

MONDAY 14TH NOVEMBER 2016

The Speaker, Mr Ajilon Nasiu took the Chair at 9.56am.

Prayers.

ATTENDANCE

PRESENTATION OF PAPERS AND OF REPORTS

- Report of the Auditor-General on the Accounts of the Solomon Islands Government for the Year Ended 31 December 2013. (National Parliament Paper No.23 of 2016).
- Medium Term Development Plan - 2017 to 2021. (National Parliament Paper No.26 of 2016).

STATEMENT OF GOVERNMENT BUSINESS

MOTIONS

Motion of Special Adjournment

Hon MANASSEH SOGAVARE (Prime Minister): I stand to move that at the adjournment of Parliament on Monday 14th November 2016, the present meeting shall stand adjourned to Tuesday 22nd November 2016. I think the reason is clear to all of us. It has taken quite longer than is expected for us to finalise the 2017 Budget. It is ready now and will be presented to Parliament and to allow the Public Accounts Committee carry out its role. There are two committees that are really busy at this time and they are the Bills and Legislations Committee and the Public Accounts

Committee. We note that there are some committee members that are in both committees. So most of the members of one committee are also in the other committee. When the Public Accounts Committee meets, all the permanent secretaries would be called upon to appear before the Committee to answer questions from the Public Accounts Committee on the budget.

The Government noted as well that quite a good number of questions were also noticed by the Opposition seeking the government to explain a lot of things and that is fine. Due to time constraint, I have discussed this briefly with the Leader of Opposition that at the appropriate time, maybe next week we might need to suspend the relevant standing Standard Orders to allow for more questions to be raised, we may use a whole day for the Opposition side to raise questions and get the government side to provide explanations to the questions raised.

That is basically the reason behind this special adjournment. I think at this point in time, I also thank the Chairman of the Bills and Legislation Committee. I think this Committee is hard at work and I think has cleared most of the bills. There are a few more bills to come and we will see how we go.

The budget, of course, is the very important business, not only for the government but the entire country. We do not want to push it too much to the edge where we have to work right up to Christmas to pass the budget. We need to give enough time to get the budget through so we might confine this meeting to prioritising the passage of the budget.

I move that at the adjournment of Parliament on Monday 14th November 2016, the present meeting shall stand adjourn to Tuesday 22nd November 2016. Thank you.

Hon. JEREMIAH MANELE (Leader of the Opposition): Let me on behalf of the Parliamentary Opposition Group briefly comment on the Motion of Special Adjournment moved by the Honourable Prime Minister that at the adjournment of Parliament today, Monday 14th November 2016, the present meeting shall stand adjourned to Tuesday 22nd November 2016.

The reasons outlined by the Honourable Prime Minister are straightforward. Firstly, he alluded to the fact that the budget is not yet ready and that it will be ready shortly and therefore the Public Accounts Committee will need time to scrutinise it.

However, I did not quite clearly hear from the Honourable Prime Minister as to when exactly the budget will reach Parliament. I think that is important. If the Prime Minister could enlighten the House as to what time this week will the budget reach Parliament so that the Public Accounts Committee can schedule its hearings for this important Bill?

I do concur with him that among the bills that are before the House, this is the most important one, the Appropriation Bill for the country. I know this is the business of the government but if we were to prioritise, I think the next important one is the Pacific Games 2023 Bill so that the stakeholders and other partners can kick off with their preparations.

In terms of the Appropriation Bill coming to the House, I hope, anytime today so that the Public Accounts Committee can schedule its hearings. We do not want the situation where the Committee is under pressure that it ended up only hearing the presentations of four or five ministries. I think this did happen last year.

The other reason that the Honourable Prime Minister stated was to give time also to the Bills Committee to complete some of its work, since most members of the Bills Committee are also members of the Public Accounts Committee. We note that. But I think the PAC is ready. The Bills Committee has dispensed with most of the bills before it, so between the Bills Committee and the Public Accounts Committee, that is something that should easily be sorted in terms of the schedules.

I also thank the Prime Minister for his suggestion to allocate a certain day next week for question time. There are a lot of questions that are in the business paper which not only me but colleagues from this side of the House as well as members of the Independent Group have for the government to answer and explain. These questions relate to pertinent issues, issues of national interest affecting the country for which the Government needs to respond to those issues. So that is a suggestion we do favour to suspend a whole day and allocate it for this side of the House and the Independent side to ask questions. This is because our people are waiting for responses to issues and what the Government is doing on those issues. So we look forward to that.

