

MONDAY 18TH AUGUST 2008

The Speaker, Sir Peter Kenilorea took the chair at 9.35 am.

Prayers.

ATTENDANCE

At prayers all were present with the exception of the Ministers for Development Planning & Aid Coordination, Culture & Tourism, Foreign Affairs & External Trade, Forestry, Home Affairs and members for South Choiseul, West New Georgia/Vona Vona, West Guadalcanal, Central Makira, Central Honiara, West Are Are, Temotu Nende, Temotu Vattu and North Guadalcanal.

QUESTIONS AND ANSWERS

Rehabilitation of Ex-combatants

14. Mr SOGAVARE to Minister for National Unity, Reconciliation and Peace: In respect of the government's good intention to rehabilitate the ex-combatants, could the Minister inform Parliament:-

- (a) The precise component of the rehabilitation package?
- (b) The time frame within which this package will be paid/implemented?

Hon IDURI: Mr Speaker, I thank the Leader of Opposition and MP for East Choiseul for his question.

In answering this question, I wish to inform Parliament that the SIG Task Force to Design the Socio-economic Rehabilitation of former combatants has been established and they had started work on 25/7/08 this year and expected to complete the task within eight weeks. Wide consultations are being made with the appropriate stakeholders in this process.

I wish to also inform that the UNDP are also assisting through a Short Term Technical assistant who is working with the Ministry and the Taskforce on this sign phase. Until the Taskforce completes this task, I am not yet able to give any information on:

- (a) the content of the package; and
- (b) the time frame within which this package will be paid or implemented.

Mr Sogavare: Mr Speaker, I thank the Minister for the explanation. Just to clear the air, Mr Speaker, since this issue is publicly debated the public is made to understand that a package has been submitted to the United Nations Development Program (UNDP) in Solomon Islands. And may be the Minister can enlighten us on what form it is in. Is it in a form of a package, in a form of a project proposal to the UNDP or is just an approach made to UNDP to look into that. Can the Minister just clear the air on that?

Hon FONONO: Mr Speaker, as the Minister mentioned, the Cabinet had already approved a taskforce to look at putting together a package with the help of a technical assistance from the UNDP.

The Minister clearly mentioned that he cannot yet release the actual component of the package, but I can assure the House that no cash payments will be made. The government's position is that rehabilitation would be done in the form of projects. The component of the package is too early to determine because the technical assistant has just started working and he will be consulting stakeholders, including the former combatants. Thank you, Mr Speaker.

Mr Sogavare: Mr Speaker, I thank the Deputy Prime Minister and the Minister for clearing the air on this issue. This side of the House still maintains the fact that there should be active consultation and dialogue with those who were directly affected. This must continue so that it does not cause unnecessary problem. With that, Mr Speaker, I thank the DPM and the Minister responsible for this portfolio for answering this question.

April Riot Compensation

15. **Mr SOGAVARE** to Minister for National Unity, Reconciliation and Peace: Following confirmation by the Commission of Inquiry into the April Riot on the monetary value of the loss suffered by the victims, could the Minister inform the House as follows:

- (a) Who is liable to compensate the victims?
- (b) What is the total cost of the compensation?
- (c) Is the amount quoted includes losses incurred by indigenous Solomon Islanders?

Hon IDURI: Mr Speaker, I thank the Leader of Opposition and Member for East Choiseul for this question.

Sir, during this session the Hon. Prime Minister has answered the question about the release of the report of the Commission of Inquiry, which informed that the report of the Commission is yet to be released. In view of this, I am not in a position to inform this honorable House of:

- (a) Who is liable to compensate the victims?
- (b) What the total cost of the compensation will be?

- (c) Whether or not the amount quoted includes, losses incurred by indigenous Solomon Islanders?

Mr Sogavare: Mr Speaker, for the interest of national security we respect that answer. Just to clear the air, what about the terms of reference of those people who will be looking into this report will also include the question of determining who is liable to pay the compensation, and may be the issues we are raising this question on. Can the Minister confirm that to the House?

