

TUESDAY 19 AUGUST 2008

The Deputy Speaker, Mr Kengava took chair at 9:45 am.

Prayers.

ATTENDANCE

At prayers all were present with the exception of the Ministers for Development Planning & Aid Coordination, Foreign Affairs & External Trade, Energy, Mines & Rural Electrification, National Unity, Reconciliation & Peace, Forestry, Environment, Conservation & Meteorology, Education & Human Resources Development, Home Affairs and the Members for West New Georgia/ Vona Vona, West Guadalcanal, Central Honiara, West Are Are, Temotu Nende, North Guadalcanal and Malaita Outer Islands.

PRESENTATION OF PAPERS AND REPORTS

QUESTIONS AND ANSWERS

Questions No. 16, 17 &78 deferred

Rural Constituency Livelihood

79. **Mr WAIPORA** to the Minister for Rural Development & Indigenous Business Affairs: How much of the \$50million for Rural Constituency Livelihood has been expended to date?

Hon FONO: Mr. Speaker, I thank my good friend, the MP for West Makira for asking that very important question. Technically, the mover of the question realized that it is not \$150 million but \$50 million. I would have thought that he made that amendment when he noticed it in the Order Paper so that it is consistent with what is in the budget. However, Mr. Speaker, to be specific on the \$50 million funds provided under Rural Livelihood, the delay is caused by staffing problem within the Ministry where there is need to appraise projects submitted by MPs or constituencies in order to have a good database in the Ministry so that when the projects are implemented, the Ministry staff can go around to visit them, otherwise ghost projects are implemented. They need to have a good database to know the location of the projects, what project is submitted for funding, how much is the total, and who is the project coordinator is for particular projects. That is the reason why there is a bit of delay.

For the information of the House, 124 projects have been approved by the Ministry. These projects fall under the criteria approved by Cabinet, which totals \$26,167,220. These are now with Finance to be processed. Very soon the Ministry of Finance will be funding the projects whether to suppliers or project beneficiaries.

Sir, we know very well why it was not paid in the last few months because government funds were committed towards the 30th Independence Anniversary, which money budgeted for the celebrations has been overspent according to the Ministry of Finance. In addition to that is the \$1 million each that was paid through Finance for RCDF, the Millennium Funding and Micro-Projects. These were paid first by the government to be reimbursed later by ROC because ROC payment, as we all know, is done on quarterly basis. We are anticipating when ROC reimburses its quarterly payments the government would then have funds to expend on the projects that were already approved – 124 projects totaling up to \$26,167,220. Thank you Mr. Speaker sir.

Mr Waipora: Mr. Speaker, is the Honorable Acting Prime Minister saying that of the 124 projects that have been submitted to the Ministry of Finance, not one cent or dollar has been spent on those 124 projects? That is the basis of the question. I just want to know how much has already been spent.

I am happy to hear the honorable Acting Prime Minister mentioned that 124 projects have been approved but they are still there in the Treasury with no money expended on them as yet. Is it true that no money has been spent yet on those 124 projects?

Hon Fono: Is it a question or a statement?

Mr Waipora: Mr. Speaker, it is a question. What I am saying is that those 124 projects are there in the Treasury but there are no funds to fund them yet. Like for example, not one project of those of us in West Makira have been paid. I also believe the projects of the other 48 constituencies are not yet funded, which would mean the whole amount of \$50 million is still there.

Hon Fono: Yes, Mr. Speaker, I can confirm that. As I have already said there are no payments made because the priority then was to meet the cost of the 30th Independence Anniversary and the ongoing recurrent costs of the government including your salary, MP for West Makira. The priority then was the ongoing commitment by the government.

The Government felt that the \$50 million given out through the RCDF, Micro-Projects and so on should have enabled us implement our projects for the first part of the year. We are quite confident to implement the rural livelihood in the remaining part of the year. Otherwise we will be seen as helping to push for constituencies first and other commitments made by the government under the budget are ignored. That is not the way of a responsible government. The government being responsible must prioritize share available funds through other commitments. Thank you, Mr Speaker.

Mr SOGAVARE: Mr Speaker, supplementary question. In terms of administering this project right to the rural areas, are you still going to use staff of the ministry or there are other arrangements to get these projects monitored right at the rural area. How is the government going to do this, Mr Speaker?

Hon Fono: Mr Speaker, I thank the Leader of the Opposition for that very important question. The Ministry has its staff of the Ministry of Rural Development, as well as the CDOs. The constituencies that have CDOs will be there to implement projects in the rural areas.

For the information of the House there is now an allocation in this Supplementary Budget for the Ministry for staff to monitor the implementation of projects funded under the rural livelihood program.

Mr BOSETO: Supplementary question. In the guidelines there is mention of amounts ranging from \$50,000 to \$1million that can be accepted. How many of the 124 projects submitted \$1million projects?

Hon Fono: Mr Speaker, I have a list of the 124 projects submitted by 32 constituencies. About nine constituencies submitted \$1million projects. Some of them are social housing projects that would like building materials for houses in their constituencies.

For the information of the House as well, the Cabinet has readjusted the criteria for the minimum amount from \$50,000 down to \$10,000 in order to allow smaller projects worth \$10,000 to be endorsed by you can be funded. There is a general understanding that MPs would want a fair and equal distribution and so it is reduced to \$10,000 as minimum so that it has wide coverage but solely dependent on the endorsement of the MP to identify whether an applicant is genuine or is someone residing in the constituency of the MP. As I have said about nine constituencies submitted projects worth a million dollar.

Mr ZAMA: Mr Speaker, supplementary question to the Minister and may be the Minister of Finance to assist the Deputy Prime Minister.

Many application funding have been sitting down at the Treasury for the last eight weeks. We have heard a lot of responses coming from the Ministry of Finance and the Ministry of Rural Development that there is no funding or there is no money at the Treasury.

Mr Speaker, I would like the Minister of Finance to confirm whether there is money or there is no money, and secondly, what assurance or guarantee can the government give that it will pay all these projects in the next 16 weeks?

Hon RINI: Mr Speaker, I would like to thank the Member for Rendova/Tetepare for that supplementary question. Yes, there are some funds coming in now from the ROC on the

amount that was paid out first. We are now starting to process payments for the projects.

There were discrepancies on some of the submissions that came in and so they had to be sent back to the Ministry of Rural Development for more information, and have now been resubmitted to the Ministry of Finance. I believe that after this Supplementary Appropriation Bill is passed we would be able to fund some of these projects. I would like to assure the House that the Government will try its best to fund the projects before the end of this financial year. Thank you.

Mr Zama: Mr Speaker, the Deputy Prime Minister and the Minister of Finance were saying that some funds will come in from the ROC. According to the Development Budget, Mr Speaker, this is not supposed to be funded by donors, but it should come out from SIG funding.

Why do we have to wait for ROC to give us money before we can pay those projects? What really is the strong conviction of the Minister of Finance and the Deputy Prime Minister that they will scoop this \$50million in the next 16 weeks?

Mr Speaker, I am saying 16 weeks because this is not counting the whole month of December. There is a cut off in December and according to estimates we have only 16 working weeks to pay all these projects. Thank you.

Hon Rini: Mr Speaker, if the Member had listened carefully to what the Acting Prime Minister said earlier on, he should not be ask this supplementary question.

Let me repeat again what actually happens. The RCDF, the Micro-Project and the Millennium Fund, a total of \$1million for each constituency are supposed to be funded by the ROC. In April/May we paid out \$50million in advance using SIG funds because funding from the ROC is on quarterly basis. Instead of waiting for ROC to pay us money for the RCDF, the Micro-project and the Millennium Funding, the SIG paid out \$50million from SIG funds. When the ROC reimburses us this money we would then have extra funds to pay the livelihood projects. If we had not paid out the \$50million in advance, for sure we would have now started paying the livelihood projects. Because \$50million is advanced we have to wait until the ROC refund us before we will pay. But we are not going to wait for their total refund. As soon as we see that cash flow is improving we are going to fund the projects that have been submitted to the Ministry of Finance. Thank you, Mr Speaker.

Mr Zama: Mr Speaker, I am still not satisfied with the answer from the DPM and the Minister of Finance. I say this because if the \$50million payment was paid out in April/May this year then it really comes back to the government's performance on how much revenue it collects. You do not have to wait for donors to pay that money in.

Mr Speaker, what is the government assurance that these projects are going to be paid before the end of the year? It looks as though the revenue performance of the government falls below expectations. Can the Minister confirm that?

Mr Speaker: Point of order. I think the question has been answered. I think it is your own opinion that you do not accept the answers.

Hon Fono: Mr Speaker, can I put at rest the mind of the MP for Rendova/Tetepare. This is a responsible Government and so we cannot just pay this \$50million RCDF first from the government and then another \$50million for rural livelihood. That would mean serving ourselves and our constituencies first compared to other pressing issues. What about the salaries of teachers, Police, and public service, which are recurrent costs. This is a responsible government and we know that we will be paying the rural livelihood projects from reimbursements that ROC is going to give us because we are advancing the RCDF from our funds as the Minister of Finance and myself have said and yet the Member did not accept then that is his problem.

As far as government is concerned, we are on track and in fact we will be making a difference through this rural livelihood policy of the CNURA Government. Thank you Mr Speaker.

Mr Sogavare: Thank you very much. I think we are hitting the nail on its head – a responsible government. I think that is the issue that comes out very forcefully from the DPM.

The question is that there are other important national projects that are also budgeted for this year, which do not seem to move. Is the government saying that it is the projects implemented through MPs that are more important than national projects that have direct impact on the national economy, Mr Speaker?

Hon Fono: No, Mr Speaker, we are not saying that but rural livelihood will be paid over and above. We are treating rural livelihood as priority over and above our national projects. We are continuing to implement national projects. You will see in the budget that we are currently implementing the projects. Thank you, Mr Speaker.

Mr Waipora: Mr Speaker, I just want to thank the honorable Acting Prime Minister and the honorable Minister of Finance for their responses to the questions.

It has been a concern to people that when they hear about this thing they come running to us to endorse their projects. It is good that the Deputy Prime Minister answers the question so that our people outside can hear for themselves the situation so that they do not come running to us. The Deputy has explained that when funds are ready the projects will be paid by the Treasury.

Mr Speaker, thank you very much for the answers.

BILLS

Bills – Second Reading

The 2008 Supplementary Appropriation Bill 2008

Debate commences.

Mr Speaker: I would like to remind Members that according to Standing Order 61(2) a maximum of four days is allowed for the second reading debate. When no further Member rises to speak on the Bill, even before the fourth allotted day, the chair will call on the honorable Minister of Finance and Treasury to deliver his speech in reply before the question is put.

May I also kindly remind all Members to adhere to the rules of debate set out in the Standing Orders please confine contributions to the financial and economic state of Solomon Islands and the general principles of government policy and administration as indicated in the Bill before us.

Also keep in mind that there may be others who would like to speak so try and keep your speaking time to a certain limit, maybe 30 minutes is sufficient. The Leader of Opposition has asked to speak first and so I grant him permission to do so.

Mr SOGAVARE: Thank you, Mr Speaker, for allowing me to take the floor first. I think it is more appropriate that I speak first so that we put the Opposition's view across so that the debate makes sense within the submissions by both the Government and the Opposition.

Sir, in saying that, this side of the House does not have quarrel over the constitutional and legal authority for the introduction of supplementary appropriation or supplementary budget for that matter to Parliament nor the general reasons as carried in the laws, and of course, tendered by the government as justification for the request because they are indeed expressed provisions of the law, Mr Speaker. The Government strictly complied with the provisions and requirements of the Public Finance and Audit Act, the Financial Instructions, and of course, the Constitution, more specifically, section 103 of the Constitution. In fact, the instruction governing the administration of an application for Supplementary Appropriation Mr Speaker, under the Financial Instruction requires that the following conditions are fulfilled. This is in reference to Financial Instructions 183(A)(B)&(C), and that is failure to approve the additional funds will be detrimental to the interest of government. It does not use the word 'the government' but 'government' or 'public'. That is condition one.

The second condition, Mr Speaker, is the deferment of the provision of the additional fund until the next annual estimates of expenditure. Again it says that this action is going to be detrimental to the interest of government and the public. The third one and (c) says that it shall be fair and reasonable to believe that the need for additional funds could not have been foreseen at the time of the preparation of the current year's estimates of expenditure. In other words, at the time of putting together the budget it would not have been reasonable at that time for us to see that that kind of expenditure will arise, and so it allows government to be able to maneuver. In fact, that is straight because nothing should hinder the government to maneuver because the government is responsible to the people of this country and so it must have enough provisions in the

budget to be able to address the needs of the people when it arises, in case of emergency situation and such things.

Sir, I would like to think that provisions A&B apply more to the request for additional expenditures when provisionally approved by Minister under the contingencies warrants. Provision (C), however applies, in my view, to additional expenditures incurred under contingencies warrant. That is the view I hold, Mr Speaker.

Sir, one thing that we need to bear in mind, and it is clear, is the reference made to the term 'interest of government'. This is very important. In the instructions is a reference to government as an entity in law, not the ruling government, the ruling political government.

I am saying this because I do not think it is ever the intention of the law to facilitate additional expenditures that are clearly for the narrow political interest of a ruling government. That is never the intention of the law.

Sir, this places a very solemn responsibility on any government, on any ruling government and on any ruling political government to ensure that the integrity of the living entity in law called the Solomon Islands Government in all matters relating to the proper adherence to the law is maintained all the time. In other words, the Solomon Islands Government is not a private property of the ruling political party. Rather it belongs to the people of Solomon Islands and ruling governments are mere custodians of the government system.

I thought to clear that to put the Opposition's argument in context, Sir, right from the very beginning.

Our concern, Mr Speaker, and indeed the concern of anyone is that quite apart from complying with the strict legal provisions and justifications, a closer scrutiny of the Bill and the details provided leaves so much to be desired about the claim of the government as justification for bringing this Bill before Parliament.

Sir, it is one thing to comply with the strict requirements of the law and it is quite another thing to try to convince this parliament that the additional request and the reasons tendered to support the request, Mr Speaker, are realistic, sensible and consistent with the allowance provided under the Constitution, the Financial Instructions and the Public Finance and Audit Act.

Sir, we are saying this because the use of sweeping political statements like "in the course of national unity and rural advancement" or "to fund urgent and unforeseen needs" or to further advance the six priority areas only complicates matter further for the government as far as the Bill is concerned.

I am saying this because if these indeed are the reasons for tabling of this additional request then we better think again. There are glaring inconsistencies and real failures.

Sir, we need to make it very clear that this side of the house does not question the need for the government to have adequate financial provisions, as I have stated already in the Budget, because as an entity responsible to the people of this country, the government as the custodian of the system has the duty to respond quickly and unhindered by reasons of inadequate budgetary provisions. It must have room to

maneuver and that we do not question. That is not our area of concern. But our concern is that we need to be seen as responsible government and relate to these facilities in a responsible and dignified manner. If this is not clear then we need to make it plain and clear that the facilities in the Constitution – the Financial Instruction and the Public Finance and Audit Act were never meant to be a way out for poor budgeting neither are they instruments to advance and facilitate our own narrow agendas, our political agendas. It was never the intention.