Let me also take the opportunity to thank the Minister for Development Planning for the Medium Term Development Plan 2017-2021. I think I raised this in

my statement last week in a similar motion and it is here now, it has been presented. It is a very glossy document dated September 2016. I think they have just completed it last week but they have backdated it to September 2016. But it is better late than never. It is an important document that not only all of us should familiarize ourselves with, but especially the ministers and the government to better understand the Medium Term Plan because the budget should be aligned to this for the next four to five years. I thank the Minister for Development Planning for finally presenting this important piece of document, which is part and parcel of our budget preparations as outlined in the Public Finance Management Act 2013.

Back to the Appropriation Bill, I think it is important if the Minister for Finance can explain to us the reasons for the delay for the budget not reaching us yet. Probably, he also needs to explain to the House the position of the Government on cash reserves as this is having bearing or impact to next year's budget. If the Prime Minister could enlighten us on that or better still the Minister for Finance and Treasury.

With these remarks, this side of the House does not have any difficulties with the Motion of Special Adjournment moved by the Prime Minister that at the adjournment of Parliament today Monday 14th November, the present meeting shall stand adjourned to Tuesday 22 November 2016.

Mr DEREK SIKUA (Leader of Independent Group): I join the Honourable Leader of the Opposition in asking the Government to specify clearly what stage we are at in the finalization of the 2017 Budget. The only thing I would want to add is to request that the bricks are accompanied by the establishment register of the Public Service and the Teaching Service so that it does help the Public Accounts Committee to properly scrutinize the budget for next year. As tools to assist in scrutinizing the budget for next year or any other budget for that matter, we would really want the establishment registers of the Public Service to come with the bricks as well as the establishment for the Teaching Service.

On the suggestion by the honourable Prime Minister to suspend standing orders and allocate a day for questions that are long outstanding since last year; and I think I have more than 80 questions or something close to that, if the Prime Minister had consulted the Leader of Opposition and they both agreed then I do not have any

problem with that. My questions emanate directly from the government's policy statements and so it is not difficult to answer my questions and so I would be very happy if we could dispense with some of those long outstanding questions on a particular day that the Prime Minister and the Leader of Opposition agreed on.

As the Leader of the Opposition has mentioned, we would definitely be needing more than a week to scrutinize the 2017 Budget and so I would think it would be neater if we adjourn to the 5th December because that would give us ample time to finish everything and we come back and go straight to debating the budget. I do agree with the Leader of the Opposition if we could dispense with the budget and of course, the 2023 Pacific Games Bill then we would have done well for this year.

I would like to congratulate the government for coming up with that bill very quickly because I think in the history of the Games, a lot of countries that hosted these Games has taken them six months to one year and some two years to come up with such a bill. And so I am happy indeed that our government came up with a bill very, very quickly in just a matter of months after winning the bid to host the games here and so I do not want to spend any more time to keep this year to next year because a lot of things hinge on this bill and so I would like us to dispense with it at this meeting. I therefore request the government that after we dispense with the budget, we should quickly dispense with this bill and we would have done well. Other than that, it is up to the government but this is just a small request I am making to you in joining my colleague in supporting this motion.

Next week, for what it is worth, there is a Guadalcanal leaders' summit from the 22nd to 24th November. We, the eight members of Parliament from Guadalcanal have been invited to this summit by the province; the first of its kind if I can remember. We are not only Members of Parliament representing our constituencies but we are also leaders of Guadalcanal. If the Prime Minister can take into account this request by allowing the eight of us Members of Guadalcanal to attend that summit. If we adjourn, it gives time to us leaders of Guadalcanal to join other provincial members as well as chiefs and our big men around the island to try and chart out a way forward for Guadalcanal. Other than that, I do not have problem from this side of the House in supporting the motion moved by the Prime Minister.

Mr RICK HOUENIPWELA (Small Malaita): I would like to comment briefly on this Motion of Adjournment by the Honourable Prime Minister, given that the subject matter of the motion is to do with the budget and so I stand up in my capacity as the Chairman of the Public Accounts Committee.

I note that this is the second time we make a special adjournment to do this work. Again, I would like to reiterate what the Leader of the Opposition is asking if the Prime Minister or better still the Minister for Finance and Treasury can inform the House definitely what time the budget documents, which is not the bill itself but the bricks, the establishment registers and I think the important one is what the Minister for Development Planning has already submitted.

This is the second time the Prime Minister is making another promise because when we met about two weeks ago he mentioned this. My Committee has been waiting for three weeks already for the budget documents. This lateness in the submission of the budget is a main concern to me that the PAC might not perform its role as expected by yourself, Mr Speaker, under the Standing Orders.

