are what they are currently discussing to determine what portion Honiara city council should receive and what portion Guadalcanal province would receive. It's not a major issue. Nothing to do with direct taxation and so on. It's simply service charges and fees. This has been the subject of discussion for some time and like in the spirit of what is being ^{*1.28}stated in the communiqué, they are currently talking and the talk so far has been very very much favourable. So you do not have to say any more things that may spoil their talks. The talks are now going on nicely.

Hon Sogavare: Specifically on 13, but may in passing, a bit of comment on number.12. That resolution; actually the spirit of it actually carried into the new federal constitution as well and there are some specific section on that new federal constitution that really addresses this issue. So maybe when the government sits down and talk about how to address that, you really need to consult the minds of the people who are framing up the new federal constitution Mr. chairman. On 13, may be the Minister can tell us what really are the premiers' concern on resolution 13 so that we can have a god discussion of it? What is really their concern?

Hon Walter Folotalu: I was not present at the time of the discussions but they are in support of the idea and concepts of the Guadalcanal Premier, so that is why they came up with that resolution.

Hon Gordon Lilo: I think in the country there is one revenue raising power that belongs to the state which is tax. There is one that we entitle to provincial government and people by way of some kind of an understanding, in this particular case because of the unique situation that we have here on Guadalcanal, in particular the case at Gold Ridge. We have under the mining agreement that we have revenue sharing arrangements which government is actually giving away the royalty because the state by definition under the mines and mineral's act, the state owns the mineral, whatever that is below. And so the royalty money that comes in should rightly go to the state.

With that the distribution with that formula is certain portion goes to the land owners and a little bit half goes to the-.no, I think also full half that also goes to the province. So that is what they are referring to her that the premiers endorse the arrangement recognising the fact that-but on the broader tax or fiscal revenue or fiscal

power. The revenue sharing formula now is basically, the state raises the tax revenue and then we share it through the budget and the formula of course is done by way of population or per capita. Which all of us we got our own concern, how equitable that is or fair or and so forth, some say that it does not necessarily reflects the needs of the our regions because of geographical distribution, cost of delivery and so forth, which things that we need to work on and strike the balance as to where, what sort of formula should be working. This whole idea of revenue sharing by way of sharing this fiscal power or taxable power, that is a very interesting one *and we have to handle it very carefully too because the more that we share that fiscal power, we will also lose the economies of scale and you will end up with certain provinces that have the capacity to tax. So these are the things that we need to consider and I think all of us who have an interest in sharing this idea as to how we can make that, I think all of us should contribute to it. To me that is my interest because my thesis is on this issue and I could offer my service to the ministry of provincial government on this because this is my thesis.

I think we have to be very careful about how we handle all these issues too. But on resources, again it is similar to what we have discussed earlier on; that if we can show to our people that the money that the government earn this the responsibility that comes to us the government, that if we could raise the money and put it through a more quality, credible budgetary process for it to roll down to people, I am sure that the people will never come up with ideas that might totally present some big changes that present some real risks for us to hold this country together. But need to look carefully at these things.

Mr Manasseh Sogavare: It is good to hear the cautious approach taken by the Prime Minister on this matter. We can see clearly now that what the premiers are concerned about here is a much more bigger slice of the cake of revenue, and this is an issue that has been there for a long time. What I want to mention as with Resolution 12, if that is what the Premiers are concerned about then that issue as well is carried in the new federal constitution Sir. If the View of the Premiers is to bring forward that matter and we address that under the constitution then that is a matter that is a matter that we need to seriously consider as a government and parliament. Because that is the concern of the premiers, provincial governments usually do not have enough funds to advance their Provinces development aspirations. I just want to say that, if that is exactly the view which the Prime Minister has mentioned, then the decision is whether we bring

forward that issue because how to divide revenue collected is spelt out clearly under this new federal constitution. It is a question of either bringing it forward and implement it now.

Pages 6 and 7

Hon Derek Sikua: Resolution 14: Ward development profiles, I just want to mention the need for us to harmonise the exercise with what is being done by the Ministry of rural development and indigenous affairs because this can be a very expensive exercise. Our constituencies already comprised of a certain number of wards for instance my constituency have two wards – east Tasiboko and Paripao. The Ministry of Rural Development is using the CDO's to come up with constituency development profiles. Some constituencies are lucky that previous projects have done theirs, some of us don't and so is my constituency, we do not have it.

*I support this exercise but if we could harmonise it with the work that is also being done with the Ministry of Rural Development. I think the Minister of Rural Development is here, he will confirm it. But I understand they are also doing constituency development profiles or updating them. In the case where people have it already, in the case that some of us who have not got it, they will be doing new ones. Just at the term to harmonise it so that we don't spend money unnecessarily with people doing the same thing –different people doing the same thing.