Hon FONONO: Mr Speaker, since the Commission of Inquiry comes under the Prime Minister's Office, for the information of the House, the report of the Inquiry has reached the Prime Minister's Office and the Cabinet has agreed to a sub-task force to summarize the findings of that report because there are two volumes, and it is quite large for Cabinet to deliberate on those two volumes. Because of that it is only fitting that a summarized finding of recommendations in that report be made and so a sub committee was formed under the Prime Minister's Office to look into that. The report has just been produced and Cabinet will deliberate on that. At the moment Cabinet is yet to make any decision in relation to the question raised by the Leader of Opposition. Thank you.

Mr Sogavare: Mr Speaker, I can understand what the Deputy Prime Minister has said. To debate this issue, there are certain aspects of this report, which I feel that it really should be released now, but I do not want to venture into that debate.

Because we are told a sub-taskforce is established in the Prime Minister's Office to look at the content of the report and to report to Cabinet on the appropriate actions to be taken, we respect that.

The question is whether the terms of reference of the sub-taskforce also includes the question of who to determine who should be liable to compensate the victims who have been waiting for quite a long time now for the government to get back to them and let them know how it is going to address their issues of concern. That is the question.

Hon Fonono: Mr Speaker, the Leader of Opposition knows very well the conventional way of releasing public documents that the Cabinet must sanction it and when it is tabled in Parliament before it becomes a public document for the information of the public.

Without following that procedure, the government cannot release that document as yet, neither the recommendations in the document because Cabinet is yet to sanction it to look at the recommendations that the Commission of Inquiry has recommended to the Government. Thank you, Mr Speaker.

Mr Sogavare: Mr Speaker, the question is very simple, and it is not about conventions and so forth. We fully understand issues affecting national security. The question is simple, and that is whether the terms of reference of the sub-task force established in the Prime Minister's Office also includes them to establish or to determine who should be

liable to pay compensation to the people who have lost their properties at China Town or lost during the April Riot? That is the question, Mr Speaker.

Hon Fono: Mr Speaker, the sub-task force's role is just to summarize the findings of the two big volume documents, and it would be under the summaries that the recommendations of the public inquiry will be identified so that government can determine appropriate actions. Its Terms of Reference does not commit the taskforce to look into or make determination as who is liable to meet the cost. Thank you, Mr Speaker.

Mr Sogavare: Mr Speaker, then the government is really careless here. This is a very important question for the government to establish under this Report. But I respect the answer and I do not want to venture into more debate and hear more nonsense in Parliament, Mr Speaker, and so I thank the Minister for answering these questions and the Deputy Prime Minister for trying to defend the government.

Progress of SICHE into National University

75. **Mr WAIPORA** to the Minister for Education & Human Resources Development: What is the progress to date on turning Solomon Islands College of Higher Education (SICHE) into a national university?

Hon TAUSINGA: Mr Speaker, the following information is provided to answer the question.

The CNURA Government approved this year an initial support of SBD\$5million for the SICHE upgrading program. It is the first time, Sir, for any government to provide funding for an upgrading program.

Upgrading to university Sir, requires good preparation and these preparations will include infrastructure, review of current programs for all the schools at SICHE and as well as staffing. On the progress of this project, Sir, the Ministry of National Planning and Aid Coordination has given approval to the proposal, the work plan was submitted by SICHE to the Ministry of Education.

Mr Waipora: Mr Speaker, can the Minister inform Parliament whether that \$5million is enough?

Hon Tausinga: Mr Speaker, at this stage we are at the preparatory stage and the government's thinking at the moment is that the amount is adequate. Should the amount be inadequate we always have provisions to get some more by asking the government in future times. Thank you.

Mr Waipora: Supplementary question, Mr Speaker, initially it was ROC that should have funded this according to the budget and now we are expecting this program to be

funded by the Solomon Islands Government. But now I am hearing from the Minister that the Ministry of Planning has cleared that already. I want the Minister to provide more clarity on this.