I note also that this is an issue of noncompliance with the Public Financial Management Act 2013, and on that front I have written a number of letters to the Prime Minister and also to the Minister for Finance urging and also encouraging the government to quickly facilitate in tabling the 2017 Budget so that we can proceed with the work that is required in dealing with the budget.

My concern is we do not want to repeat what has happened last year when the Committee was given less than five days to deal with the budget. The budget does not only belong to Parliament but it is the government's program. If the government wants us to do a good job, give us time to deal within the normal parliamentary scrutiny and oversight role, which under Standing Order 69 you make an appointment to the Public Accounts Committee is where we derive our role from. I would like to continue to urge the government, the Prime Minister, the Minister for Finance and Treasury to quickly make these documents available so that the committee does its work.

As you know, this work is not just sitting down and looking through reports. We have to call people in; all the ministries, all the accounting officers to come as witnesses before the Committee. This is a very big task because sometimes when we

call for witnesses, they do not turn up so we have had to reschedule and that is why limited time is not good because you cannot do a good work to it. I would like to again appeal to the government that I am sure you are fully aware of these requirements.

As I have said earlier, my committee has been waiting for this for the past three weeks because we have been anticipating the receipt of the budget immediately at the end of October. Unfortunately we are now in the middle of November and the documents are still not available. I want to ask the government through the Prime Minister and the Minister for Finance to please make the documents available quickly because my Committee is ready to work on the papers to make a report to parliament. Those are the only comments I want to make.

I would like to join both the Leader of Opposition and the Leader of the Independent group in supporting the motion. It is a very important motion and so there nothing else for me to say but to just wait for the papers to come. I support the motion.

Hon SNYDER RINI (Minister for Finance & Treasury): I would like to thank the Leader of Opposition, the Leader of the Independent Group and also the Member for Small Malaita for their concern on the delay of the budget. The delay is due to the following reasons. First, the ministries are very late in putting their submissions. Secondly, submission by the ministries are not in line with government policies and so we have to inform them that government policy is this and that. What they did is make submissions like it was just normal budget. For example, last year so much percentage and this year so much percentage. They did not make submissions according to government policy and that is one of the reasons for the delay in preparing the budget.

On the concern raised by the Member for Small Malaita for telling us that the budget is delayed and does not adhere to the Financial Management Act that the budget should be laid before parliament at certain times. I am very surprised because in 2013 and 2014 the budget was late and he was the Minister for Finance during those times, so is it now that he just found those sections.

The budget is now ready, the final version of the budget has been passed in Cabinet on Friday. The bricks and the bill have been prepared during the weekend and should be laid before Parliament this afternoon. I want the Committee to start scrutinizing the budget tomorrow, not anymore delay and do not make any more excuses. The Committee must start tomorrow or even this afternoon. All the documents related to the 2017 Budget will come to Parliament this afternoon plus the bill. Those are the reasons why the budget is delayed. Thank you and that explains the reason why the budget is delayed but this afternoon the bill and bricks and all the documents related to the budget will be presented to Parliament.

Mr MATTHEW WALE (Aoke/Langalanga): The Minister for Finance is surprised at the Member for Small Malaita and I am very surprised at the Minister for Finance. How many times already has he been Minister for Finance? It is inexcusable, minister. It is inexcusable that you stand on what another minister has done before, which are things we would like to phase out.

If the budget submissions do not follow government policy, then what are the ministers doing? Where have you been this whole year until now? This is ending a very disappointing year for this country. It is the first time it has taken many months for a preferred supplier. This is finance. It is not another minister, it is finance. Where else? Not another ministry but the Ministry of Finance.

Hon Snyder Rini (interjection): It is not finance!

Mr. Matthew Wale: The preferred supplier process belongs to who? It belongs to finance. Spend time at your office so that you deal with this. After the preferred supplier is sorted out, reservations come in. Who came up with this? It is finance and this year is coming to an end. You blame the other ministries but all the other ministries are complaining about the Ministry of Finance every time. You said you are surprised but I am even more surprised at you.

I am sorry Minister I am not angry but I am just a bit excited because we are coming to the end of the year but we are still in this situation and the preferred supplier situation is very frustrating. Everything is held up and we are forced to spend and try

and spend constructively but the year is coming to an end. It takes four to five months to deal with the preferred supplier and then the reservation kicked in.

When the PAC looked at the mid-year review, all the figures are not giving an accurate picture too. The figures did not justify the imposition of reservation. And so I do not know how the Minister convinced Cabinet that a reservation is absolutely necessary. These are issues of accountability. Enough of giving all sorts of excuses on the floor of Parliament. It is unacceptable. Maybe it is acceptable to Caucus and Cabinet, but not in this House; not when I am here, I will question it. You are accountable. This is not your own business and that of your family. It belongs to all of us, fathers, our grandfathers and grandmothers, our children, everyone has interest in these things. We run the government in trust. That is what it is. I think it is inexcusable.

