

## WEDNESDAY 20<sup>TH</sup> AUGUST 2008

The Speaker, Sir Peter Kenilorea took the chair at 9.40am.

Prayers.

### ATTENDANCE

At prayers all were present with the exception of the Minister for Development Planning & Coordination, Culture & Tourism, Foreign Affairs & External Trade, Energy, Mines & Rural Electrification, Forestry, Health and Medical Services, Environment, Conservation and Meteorology, Communication and Aviation, Lands, Housing and Survey, Agriculture and Livestock Development, Infrastructure Development and the Members for Central Guadalcanal, West New Georgia/Vona Vona, West Guadalcanal, Central Makira, Ngella, North West Choiseul, Central Honiara, West Are Are, South Vella La Vella, Temotu Vattu, North Guadalcanal, Shortlands, North West Guadalcanal, Malaita Outer Islands and South New Georgia/Rendova/Tetepare.

### QUESTIONS AND ANSWERS

#### **Reconciliation Program**

16. **Mr SOGAVARE** to the Minister for National Unity, Reconciliation & Peace: In light of the importance of reconciliation program and the need to address outstanding issues:

- (i) Is the government taking steps to identify these outstanding issues?
- (ii) What mechanisms has the government put in place to identify these issues?

**Hon IDURI:** Mr Speaker, first of all I would like to thank the Leader of Opposition and MP for East Choiseul for this question.

Sir, reconciliation is a very important government priority policy as reflected in the CINURA Government reconciliation program, which the Ministry is facilitating with our important stakeholders at different levels of society across our nation.

Sir, I wish to reassure Parliament that the National Reconciliation Program is based on the outcome and the solutions following consultation with our provinces and affected groups, communities and persons. Identified issues of reconciliation are not only sensitive in a number of cases, but technically and legally complex, very long term and cross cutting.

Sir, addressing these outstanding issues, therefore, is a shared responsibility that covers other sectors and ministries of government. Hence, the government's **whole of government approach** to reconciliation and peace and development issues through its development and rehabilitation programs. In other words, reconciliation is not a stand alone policy or program of government.

Having said that, I wish to inform Parliament that yes, the government on the part of my Ministry has taken steps or are taking steps to identify outstanding issues that have given rise to/or as a result of the ethnic tension. In fact continual assessment, identification and monitoring of key outstanding issues are integral part of the reconciliation and peace building program facilitated by the Ministry.

Sir, the second part of the question as to (ii) what mechanisms has the government put in place identify these issues? Among others, my Ministry's key strategy is the promotion of dialogue and consultation between our provinces, different groups, and individuals at all levels. This is to create ownership for the reconciliation processes.

Sir, the Ministry is responsible for analysis, recording and reporting on important activities, which are part of our peace process. Research and analysis is an important area of the Ministry's capacity development efforts.

Sir, the Ministry's work programs also includes annual Provincial Leaders Peace and Unity Summits. These are important consultation forums with provincial government and important community stakeholders on issue relating to reconciliation and broader peace and unity issues. Facilitation of stakeholders, workshops and seminars is an ongoing process of dialogue and consultation. A number of Solomon Islands Government taskforces were also appointed to consult on specific tasks and establishment of peace building committees are also important mechanisms.

Sir, beyond my Ministry's immediate strategies of dialogue and consultation outlined above, advancing our peace process is also dependent on the outcomes of a number of commissions and reforms of government which are now in progress, such as the Truth and Reconciliation Commission, the Commission of Inquiry into Land Dealings on Guadalcanal and the outcome of the Commission of Inquiry into the Honiara riots, Land Reform Development, Constitutional Reform, and Federal State System of Government; to mention few.

**Mr Sogavare:** Mr Speaker, I thank the Minister for answering the question. Sir, because of the sensitive nature of the issues raised I expect the Minister to just answer the question and then leave it there.

### **Government's position on outstanding issues**

17. **Mr SOGAVARE** to Minister for National Unity, Reconciliation and Peace: What is the government's position on the following issues:-

- (a) The outstanding compensation claim by the people of Western & Choiseul provinces in respect of the spill over effects of the Bougainville war?
- (b) 24 points issues of concern raised by the Malaita Ma'asina Forum?
- (c) The outstanding compensation claims on loss of properties during the ethnic crisis by the people of Western and Choiseul Provinces amounting to \$120million?
- (d) Outstanding loss and abandoned property claims by other Solomon Islanders during the ethnic crisis that were not compensated by the Solomon Islands Government, due to the mismanagement of the EXIM loan fund?
- (e) Land properly acquired by indigenous Solomon Islanders from the people of Guadalcanal but was forced to abandon them during the ethnic crisis?