In my opinion the Ministry of Planning and Aid Coordination only considers and approves funding by aid donors, but here we are talking about SIG money here.

Hon Tausinga: Mr Speaker, all development programs in terms of funding have to be submitted to the Ministry of Planning and Aid Coordination for approval, and therefore the option available is you have to seek the Ministry's approval. As I have said it did grant the approval for the preparatory stage.

Mr Sogavare: Mr Speaker, the question by the MP for West Makira is based on the fact that from the report submitted by the Ministry of Finance there is hardly any funds being used yet out of this \$5million. Could the Minister inform Parliament on the progress and why have we not yet incurred any funds of this \$5million allocated for this project?

Hon Tausinga: Mr. Speaker, when the architectural drawings are finalized and the scope of works for the infrastructure are also finalized, the government will commence spending money for the upgrading of SICHE.

Mr Waipora: I thank the Honorable Minister for trying to partly answer the questions.

Commissioner of Police

77. **Mr WAIPORA** to the Minister for Police, National Security & Prison Services: When will the government appoint a new Commissioner of Police?

Hon MANETOALI: Mr. Speaker, I thank the honorable Member for West Makira, my good friend for once again asking the Minister of Police this question this morning. Mr. Speaker., the government will appoint a new Commissioner of Police when donor funding for the post is secured and the selection process completed.

Mr Waipora: Is the honorable Minister is saying to me that the next Commissioner of Police will not be from Solomon Islands or a national but from outside, and that is why we have to find funds to fund the next Commissioner of Police?

Hon Manetoali: Mr. Speaker, the government has made the decision that the time is not yet right for the post of Commissioner of Police to be localized, hence, the request for assistance to the European Union and the British High Commission.

Mr Waipora: Mr Speaker, I thank the honorable Minister for answering my questions.

BILLS

Bills – Second Reading

The 2008 Supplementary Appropriation Bill 2008

Hon RINI: Mr Speaker, I move that the 2008 Supplementary Appropriation Bill 2008 be now read the second time.

Mr. Speaker, this Bill demonstrates the government's continued commitment to the cause of national unity and Rural Advancement. Sir, I am therefore delighted to present to this honorable House the 2008 Supplementary Appropriation Bill 2008 on behalf of the government and the people of this nation.

Mr Speaker, this Bill aims to satisfy Section 103(2) of the Constitution and Section 15 of the Public Finance and Audit Act (Cap. 120). These sections stipulate that the Minister of Finance may at his discretion authorize expenditure arising from an urgent and unforeseen need under a contingencies warrant where the amount required exceeds that available under an existing appropriation and subject to the financial limits set by Parliament not being exceeded.

Sir, contingencies warrant, as the honorable House is fully aware, allows for urgent and unforeseen spending where it is not practical to provide funding through a supplementary appropriation beforehand. As such, contingencies warrants provide the government with flexibility to adjust spending when the use of a Supplementary Appropriation for urgent and unforeseen spending is impractical.

Mr Speaker, while our economy and revenue base are continuing to improve, the government acknowledges the delivery of services to people will still require a great deal of improvement.

Mr Speaker, the honorable House will recall that early this year the government announced the policy vision and framework that it intends to adopt in order to improve access to social and economic opportunities for all our people, most particularly those in rural areas. Sir, so often our people in the rural areas are under the illusion that they are forgotten by the government here in Honiara. Let me assure this honorable House that this government keeps its commitment to our people in the rural areas. It will take a focused strategy over the medium term to ensure that the government and the people get the best value from every additional dollar of government expenditure and that it is committed where it is most needed. For this reason, the government's policy priorities on reconciliation, national security, infrastructure development, social services, economic and productive growth and civic affairs represent a strong and determined commitment to ensure that the benefits of economic recovery and growth are fairly beneficial and distributed to all the people.