For the Minister to stand-up and say, 'the PAC should start this afternoon', goodness me! The PAC hearings has a process too. The PAC receives the bill with all the relevant documents, PAC has templates for ministries to fill up, and that is going to take some time and then the PAC just sits down and schedule its program and hopefully every PSs and accounting officers will come. All these takes time. And when that process is completed, the Committee will have to write the report at the end of the process. We are dealing with big budgets nowadays and these big budgets need time. We cannot just run with it. We are spending public funds so let us do justice to it. This is why the request is not an unreasonable one for PAC to have two weeks, some of which are taken up by the ministries filling the templates providing information, a big part of which are the inquiries themselves and then some of which will be report writing. And report writing cannot be done in just a day, it needs time. If we run out of time then pass a resolution so that we give ourselves time to fix this thing and on January we pass it, so that you can implement the budget earlier rather than later.

I am sorry that my frustration has to come out, maybe undignified and so I ask the forgiveness of my dear colleague, the Minister of Finance and Treasury on the tone of my voice on these things, but I am raising issues of accountability. Thank you.

Hon JOHN MANENIARU (Minister for Fisheries and Marine Resources): I also want to add the voice of West Are Are on this motion moved by the Honourable Prime Minister for Parliament to be adjourned today and to resume on Tuesday 21st November 2016. I would also like to support the issues raised about the budget preparation. Before doing so, I want to thank the Leader of Opposition and the Leader of the Independent Group for supporting this motion and also to have consultations with the Prime Minister for recognizing the need for the special adjournment.

On the budget, I fully understand the disappointment and the frustration by the other side of the House. The budgets that were brought here are just the same every year so are we going to continue doing the same every year? I support the Minister for Finance statement that the budget is delayed because Caucus and Cabinet in particular is not happy with the way ministries present their budgets to the Government. It is the same every year round by putting a percentage on top, increase it and that is the normal practice being done for many years since I came into Parliament and I saw it. Therefore, the time taken by the government to really scrutinize the process and the system comes with a lot of mix-ups. I can see the point my colleague Aoke/Langalanga jumped in with. The systems we have and the laws we pass in this House are making us to shout like this, because they are not right, they fall short but instead we pass them. And so if the budget comes and does not reflect the policy of the government of the day, their wishes and their desire to work towards the people that we represent, then we certainly need time to scrutinize the whole process so that we have a budget that we always talk about that we want to go down to our people. There are a lot of things happening in this system.

When I first became a minister I just come to know these things and I say to myself that it is true, we will continue to accuse ourselves. I was on the other side in the last four years and I was also jumping up and down in the last four years. When I just realized it I say to myself that we need to work hard on this system because it does not allow the government of the day to deliver to our people, as we always say on this floor of Parliament. It is not.

There are a lot of errors covered and looked after by legislation and does not allow ministries to implement the budget. And so we must pay attention to them.

This budget is delayed because submissions by ministries do not represent the policies of this government. And the Ministry of Finance as stated by my colleague for Aoke/Langalanga, it is true because it is people in the ministries that are running the government and not us. They just put it to us and dictate that this is what you do, this is your budget. As the Minister for Fisheries I do not accept that. I do not accept that. It is my policy, it is my government, and so I would want you to put a budget that will implement my policy. That is basically what I am focussing on, instead the system does not allow us.

Our officers, they are the boss; it is their budget. Whatever budgets they want is put to us and say this is it, take it up and pass it. That is the practice that has been happening in previous years that has happen to our budget, and I for one do not want us to continue that way. Let us put a stop to that so that when the budget is put across by the Government, it would at least help improve us in the implementation of our policy to our people and development in this country.

The system has people who decide for the business of the government of the day themselves. The laws that we passed is to enable them do the work. We have to allow us to change those things. The reason is if you look at the budget we are still the same and we will continue as a government and we tell lies to our people.

We already have problems with the implementation of the budget because of the laws that we pass here. You can see it with infrastructures. We have problems with our programs for the two years. We have to understand that. This is because of loopholes in the laws that we pass in here and then the systems are architected to suit how they want the government of the day to run. And so I am happy that the process we are taking is not going to make miracles; we are not making any miracles here, but it is the responsibility of this House, the 50 Members of Parliament to make it right so that we can effectively come up with a budget, we pass it and improve its implementation to our people. If not, it is merely a paper budget like in previous years with very little improvement on implementation and then we will continue to argue over it in here.