Mr. Sogavare: this matter- resolution 14. It ties in very closely with the planning processes. The provincial Government's development plan- the constituency plan and the ward plans if we have them.

The Minister is making reference to those plans, the participatory planning process and I take that to mean that we will involve everyone to make that plan. My question is that I understand that a national development plan is already in the process of being finalized and probably it will find its way to this parliament at some stage.

Now I want ask if that plan is done in the thinking that the Minister have mentioned – a participatory approach to developing that plan. in that it incorporates the ward plan, the constituency plans and the provincial governments plan. Because we can talk about profiles and come up with the good profiles but if we fall outside of anything that is taken up in those plans. It will sit down forever it will not be taken up by

whoever that fund those projects. I just want to get that clarification maybe what is now being ready to come before Parliament at some point in time is prepared under that thinking that the Minister has mentioned. That involves wards, constituency and the provincial governments.

Hon Gordon Darcy Lilo: Recently we launched what we called the National Development strategy. Is that the one you are referring to? It is very interesting because this is the first plan, a five to ten years national development strategy. Yes we consulted all the provincial government in the formulation of the National Development strategy. In fact there is a consultation that was dispatched early this year- towards end of last and early this year. And eventually we came up with that final document that was launched by the Minister for National planning and development sometimes in August or September.

In a way it is a national development strategy that was developed out of this participatory process. Okay we have to be very careful about the way we say about participatory. There is no way that we can go down and ask individual of the five hundred and so thousand people of this country. We can only do it through the legitimate representatives or either entities or things like that.

Like the provincial government, they are representatives in the provinces and they are in their own rights have develop programs and policies that is the priority of our respective provinces. They have been consulted in the formulation of this national development strategy. What I was saying is that at the same time whilst we are looking at this as a national from a national prospective we do also have our own emphasis at the ward level, constituency level. Not all of our national strategy will might be able to capture the things that we have in the constituency level. I am sure you will have the patience to wait when we present this 2012 budget. You will find how we are trying to link it right down to the wards and constituencies, I must say to you – you will find it very interesting and I am sure that from there on we will see if people flooding to this side of the house.

Hon Derek Sikua (Interjecting) you are right. Good one

Hon Gordon Lilo: I'm really serious about this yes, because that's..

Hon Derek Sikua: what for?

Hon Gordon Lilo: not from here coming over there, may be there coming over here. It is going to be a very good reflection on some of the issues that we are going to discuss or we are discussing right now. What is going to be revealed in the 2012 budget because what we are trying to do is to try to capture; at the same time the national program. Then we will try to balance it with the provinces which is that is where this provincial capital development fund of the province will come from, then we will go further down to constituency. So there is a good balance a very good balance from national, province and constituency. And I am sure that when it is presented it will; we are not saying that we have captured all that may be you have been working on for the last how many years or the ward profile and development profiles. But I think it will help us to improve on from where we are, Renbel don't worry we also have shipping inside. So in all things like that are also in the budget, thank you chairman.

Pages 8 & 9

Mr Matthew Wale: I only have one question on number 7, with your indulgence I want to ask from the MSG.

Mr Matthew Wale: Thank you Chairman for your special permission, 19 & 20, I suppose the issue is that one of consultation. May be up to now the provinces feel that their issues are not adequately being advocated for at those various levels or forums and so it is a valid concern, valid issue. And it is important that it be raised but I'm just getting a feeling that there is also over reach especially with regards to foreign relations matters of the country which rightly should be matters handle by the national government. Representation by provinces at the forum and at MSG and so forth may be over kill. It is something to understand more better what really is the underlying interest that gives rise to resolution numer19. Our delegation going out to these *1.48 events are very big too. And these people that are going out are not doing anything. But this overseas travel bill in the budget continued to increase; we should be heading in the opposite direction. If the minister of foreign affairs who wants to travel overseas every time then keep him overseas so that he does those work. Let us not make those trips to be become bigger.

On climate change, Resolution 20, this is a really critical one for us. And so I think it is appropriate that premiers, the way its worded, it is almost as if they are saying the provincial secretary and premier must be personally present. But this may not be the most appropriate representation dealing with these issues. Perhaps their technical capacities if they have been engaging with the ministry at the national level would be a more appropriate working type platform. Otherwise it stays at the high level and we talk too much and nothing happens, as we have done here most of the times. Those are the two comments I want to raise in resolution 19 and 20.