Mr Speaker, more recently the formal launch of the medium term development strategy focused on these particular subjects and further consolidated the government's commitment to its policy priorities. Sir, I can assure the House that the government's pursuance of such policy initiatives has been very vigorous indeed since this

government came to power both for fiscal responsibility and for consistency with the CNURA Policy Framework. Leading into the 2009 Budget, the government will continue to focus on its policy priorities within the context of strong, fiscal discipline and responsibility.

Mr Speaker, the 2008 Supplementary Appropriation Bill 2008 seeks an appropriation to cover expenditure already authorized by contingencies warrants in the first part of 2008. In addition, the Bill seeks the authority of Parliament to appropriate additional funds which have not yet been provisionally approved by the Minister by way of contingencies warrant. These are to cover foreseen expenditure pressures which we know will require additional funding in 2008. Sir, the total supplementary expenditure authorized by this Bill totals up to \$201.1 million.

Sir, as a prudent measure, the Bill also seeks \$35 million on contingencies warrant under recurrent heads of expenditure as well as \$25 million under development heads of expenditure that can be issued by the Minister of Finance for urgent and unforeseen expenditure between now and the end of this year.

Mr Speaker, the 2008 Supplementary Appropriation Bill 2008 consists of a number of expenditure measures. Contingencies warrants amounting to \$41.7million have been signed and submitted to Parliament for approval along with a number of other expenditure initiatives detailed in the Bill, amounting to a further \$159.4million. These measures aim to improve public sector performance and undertake activities that will bring sustainable benefits to our people and our nation.

Mr Speaker, the Recurrent Budget has seen an increase in payroll costs resulting from both an overall expansion of the size of the Public Service and also some adjustments to the Public Service pay rates. The Government has done so to ensure that it is capable of delivering on its promises to our people and that Public Servants are motivated and encouraged to work harder to deliver the government's commitments.

Mr Speaker, as I stated earlier the government has taken a firm decision to commit \$201.1million. For the benefit of the Honorable House, I would like to set these out in detail. Sir, before doing so I would like to note that the government is particularly concerned with recent inflation, especially on rice prices. That is why the center piece of the Supplementary Development Budget is a \$25million appropriation to the Ministry of Agriculture to develop a national rice project. This project aims to have rice produced by our people for our people and will go some way to alleviating the concerns of our people.

Mr Speaker, \$41.7million in contingencies warrants have been expedited to date as follows:

- \$3.45million to the Ministry of Home Affairs for the 30th Independence Anniversary celebrations Appropriation;
- A further \$1.7million to Home Affairs for disaster relief assistance in Guadalcanal;
- \$8.95million to Finance for regional disaster rehabilitation in Western and Choiseul Provinces;

- A further \$2million to Commerce for the National Trade Show;
- \$1.7million to Culture & Tourism for the South Pacific Arts Festival contingent to American Samoa;
- \$3.5million grant to Isabel province for purchase of a new vessel;
- A total of \$3.1million for MPs overseas travel across a number of ministries; and an additional \$0.5million for the Governor General's overseas travel;
- A total of \$1.5million for public servants overseas travel across a number of ministries;
- A total of \$0.9million for house rental across a number of ministries.
- \$1million to National Parliament for housing allowances; and
- \$5million for SIG contribution towards the ROC funded Rural Constituency Development Fund.

Mr Speaker, the Bill also seeks the authority of Parliament to appropriate an additional fund of \$159.4million, which have not yet been provisionally approved by the Minister by way of contingencies warrants. These include:

- \$25million to the Agriculture Ministry to establish the National Rice Project announced by the Prime Minister at Independence Anniversary in July;
- \$12million to Education for overseas scholarships;
- A further \$8.1million to the Ministry of Education to reflect the effect of the minimum wage increase, particularly for our teachers;
- \$51million to all ministries to address the Government's greatly expanded payroll and basic essential items; and
- \$3.7million to the Ministry of Police for firearms compensation.

Mr Speaker, despite committing \$201.1million in the Bill, underspends in the original budget and expected additional revenue will allow for a fully funded budget.