I would like to share that on the debate of the process of the budget preparation because I see it as not being right. It is very true that it is delayed but

when ministries make their submissions, I as one member of the cabinet said it is not right because how can you force me to implement a budget that I do not agree with.

Money is also very scarce, and that is a problem. If money is abundant I would say put this so much money inside the budget. The budget is to look at our needs and limitations, and so I agree with the Minister for Finance that we have to deal with it so that we pass it and see how we can move our aspirations to serve our people better, especially the 50 constituencies throughout this country.

I think the budget is starting to pave the way forward for us. It starts to recognise the limitations and difficulties we have in past years in terms of implementing the budget as we desire and expect. That is the process that must be given time, so that we start to put right the things that we have been doing in the past so that we do not continue with the same chorus but is tuned differently so that it is in line with what we want.

The budget that will be presented, I hope is going to start help us understand some of the issues. Yes, it will still take us because we need amendment bills to legislations passed in this House that are holding us tight and continue to give us problem in implementing our budget. So we look forward to those amendment bills.

As already shared, there is need to amend certain legislations to give us the way forward in addressing these problems. We all have problems, especially with the budget and we also have problem with the budget this year and these problems came about because of the legislations we pass in here. Those legislations restrict us from doing what we want to do. Therefore, even ministers too find it difficult when we want to do things in terms of our policies, we are restricted by legislations that are in place.

I thank you for the opportunity to share what I have gone through as a minister of the government in terms of budget preparation and our desire and aspirations to improve the procedures and systems that we have in place.

As I have said earlier, we are not going to make a miracle here but let us start addressing the issues that are causing us problem in implementing our polices and delivery to our people. Thank you and I support the motion.

Hon Manasseh Sogavare: Mr Speaker, thank you very much; those debates really make my work very easy. And that is for me to move this motion and then we will finish.

We hear comments from both sides of the House. I think what the Minister Fisheries has mentioned in response to some of the concerns raised by our colleagues on the other side are very true; it is something we are experiencing now.

During the meeting of Caucus and Cabinet, we took it upon ourselves so that before we implement the 2017 budget in 2017, we need to sort out the things that are hindering the free implementation of the budget and that goes directly to the Public Financial Management Act. And most of these things is on the procurement requirements in the regulations and prescribed by the Minister. We will take it upon ourselves to really analyse the areas that are causing the hiccups.

I have discussed with our development partners this month raising the issue that as long as we continue to have the Public Financial Management Act as it is, the government will not be able to move to implement the budget and deliver the things we promised our people. So there is an understanding there because this thing is designed for us by an officer from the IMF, so we need to consult very closely with them but we do get it upon ourselves, we will form a committee to start looking into the areas that are causing these hiccups. Caucus agreed that we need to sort this out and know exactly what to address before 2017 so that we can implement the budget with ease. It is unfortunate that we have to come here, hitting out those things from a law that was designed for us. So we welcome that.

Yes, the Pacific Games Bill is very important and my discussions with the Deputy Prime Minister is if we cannot bring in all the other bills we may look at prioritising bills that need to come to this House, and which I think one of them is the Pacific Games Bill and the one is the Country and Planning Bill so that we start to give powers to the Ministry of Lands to start sort out lands that do not have plans starting from Henderson coming down. I guess the title holder has a free hand to do whatever he wants to do. I guess we are again caught up in some decisions that were and made for us just after independence and so we can see land in the hands of different people and so you can see the kind of things that are being built from Henderson to our town, and this is because the government does not have any control over those. Maybe that

also is a very important bill that needs to come but we will see how we go, but the Pacific Games Bill is very important and so we take note of that.

We also take note of the Guadalcanal Leaders' Summit that will happen next week. We will see how we go on with that. And if most of the members of Guadalcanal need to attend that summit, then we will deal with that when that matter comes around next week.

Apart from that, I would like to thank the Leader of Opposition, the Leader of the Independent Group, the Chairman of the Public Accounts Committee and the Member for Aoke/Langalanga for raising his voice a bit here, but that is the spirit of this House. I think this is the most civilized House because if you go anywhere you would see people removing their shoes and start throwing at each other, holding each other's neck and so forth. But this is a very, very civilized house and that is good and this is what this House is for; come and raise your voices here, go back and chew betel nut and smoke together with each other. That is the spirit that we continue to maintain in this House.

With that, I beg to move that at the adjournment of Parliament on Monday 14th November 2016, the present meeting shall stand adjourned to Tuesday 22nd November 2016.

The motion agreed with.

The House adjourned at 10.50 am