You see, Mr Speaker, the founders of our Constitution and the laws that relate to the operations and management of the national budget have seen the wisdom of incorporating these provisions. They saw it. And we have the duty to protect the integrity of those facilities. Unfortunately, Mr Speaker, this is where all political governments failed miserably. I need to generalize it like that because I am talking to all of us.

Sir, when it comes to the management of the budget, political governments in this country over the years have become helpless victims of their unclear directives to the administrative government, and as a result had to personally supervise the implementation of their policies, which in many cases were driven by political interests through the operation of the budget, and the CNURA Government is no exception despite its many claims that it believes in good governance.

Sir, there is a strong tendency for politicians to interfere in the administration of the budget and then we blame Permanent Secretaries when things go wrong.

Sir, I have known good and honest Permanent Secretaries who suddenly becoming intoxicated with the venom of politics that they lose their status as independent administrative advisors to the political government on how to implement government programs within the requirements of good administrative and legal practices and have instead become political agents of the political government for fear of being sacked, Mr Speaker. This is serious because we are talking about the accounting officer, the person who is responsible in managing the budget that we allocated to him. Sir, I feel sorry for Permanent Secretaries and senior government officers who find themselves in this condition. Mr Speaker, you see the independence of the Public Service is no longer respected, especially by politicians.

I am going on about this, Mr Speaker, because it has been the case in the past and still is that budgets blow out and abuse of the budgetary processes over the history of this country is due mainly to direct political interference by politicians. Unfortunately, Mr Speaker, the rules governing restriction to interference only applies to interference by public servants in politics. Interference by politicians in areas that are rightfully the domain of the administrative government and public service go unpunished. No wonder we have undisciplined governments when it comes to matters relating to the management of the budget, Mr Speaker. That is why I always hold the view that it is politicians who should appear before the Public Accounts Committee and not Permanent Secretaries to answer questions on budget blow out and allocations that clearly have political connotations.

You see, Permanent Secretaries are totally helpless when they come before the Public Accounts Committee because when they are asked about certain allocations they do not know, and they suddenly become dumb, and worse is the fact that they are in front of the television and so if you see them complaining, Mr Speaker, then you must be careful. I feel sorry for Permanent Secretaries and Accounting officers.

Just by way of reminder, Mr Speaker, and all of us know that the general rule that governs the operations of the government system is very clear. The sphere of government's influence is confined to setting of priorities within the policy statements and general direction of the government's priority. It is the administrative government that advises the political government on how its policies are to be implemented. Unfortunately, Mr Speaker, this division of responsibility is getting cloudy to a point where politicians have freehand in directing the administrative government to comply with political directives and how their programs ought to be implemented. Unfortunately Mr Speaker, this is even to the extent of directing how budgets are to be implemented and structured.

Sir, this is where the real concern lies when it comes to the question of whether we will ever come out of the problem of improper and unrealistic budgeting which continues to plague our system.

Sir, the reference to 'we' includes both members of the political government and the administrative government, and non government Members of Parliament as well. This is where the bucks begin when it comes to the concern for effective and responsible budgeting and management of the implementation of the budget Mr Speaker. Indeed sir, the management of the budget is the joint responsibility of Ministers, Government Backbenchers, and the administrative government headed by the Permanent Secretaries. On this note, Mr Speaker, it is disappointing to note that during the deliberation of the Public Accounts Committee, in some Ministries Permanent Secretaries and Ministers are far removed from each other. When questions were asked to them on what the government is saying or what your Ministers are saying they replied saying that they did not know.

Sir, there is very little consultation between Ministers and Permanent Secretaries so much so that Permanent Secretaries are not aware of what their political governments have decided. Some Permanent Secretaries were saying that they just saw the bill in the in-tray. They said the bill was sitting in the Minister's in-tray and so they went in and got hold of it. In fact a couple of Permanent Secretaries came with very wrong submissions, and when we told them about the allocation of their ministries they were shocked. That is a clear indication of very little consultation between Permanent Secretaries and Ministers. Permanent Secretaries who are supposed to be accounting officers were left in total darkness. They do not know what is going on.

Sir, this does not speak of government/public servant relationship. It is very often the case that weaknesses in the government are a reflection of poor government/public servant relationship created by the overpowering attitude of the government over the public servants.

The cost of running government services were never properly costed in many of the budgets that find their way to this honorable House because they lack the professional independent input of the responsible public servants, and worse still rarely fully represent the expressed policy direction and priorities of the government. If they do, then in many cases tainted with politics. For example, the Minister in his speech made clear that the additional spending seeks to further advance the objective of the six priority areas of the CNURA Government which are as follows:

- Reconstruction or rehabilitation;
- National Security and Foreign Relations;
- Infrastructure development;
- Social Services Sector;
- Economic productive sector; and
- Civic affairs.

With due respect to the government and the Minister, this side of the house is not clear as to how the additional expenditures requested will pursue the advancement of these priorities . We find it very difficult to see that. If it does, Mr Speaker, then it is very, very insignificant.

Mr Speaker, the entire \$132million of the additional funding requested goes to the upkeep of the Public Service. You read the Bill. Now judging from that fact alone, the credibility of the additional request, as far as government priorities are concerned, is seriously questioned. The government clearly appeared to have lost its way.

I go back to this issue of the responsibility of backbenchers and non-members of government. I made the point that backbenchers have a duty to ensure that the national budget is not unduly pressured to attend to political agendas that in the final analysis we lose sight of the broad objectives of the government. We have that responsibility. Unfortunately the present system does not protect backbenchers to behave that way. This point is advanced on the premise that under the present system backbenchers and non-government members of parliament are a loose confederate of politically minded individuals who are encouraged by the system itself to be project directors in their respective constituencies, and if that role is seen to be undermined by the government they will put all kinds of pressures to get the government to behave. That is how it has been going on in Solomon Islands politics.

Sir, we only have ourselves to blame for encouraging this behavior because for years we neglected the reform of our parliamentary democracy. Parliament has become nothing more than a holding ground of loose groups of high-powered politically minded individuals who decided on political affiliations based on what they can get out of the system. That is what it is. And I feel sorry for all of us because that is how we are manipulated in this honorable house.

These expectations, the seriousness of it, have direct implications on the operations of the budget, Mr Speaker. They have direct implications. Prime Ministers are known to have cave-in to the demands of backbenchers for fear of losing numbers if

backbenchers decide to revolt. They have the number and if they revolt we will be trouble and so the Prime Minister bows down.

Sir, the problem is so entrenched that the success of the government is not measured by what the government as a collective group delivers. Not at all, but rather on what individual Members of Parliament deliver through funds directly channeled through them. It is no wonder that constituency focused needs were prioritized over national projects. And we heard it this morning. We heard that we have to advance the meager resources that we have and sacrifice national projects to prioritize projects that are funded through politicians. Sir, this is a government that made all sorts of claims like a 'God fearing government' and all sorts in the newspaper. And so you have to live by that principle.

Sir, if you look at the expenditure that moves very fast in the 2008 Budget are payments made directly to Members of Parliament - \$50million have already gone to them. Just like that. But we struggled over Bina, Suava Bay saying that the problem is this and that, but when it comes to political projects we sign the cheque even without thinking twice whether the projects are real.

As observed earlier, governments have been known to direct political expenditures to backbenchers to please backbenchers in the interest of political survival. I am saying this because this Supplementary Appropriation is not free from this disease if one closely analyzes the content and emphasis of some of the expenditures contained therein.

Sir, it is also often the case that governments that allow their egos to be manipulated by political players in the economy can find themselves in situations where they will have to satisfy that political ego to remain popular with the people at the expense of proper budgeting and planning.

Governments that have allowed themselves to be drawn into this scenario often do so in total disregard of the priorities jointly set by the group and the question of equitable distribution of meager resources. This Supplementary Appropriation also suffers from this disease. For example, the government's policy on shipping is quite clear that whilst the policy makes reference to continual support to provincial shipping, the implementation of that policy would involve the issue of equitable distribution as a fundamental principle. Choiseul and Isabel Provinces all have well managed shipping operations and therefore this is about thinking straight, and so a more fitting would be for the government to guarantee commercial loans for the Provinces to enable them acquire additional boats instead of giving cash assistance.

Sir, we do not want to be misinterpreted here. We are all in support of any policy that is aimed at improving provincial shipping but our contention here is that there are better ways of addressing the shipping needs of the provinces depending on their standing on that matter.

Having made these observations I would like to take a few moments to take a closer look at the 2008 Supplementary Appropriation Bill in relation to the expressed reasons stated by the Minister as justification for the request for additional funds to Parliament.

The Minister highlighted the following points that “the additional request is made to further advance the cause of national unity and rural advancement”. Second “the expenditures incurred under the contingencies warrants were urgent and unforeseen”. Third “the government is confident to collect \$30million over and above its estimated revenue forecast for 2008 to finance the additional request claiming that revenue continues to improve”. The fourth and related to the third point is that “the government will fund the additional request from savings made from under performing ministries and over collection of revenue by Inland Revenue and Customs & Excise Division and these improvements came up as a result of cancellation of exemptions and increase in the pre-determined export value of logs”. The fifth point is that the Minister claims that the government’s management of the budget is premised on the highest level of adherence to fiscal discipline and responsibility and, of course, sound economic management.

I will just comment on one or two of the policy areas. Sir, the argument that the Budget is advancing the course of national unity and rural advancement, as I mentioned already, is not apparent in the Supplementary Appropriation. Indeed, Mr Speaker, the request for the appropriation of an additional \$132million, as I mentioned already, according to the narration that forms part of the Bill it is predominantly for the upkeep of the public service. There are mainly to cater for utilities, legal minimum wage increase, COLA pay rise, overspent in payroll, and to supplement fuel cost, cost of overseas trips for MPs and staff travel. Those are spread right across the ministries as forming part of the submission.

As I have already mentioned, I fail to see how these expenditures will advance national unity and rural advancement. This is commonsense here because how can expenditures that have, as their primary objective the maintenance of a centrally funded and operated public service in the interest of politics, would advance the welfare of the rural populace. This is a logical question premised on common sense.

Sir, the argument that the additional expenditure is directed at up keeping the service delivery agent of the government, whilst having some merits is fraught with all sorts of problems related to public perception about the productivity of the public service. There is a common perception whether rightly or wrongly, Mr Speaker, that the public service is living beyond its means and its maintenance cost has reached a point where any more increases and expenditures would have very little effect on the productivity of the public service as measured by the outputs. Public expenditures are on the upkeep of public service and must provide result if it is to get people’s support.

Sir, we believe that the time has come for the government to begin the process of physically decentralizing the public service to the provincial governments close to the cost centres in the rural areas so that they are actively engaged in actually delivering the government’s rural advancement policies in preparation for the State Government System.

The way the government is organizing itself suggests that it is oblivion to the way the political developments of this country is taking shape. In preparation for the

state government system, Mr Speaker, provincial governments must now function as the true agent of the central government system.

Who knows, Mr Speaker, if the provincial government system functions the way it should work and actually delivers, we may get our people to reconsider their position on the state government system. But we must now begin to train ourselves, Mr Speaker, to be familiar with a lean public service that is service delivery orientated rather than an organization that exists only as a mere provider of employment for those who cannot find employment elsewhere.

Sir, do not get us wrong because we are all for improving the incentives for public service to be productive. We do sympathize with the appalling working conditions of public servants in Solomon Islands and would support any moves within the bounds of affordability, legal feasibility and economic rationality to address the appalling working conditions in the Public Service. For example, Mr Speaker, a major problem of the public service is housing as it is a big cost. Because of the rising cost of rentals in the market, the outdated government policy to encourage public servants to find accommodation in the open market is no longer feasible.

In fact senior public servants are now reduced to renting accommodations that does not reflect their status in the service. This is unacceptable and we do not have to look very far to determine the cause of low morale in the service. I believe that the sensible thing for the government to do in the long run in the light of the rising cost of accommodation in the open market is to go back to building houses for the public servants. Build houses. And this is where the use of aid assistance would be fully justified and everyone will be happy with this government. Tell them to build public servants houses, build ministers houses to ministers' compound. Do that, Mr Speaker.

It is concern in addressing the real concerns of public servants instead of playing around with figures so that we appear to address the real needs of the government employees when in fact we only fuel more demands.

Our concern in raising these issues is in light of the government's claim that their action of injecting more money into maintaining the public services is done in the cause of national unity and rural advancement. My advice to the government is, let us exercise some honesty in the way we manage the affairs of our people and what we say to them. Let us not use their name in vain in this honorable House to justify our actions, which are clearly far removed from advancing their interest and welfare. We must not hide behind political jargons to justify our actions or lack of it.

Sir, on the CWS, the government's justification of incurring \$41.7 million under the contingencies warrants is because the expenditures were unforeseen, emergency in nature and are very urgent, and so they must be paid because if not paid, there is going to be big trouble.

Sir, apart from the expenditure requested under the Ministry of Home Affairs for the tsunami related costs, the additional costs of the Annual National Trade Fair by the Ministry of Commerce and the cost of a number of important overseas trips that would have not been foreseen and therefore urgent, I fail to see how the other costs would

qualify for funding under this facility as something urgent. *There is an emergency and so if we do not spend this money there is problem for the government or the economy is bankrupt.*

Let us take the additional urgent request for the payment of \$5 million as the Government's contribution to RCDF under the Development Estimates. There is one thing that the RCDF is regulated under the PER and I understand that it has been taken out and so it is no longer in the PER. The PER has fixed the \$400,000 and so you cannot increase it. Now the question is, what is the urgency there? What is the urgency there? How could this expenditure which is paid directly to Members of Parliament accounts, fully controlled by them as to its use, qualify as an expenditure that would be detrimental to the interest of government as defined, and that is government as a legal entity that lives forever and more so the public, if it is left out. I find it a bit difficult to reconcile those actions.

The government cannot deny the fact that this expenditure is purely political in nature and therefore can never qualify as an urgent expenditure; the non payment of which would be detrimental to the interest of government as defined and the public. And what a time to pay it! Has it been urgent last time? Oh we need to pay it quickly in case people walk across the floor. How?

It is a fact that members of the public and the constituencies of Members of Parliament have very little or no say at all in the way Members of Parliament use their RCDF. How can we say that their interest is being undermined by not paying the additional RCDF?

Sir, I am not claiming anything but talking about a God-fearing government, using tax-payers money for our narrow political interests does not speak well of the Government's claim of purity. No. It is not right. You can deny it like what, standing up here and talk but it will not reverse the position taken here. It is clear.

Sir, we need to be clear about the nature of development assistance channeled through Members of Parliament for constituency development. We need to be clear. The allocations are not based on applications by Members of Parliament or their constituents. No. Rather they are fixed amounts per constituency which Members of Parliament and their development committees are expected to work within during the fiscal year. That is how it is arranged. There is no justification whatsoever for the payment of this additional amount as something very, very urgent, something that is a matter of emergency, and so we have to use the contingency warrant to authorize the government to pay.