Sir, we are expecting revenue to increase substantively by \$30million over our original estimates. This would be through increased compliances activities by Inland Revenue Division, increased training efforts in Customs and the education of the public which has seen a greater willingness to pay taxes as and when they are due. In addition, we are confident of positive benefits accruing from the cancellation of a number of tax exemptions and increases in the determined value of logs, which took effect last May and due to be reviewed in October later this year.

Mr Speaker, the benefits for ordinary citizens have been immediate. The lowering of many import duties especially on essential goods and services has protected our citizens to some extent from the impact of currency fluctuations. In addition, Sir, the tax revenue burden is appropriately being placed on those most able to afford it. The government recognizes that more needs to be done to address inflation; most especially that on food prices and so is committed to the National Rice Project as well as introducing a minimum wage so that all employed nationals could afford basic necessities.

Moreover, our overall aim of the Bill is to ensure that we have the best possible opportunity to deliver on all our programs and commitments. The government recognizes that delivering all programs this year is a huge challenge and may not be achieved fully. Nonetheless, the least we want is lack of appropriation by Parliament to be a constraint. In the event of a funding constraint, there are ways of dealing with the situation including extending the delivery of some programs into 2009; taking additional revenue raising measures and accessing cash balance from previous years. All in all, Sir, the government is fully confident that this Bill is both fiscally responsible and provides the best possible opportunity for delivery of its programs and commitments.

Mr Speaker, the government is now preparing for the 2009 Budget. We have commenced a program designed to prepare us for the revised budget format which I foreshadowed to the Honorable Members when introducing the 2008 Budget.

Sir given the short time the government has been in power and the short time since the passage of the 2008 Budget, some four months ago, the government has moved to implement its priorities with this Supplementary Budget, rather than sitting on its hands and expecting everything to work out on its own. Our first move has been to ensure that ministries understand the responsibility that the receipt and disbursement of public funds places upon them and upon their duties as public servants to make funds and implement projects efficiently. The Economic and Product Ministries, Sub-committee of Cabinet focuses on ensuring that Ministries are working hard to implement development programs.

Sir, Ministries in this regard, are required to report on progress and link their activities to their corporate plan, the Government's Policy Statement, the Medium Term Development Strategies, and their approved Recurrent and Development Budgets.

Mr Speaker, the existence of inefficient and unresponsive public service with ministries failing to deliver real benefits to the vast majority of our people should never be allowed. This Government in this respect is demonstrating its leadership in ensuring that government acts quickly and decisively to implement its policy priorities, most specifically keeping its promise for rural advancement.

Sir, I am sure both sides of the House will be very pleased indeed to hear that the government is leading the process of improved administration and governance, and stricter control of public policy as well as positioning itself to deliver its policy priorities, which will progress the cause of national unity and rural advancement.

Mr Speaker, as always we have faced and will continue to face a number of significant challenges. However, the government has acted decisively in its first few months in office to ensure that it is well placed to deliver on its commitments to our people.

Mr Speaker, this Bill demonstrates that even though we have been in government for a short time we are making real progress in advancing administrative reform and in implementing the government's policy priorities focusing on rural advancement.

Mr Speaker, the Bill presents us all as leaders of our people with an important challenge and opportunity to improve the lives of our people and progress our nation

with renewed confidence and hope. Mr Speaker, I commend this Bill to this House and I beg to move.

Mr Speaker as required by Standing Order 61(2), I move that the debate of the 2008 Supplementary Appropriation Bill 2008 be now adjourned until the next sitting day.

Debate on the 2008 Supplementary Appropriation Bill 2008 adjourned for the next day.

Mr Speaker: Honorable Members, as you are well aware, the second reading debate on any Appropriation Bill cannot commence until the day after the second reading has been made and so debate on this will commence tomorrow.

Hon Fono: Mr Speaker, I beg to move that Parliament do now adjourn.

The House adjourned at 10:20 p.m.