**Hon IDURI:** Mr Speaker, I wish to thank the Leader of Opposition and Member for East Choiseul for his question. Sir, there are 5 parts to the question and I will give very brief answers to the questions.

Sir, on the issue of:-

- (a) *the outstanding compensation claim by the people of Western & Choiseul Provinces in respect of the spill over effects of the Bougainville war.* The Government maintains its commitment to addressing these long outstanding issues. The government acknowledges the concern of the provinces over the years, such as the submission made by the North West Choiseul constituency and Shortland Islands claims; though previous ruling governments have made little progress in determining how to comprehensively address.

Sir, the government has taken important steps under the Ministry's peace and reconciliation program and is currently embarking on re-establishing dialogue with the Western and Choiseul provincial authorities to ensure that the government and people are updated on the situation.

To advance this and ensure continuity in pursuing these matters, I would like to inform the House that a Western/Choiseul Provinces Peace Office (Desk) has been established and one of its main functions, besides others will be to consolidate what has been implemented under previous governments and to continue the dialogue process, and re-assess the claims.

Sir, on the issue of:

- (b) *The 24 points issues of concern raised by the Malaita Ma'asina Forum*

My Ministry is not aware whether the 24 points issues raised by the Ma'asina Forum, were submitted formally to Government through the Malaita Provincial Assembly or the Ministry of Provincial Government.

Sir, as such the government notes the issues as important concerns raised from the Ma'asina Forum in its capacity as a non-government body or a pressure group.

Sir, regarding the issue of:

- (c) *The outstanding compensation claims on loss of properties during the ethnic crisis by the people of Western and Choiseul Provinces amounting to \$120million.*

Sir, many victims who lodged claims during the period 2001 to 2002 have received payment for damage and loss of properties and lives. This included also people of origin from Western and Choiseul Provinces. The sum of \$120million quoted may have included the amount received by those from both provinces.

Sir, Government position is that since the compensation payments were stopped in late 2003, when funds under the EXIM Bank loan were exhausted, as this Honorable House is aware, as per Cabinet decision made in 2003 to suspend the payment of ethnic tension related compensation claims; I inform that the suspensions is still in force.

Sir, therefore until such time the government considers a review is necessary to the 2003 Cabinet decision, this decision is maintained and that has been the advice given to our people. Sir, an important directive under the said Cabinet decision, was for aggrieved individuals or groups who may have genuine claims are advised to pursue their cases through the normal justice process of the courts.

Sir, on the issue of:-

- (c) *Outstanding loss and abandoned property claims by Solomon Islanders during the ethnic crisis that were not compensated by the Solomon Islands Government, due to the mismanagement of the EXIM loan fund,*

Sir, the government's position on this is the same as that of the previous ruling governments; that the suspension of ethnic tension related claims or payments are still in force.

Sir, finally on the issue of:

- (d) *Lands properly acquired by indigenous Solomon Islanders from the people of Guadalcanal but were forced to abandon them during the ethnic crisis.*

Sir, the CNURA Government considers this as a very important priority to the peace process, hence the matter of land properly acquired from Guadalcanal by indigenous Solomon Islanders is part of the Terms of Reference of the Commission of Enquiry on Land Dealings in Guadalcanal, pursuant to the Townsville Peace Agreement, to investigate and verify.

Sir, the Prime Minister has already informed this Sitting of Parliament of the Terms of Reference for the Commission and had adequately covered issues relating to this. Thank you.

**Mr Sogavare:** Mr Speaker, I thank the Minister for answering the questions.

**Mr Speaker:** We shall now move on to Question No. 78 to be asked by the Honorable Member for West Makira.

### **Rehabilitation and Reconciliation**

78. **Mr WAIPORA** to the Minister for National Reconciliation & Peace:

- (a) What is government doing to fulfill or implement its number one policy priority on reconciliation and rehabilitation?
- (b) What was the aim and objective of the affirmation ceremony that was held on 2<sup>nd</sup> July 2008 at Lawson Tama field?
- (c) Was the aim and objective met?

**Hon IDURI:** Mr Speaker, first of all I wish to thank the MP for West Makira for his question. I am going to provide answers to questions (b) and (c).