I have also heard some claims, the government's claim that Members of Parliament are advancing the 2009 allocation. That claim is making matters very complicated. Who requested the advance, Mr Speaker? Members from this side of the House did not remember making any requests to advance the constituencies' RCDF. It is a bad, bad budgetary practice to advance payments in respect of another year because you never know what will happen next year.

Sir, the government whoever that term applies to is only reaping the consequences of its unfulfilled promises to the backbenchers. This is a small world. The background to the feelings of insecurity by backbenchers is due to the fact that the

government failed to live up to its promise to increase the constituency based development assistance to \$5 million. They told me that, Mr. Speaker. They speak loud and clear. Oh, we are going to move it up!

Sir, it is amazing and amazing what political expediency can do to people.

Sir, there is nothing wrong with increasing constituency based assistance to \$5 million, provided we have proper mechanisms to ensure accountability. The fact remains however, as long as Members of Parliament continue to be a loose group of powerful individuals who see their role in Parliament as Project Directors in their constituencies, the government will continue to be pressured by backbenchers for more constituency development funds. It will continue to have that problem, and so it is about time now that we try to reform the system.

I will now touch on the last area. Mr Speaker, the concern of this side of the House is the source of funds to finance the additional request. We were given statistics or figures, and this comes from the Ministry of Finance, and I would like to comment on them and may be the Minister of Finance in his round up of this debate must try to clear the minds of Members of Parliament if there is any doubt over how we are going to finance this additional \$201 million that we are asking for here.

As I said the Opposition is concerned that the government will not be able to collect the additional \$201 million to fund this additional request. This position is premised on the Minister's revelation to this house that the government will only collect an additional revenue of \$30 million, and its intention to use funds allocated to under performed Ministries. If a ministry is underperforming we are going to use their money to fund these new priorities. That is the explanation given by the Minister on the floor of this Parliament.

Our concern is also based on the analysis of the revenue performance to date of the two major revenue departments, namely the Inland Revenue and Customs and Excise, which according to these figures clearly showed that they are under collecting. So we would like to get clearance on this.

According to statistics provided by the Ministry, the two departments already collected a total of \$783,585,186 to the 11th of August this year. If you work on averaging, Mr. Speaker, this is averaged at \$97,948,148.25 per month for eight months ending 11th August 2008. If we project this revenue performance to December, the government will only expect to collect \$391,792,593 and this has already been tied to fund the 2008 Appropriation Bill. This will bring the total collection by the government from internal sources, both tax and non-tax to \$1,175,377,779. That is the total revenue collection the government is going to collect up to December if the revenue performance remains like what is presented by the Ministry of Finance.

This figure is far below the expected revenue estimate of \$1,491,200,000 which the government expected to collect in 2008. That is minus the \$162 million which the government took from the two reserves, the revenue reserve account and the debt reserve account.

Mr Speaker, contrary to the claim by the government that revenue continues to improve, the position as revealed by these statistics is that the government is struggling

to collect the revenue it needs to finance the 2008 Budget. That is a fact, Mr Speaker. The under-collection per month averaged at \$20.3 million according to these figures means that by December the government would have under-collected \$243,822,221. This revelation makes a total mockery of this Supplementary Appropriation Bill, Mr. Speaker, let alone the 2008 Appropriation Bill which the government is struggling to implement because of poor revenue performance.

Sir, in our view, the government is facing a very serious financial crisis because of poor financial management contrary to the claim by the Minister that revenue has improved. As can be seen from statistics here, the reason for the delay in the implementation of the Solomon Islands funded project is due to poor revenue performance. There are no any other reasons. It is not because of negligence of duty by revenue collecting ministries, but rather it is the adoption of unwarranted narrow-based penal fiscal policy by the government and poor management of the budget, which is structured to fail from the very beginning.

Sir, talking about management of the budget, one of the best things that has ever happened in the Ministry of Finance, and this is probably when the MP for Vona Vona was Minister of Finance, I think, and I cannot remember now, on how to structure the budget, two reserve accounts were established; the revenue reserve account and debt servicing reserve account. And according to the government from our consultations with ministries these accounts have been totally depleted.

As I have said, this is one of the best things that has ever happened in the Ministry of Finance in terms of managing the budget. The policy involves the setting aside of a specific percentage of revenue collection to the designated account as a strategy to provide a backup for periods when revenue is low so that government services and project funding can continue. Even though the revenue is low, money can be taken from the revenue reserve accounts to fund the projects and so the government continues to operate.

The thing about these reserve accounts is that it takes a complete fiscal year to fully develop the reserve accounts. The Grand Coalition Government has adopted this policy by continuing to maintain the accounts. The present CNURA Government's policy on this matter was clearly announced by the Minister of Finance when he handed down the 2008 Budget, and you can read the Budget Speech to see it. The government made it very clear that it will not hold up any money in reserve accounts instead it will fully utilize the reserve to finance the 2008 Budget, thus \$162 million that was in the reserve at the beginning of this year was pushed out to finance the budget, and this brings the total of the expected revenue that the government will use to fund the 2008 Budget to \$1,581,900,000 including \$162 million in the two reserve accounts.

Sir, whilst we acknowledge that the reserve was used for the purpose intended by the government in the budget, and that is to finance the 2008 Budget, the account should really be replenished to continue provide that backup. You will need it at the beginning of 2009. If there is a healthy reserve, as soon as the budget is passed, the Ministry of Finance can release funding for important projects. Had the government, as I have said already, done that it should not have any problem financing arrears if it had

maintained a very healthy debt servicing account. That is not so, and so we are struggling to hold inside the consolidated fund. That is poor financial management.

Likewise, Mr. Speaker, if the government had a healthy revenue reserve, it should not have any problem kick starting the delivery of projects, as soon as they are passed while allowing the revenue reserves to pick up.

Because of the discontinuance of this policy, Mr. Speaker, the government is managing the budget on a hands-to-mouth strategy. It collects and spends it right away. If you look at the document that is presented by the Minister of Finance that is exactly what had happened. Fees and charges of \$1 million were collected and the entire money was spent. And so it is hands-to-mouth, collect and spend.

Sir, as I have mentioned already, this is very poor and irresponsible budget management policy, which is very vulnerable to internal shocks. When those shocks happen, the government has a problem.

Sir, the consequences of a hands-to-mouth policy is that services and projects will be affected when revenue collection is poor. And this is exactly what the government is now experiencing. Government funded projects are held up because they have no backup revenue provisions. They cannot be funded.

The Minister's announcement that they will collect an additional \$30 million from cancelled exemptions and improved administration of revenue collecting agencies will make very little difference to the \$243 million under-collection predicted for this year. In fact you will still under-collect by \$210 million if the trend continues Mr Speaker.

Secondly, I would like to comment on the other policy of government; the Government through the Ministry of Forestry and Ministry of Finance has irresponsibly increased the predetermined value of log exports without any clear policy objectives. It seems we are not sure about what we are trying to achieve here. Are we trying to collect more revenue or are we stopping logging Mr Speaker? We need to be clear as these are two conflicting objectives.

Gathering from the statements of the Prime Minister and the Minister of Finance, Mr Speaker, the policy was adopted to capture revenue lost through the under-valuing of Solomon Islands logs, Mr Speaker, and the figure to be recovered according to the Prime Minister when he made his speech at Lawson Tama is well over \$100million. Well, Mr Speaker, it back-fired on them instead of improving revenue. The policy has forced loggers to stock pile logs.

You go to Viru now, Mr Speaker, and you go into the bush and you will see logs stock piling. They are finding it very hard to export those logs. They are laying-off workers and slowed down their activities. I find it very difficult to reconcile these objectives. Are we trying to improve revenue Mr Speaker, or are we discouraging logging- we are trying to implement this policy so that people reduce logging activities? We can only have one objective. Sir, it is clear that this policy blunder has direct impact on 30% of government revenue, which the government will under-collect as a result of this policy Sir.

Sir, we are all concerned about unsustainable logging; we are all concerned Mr Speaker. But it would be irresponsible for anyone to simply penalize the logging industry because we have no alternative working policy to develop the sector in a sustainable manner without undermining government revenue. And I am pleased to see this annual report by the Ministry of Forests. It has come up with strategies. They have outlined what to do, Mr Speaker, and I would have thought that we should allow these strategies to work so that we analyze how they work before we come up with penal actions on loggers.

Sir, common sense dictates that when you have a situation where the country's domestic revenue performance is disadvantaged by external forces, sound economical management demands that we maximize on revenue measures that we have full control over. That is commonsense Mr Speaker. For example, the government has no control over the cost of imported goods; we do not have any control over that. The phenomenon has a direct impact on the level of import tax collected.

When costs increase around the world, importers in Solomon Islands are forced to import less, Mr Speaker, and that will directly affect revenue and revenue will certainly drop because of the persisting rising cost of imported goods, and as I have said already it will discourage importers to import more. This is common sense. Likewise, Mr Speaker, the rising costs of goods and services sold in the domestic market will cause a reduction in the overall consumption of goods and services Mr Speaker. This will have direct impact on income tax paid by businesses Mr Speaker. Now, this leaves us with logging alone Mr Speaker, which the government has full control over its exploitations Mr Speaker.

Sir, in our view the government is obviously caught up in its own careless 'image building campaign' by trying to make us look good in the eyes of narrow minded greenies, the so-called champions of environmental protection that we forget about our own obligations to the people of this country to deliver the 2008 budget. And my advice to those who want us to stop logging in the country is to put their money where their mouth is.

They will say stop logging or reduce your log exports. Mr Speaker, we have no problem doing that, but please help us to bridge the revenue gap that will be created as a result of that policy being implemented. I am yet to see that happening and all we continue to hear from the so-called protectors of the world is criticism of the way Solomon Islands is developing the forestry sector. We have a real serious problem in that area, and I admit that we need to seriously look into that.

This report makes very good reading on how the Ministry is trying to drive the development of the forestry sector, Mr Speaker. As I have said already, we have no problem whatsoever in this country to stop logging if only they are willing to bridge the 30% of government revenue that will be forgone as a result of this policy Mr Speaker. And I need to say this with some caution and I do not buy this nonsense that we should be concerned that the country will be logged out in five years. We really need to think about that seriously. We should carefully analyze such statements.

What the government should really be doing is to pursue a compulsory reforestation policy because we stand to gain from plantation forests than natural forests if we have to pursue the carbon trading arrangement. Log the forests and plant plantations on them and then you will engage yourself in this carbon trading arrangement. We will stand to gain then.

Sir, the last area that I would like to touch on before I resume my seat is on the revelation by the Minister that they will utilize provisions of under-performing Ministries. That is quite serious, Mr Speaker. The Minister is very clear on the fact that the government will utilize the provisions of under performing ministries to fund additional requirements. This is an admission that the government is struggling to collect revenue required to fund the 2008 Budget. No matter how much we will try to explain it that fact alone, that statement alone has come out very clear that we are struggling and will struggle to collect revenue to fund the 2008 Budget, which only goes to support the concerns and arguments that this side of the House has put across.

The Government can do whatever it likes, Mr Speaker, to accumulate the funding needs to finance the additional requests even to put a stop to implementation of approved projects. That is up to the government. The concern of the Opposition is that with this policy the government will continue with its political strategy of making promises that it cannot live up too.

What the government is putting in the budget, Mr Speaker, are actual promises to the people saying that we are going to fund this and that or we will do this and that Mr Speaker. But with the revelation that we will put a stop to some of these promises we have done and redirect them to what appears now to be priority areas, which is nothing more than expenditures to upkeep public service, does not speak well about the big promises that we have made to our people and the expectations that we have created, Mr Speaker.

In this regard, the Opposition is concerned, Mr Speaker, that according to this Report a total of 91 projects have yet to be implemented. This is judging from the fact that no funds were expended on those projects; it is nil, we have not incurred any expenditures.

In fact, Mr Speaker, out of the \$380million projects proposed for funding under internal revenue sources in 2008, only about \$108.8million has been expended representing less than 50 projects that have been funded or partially funded. This means that \$271.1million of projects will either be put off and redirected this \$200million to fund new priorities, or not funded at all because of what appears to be poor revenue performance.

Sir, this is a slap on the face of the people of this country Mr Speaker, who have expected so much from this government. It is clear that the government will fail the people of this country by its own admission. This is a very brave position to take considering the empty promises they make since they took over the reign of leadership on December 2007. All in all, the Opposition is not comfortable with the 2008 Budget and this Appropriation Bill. It is not comfortable with the additional requests for budgetary support, given all these things that we have been trying to explain to you.

When you cannot collect revenue to fund existing programs and you come to Parliament and say we want an additional \$201million simply does not make sense, Mr Speaker. The logic is like this, as I have already said, if the government cannot implement the approved projects because of lack of funds, what guarantee is there that the 2008 Supplementary Appropriation Bill will be funded at all Mr Speaker? This is a straight forward honest question that is based on facts, which the government cannot deny.

The government has a serious responsibility to ensure, Mr Speaker, that our people are not frustrated over MPs promises second time round.

Sir, having said all these, I will only support this support this Bill on the reason that the government must not be tied down because of inadequate provisions in the budget. That is a principle I have held all along, Mr Speaker. We have a responsibility to the people of this country, not to the CNURA Government, Mr Speaker. No. In rendering this support, Mr Speaker, we expect the government to be conscious of the fact that they are dealing with rationale living human beings who expect the government to deliver Mr Speaker and we fail them. And the way things are going now it seems that we are going to fail them again. Failing this, the government will only have itself to blame for the frustrations it will cause the people of this country, Mr Speaker.

Sir, I thank you for giving me the opportunity to speak on this motion and I resume my seat.

Hon HILLY: Mr Speaker, thank you for giving me the opportunity to contribute to this debate on the Supplementary Appropriation Bill 2008.

Mr Speaker, at the outset we should be clear in our own minds as to why government has come before this Parliament to seek extra authority to spend more money than what it has asked for originally in April this year. This is the mechanism that the Constitution and our laws of this country have provided for so that government of the day continues to function and carry out its services and development programs in the country.

Mr Speaker, if we do not have these provisions, when finance runs out everybody will be affected because a budget is an estimate. It is something that is formulated out of guessing at the best of our ability that a certain amount of money is going to be raised and therefore we have programs both in the development and in the recurrent to spend that money on.

The Government is not a company. It has to spend money that it raised and if we start stockpiling government money our people will question why we are stockpiling money. It is really government's responsibility to spend money that it earns. Government budget is a portrayal of its policies and it intends to carry out these policies according to its promises on how it would develop the country.

The problem issues which the Leader of Opposition raised this morning are not new problems of any government. Governments in the past have had problems with revenue collection, and even in looking after its own officers; housing is a problem. The

problems that we have now are problems of the past and every such time when governments are formed these problems were not quite addressed. But if they were trying to address them the governments do not remain in power for periods that is enough for them to address these issues well. This is peculiar in our system in Solomon Islands.

Mr Speaker, that is why in every Supplementary or any Appropriation we have CWs, so that when government exhausted the provisions in our budgets, it would ask the Ministry of Finance to overspend our provisions and then we come back to Parliament to make endorsements.