And moving to page 8, the idea of provinces to be invited to annual donor talks is a really good one. I think it is also consistent with the process in national development strategy which prime minister been talking about. Perhaps the provinces of course the strategy is a bit more; I think the direction that is been taken or outline of the strategy is inclusive so in that sense the development aspirations of the provinces once better documented is incorporated into that. So there will be a much more rationalised process rather than a piece meal as was raised in 24 "invite donors to future premier's conferences". Much of the exchange of information and the understanding of where donors under national government interface and within that how provinces interface inside the national government process will become much clearer.

There is no need to overstretch the premier and the provincial secretary to attending all these meetings the sound good and they all high level. But too few resources spread too thinly across too many platforms the premiers or provincial secretaries want to be involve in will ended up achieving probably very little. But I think they need to be assured that the national development strategy the direction that is outline there is a good one and they need to place some trust and engage robustly in that. So that when the national development plan is fully developed it would have taken care of the underlying interest which gives rise to those resolutions.

Hon Derek Sikua: I will only ask one or two comments then I stop; resolution 22, transfer of perpetual estate title to provinces for major developments. I understand this has already been happening, perpetual titles go back to provinces but these places remains the same. I am not really sure what they are talking about here which specific ones. But Guadalcanal Province, before you do it for Guadalcanal province you have to be very careful. May be we need to carry out a provincial referendum because some of us will not support it if you give Perpetual Estate to the province because you know

what will happen to the land. For Guadalcanal province I want to tell you must be cautious about it, but some provinces I'm sure like *Isabel a lot of it has been returned and Western provinces too, I think and maybe Temotu. That is what I would like to make mentioned of in Resolution 22. Resolution 23, I would only want to ask, where are we now with the report, has it been completed yet. Because eight months again the report was said to have been close to finishing - on the abandon land on Guadalcanal. Is the report complete as yet?

Mr Folotau: The Prime Minister wants to comment on this.

Hon. Gordon Darcy Lilo: On resolution 19, I think we need to look into the nature of MSG and the intention to build MSG as a market in this region. We have seen the transformation of the Europeans economy for instance where it is more visibly seen to be people movement and the market is linked. That's the whole idea that I think MSG is moving into at present that we need to involve all our provinces with province from the region, to get into trade. The eastern part of this country with Vanuatu- There's more that can be done in terms of trade and strategically if you look at the geography of these two country, we can actually extend the way we link this market two together. Therefore, it might be in that context that they have raised these issues where we can actually promote trade within our MSG region.

But again like we have said we do not want to pitch high the expectations of the premiers to overtake the responsibility of the Foreign Affairs, but I think they are not trying to overtake their responsibility, what they are trying to do is to be active stakeholders to be involved in the discussion. And we are trying to build up MSG as a strong market within our region.

With regards to climate change, yes I think that is quite true. Most of the time, we have seen it as a lot of wastage when our premiers and provincial secretaries spend time in Honiara. But tackling issue in environment and climate change cannot be done at a higher level. We must bring it right down to the people in the communities that were affected. And if we need to bring it closer to a government that can deal effectively with them, I think that is how we should do it.

So maybe there should be a better mechanism for us to deal with them, rather than having them to come over here. I suggest we should develop a program that goes to them, so that they refrain from coming over. I think generally we all need to

recognise the cross cutting issue of environment and climate change and it is right at the edge that you know, we need to be actively involved in it to active our rural communities to participate in it.

With the transfer of perpetual estate title to provinces, I think I agree with the leader of opposition, that we need to really assess the request of these individual provinces. I think most provinces now have some very bad experiences along the way that when perpetual estates are being transferred, the provincial government commenced selling it to people or even to themselves. So we need to be very careful about this. And that such a concern, we will continue to express to them that it must be avoided with whatever future transaction that might happen.

Last year we have actually – not because of the importance of the commission of inquiry to enquire into the lands abandon on Guadalcanal but it is the people who are working there that spoil the commission of enquiry. I think the task was the right one but the people who are working there, they mismanaged the money; there were in fighting in there, so work has not been- undermining each. These are things that are going on in the commission. Eventually there was a huge publication that comes out of the newspaper that somehow all of us got drawn into the debate on it and after everyone left they all kept silent. Like everyone were barking and when they all go, they all kept silent.

But I think we need to follow through why this report is not done and if need be that it must be completed, because not only that it has to be completed, not only the public resources have been vested and there is no report comes out from it. But I think our good people from Guadalcanal and everyone throughout the country that have an interest in this issue wanted to know too. We have to, as recommended by the premiers in here, we will have to keep track on thin and give some priority to get those responsible to produce the report here and surely it will be made available for the parliament, for us talk about it.

Parliament resume

Hon Folotalu: Mr. Speaker, I wish to report that the national parliament paper no.1 of 2011 Buala Communiqué on the 4th premiers conference has passed through the committee of the whole house.

The House adjourned at 2.03pm