Sir, on the question regarding the Reaffirmation Ceremony for reconciliation and healing of 2<sup>nd</sup> 2007, the ceremony was a very significant part of government's reconciliation, peace and unity program to foster reconciliation, peace and unity. The objective of the ceremony was for the nation to proudly reaffirm its desire and commitment for reconciliation, peace and unity guided by Godly virtues of repentance, forgiveness and national healing. The government was proud to host this in commemoration of its 30<sup>th</sup> Anniversary of Independence Celebration and 10 years on since the ethnic tension.

Sir, the Ministry has received positive feed-back from those who participated and listened by radio, suggesting that this was a step in the right direction and a milestone in the peace process.

The active participation of our churches, national government, provincial government, chiefs, and other leaders attest to this. It is a partnership that government will further strengthen under its Reconciliation and Peace Programs. Thank you.

The ceremony that took place on the 2<sup>nd</sup> July 2008 is for the government to reaffirm its commitment to reconciliation, which has been going on at all levels. It also coincides with our 30<sup>th</sup> Anniversary Celebrations and also 10 years after the ethnic tension.

We have received feedbacks that churches were happy about this ceremony. From April they have since accepted the other side, and they were happy about the statements given by the Premiers that time. It is something to start us off and this process of reconciliation is something that is ongoing. That is all I can say about this issue.

**Mr Waipora:** Supplementary question. As the Honorable Minister has explained, what are you doing with Temotu Province who has gone against this idea? The Premier of Temotu of Temotu Premier has boycotted the reaffirmation ceremony because the CNURA Government paid \$50,000 to those people who protested last time on the statement that was hanged outside the Honiara City Council. The people of Temotu claimed \$500,000 to be paid to them but the government did not pay it and that is why Temotu did not attend. I want to know what you are doing to Temotu Province so that this reaffirmation or affirmation ceremony is accepted to Temotu Province.

**Hon Iduri:** Mr Speaker, after the ceremony on 2<sup>nd</sup> July, which the Premier of Temotu Province boycotted, the other provincial premiers met with him and discussed the issue.

**Hon Fono:** Mr Speaker, to add on to the answer by the Minister, the Premier of Temotu Province later apologized to his colleague Premiers for taking the action he took. He also apologized to the Government for what he did. The Government has not made any harsh decisions on this matter, although the government knows that he had been influence, and we know who influenced him for doing that. The cost of getting the Premier from Lata to Honiara and his accommodation costs have already been met. He made the decision to boycotted attending the ceremony here in Honiara. If that decision to boycott was made from Temotu before he actually came over then it would have been seen differently.

**Mr Waipora:** Mr Speaker, I am not very sure about the point made by the Honorable Acting Prime Minister. But if what he said is true then I believe the Premier could have been the only one who apologized but this letter still stands, the claim of the people of Temotu in this letter still stands.

Sir, I would like to know whether this has been sorted out so that the reaffirmation ceremony has meaning. Another point too, Mr Speaker, why is that only church people and leaders attended the ceremony and not the warring parties or those people involved in the tension. I did not see any of them carrying the cross, Mr Speaker.

**Mr Speaker:** Try keeping away from debate.

**Hon Iduri:** All the provinces have their own issues to deal with too and that is why dialogue is important. The dialogue process is very important as it gives us the opportunity for us talk with those concerned.

**Mr Waipora:** Mr Speaker, I did not hear what the Honorable Minister was saying. Can you speak much louder so that I can hear you? Speak loud like me who is speaking very loudly right now.

*(laughter)*

**Hon Iduri:** Mr Speaker, the question is on why militants did not attend the ceremony. We have given open invitation to everyone of them. Some of them came to see us at the Ministry confirming their attendance. Joe Sangu was there, he was there with his boys working throughout the night to put up the cross. So do not say that every one was not there because some of them were there. Thank you, Mr Speaker.

**Mr Waipora:** Mr Speaker, I do not wish to go on any further because I do not want to bring up sensitive issues out here, but I would like to thank the Honorable Minister for trying his very best to answer my questions.

**Hon Iduri:** Mr Speaker, I would like to thank the Leader of the Opposition and the MP for West Makira for their questions.

### **USP Campus & National University**

80. **Mr WAIPORA** to the Minister for Education & Human Resources Development:

- (a) How far Government has gone into its policy to build a USP Campus in Honiara?
- (b) Can the Minister inform Parliament about the design work on turning SICHE into a National University, has the design work started?