The system Mr Speaker is a very good system that exists within the Constitution and our legislation so that the government of the day can be able to carry out its policies promised to people of this country. And if they fail, Mr Speaker, they will be examined in the next election and the result of their performance will be shown out. Peoples' power will have them thrown out or if they are happy with them they will return to Parliament. That is the system, Mr Speaker. This is the reason why we are here today before this Honorable House to ask for extra finance from the authority of Parliament to give the Executive.

Mr Speaker, not every provision in the budget is exhausted, but the total amount and some provisions are exhausted and when CW is close to reaching its limit, the only authority that will give power to the executive to spend more is the Parliament hence the Supplementary Appropriation Bill that comes before us at this time.

Mr Speaker, the Government in carrying out its policies came up with may be new expenditures, but again there is nothing stopping the government for doing that. There are avenues within the laws that it can do so.

There was mention of this additional RCDF Fund. The RCDF Fund was about \$200,000 last time but the last government increased it before it came before the Commission. This is the sort of power that any executive has to be able to fulfill its promises to its people.

Accountability, Mr Speaker, is a question that everybody is concerned about. I think every Member of Parliament should take very seriously the accountability of funds which were given purposely to help in reaching out to people that we represent in this country.

Mr Speaker, I talked with a Deputy Prime Minister of a country close to us and he said to me that their budget for this year has really gone out of context because oil prices have gone up, everything has gone up and so posts just went out of the window, and so they have to have a supplementary appropriation bill to get some cents and dollars out so that they can be able to carry out services they promised to their people. Likewise, Mr Speaker, this is an exercise at that level.

The 2008 Budget, Mr Speaker, was calculated at last year's costs, and this year as we all know, costs have gone as well as price, freight charges that have bearings on the cost of goods have gone up. Therefore, in order for one member of the public service to be able to tour the constituency, the cost that was estimated for last year is no longer valid.

This is the general cause that is giving rise to the intention of getting this Supplementary through this Parliament and also to give the Minister responsible extra CW for any unforeseen expenses the government might need before the end of the financial year so that government ministries continue to function normally.

Mr Speaker, every government since before, one of the policies that everyone is trying hard to do is to impress our people by reaching out to the rural areas, Mr Speaker, quite a lot of the expenses of this present government is on trying to reestablish our Ministry's offices out in the rural areas so that they can live closer to people to help them in business, and cooperation development, facilities that have been stopped in the past.

Whilst we are saying to our people that we would like to help them, it is the people who should help them down there that we are not giving to them. I am talking about the agriculturists, the business development officers are just staying here in Honiara.

One of the major expenses, Mr Speaker, of this government is trying to reestablish extension workers so that they can work closely with the people that we promise to help.

Mr Speaker, with these few words, I think the request by government for Parliament to give its authority to authorize the executive for this extra funding until the end of this year, I think is justified. Thank you.

Hon GUKUNA: Thank you, Mr Speaker, for giving me this chance to make a brief contribution to the debate on the 2008 Supplementary Appropriation Bill, in which the Honorable Minister of Finance is requesting this house to further appropriate \$201 million to finance additional costs for government services for this year.

I was listening to the elaborate contributions from the other side of the House, and I am a bit confused because I not quite sure whether we are talking about the budget last year or this budget. But a lot of the things that they wanted this government to do are things they could not do in the last two years.

But anyway I want to thank the Minister of Finance for bringing this Bill, a very important one, to this House at this time as government services must continue as stated. This Bill is meant to ensure that services must continue. I am sure everyone in this House will support it.

I thank the Minister of Finance again for seeing it fit in bringing this Bill to this House. Despite of what the other side of the House has said, I want to thank our public servants who work hard to ensure this Bill gets here on time. I must also thank the PAC for its hard work in vetting these accounts.

This Bill carries a total expenditure level of \$201,101,192. This expenditure is expected to be fully balanced by an equal amount of revenue suggesting that this Bill will not add any unreasonable pressures on our original budget for this year. After passing a record budget at the beginning of this year, it is indeed commendable that the Ministry of Finance and Treasury had been able to identify another \$159million for us to spend this year without busting our original budget.

I thank the Ministry of Finance and Treasury for allocating in this Supplementary Bill \$1.3million for my Ministry, the Ministry of Culture and Tourism. This is money that we will use to overcome the increasing costs that my Ministry has had to face in our attempts to make tourism an important part of our local economy. This is a context, over the last seven months the contribution from the other side of the House seems to be totally ignorant of.

You will note in this Bill, Mr Speaker, that my Ministry had also incurred a contingencies warrant amount of \$1,700,000. I thank the Ministry of Finance again and my staff for this allocation because this expenditure went straight into funding the country's participation at the recent Pacific Festival of Arts in American Samoa.

I noted also, Mr Speaker, in this Supplementary Bill that we spent less than \$42million out of the \$50million contingencies warrants approved early this year. This leaves an unspent amount of \$8million.

You will note that my Ministry has not been given any development funding in this Supplementary Bill. My Ministry actually submitted bids for development but nothing appears against my Ministry in this Bill. That is fine, we accept it. My Ministry has no problem with that because I know they will give me some more money next year.

Having said that, this gives me the time to fully use the development funds given to me in our original budget. This will allow me time and room to fully exhaust funds that were allocated to the Ministry of Culture and Tourism for development projects in the 2008 Appropriation Bill 2008.

Mr Speaker, I have the intention of ensuring that all these development funds that appear against my Ministry this year are all used up by the end of this financial year. Because as you know well, Mr Speaker, money left unspent is wasted development and any unspent money carried into the budget next year is delaying development. I am pleased that my Ministry is on target on this. I always tell my staff that I do not want any development funds in our development budget for 2008 to be carried into the 2009 development budget. I demanded them that they must use our development funds by December otherwise there will be no point in asking for development funds in next year's budget. What these demands amount to, is that development projects that are down against my Ministry in the 2008 National Budget must be delivered. That is what the Opposition has been talking about.

Mr Speaker, let me assure you that my Ministry will deliver these projects. I am pleased to advise that we are on target. My Ministry, Ministry of Culture and Tourism will deliver these projects, not because the Opposition wants the government to deliver them, no, but we will deliver them because it is our duty to deliver these development projects to the people of this country. That is our incentive.

The projects which appear in the budget for this year in my Ministry belong to the people of this country, and I am directed under our budget laws to deliver them. So far, money is not our biggest problem. The cause of delays in delivering these projects is simple. These development projects simply take time. They simply take time despite of the best efforts I put into them trying to get them moving. This is because these projects are not stand alone projects, and so the idea that government actions are stand alone is

nonsense. These projects are not moving at the rate I want because they are not stand alone projects.

Mr Speaker, if these projects are stand alone I would have delivered them a long time ago. I am not making an excuse here. I do not need to because I insist that my Ministry will deliver on its development programs. In fact Mr Speaker, we hope to commence constructing the hospitality and tourism training school at SICHE by November this year. We hope to have the first intake for the school's first semester in 2009. A team comprising of SICHE staff in my Ministry is leaving for New Zealand in two weeks to finalise the training curriculum for the school.

Mr Speaker, we are also on target to award the redevelopment of Anuha Tourist resort by October to be followed immediately by construction. We are also on process of finalizing the design and construction of the Heritage Centre at the Arts Gallery. Again, let me emphasize to you that these projects are not projects on their own. We had to involve a lot of other Ministries and entities and this takes a lot of time for each project. I have no doubt that we will deliver them soon within this financial year, because anything short of this is going to be failure on our part and there is going to be failure on my part as Minister responsible for these projects.

There is also one other reason why we will deliver this project, Mr Speaker, and that is we have stopped political interference in my Ministry. It is interesting that over the last three or four years despite the small amount of development funds that continued to be allocated to my Ministry, spending of development funds had been consistently under 50 percent. In particular last year, Mr Speaker, it is depressing to note that of the 50 percent development funds used last year, more than 60 percent of those funds were used under the directive of the Office of the Prime Minister. That political directive is no longer there, I have stopped it and we will not accept any more directives from any politician on how we use development funds in the Ministry of Tourism. That is one reason why I can assure you, Sir, that I will deliver the development projects of my Ministry.

These outstanding projects for the last five years, past governments have tried to get them moving but we will get them moving by the end of this year.

Sir, I am going to stop here. Those are my comments. Thank you for giving me the time. I would like to give others time as well to talk. I would like to thank the Minister of Finance again for bringing this Bill. I fully support this Bill.

Hon HUNIEHU: Thank you, Mr Speaker, for the opportunity to briefly contribute to this 2008 Supplementary Appropriation Bill.

As some of my colleagues have earlier on mention this is just a traditional practice in this Parliament that when government requires more service delivery to the people of Solomon Islands, and funds appropriated for in the main appropriation bill have exhausted, this Parliament is therefore required to pass supplementary appropriations. So I do not see why people make political issues out of a bill like this.

First of all, Mr Speaker, I thank the Minister for introducing this very important Bill for the approval of Parliament. When I heard half of the contribution made by the

Leader of the Opposition over the radio and half of it in here, I myself was a bit confused if the person is analyzed on who he was. This is because when some of us were on that side of the House, we were also talking about fiscal behavior, good management, fiscal discipline and all the issues he was very much focused on this morning.

In fact, Mr Speaker, he was the only Prime Minister I know in the history of government who adopted a policy of public expansionary government. He passed a law in this country to increase the number of ministries from less than 20 to 26 or 24 or 25. This is not good fiscal behavior. He was talking about fiscal behavior, Mr Speaker, when he was the person who is totally responsible for creating a public sector expansionary. Sometimes we have short memories.

He was talking as if he has done nothing wrong to the public service of this country. I stand here to attest to the very fact that I rejected politicians who have two tongues. When they are in the opposition they say what they are supposed to be doing when they were in government, Mr Speaker. There are so many tongues, and this is what I always mentioned that Solomon Islanders are good at. I will repeat myself again, we are good at saying the right things and doing the wrong things, or saying the right things and not doing it, Mr Speaker. That is the first point I want to raise in just briefly commenting what the Leader of the Opposition said.

I believe this government, Mr Speaker, is trying all its best to apply good, prudent financial management, good prudent economic policy to provide the services required by the people of this country.

Mr Speaker, I watched the Public Accounts Committee's interrogation of Permanent Secretaries during their meetings and this simple Supplementary Appropriation Bill was highly politicized during those interrogations. For example, Mr Speaker, I was myself confused there were two former Finance Ministers and Prime Ministers interrogating the Permanent Secretaries about illegal expenditure; illegal expenditure and the use of contingencies warrant. In fact, they have accused the Ministry of Health and Medical Services for illegal expenditure but that is what this Supplementary Appropriation Bill is all about. Section 102 Part 3 of the Constitution justifies this Supplementary Appropriation Bills to be introduced and it fully justifies the expenditures made by any Ministry outside of its approved budget, Mr Speaker.

I always thought when in Opposition that there would be no government expenditures until Parliament approves the funds but in practical life that is not always possible. This is a nation and we must continue to provide the services.

What I was dreaming about during those days were good accounting principles, but you cannot apply it in government because any moment urgent issues may turn up. Like for example the participation of Solomon Islanders in American Samoa for the Arts Festival was unbudgeted for in the last budget but because of the urgency that we must participate as part of the Pacific region, the Parliament has to approve funds.

The same goes to the Trade Show and many other issues that propped up during the year that were not budgeted for during the 2008 Appropriation Bill 2008, Mr Speaker. That is why this Supplementary Appropriation Bill should just be passed. We should

just pass it because who in this Parliament would object to providing service delivery for the rural people in Solomon Islands?

Mr Speaker, these costs I would see them as just inflationary to meet the cost of inflation over the last six months. We pass the budget of \$1.3billion during the last appropriation bill and these increases; most of them are just inflationary. So I do not see any big issues arising out of this.

For my own ministry, Mr Speaker, the Ministry of Mines, Energy and Rural Electrification, I would like to thank the Minister of Finance for appropriating just well over \$2million for additional operational costs, mainly relating to house rentals and other increases within that Ministry which must be provided for. Without that, Mr Speaker, I do not understand how I will be accommodating staff in my Ministry.

We tried to keep within the budget guidelines over the last six months, Mr Speaker and I think we are doing fine. I have given very strict instructions to staff in that Ministry to follow the budget and not to cause unnecessary expenditures. I have requested my Ministry to provide me with monthly reports on how they expend public funds so that if there is any detection of wrongful use of public funds that those responsible will be dealt with immediately, Mr Speaker.

With the very limited budget that was provided to my Ministry, we have seen that the implementation of the Task Force Committee of the Gold Ridge has been going on. There were seven meetings already held by stakeholders on this important development project in the country, and I am pleased to report to the House that the investors have been extremely happy with the progress so far; something that was never experienced during the last government.

There were no Task Force Committee meetings during the last government, but now things are moving and of course there are some few obstacles but we believe they can be solved. But it is mainly associated with financing not our side, there may be some problems with land issues but I believe this will be resolved very quickly.

What remains to be done on this project now is for investors to come up with the appropriate mortgages and political risk guarantees by their governments for the investment to proceed. I believe by mid 2010 the Gold Ridge project should be on full production scale.

On the Isabel Nickel Mine, Mr Speaker, because these are the two priority issues that we are pursuing at the moment, we have problems with litigations and my Ministry is working closely with the Attorney General's Chamber to see that this litigation issues are dispense of with as soon as practically possible so that we can proceed with tendering of this project in the international competitive tender market so that the projects can proceed.

We are seriously considering withdrawing one license offered by the previous government to an investor who has acquired a prospecting license in one of the sectors which, now my ministry has adopted the position that it is uneconomical for one prospecting license to be given to one operator and we are now consulting with Attorney General's Chamber to withdraw or cancel this prospecting license and make the whole project as one project to be tendered out as one.

With the funding that the Ministry of Finance had provided to my Ministry, we are working very hard for these projects to take place.

I also wish to inform Parliament that the prospect for more opportunities within the Mining Sector is a big potential for this country. We have been receiving very positive results from the various people with prospecting licenses who have been prospecting for gold, nickel or whatever throughout the country. We believe that in the near future we will be asking the government to provide us with more financial support to expedite some of these projects to ensure positive outcomes are received out of these investments.

On the renewable energy sector, Mr Speaker, as you have realized we have already conducted a renewable energy conference in Honiara with the World Bank and other investors attending, and presented speeches at the conference. A lot of investors are interested in investing in renewable energy, especially the development of the Tina Hydro project, and they will be coming up with projects. I am pleased to report also that the World Bank with its technical assistance team coming in a few months time will be pursuing these projects vigorously with the Ministry of Mines, Energy and Rural Electrification.

Sir, we have also now in the process of appointing a private sector consultative committee to work alongside the Ministry of Mines and Energy, in particular the energy sector, to develop strategies on how well the private sector can help the government remap our energy crisis and how best they can invest their technical and financial resources on this particular issue within the ministry. I believe this committee will start working towards the end of this month alongside my Ministry to develop strategies where the private sector can fully participate in implementing the government's renewable energy sector within the energy sector.

Sir, to say that nothing is happening within the ministries is not only untrue but it does not represent the true facts that are available. To also say that the government is not delivering services in the last six months does not reflect the truth as well.

Every one of us knows what the government system is like. There are some projects that have to go on tender, and it takes time. The budget was passed just early this year and how can you expect the ministries to start implementing immediately. That would be impossible, Mr Speaker. That is what some of us in this House believe and some of us in this House think should happen or may be they are saying this out of ignorance. I do not know but most of us are here long enough to know how the system functions, and it is not fair to accuse the government that we are delaying the implementation of these projects because of some reasons or otherwise. That is not right and not fair.

I believe that this government is a functional government and I believe reading from this report, the PAC report that the Permanent Secretary of the Ministry of Finance had assured this Parliament that it is the belief of the Ministry that they will raise the sufficient funds to cover this supplementary appropriation bill and also the development projects passed during the last Parliament.

I take this assurance very seriously, Mr Speaker. I will take it seriously. Let us pass this Bill. I have said once in the past that there is only one Finance Minister in record that produced an appropriation bill that did not require any supplementary appropriation bill. Only one time I remember and that is somewhat back but every government after that, this one is traditional.

In fact, Mr Speaker, one of the governments I know introduced supplementary appropriation bill for three or four years in retrospect because it was not done during those years, during the ethnic tension. Two, three or four years of supplementary appropriation bills were brought into this House for approval in retrospect. This is a normal thing, and I believe that all of us will support it.

Sir, with these few comments, I support the Bill.

Hon KOLI: Thank you, Mr Speaker, for giving me the opportunity to contribute briefly to the 2008 Supplementary Appropriation Bill 2008. Firstly, I would like to thank the Minister of Finance for moving this Supplementary Appropriation Bill.

Mr Speaker, in supporting the 2008 Supplementary Appropriation Bill, I would like to stress crucial points in the essence to approve additional funds for keeping a healthy workforce and essential operations of the Ministry of Health.

Mr Speaker, some explanation for the administrative flaw needs to be explained as per the PAC report. Sir, I would like to thank the PAC for scrutinizing the Bill. Mr Speaker, there were obvious administrative flaws in the budgetary process, especially in the monitoring of expenditure flaw and commitment by sectors. There is an obvious breakdown of communication between the Budget Unit and the Ministry of Health and Medical Services' Finance Section. The Ministry of Health and Medical Services, however, recognizes the flaw, and hence will work closely with the Ministry of Finance to rectify it.

The Ministry of Health and Medical Services calculation of additional funds to cover the gaps was from assessments at the Ministry level. There may be shortfalls omitted due to lack of updated feedback from the Budget Unit of the Ministry of Finance.

Sir, we will rectify the flaw and ensure that the Ministry of Health maintains services through these additional funds requested in this supplementary appropriation bill 2008.

Mr Speaker, the Ministry of Health and Medical Services like the Ministry of Education is a labor intensive industry. In 2008, the Ministry of Health and Medical Services has a total of 1,827 staff (this figure does not include our health direct employees in the provinces). The Ministry is the second largest in terms of number, and has a depth of highly technical and professional staff. As such a large payroll is warranted. The possible shortfalls are around the areas of ensuring that the approved scheme of services for nurses and the paramedics are incorporated into the budget.

Mr Speaker, again there appears to be shortfalls in communication between the Ministry of Health and Medical Services, the Public Service and the Ministry of Finance whereby schemes of service were approved, however, the costs were not included in the budget. Mr Speaker, as noted above, the Ministry of Health and Medical Services is

working hard on improving communication with the Ministry of Finance and the Public Service. Furthermore, Mr Speaker, there were a number of crucial vacant positions for review and recruitment. Hence, the funding gaps, which will be addressed through this supplementary appropriation bill.

Mr Speaker, included in the Bill is a request for additional operational funds to cover utilities such as electricity, telephones, water and other incidentals expenditure by the eight (8) key national health programs and divisions of the Ministry of Health and Medical services. Virements were made to cover some areas of funding gap but it is not adequate as prices have indeed gone up.

Mr Speaker, the main areas where additional funds were requested by way of bills are as follows:-

- Utilities as explained above
- Staffing costs as explained above
- Funds for the Cuba medical undergraduate program and the medical doctors' secondment program by the Cuba Government
- Funds for operational costs for the Good Samaritan Hospital at Tetere.

Sir, the Public Accounts Committee Report deemed that the above expenditures were not "unforeseen needs". However, the surrounding economic situation is ambiguous, and global price fluctuations are very unpredictable, for example, the sudden rise of fuel and electricity and staffing conditions are some examples affecting the government sector such as the Ministry of Health. The above expenditures are essential costs affecting the lives of people and the much needed services to the people.

Sir, on the operational progress of the functions and services delivered by the Ministry of Health and Medical Services, let me assure you that the Ministry of Health has been progressing actively and also very well in the past six months. There was a slow start to the operations in the first quarter but has picked up significantly. Nonetheless, there are also areas of weaknesses that still constrain service delivery to our people. These are areas the management is putting in place strategies to alleviate and solve them.

Mr Speaker, there have been many complaints and fear of the country running out of stock of essential medicines. But let me assure you that the current stock of medicines available at the National Medical Store, the main medicine supply holding ground for the country is good and adequate for the rest of the year. An order of 18 months stock supply done in the past six months at the end of 2007 has arrived to revive and replenish existing stocks. The first delivery was received on the 22nd July 2008, and new stocks arriving nearly every day.

The National Medical Store is currently very busy with clearing stocks at the wharf, and preparing for delivery to hospitals and clinics via the existing supply chain. Some of these supplies will come in two or three delivery drops. That is because these supplies have come as we expected. Mr Speaker, also they are scheduled for multiple

drops that we receive fresh batch all the time, and we can manage the usage as time goes on.

On international purchasing, the time taken when an order is placed and when we receive the supplies into the store in Solomon Islands takes about five to six months. Therefore, in doing our tender we must try to quantify supplies at 18 months supply. That is whatever we have in stock, plus whatever stock in trench, and the quantity we are planning to purchase. Our procurement cycle must be based around the time of order which is six months.

Sir, there is “out of stock” reporting system in all clinics and clinicians. This is updated every Monday. For example, the National Referral Hospital pharmacy will update clinicians (whilst the National Medical Store does it for all the clinics) the level of out of stock of medicines regularly. The reporting system also identifies stocks that need attention for reordering. The same process that the National Referral Hospital does also happens in the National Medical Store, which Procurement Unit, runs, acts on it instantly procuring, and finding the estimated date of arrival from orders or tenders.

Mr Speaker, let me assure the nation that your “health is our passion”. The Ministry of Health and Medical Services staff all around the nation is putting their maximum effort to ensure our people are healthy. Health is also everyone’s business.

Mr Speaker, one of the major problems, is in the area of logistic support where we find it hard to deliver supply of drugs to the provinces in time.

With this short contribution, I support the bill. Thank you.

Mr Speaker: Honorable Members, Parliament is suspended until 1:30 pm.

Sitting suspended for lunch break

Parliament resumes

Hon SOFU: Thank you, Mr Speaker, for recognizing the Minister of Infrastructure to contribute very briefly to the 2008 Supplementary Appropriation Bill.

Mr Speaker, before I do so I would like to give my vote of thanks to my good Minister of Finance for seeing fit in bringing this Bill to Parliament.

Mr Speaker, as has been already expressed by my good colleague Minister for Commerce, this Bill is an annual practice that any government can resort to during the course of the financial year. It is not a new thing for the government to bring in a supplementary bill. No, it is not new.

Any government of the day whilst it can set its own program of action according to its policies, some of its activities will fall short during the course of the year. The only provision allowed as mentioned by those who have already contributed and which is very clear is what is catered for under the Constitution, and that is for such a bill like this to be brought before Parliament so as to allow expending of additional expenditures.

Mr Speaker, before I go on, I would also like to thank those public officers who have worked very hard in putting together this Bill to be tabled before Parliament.

Members of Parliament may criticize public officers and say they are not working, especially the Permanent Secretaries, however, I would like to thank them for their hard work, for without them this bill would not have been brought before Parliament. But because of their hard work as well as their Ministers this Bill is now before Parliament.

Mr Speaker, under the 2008 estimates, it is not the whole program that fall short. Funds are still available for some of the programs. I can hear one of the Ministers who has just spoken also said the same thing. But there are programs that need additional funds, and the only right place to approve public funds before their use is this Parliament Mr Speaker, and so the CNURA Government is doing it.

Mr Speaker, you know it is not right for us to say why bring in a supplementary appropriation bill when the government is not working. Who said so? Sir, the government is working, and I wish to refer in particular to the Ministry of Infrastructure Development.

Sir, towards the end of last year our roads were in very bad condition. But today the Vura Road where most of the Ministers including the Opposition Leader live has been upgraded. The industrial area at Ranandi and the feeder roads around the city have also been maintained. This shows that the government is working. Therefore, it is not true to say that the government is not working. I can see that it is working.

Mr Speaker, in regards to subhead 279 under my Ministry the recurrent budget is just a normal expenditure as it caters for public officers house rentals, legal minimum wage and COLA. These are normal commitments of the government.

Sir, housing this time is not cheap and we need to cater for our officers. We want public officers to be properly accommodated with their families and children before they can properly work for us. The government is taking very seriously the issue of housing for its officers, and so has provided for it under the 2008 Supplementary Appropriation.

Sir, there is even increase on transportation costs in the rural areas. When officers in the Ministry of Infrastructure Development go out to conduct surveys to compile reports, it is normally a very expensive exercise. You are talking about \$100 per gallon in the rural areas, and therefore the increase is fitting and justified for officers to go out, make assessments, come back and compile reports so that work can start.

Mr Speaker, the ministries are working, and we can take the Ministry of Aviation and Communication as one example. If you go to the domestic terminal now you will see it fully renovated. This really shows the government is working and therefore needs additional money to complete its programs.

Mr Speaker, I will touch on the \$5million CW, which my good colleague, Members of Parliament on the other side, heavily criticized. Sir, I know very well the time when this \$5million RCDF for rural development was given, some of us Members of Parliament were indeed happy because we would be able to complete programs that we funded within our constituencies. Such money goes towards that kind of activity.

Sir, that money goes down to the rural areas and people will benefit from. All the 50 constituencies throughout Solomon Islands have different plans to do for our people and so this additional \$100,000 given by the government did not go into personal members' accounts. It went into accounts intended for it, which are constituency

accounts, and we the 50 Members of Parliament are managers of the accounts. We manage the accounts as on how to use the funds are going to be disbursed in our constituencies.

Mr Speaker, on the CW for shipping, currently the Ministry of Infrastructure Development is focusing on uneconomical routes on remote islands of the country. It therefore has provisions provided for that cause whilst the government is working on the policy of getting one or two ships to assist in areas like that. Mr Speaker, there is provision provided for that kind of activity in this supplementary.

Sir, under the development budget of the Ministry of Infrastructure Development you can see \$3.2million there. This is purposely for shipping for the Isabel Province. It is in urgent need of a ship through a request made by the Isabel Provincial Government. This request touches the heart of the government on behalf of the people of Isabel. The government considered the request and because it is an urgent need the government acted on it by providing provision in this budget for Isabel under CW.

Mr Speaker, we may say a lot of things on this floor of Parliament about this bill, which can confuse our people. This Supplementary Appropriation Bill is very clear as it is for additional funds to enable the government continue with its programs this financial year. These are activities the government sees fit to carry out during the course of this year. It is a normal thing in any government. Bringing this kind of bill into parliament is just a normal practice of any government.

Sir, this \$100,000 under RCDF that we talked so much about was also done last year by the last government. Yes, we did it. It was given last year but nobody complained about it, and so I was very surprised when this one was given because some people did not accept it. I was very surprised when my friend, my good honorable Member for West Honiara said that he is going to give back the \$100,000 given to him. Sir, that would be depriving the right of your constituency to this money. That is not good. That is money that we should use for activities and programs within the constituency.

Sir, as I have said already that I will be very brief, and not the brief that usually do by taking one or two hours. I will be very brief and I totally support the Supplementary Appropriation Bill so that government can continue to complete its programs for 2008. Mr Speaker, with these very few comments, I support the Bill.

Hon MANETOALI: Mr Speaker, I will be very brief from this debate and also I would like to thank the Minister of Finance for the 2008 Supplementary Appropriation Bill 2008.

Mr Speaker, there are several reasons why my Ministry had to ask for further funding. But before I go on to those reason, I wish to rebut some of the points raised by the other side of the House. First of all, Mr Speaker, is the point that the budget was driven by political interest. Mr Speaker, when you are voted into Parliament you are a politician. It is the government's political interest that government policies are materialized because policies are for the benefit of the people of Solomon Islands.

Secondly, Mr Speaker, is on the point that Permanent Secretaries or administrators in fear of being sacked for not following political interest or political will.

Sir, I have this to say. The CNURA Government, as far as I know, did not politically interfere in the work of administrators, the judiciary or the Police. No. The CNURA Government respects the different arms of the government whoever it works with, unlike the GCCG who has been politically interfering in all works of the government during its reign.

Mr Speaker, the other point I would like to raise is on the point that it is Ministers that should appear before the Public Accounts Committee. Sir, I think that is not a good idea. In other countries, Mr Speaker, Permanent Secretaries are like Deputy Ministers and they appear before the Public Accounts Committee as representatives of the head of a ministry. Mr Speaker, being a Minister I do not like to appear before the Public Accounts Committee. Leave it to my PS do it.

Mr Speaker, there are several reasons why I am in support of this Bill. Firstly, let me refer to the Correctional Services of Solomon Islands. We need extra money, especially for housing rentals. Additional funds are required for rental payments to December 2008 for officers included in the government's rental scheme, especially those who are still living in motels in Gizo who were affected by the tsunami.

In relation to fuel, Mr. Speaker, additional funds are required to meet the cost of fuel for the generator at Tetere, which costs were paid for by the Law and Justice Program up to December 2007 but now the Solomon Islands Government has taken over that financial responsibility. Additional funds are required due also to increase in fuel costs.

Office expenses, Mr. Speaker, additional funds are required due to increase in costs for stationeries for all Correctional Centres. On printing, funds are required due to increase cost in printing, stationeries and diaries and staff travel and transport.

In relation to the Police, Mr. Speaker, electricity and gas, house rental, fuel and two more things, which are border payments and emoluments. Additional funds are required to pay border claimants who were not paid in 2007. The CNURA Government takes into account that those who served at the border need to be paid for their hard work. That is why the amount of \$466,000 is included in the Supplementary Budget.

On the gun issue; the guns owned by people that were collected and destroyed when RAMSI came in, guns such as the .22 rifles, the CNURA Government would like to compensate the value of those guns at the current market price. The amount of \$3 million included in the Supplementary Budget is to compensate gun owners. Mr. Speaker, this money will be paid by the government to people who own guns. My Ministry is going to set up a committee comprising representatives from the Ministry of Police, the Solomon Islands Police Force and RAMSI to administer this fund to compensate people who own guns that were destroyed.

Mr. Speaker, there were several letters that reached me from other people throughout Solomon Islands claiming that some organizations or groups have asked them to pay a fee of \$30 to join the Guns Association. Mr. Speaker, the Government is not going to repay that \$30 as that is your own undertaking. The Government is only responsible to compensate you the guns that have been destroyed, and that is why \$3

million is included in this supplementary appropriation. The government is not going to pay the \$30 fee to any organization.

Mr Speaker, that is my short contribution to this debate and I support the Bill and beg to take my seat.

Mr TOSIKA: Mr. Speaker, thank you for giving me this opportunity to briefly talk on this Supplementary Budget that is now before us. Mr Speaker before I go on, I would like to thank the Minister of Finance for bringing in this Supplementary Budget for us to discuss to help this country move forward in its aspirations and policies.

Mr Speaker, I am not going to dwell much on the Budget, but I just want to raise a concern. As stated in the print media, the air waves and so forth, I just want to clear any doubts that people might have on this matter. It is not because of political reasons that I raised this point during the debate on the motion of no confidence but I have concern as a leader of this country that there must be good financial management so that the country is run in a way that I believe we will progress for our people of Solomon Islands.

Mr Speaker, when I look at this Budget and consider the Supplementary Appropriation Bill 2008, I noted that under Development Budget, Head 498 of the Ministry of Rural Development, sub head item 7155-5799 - Rural Constituency Development Fund (RCDF) was increased from \$20 million to \$25 million, an increase of 25 percent. This is the first time for RCDF to be increased without parliamentary approval since the introduction of RCDF to parliament.

Mr. Speaker, there is no justification made to substantiate this increase. Any increase made by the government has to bear a sound and good reason for such an increase for the sake of transparency, accountability and good governance. Mr. Speaker, all I know is that it is a contribution from the Solomon Islands Government to MPs for their constituencies. As to its other reasons, I do not know.

When I listened to the Minister of Finance introducing this Bill, I noted that an additional \$5 million under contingencies warrants has already been paid to members' constituency accounts. I checked with the Bank in which I have my account and noted that this money was paid through on Tuesday 6th August 2008 into the trust board account of West Honiara.

Mr Speaker as you know, I returned this money to your office as I do not feel comfortable receiving this money when there are no good reasons to warrant this payment of an additional \$100,000, more so it had not been passed and sanctioned by Parliament.

Mr Speaker, to support what I have said, let me touch briefly on some of the statements made by the Public Accounts Committee in its report. On paragraph 2.3 on page 8 of the Report, it says and I quote; "the PAC noted that in many cases, the contingency warrants which had been approved by the Minister for Finance were not for items which were urgent and reasonably foreseeable and that contingency warrant will not be approved without appropriate and convincing justification of how the requests complies with the requirement of the Constitution of Solomon Islands". Furthermore sir,

the Report indicates that such payments are preempting Parliament's role in authorizing future expenditures, especially this payment which had been made under the Development Expenditure. Mr. Speaker, whether or not such decision is bad based on fallacy reasoning and consideration, we must not entertain this.

I think that Parliament has the responsibility to pass budgets and Parliament has the responsibility to look after itself and to be honest and sincere on what it is doing. For us to just go out of the normal procedures provided for by law is not right.

How is this payment urgent? Is it urgent to be paid into constituency accounts when there are just many other problems to solve? There is the problem of rising cost of rice and fuel. I heard today that medicines cannot be transported to their destinations. We need this money.

I support what the Acting Prime Minister said that we are helping ourselves with the RCDF and do not think about paying teachers, police and public servants. That is true. We leaders must consider that. Many times we have been receiving money through the RCDF, but what guarantee is there that we will assist our people. For the last 30 years we have been receiving the RCDF but there has been no major and significant improvement in the constituencies.

Mr Speaker, what we are doing is pure mockery of the right of Parliament, the nation and its people. I support the Budget but I have reservations on this particular Head and I am against it. The question that we need to ask is "why do we need an additional \$5 million for RCDF when we see that our people are still suffering in the country?" People are picking tins and metals in the bushes to sell for money. Do we not realize that people are living in the rubbish at Lungga? Is it right and justifiable to pay such amount when the country still has problems to solve?

In conclusion I am leaving this question for each and everyone of us to answer so that we fully realize the importance of our decision.

With these, Mr Speaker, I support the Bill.

Mr WAIPORA: Mr Speaker, I just want to stand up to join my colleagues to talk very briefly on this Supplementary Appropriation Bill presented by the honorable Minister for Finance. I must thank him for his hard work for bringing this Supplementary Appropriation Bill for Parliament's deliberation.

Mr Speaker, I do not have anything to say or to be very critical about the Budget because it is the culture of Parliament to bring supplementary appropriations here to approve additional funds for government services to continue.

Governments have gone out already and this government is once again talking about rural advancement, bottom-up approach, rural development and the kind. They are just the same thing, and I believe that governments have not found it easy to fulfill the aims and objectives or the policy of getting things down to the rural areas. That is why you would see for the last six or eight months I know that the CNURA Government has been having difficulty extending services down to the rural areas because of a lot of problems that we all know about.

Sir, I did a bit of calculation on the Appropriation Bill trying to find how much money was actually spent in the provinces and the rural areas. I do not know if the amount is in this bill, but if you look at an example here, which is overseas travel for MPs and public officers, it has already reached \$4.2 million for the last half year. I also looked at some of the expenses here, and wonder whether those overspent amounts happen because they have done something in rural areas in the provinces.

I think it is high time that the Parliament or the Government must try and reform some of our ways so as to enable us can get services down to the rural areas. That is why we argue about the RCDF. It is because we are trying to get services down to the rural people and so we say that this money should come through Members of Parliament so that it can reach the people quickly whereas in the early days the only legal system of disbursing, channeling, and delivering of services is through the provincial governments.

Sir, as we are preparing for the state government, the federal constitution, which previous governments, our government and the present government have been working on, must look at how to establish mechanisms within the central government.

I think we should look back at provincial government ministries. We should have about six ministries for the provinces where there is the Malaita Provincial Affairs, Western Provincial Affairs, Guadalcanal Provincial Affairs and may be put Isabel and Choiseul together, Central and Renbel together, and Makira and Temotu together so that one minister concentrates on one provincial affairs ministry so that the Minister, his Permanent Secretaries and staff talk about Malaita Province every day.

I used to be a Minister for Provincial Government and I find it quite difficult to get services down to the rural areas because politicians down there are also fighting too. For example, Malaita Province is moving a motion of no confidence on the Premier right now because he was blamed for not performing but it is us who are controlling everything.

In my view, Mr. Speaker, we should sometimes and somehow have to review the setting up of our ministries so that the minister responsible for one or two provincial governments can control the rural development services funds. That is my view.

I am making this point because I fail to see any funds from this Budget to be spent in the provinces or in the rural areas that we are talking about but only the RCDF. But more than \$4 million has been spent on overseas travel. That is an example of what I have read.

I want to contribute, Mr. Speaker, because I believe that the main thing every one of us wants to do is to make sure our people receive the services that they want. Some of us have sacrificed some of our money with the RCDF and the micro-projects to directly help our constituencies, as expected of us by the government. We are trying our best, although it is hard.

For the last two and half years, I must say here, Mr. Speaker, that my people have not been receiving cash payments from my RCDF, because it went to shipping, the maintenance of ship and its operations. Because it is the provincial government and the government of the land that should be running shipping services.

Hon Fono (*interjecting*): Who owns the ship?

Mr Waipora. You be quiet honourable Deputy Prime Minister and Acting Prime Minister, Mr. Speaker, because I do not want to be interrupted. I am just trying to compare the money that we are talking about here. Most of it is not there and so I am questioning "what are we topping up?" These monies are not yet spent.

Mr Speaker, one of the things that I see here - I think because we have been very vocal about the allocation of money like in Isabel is the direct allocation for one ship. We should have some concern for Temotu Province right up to Tikopia and Anuta, the most difficult places in Solomon Islands. Why not look at other priorities because some of these places already have their own ships. This is just my personal suggestion because that is how I see it.

If you try to find out any place that is the most difficult in our country, it is Temotu Province. You have to start from here to Santa Cruz, then from Santa Cruz to Reef Islands, then from Reef Islands to Tikopia and Anuta. It is very far and I think although they have Members of Parliament here, we should help them to see how we can best solve their shipping problem.

When I saw this shipping allocation for Isabel, I was questioning it as they are already well off. I thought that the government should prioritise Temotu. That is my suggestion and I think the two Members of Parliament for Temotu Pele and Temotu Vattu are there in the government so that you can help them with such projects and so forth.

I think the Honourable Deputy Prime Minister has been asking my people to join them so that they can build my airport. But I have questioned that saying: "Others within the government are yet to have their projects implemented and so if I go there they would not build my airport." This is very true and I said that I cannot go because those who have moved to the other side are yet to be given ships. If I go, how can they give that to me, a person who has just joined them? I want you to consider the projects of those who have moved to your side. It should not be because of the fact that the Prime Minister went around announcing to them some amount of money from place to place that should force us to put appropriate allocations in the budget.

Mr Speaker, I have no objection with this Supplementary Appropriation because we need it, and we will see what will happen at the end of the year. May be some projects from Makira will go, and please I want to assure the government that the projects for Makira are for Makira and not for Waipora. So the airfield I am talking about is for the 30,000 people of Makira. Even if you travel to Makira you will also use it if you build it. So I do not see any reason why you cannot build it even if I remain on the opposition side. It is good to have a strong opposition. Yes, I must stay here to make sure that we check the government properly. It will not be good if all of us move over there, Mr Speaker. There needs to be a strong opposition.

Mr Speaker, I think that kind of attitude or way must be out because it creates corruption. That is a corrupt way as you must be on their side before they do anything

for you. That is not the way we should run this country. That is not the way to run this country.

When the Parliament passes the budget, it is our ministerial staff, the permanent secretary that will carry out the amounts within the Budget. We are a political government, we come and go, but they will remain there. So when Parliament blesses these figures, and if there is an allocation for Bina Harbour, that money should be spent appropriately for that purpose, not because a MP from Malaita is with the Opposition. Or if Temotu people want anything and their MPs are in the Opposition, give it to them too.

It is the responsibility of Permanent Secretaries and their staff to implement those projects, and not us. For us, once this Budget is passed our work is done; we have decided and blessed it already so it is their job to carry it out. But if we already decided and the decision is made and then we continue to follow up with political influences, that will be a different thing.

Mr Speaker, it is very important that we do not try to pull people just to have him there so that if he stays there his projects will be carried out. No, let us not do that. We are one government but because the Constitution provides that there must be somebody in the opposition and there must be somebody in the independent group, and so it must be so.

Mr Speaker, I am very happy that you will carry out these things. We will be here watching you; we will be keeping a very close eye on you for the next six months or so. Somebody complained about me saying that I am asking too many questions. I said that I am watching you and that is why I am asking questions. I am watching you closely and that is why I am asking you questions, so that you tell me what you are doing about those things, and that is what I am here for. I am not here to just hang around. I am here to do what my people mandated me to come and do here, Mr Speaker.

Mr Speaker, thank you very much Honourable Minister of Finance for bringing this Supplementary Appropriation Bill, which I do no object.

With those few remarks, Mr Speaker, I support the Bill.

Mr TANEKO: Thank you Mr Speaker, I will be very brief in debating this very important bill, the 2008 Supplementary Appropriation Bill 2008.

Mr Speaker, much has been said on this very important motion. Under the Constitution of Solomon Islands Section 102, it allows as a normal procedure the government of the day to seek additional money under the CW and excess supplementary when the necessity arises, hence the bringing forth of this Bill before Parliament. This Bill is not brought here for nothing. It is brought here because the need arises for it to be brought here.

But Mr Speaker, as I said I will be very brief and very general. When you look at Solomon Islands, 85 percent of its people are rural dwellers. The budget itself when you look at the recurrent, all the heads are of the Ministries. When we are talking about this budget in this House we must be very sensitive not to confuse the rural dwellers. This is because for the 85 percent living in the rural areas there will come a time- in the opinion

of the MP for Shortland's, when we will see a budget that will really touch the 85 percent of the people of Solomon Islands.

We might come in here to criticize and point fingers at each other. Because of the democratic process we can say what we want to say. But whatever we say let us remind ourselves that anything that comes forward in here, report or budget, whether for the rural dwellers or the urban dwellers, or the administrators and everything, it is going out for the benefit of Solomon Islands. We can see all these within the Budgets.

I thank the Minister for Finance and the government of the day for bringing forth such a budget that is brought here for necessary things. Mr Speaker, the nation needs more support in the areas that we bring about power. I can assure the nation and Parliament that only through then when we really support and strengthen the 85 percent rural dwellers, by raising their purchasing power that we would be able to change the nation and nobody will complain.

We bring this bill to make requests on necessities that have arise. I am sure that through this Bill there will be changes and a lot of impacts through the spending that are to happen. This is provided for in our Constitution and to be authorised by the Minister and the Ministry for the expenditures that are to spend.

Mr Speaker, we have said much on shipping. You have seen a lot about shipping and we have talked about it several times, but that is our only road in our scattered islands of Solomon Islands. We will never satisfy the nation without shipping and as long as we live in Solomon Islands, we need transportation.

Some of you will need a truck. As long as you live, you will need truck. Today you see, Mr Speaker, the price of fuel has increased and some of us cannot operate ships with very high fuel cost. I can say here that even that is a necessity. What if we bring forth such increment or such allocation to help in the uneconomical routes as shown under the Ministry of Infrastructure? I think that is straightforward. That is necessary; it is needed. There is the GTS for us to apply for and to help us, if the government does not help us we will find it hard to run our vessels.

Mr Speaker, I see fit and very straightforward the recurrent and development aspects of this budget. It is not a big amount but because of the necessity according to the laws and the constitution of the nation, there is \$201,105,192 to be expended, although a very small amount. In the future we need more. Bring forth more. Why do we have to come here and say "this Appropriation Bill is too big or is not suppose to be?"

We touched on the RCDF all the time in here. I want to say here that is the only money my people see. They come here and I give it to them; they sign it and they take it. We must not confuse our people. This is the only money people see and touch. On government spending; we gave Western Province a big allocation. I have a road which has not been fixed in the last 20 years. Some are yet to be used as they are not usable so the people need more money. Next time may be if we do not need the RCDF to come to our hands, this is the House to take it out from our hands. We put it straight to the rural constituency and let the rural constituency to man it and so that we can stop finger pointing in here.

We build the government of the day in the rural sector, administratively, chairmen and all those things within the constituency and dump all the money in the village and let them run it. We have given the rural constituency member the extra job to be a financier. This should not be done Mr Speaker.

We are legislators and we are here to make sure that Solomon Islands is going to be run and ruled and reign in peace and harmony for the nations. Not to come and administer, and finger point in here all the time. We should just bring the bill here and abolish it, take it straight to the rural and have the government to exercise them with their chief, elders to run and rule and look after their money. And test them that is the way. We test their leadership their administrative knowledge; we straighten them build their good homes what's wrong about it? We build good homes and good administrative in the village, each constituency build it. Let us build it and empower them. And give them the administrative means if they don't have the accountant there we give them- government of the day give them; the PS in there give them there and rule and reign so that we can be free. It is like that.

I believe that we are not confusing ourselves in here. This is needed, it is much needed for our people to dwell in and that its. It is each and every member on how we can help our people. That's how I see it.

How we are going to administer the fund is what I think each and everyone of us MPs are answerable to. The money belongs to our people so when they come and ask you, you give them. Proverbs 3:27 says it very clearly. You don't say come back tomorrow if you have the money. Give it to them now. If it disturbs you then give it to them right away and let them sign it and take it. But we come here and say I don't need the fund, no. We do not have to confuse our people. The people are crying and they are still in need as they haven't seen any changes yet.

Mr Speaker, there are different people with their own different ideas, different cultures and all those things. But I believe we are here for the common goal, and that is to change our people; the livelihood we talked about so much. People are waiting. They are still waiting but the government is going to deliver and I am happy and I thank the Minister concern for the livelihood that is coming up very soon. People are listening and know that very soon this will be implemented. But when you take it please, you have to use it properly because we the MPs have always been accused of the fund.

We will never satisfy everybody all at once. When anybody is talking about the fund as long as we live on earth we will always have the need for development and there is no any other thing. There are no other equipment, weapons or tools that we will use for nation to change, but by all the fund that we are going to develop. Development of our road, sea transportation, hospitals, clinics and everything needs money.

Sir, this budget is very straightforward. It is very straightforward. It is not a very big amount and I thank the government of the day for appropriating in such a way to account for the betterment for our nation and for us to continue to reign and rule and continue to move forward, never looking backwards. We do not have to repeat ourselves. We do not have to turn back what has happened few years ago. We have

come out from the turmoil; the nation was down the root and now we have lifted it up because of the cooperation that we have.

Mr Speaker, with this very small contribution, I feel very much that this budget is on time and is only fitting that this honorable House endorses and approves this small budget that is taken before this House by the Minister for Finance.

With those very few remarks, Mr Speaker, I support the Bill.

Hon LILO: Mr Speaker, I too wish to join others in contributing to the debate of this Bill. I shall be very brief.

Mr Speaker, I stand by the Minister of Finance in defending this Bill and I fully support this Bill. Mr Speaker, I support this Bill not because of the inclusion of the RCDF, or that there is a provision for shipping and so forth. But just looking at the mechanics of this budget, I would like to say that this Supplementary Appropriation Bill shows figures like this. The \$201million which is the total of this Supplementary Appropriation Bill represents some 15.5% of the 2008 domestic revenue and that is weighing against the growth of revenue in 2008. Against the previous year of 28.6%, it shows that this budget is really in a very comfortable position.

Mr Speaker, I would also like to show figures as follows: That the make up of this Supplementary Appropriation Bill shows that 47% of the expenditure will go towards Public Service and Social sector; 20% goes towards productive and investment sector; 33% goes towards government operation, in particular electricity, water, law and order etc, which is a very good mix of government expenditure. With that kind of make up in the budget, I could not see any reason why we will speak so critical about this budget. This is because it shows the government has placed a good priority as to what it is working towards.

The 47% that goes to Public Service and the social sector; you cannot find a budget that disregards the social sector. The social sector must always be a priority. The 20% in productive and investment is what we need to do, Mr Speaker, knowing very well that we are going through hard economic situations, and so we must think about improving our investment. We must think about promoting our productive sector so that we are sustaining good economic performance in our country. That is exactly what this bill is featuring.

The third aspect of this Bill, Mr Speaker, is that it looks at government's commitment to meet its ordinary expenditures such as electricity, water, law and order and so forth. So it is a very good well structured budget, Mr Speaker, and we must congratulate the Minister of Finance for coming up with this budget; a budget that shows that it is well balanced; a budget that shows all the priorities that we need to work towards are taken into account.

Unlike what the Leader of Opposition and the MP for Rendova/Tetepare were saying and being critical of this budget, they do not know how to do budgeting, and that's why they will always talk about something like that. But if you look at the content of this budget that is what it shows. It shows a very, very good balance in the way that we balance the allocations to the public sector and the social sector and how we are

trying to promote or the government is geared towards promoting our productive sector and investment so that they improve to achieve economic growth.

Most importantly is the priority that this budget has put towards law and order, good governance and the operation of normal government machinery. That is the third aspect I would like to show as to why I support this bill and I stand by the Minister of Finance in defending this bill in that respect Mr Speaker.

The third aspect is that this Supplementary Appropriation represents about 6.2% of the nominal gross domestic product of this country. Currently, at the current price for about \$3,664million or 3 point something billion (\$3+ billion) we are getting a supplementary at this rate which is very, very encouraging; 6.2% of nominal growth of this country.

The current growth rate of this country is about 10.3% Mr Speaker, and we have an inflation rate of more than 10%. We are running at about, you know that double digit figure, but our supplementary is well below. So we need to congratulate the Minister of Finance in that respect for coming up with a supplementary that is well below the inflation rate and is well within the margin of the growth rate of our economy. That is how we should defend this budget on this floor of Parliament. You do not defend figures with ideologies that you put across to try and convince Members that what you are saying is the best direction. No. That's not the way we should come and debate the budget. You debate the budget based on its merits of this budget; how strong the budget will sustain itself; how strong it will operate. And we must congratulate the Minister of Finance for coming up with this budget as it shows that it is well within the capacity of the economy to absorb.

So against all the criticisms that have been made in this House that this budget cannot prove itself, this budget will not achieve its object, I say no. No, Mr Speaker, this budget is well within the capacity of this country, well within the economy of this country to deliver. The only problem that we will face is the usual problem of the public service on delivery, but that is a matter for us to address. Whether or not the budget is within the capacity of the government or Finance and the economy to deliver, yes we can deliver.

The fourth aspect why I would like to weigh my support behind this Bill is considering the issue that we have been so critical about, and that is the contingencies warrant. The contingencies warrant component of this Supplementary Appropriation Bill is about 21% of the total Supplementary Appropriation; 21% is the CW and that is within a very safe ground. If contingencies warrant goes beyond 50% then we should be worried, but it is just within 20% of the total amount of the Supplementary Appropriation Bill, Mr Speaker, which basically shows that the government has been able to control the use of contingencies warrant versus our own ability to be able to fund unfunded and unbudgeted items. That is what is shown here. And it is that principle that is not captured in the PAC report. It was not captured in the PAC report - that principle. I read the report and there is nothing like that in the report. If you look at it we have a contingency warrant, which is now being brought into this House to regularize or formally authorize well within our own capacity to be able to pay for it. So

the way we should be debating in here is to debate whether or not we have been able to budget contingencies warrant within our own capacity to be able to meet it. I said, yes, we are able to meet it. It is 21% of the total Supplementary Appropriation Bill and so it is well within that provision.

Sir, there are some very specific criticisms about CW, and the particular one is in relation to the Rural Constituency Development Fund (RCDF). The Constitution is very flexible about the way it defines what is unforeseen and foreseeable things.

For me, sir, I believe it is well justified that we should get additional provision to support the original allocation of the RCDF. Why? When we went to the budget session on February or March we did not know that inflation will be that high. We did not know that inflation would be very high. We did not know that fuel price is going to be very high affecting inflation in this country. We did not know and therefore, the original amount that Members of Parliament you know that everybody talked so well about the efficiency in delivering projects and programs through the constituency channel. All of us are feeling the prices, isn't it? Every one of us understands that, Mr Speaker. Yes, we all understand that. Since we passed the budget on February or March until now, you can see prices going up more than 10% or almost 15%. And I am sure that a lot of the original allocations that you yourselves whilst planning your own constituency development programs, were totally distorted because of the increase in prices.

The way we are using this particular provision makes a lot of sense, and the Public Accounts Committee chaired by the Member for Rendova/Tetepare missed the point in that way. It missed the point in that way. It could have extended its reasoning to really capture why we need this additional provision. But that is how flexible the definition of these concepts in the Constitution, and it really fits in well with our circumstances.

The law is not there for it to just stand up straight. What I mean is that the law is there to fit in to circumstances that we go through, and this is one example of it.

With that, Mr Speaker, as I said that I will be brief, I fully support this Bill. There is not much criticism about the work programs of my Ministry and I am sure everybody is very pleased about the activities that are going on in the field of environment, conservation and climate change. The additional requests that were put in here is to cater for some of the major activities that we have just recently launched in regards to conservation and sustainable development. In fact just last week I officially launched one of the biggest marine protected areas in the country, and that is in the Western Province and this will blend en very well with the current government's policy of promoting sustainable conservation development with tourism development. I see no reason why we should doubt the prospects of us getting good returns and a good outcome from the kind of development we are promoting right now, especially in the context of the budget that government is adopting and also in the context of this Supplementary Appropriation Bill.

Sir, I fully support this Bill and I recommend that we should fully support it. Thank you, Mr Speaker.

Mr ZAMA: Mr Speaker, I would be very brief in my contribution. Firstly, I would like to thank the Minister of Finance for this Bill, which I have looked at and talked about the numbers which did not quite match the policies of the government. Mr Speaker, I also would like to thank those who have spoken on this Bill, especially the Leader of Opposition for tutoring the Prime Minister, the Minister of Finance, the Minister of Conservation, and the Chairman of Government Caucus on how budgets should be prepared and how the government should be operating. That said I am going to be brief in my contribution on this Supplementary Appropriation Bill.

Mr Speaker, if I can recall the beginning of this year when the 2008 Appropriation Bill was debated, I still maintain the same position and not deviated from what I have said, in particular how this Supplementary Appropriation Bill was prepared.

During my contribution to the debate of the 2008 Appropriation Bill proper, I still hold the view that this Supplementary Budget, the way I look at it, is really a deficit budget. The Appropriation Bill that was debated on the floor of Parliament at the beginning of this year, Mr Speaker, was totally under supplied by the Ministry of Finance.

Mr Speaker, one of the issues that we have raised, and unfortunately, 99.9% of the Members present here have not read the PAC report, especially, the MP for Gizo/Kolombangara. He never read the report and that is why he was raising the issue of contingencies warrants.

I think for good discussions Members of Parliament should take the responsibility of reading PAC reports so that when they make contributions it must be in line with what is in the report because the Committee was thorough in its preparation and its scrutiny of the estimates. This is just a kindly reminder to MPs that when we go through the 2009 Appropriation Bill proper, I urge you to read the PAC report when it is prepared so that when you make contribution those contributions are in line with what is presented in the budget.

Mr Speaker, firstly, I would like to raise that may be Parliament needs to seriously consider amending parts of the Constitution that talks about contingencies warrant. I think this has been overused or abused by governments, not only this government but past governments as well. The definition in the Constitution is that contingencies warrants can only be raised for unforeseen and urgent circumstances. That is the definition of it in our Constitution. It would seem as though governments after governments have been using contingencies warrant for purposes of convenience and for the operations of the government.

We cannot deny the operation of the government because the government must continue to operate to deliver services to people of this country. But in terms of how the definition of contingencies warrant is put in the Constitution, I think it is time to seriously look into it with the view of broadening its definition so that we can use it as and when government see appropriate.

Mr Speaker, looking at the Bill, \$41million has been spent by way of contingencies warrants. It is well and good that we are here to regularize that. Unfortunately, Mr Speaker, this is done at the expense of the development budget.

This Supplementary Appropriation before us to the tune of \$201million will be short supplied by \$41million by the end of this year. I say this boldly because the development budget will continue to be under supplied by \$41million. That is if we are able to implement all of it by 31st December 2008.

Mr Speaker, it looks like this budget will not be fully financed. While I fully support the operation of government policies and how they are going to be implemented, unfortunately we still continue to unnecessarily raise the expectations and hope of people living in the rural areas.

I say that because if you look at the Development Budget of this Supplementary, you have raised \$25million for agriculture to grow rice for our people in the rural areas. Mr Speaker, that is a lot of money to spend in the next 20 weeks. This \$20million is a lot of money and where that is going to be spent in the next 20 weeks is the big question because the onus really falls back to the Minister and all his officials. I think you would not have no time honorable Minister and officials to implement this because the next 20 weeks will all be eaten up for preparation and planning and you will hardly see any of that delivered.

One of the issues that I need to raise here which came out during PAC meetings from officials that come before the Committee is that there is very poor coordination between the Ministries and Ministers, between the PSs and their Ministers. I take one case in point, and this is the Ministry of Health. Where is the Minister because he should be sitting down here listening?

Mr Speaker, the Permanent Secretary of the Ministry of Health appeared before the Committee. According to him his submission for the Supplementary Appropriation is for only \$12million. However, what appears in the Bill was \$31million. The PS therefore really finds it very hard to explain the difference. He finds it hard to explain there the difference came from because his Ministry's submission was for only \$12million, but what appears in the Bill is \$31million. That \$31million was approved by Cabinet and because of communication breakdown between the Minister and the Permanent Secretary with the officials, it caused embarrassment. It is a big embarrassment, Mr Speaker, and I am raising this on the floor of Parliament so that backbenchers can make this known to your Ministers that they better go and sit down in their offices and not spend time outside. That is one case in point. But there are many of that kind in this Report.

Mr Speaker, some of the expenditures in the Supplementary Appropriation proper have already been incurred, already spent.

This only brings me back to the question and the issue I raised at the beginning of this year on the 2008 Appropriation and the Ministry of Finance said that it is a credible budget. Sir, I continue to hold the view that the 2008 Budget is a non-credible budget because all along we have imposed baseline on ministries. Every time the Ministry of Finance gives the baseline saying that this is what the government can afford

or this is what the government can spend without realizing that that is a huge under supply of realistic costing of operating all ministries. That is exactly what we are seeing here in this Supplementary Appropriation. It simply confirms it. All along we have been pinning down ministries telling them this is what they are going to spend. I do not dispute the fact that this is what supplementary appropriations are for, but let us do it right from the beginning. The 2009 Appropriation Bill is coming and I think the Ministry of Finance needs to seriously take into consideration the real cost of operating all the ministries. That is not properly reflected right from the beginning. We have not. It would only help government to come up with realistic costs for its operation because by then we should know how much it would really cost the government and people of Solomon Islands to run public services and the government apparatus of this country.

All along we have under supplied ministries. It is important that we raise these points again and again so that our MPs and officials take it seriously.

Mr Speaker, I do not have any difficulty with this Supplementary Appropriation Bill but I am raising those points for the Minister to take home and raise it with his officials.

I would like to conclude here, Mr Speaker, that the Permanent of the Ministry of Finance has deliberately misled Cabinet. The Permanent Secretary of Finance and all the officials who have been advising the Minister have deliberately misled and confuse Cabinet on the preparation of the budget, and by doing that they have also misled and confused the Public Accounts Committee. By further doing that they also deliberately confused and misled Parliament on the preparation and the supply of the budget. If this case is going to be repeated again at the end of this year at the preparation of the 2009 Appropriation Bill, Mr Speaker, then I am sad and sorry that we are not telling the truth to the people of this country. People are not getting value and quality for money spent on our public officers, and it is time that our public officers seriously take stock of that.

With that, Mr Speaker, I would now like to seriously ask the Minister and the government to seriously look at these Permanent Secretaries and officials. I would seriously suggest that they be sacked from the Ministry of Finance and get some other better persons who can truly and honestly tell how much it costs for better costing and estimates in running the whole government machinery of Solomon Islands. We have not, for the last 30 years came up with realistic costing in operating the government of Solomon Islands. Because had we known that it would really help us to better plan what we need to do to be able to scoop the much needed revenue.

At the moment, Mr Speaker, we have heard projects lying down in the Ministry of Finance for the last six months. The usual excuse that normally comes up from the Ministry of Finance is that they are still looking at the payments. Yet you people are still not telling the truth. Tell the truth that if there is no money at the Treasury then say so instead of hiding behind this excuse so that our people in the rural areas know about the reality and the truth about these things instead of trying to hide behind all sorts of excuses or using the regulations or using whatever you have at the tip of your fingers to try and confuse people. At the moment people in the streets know and understand how budget operates, how much government is collecting on a daily basis.

Mr Speaker, \$200million for you to collect in the next 20 weeks to finance this one is a big ask. It is a big ask, and whether the government has that capability to supply that revenue to finance this expenditure, I do not know. I do not know because we already have a backlog of development projects.

The contingency warrant of \$40million was able to be post-financed at the expense of the development budget. And therefore I will seriously see that you would need an additional \$41million on top of the \$201million. So I will be looking seriously at the Supplementary Appropriation Bill of \$242million to be able to fully finance this Supplementary Budget and the Appropriation Bill this Parliament has already approved.

Detailing that, Mr Speaker, this Supplementary Appropriation Bill will still be short-supply of \$41million. It will still be short-supply or if you will have to finance all of what is appearing in this Supplementary Appropriation Bill especially for the operation of ministries then the development budget will continue to suffer. And suffice to say people will be affected.

It will only reflect failed government policies and it will only reflect failed government promises. It would only prove that we have a very weak government. It will only prove to the people of this country of the very weak leadership that is leading this country.

I am raising this Mr Speaker, seriously so that the Deputy Prime Minister, the Minister of Finance, all Ministers in Cabinet and the government Backbenchers although you have the political strength you have a very weak government and a very weak leadership and you lack the political will to drive government policies

With those few remarks, Mr Speaker. I support this Bill.

Hon TOZAKA: Thank you, Mr Speaker, for giving me the floor to speak on this important bill to appropriate \$201,105,192 to be expended until December 2008.

Sir, I thank the Minister of Finance for his foresightedness in bringing this Supplementary Appropriation Bill for our consideration. Without this Bill we would be spending money for services illegally.

I am satisfied, Sir, that the services which money has been expended on have benefited our people and continue to do so and affect them till the end of this year. Some are for services on health, education, policing, building and also for advancing the status of youth, human and children, environment activity.

Sir, I listened to the debate of the Bill and I have heard some very good points made by the Leader of the Opposition. At this juncture being a member of the Public Accounts Committee, and the Chairman who has just spoken, I also would like to thank them for their work and the report they have submitted. I have in fact read through the report, and most of the points that are made are points that are quite valid and need also to be responded to by respective ministries, hence I would like to contribute on behalf of my Ministry.

Sir, as the Minister for Mines and Energy and the MP for East Are Are has alluded to that they know us very well in some of the ways on how we deal with the things that we are responsible for, especially the points that he made that we are very

good in saying things right but we do the opposite. We are very good too in saying things right and we fail to do them. I would like to add another two and that is 'we have problem in saying no, we should be saying no'. We also had problem that we have not been very polite to each other in running things.

What are leaders for, Sir? Why are we heading all these ministries and running government? Why do we have fears in spending money? We seem to be very, very unsensitive about what we are talking about here. Our constitution and laws provided for this; spend the money, spend it, spend it for our people, spend it for development; payment of salaries of the Public Servants, the nurses and the Police. What are we afraid of? We have passed the budget, Mr Speaker. We need to make hard decisions, and those hard decisions have been made. And this is the process that the decisions that we make, we bring them to Parliament to give authority. And that's exactly what we are doing.

Let us be comfortable about it. We are moving on. It was not very long ago when our country was in its darkest times. We were not able to pay our nurses, our teachers and our police. But what happens today? We have done it successfully now.

The most difficult thing that I have seen in us is development side, basically because it touches on our comfort zones to become uncomfortable. We have not done that in the past, and this government, together with the government of the Opposition when it was a government had a go at this. And now, when we take over this side of the House, we would like to continue with that challenge.

I would like to encourage all of us here not to be afraid of anything. Like if you read the big word it says, "There is no fear in love." We must be free to help our people with clear minds, clear conscious and focus on our people and our development. That is one thing I would like to mention about this challenging bill, which is just a procedural bill that we have to pass before we move forward and continue to develop our country the way our people wanted it to be.

The Chairman of the Accounts Committee made some references to Public Officers, Chief Executive officers of the government, and as Minister of the Public Service I will not let that pass by but I have to defend my public officers. Sir, he was a little bit contradictory here because when you read his report in fact he commended the work of Permanent Secretaries. Just listen to this: 'The Public Accounts Committee noted however that Permanent Secretaries were better informed and better prepared than in previous estimates. The PAC commends the greater cooperation, coordination, communication between the Ministry of Finance and Treasury and the line Ministries, which has obviously occurred in the instance that urges all parties to continue to develop this process". That statement is talking highly of the Permanent Secretary of Finance and the Permanent Secretaries.

"The PAC also commends those permanent secretaries who attended the hearings, and are well prepared to provide information to the committee, well done, excellent job". This is what the report is saying. Now where do these criticisms come from?

At the end of the day it is also always public officers or always permanent secretaries, but no. The system is there that provides at the end of the day, it is the

system that makes the decision. The permanent secretaries, the advisors, the technical officers would be there advising you, for example, do not do that, according to Financial Instruction, General Orders, you are not allowed to dispose certain properties of government, be it house, be it vehicle, be it shipping, be it what, you are not allowed. At the end of the day the system provides for you to make the decision, whoever is responsible. That is very important. Therefore, we cannot criticize public officers because they are implementers of public policies of the government.

But I would like to say that we have a very young public service and this public service has gone through some traumatic experiences in the past during our darkest days and has come out very well. The challenges we are taking to improve the Public Service again with policies that also came out from the other side of the House, we have taken the challenge and the statement I have made in Parliament at the start of the meeting on the improvement of the Public Service to address this.

Sir, I am pleased that I am able to make one or two points on those matters.

The other thing I would like to mention here is the progress we have made in certain ministries despite of difficulties that we are all aware of, we cannot deny that we went through difficulties. But why we have been able to have a stabilized economy is because we have assistance from donor countries. They have assisted us and that is why we have stabilized our economy, and I would like to thank them. I would like to recognize the donors' participation and recognition. Of course, donors too have also changed this time. In the past they do not usually question things. They do not question where we spend our money. They were not very strict as before, but now they want to count all the cents, they want to know where we spend their money because these are tax payers' money.

Their people back at home too are poking them. Their parliaments are doing exactly what we are doing here. Their public is poking the politicians too telling them to find out from us where we are spending their money. That is why we are experiencing difficulties, and the way to do it is that we just have to be smart. We just have to have cold water on our forehead, cool down and work together with them to have a bargaining and collective agreement with them.

Sir, with my Ministry, I would like to inform the House that despite of difficulties, we have gone ahead with some of the projects that appear in the Development Estimate. We have our office building we are developing. I would like to inform the House that my Ministry has tendered the design stage of this project, which costs \$1.4 million under SIG funding and it is now on the tender board stage and we will start building as soon as that is completed.

Sir, I have spoken about the Code of Conduct of Public Officers, whatever is stated in the Budget, whether it is in this Budget or the next budget, it is the Public Officers who are going to carry out this public policy. And I as the Minister, I am directly responsible for that. I would like to assure the House that I am addressing the issues that honorable colleagues have raised about the Public Service.

The Code of Conduct is an instrument to promote ethics and integrity within the Public Service. The Code complements the Public Service General Orders and sets

standards of behavior that is expected of Public Servants. Breaching of the Code would simply mean breaching certain provisions of the General Orders. It also articulates the manner in which Public Servants perform their daily duties.

Mr. Speaker, my Ministry is also progressing the Public Service staff training and developing development policy. The policy should provide guidelines for processes, identification of skill gaps and remedies within the entire Service. Currently, consultations are underway with stakeholders, education, health, development planning, aid donors and others to have a holistic approach on the document. Final drafting and endorsement by the Attorney General's Chamber is due in September/October 2008 to launch this particular policy.

Mr. Speaker, retirement and redundancy is a continuing exercise just as recruitment. This year we have retired 29 officers so far. Also non-performing officers are in the process of being made redundant. I am thankful to the permanent secretaries who have unreservedly submitted names to be included in this year's redundancy exercise.

Mr. Speaker, we have also involved unions since coming into office. Our approach with unions is that of partnership and understanding in managing the affairs of members. That being the case, when CNURA came into power, there was no log of claims submitted by SIPEU. Matters of discussions between my Ministry and the SIPEU were matters of understanding to address issues that have not been addressed by past governments.

The memorandum signed on the 25th of June 2008 covers the issue, some of which have been addressed by CNURA Government. This includes the legal minimum wage implemented for Levels 1 to 7 and the COLA now being progressed for implementation, pending Cabinet approval. Others in which work is continuing include staff housing to alleviate the difficulty in renting and providing accommodation for its workers. The SIPEU and the Public Service are currently working on this.

Mr. Speaker, we also continue to work on the scheme of service of different profession within the Public Service. This includes the scheme for paramedics, geologists, police, lawyers, nurses, accountants and others. The Public Service also plans to look into areas where terms and conditions of service for different cadres of employment be addressed in the manner to best reflect their technical skills, knowledge, status and profession of importance to the Service.

Mr. Speaker, a special tribute is hereby made to the government for seeing it fit to raise the minimum wage to \$4.00 an hour. This should raise the level of take-home pay for our junior work force, which in their own ways play a crucial and significant contribution to build this nation. Now the shopkeepers, the plantation workers, cleaners in our offices are able to meet basic needs. My special thanks also go to this government and the Minister of Finance for seeing it fit to include COLA in the Supplement. It is a gift to public officers recognizing the high cost of living in the country.

Mr. Speaker, we are part of the global economic system and we cannot avoid cause factors having impact on our lives. Increase in population and cost of fuel has triggered the cost of food and services.

Mr. Speaker, the essence of our being here is to see services reach our people. This Bill is just to do that. I thank the Minister and the government for seeing it fit in bringing this Bill at this time.

Mr. Speaker, with those few remarks, I support the Bill.

Hon. LONAMEI: Mr. Speaker, thank you for allowing me to briefly contribute to this very important Bill; The Supplementary Appropriation bill presented by the Minister of Finance.

Firstly, Mr Speaker, I would also like to join my other colleagues in thanking the Minister of Finance for bringing this supplementary appropriation bill to enable the government have funds to work with.

Secondly Mr Speaker, I would also like to thank and congratulate the MP for West Makira for his very positive comments made earlier on. Mr Speaker, when he was in the Opposition he talked so much sense, but when he was in Government before he talks otherwise. Mr Speaker, I think that is the code which all of us parliamentarians seem to have, whether we are in Government or Opposition the whole Parliament or all of us is government, and we are the ones to provide services to all our constituencies whether you are in government or opposition. Every one of us must provide services to our people.

Mr Speaker, a high level delegation from Isabel Province went to him during his time as Minister for Provincial Government, and they have cried to him, but because he did not have any feelings at that time- because I think he was Minister he did not want to tell the Members of Isabel that they cannot help them.

But Mr Speaker, I am happy that the CNURA Government does not have that attitude. We are very glad to provide services to all of us here whether we are on the Opposition or the Government side.

Mr Speaker, they keep raising and talking about the \$3.5million for Isabel Province; the Shipping Grants for Isabel Province. Mr Speaker, we, the people of Isabel Province would like to thank the CNURA Government for the assistance rendered to us. We are very happy and would like to thank the government for that shipping grant and right now while I am talking the members of Isabel Development Cooperation (IDC) are in Japan to purchase the new ship. Mr Speaker, I think we have been missing out many times and so it is right that the government rendered that assistance to us, for which we are very grateful.

Even though the cost of fuel is very high nowadays, Mr Speaker and we are unable to run all the ships, the need for a cargo boat is there, and that is what the government has done to help us and we are very thankful to the government.

Mr Speaker, as the MP for West Makira has also said Temotu Province too really needs a ship; the government has not forgotten them. The government can still be able to give them a ship. We are still looking around for funds.

Mr Speaker, in regards to guns; the gun issue has been with us since we entered Parliament. The last government, I think has not taken the matter seriously and so no action was taken. Now, the CNURA Government is trying to assist those who have guns to firstly recover the cost of their guns. Other costs will be considered as we go along because we do not have enough money to pay off everything. I think the gun-owners of Isabel Province when they heard this issue being considered, were very delighted. Mr Speaker I would also like to thank the CNURA Government for at least taking the initiative to recover the cost of guns.

Mr Speaker, as I have said I will be very brief and so I will be brief. In regards to non-performance, which has been mentioned several times that our Ministers are not performing, and not doing any work, to the extent that it seems the government is not delivering. I think in regards to my Ministry of Civil Aviation and Communication, we do not want to go out and make a lot of noise saying yes we have done this and that, and so forth.

Mr Speaker, when I took up that ministerial portfolio, I think for the last 7 months, all the things that have not been done in the past, I think we will see some differences to them. Right now if you go to the Terminal you will see chairs, Mr Speaker. That is a big improvement in terms of the terminal. Others have called questioning why I put prayer stools in there. They said those chairs are only fit to be put in the church house, not a terminal. Mr Speaker, I do not care whether the chairs are best suited for a church or anywhere, as long as people have a place to sit on, is my concern.

At the terminal, Mr Speaker, you can also see the toilets too have been improved and other things have started to take shape. So, Mr Speaker, we do not want to shout out announcing all that we have done but we want to gradually do things so the people themselves will see and feel it on their own.

Mr Speaker, in regards to big projects such as airfields, yes, we have started to work on them. Our engineers have started to go around doing costing and other initial requirements and I think those things will be achieved before the end of our financial year.

Mr Speaker I think with those few comments, I would like to thank the Minister for Finance for bringing this supplementary appropriation bill and I support it. Thank you very much.

Mr Speaker: Thank you Honorable Members. I just want to remind you that under Standing Orders 61(2) we have four days to debate this Bill, and so if any other Members would like to speak but they need time to prepare, we are not ending today so you take your time. Just a reminder so that there is no need to rush yourselves but if there are other speaker then I will call on the Acting Prime Minister to move the motion of adjournment.

Hon Fono: Mr Speaker, I move that the debate on this Bill be now adjourned until the next sitting day.

The House adjourned at 3.25 p.m.