**Hon TAUSINGA:** Mr Speaker, I would like to thank the MP for West Makira for his interest in establishing the USP Campus in Solomon Islands.

Mr Speaker, the discussion to start a USP Campus in Solomon Islands dated way back in 1980 and preceding governments have tried to put in place programs. The CNURA Government has taken up that exercise like other preceding governments, and the aim is to relocate the current centre to a new site and expand its facilities and services to accommodate the increased enrolment.

The priority is to start phase 1, and that includes the construction of academic facilities and the administration block. Phase 1 will enable the USP Campus to offer the current programs that the Solomon Islands Centre is currently offering.

The College of Higher Education Council has agreed to allocate the lower Panatina Land area for the USP Campus on a long term lease. We are still consulting with the Commissioner of Lands and SICHE on the actual transfer of the land.

Part (b), Mr Speaker, I think I have answered that question in one of the earlier meetings of Parliament, and I am not sure whether a question can be asked two times in Parliament, but with your permission, Sir, I am quite prepared to answer the question.

**Mr Speaker:** I think your understanding is also the understanding of the House that a similar question has been asked and answered. I thought it was deferred because the

Minister was down with Malaria but I think he has subsequently come in and answered the question.

I do not have any strong view as to allowing you to set the mind of the Honorable Member at peace, but in terms of the Standing Orders, it is obvious that a question that has already been asked in the current session cannot be asked again.

I am willing to forego that to simply allow information from the Honorable Minister of Education for the benefit of the Member for West Makira, if the Minister is prepared to do that.

**Hon Tausinga:** Thank you, Mr Speaker. To satisfy the Member for West Makira let me go through it again.

As I have already mentioned, Sir, upgrading to university status requires good preparation. We have to look at the infrastructure needs; we have to review the current programs for all the school in SICHE as well as development of new programs. We also have to prepare the capacity of SICHE in terms of human resources.

The \$5million under the 2008 development budget will obviously help to start the work. This \$5million will be used to do major renovation of existing buildings and to build additional facilities. Currently, the SICHE is finalizing architectural design and scope of works for the infrastructure program. When these are finalized, Mr Speaker and approved then the process will start. One of these first new buildings will be a lecture theatre.

**Mr Waipora:** Thank you very much, Mr Speaker, for allowing this question. I am satisfied now because the other day I told the Honorable Minister that I am not fully satisfied with his answers and that is why I am asking this question again and today is especially about the design of the Solomon Islands College of Higher Education. But repeating it is one thing and informing people of this country about a very important thing like this is another. It does not matter whether it is repeated, Mr Speaker, but people of this country must be well informed of national issues. Thank you.

**Mr Speaker:** That concludes our question time.

### Bills Second Reading

**Mr Speaker:** Honorable Members debate on the 2008 Supplementary Appropriation Bill 2008 continues. We are now into the second day of this debate. We have two more days left but it is entirely up to Members on how long they wish to debate this bill. If no further Member arises to speak on the bill today, I will call on the Honorable Minister of Finance and Treasury to deliver his speech in reply before the question is put. Otherwise we will continue the debate tomorrow and see how long we go from there.

**Hon TAUSINGA:** Mr Speaker, I rise to make my contribution to the Supplementary Appropriation Bill 2008, introduced by the Minister of Finance yesterday. In doing so, I



am most grateful indeed for the opportunity to associate myself with the Bill. I also wish to thank the Honorable Minister of Finance and his ministerial staff for putting together the Appropriation Bill that is now before the House for scrutiny.

Sir, my contribution would be very brief and would be general observations of the principles, in particular the Ministry of Education and Human Resources Services and expenditures.

If someone is dead we will not be able to make him alive, we will just bury him. Supplementary appropriation bills are just like that. We just put it right and bury it. This is what I mean, Mr Speaker. The person we are talking about has died already; we have already spent it. Our coming in here is just to put it right according to the law. That is why my contribution will be just a short one.

Mr Speaker, many Honorable colleagues have spoken on the Bill making their assessments on the various ministerial allocations. Others made criticisms but without offering suggestions to show better options that are available. Such inferences to me does suggest that criticisms without relating to better policy options is nothing more than political assumptions.

I hold the view, Sir, that Members of this Honorable House know the objective of the supplementary appropriation bill and its appropriateness to the general management of state affairs. The Supplementary Appropriation before the house is merely to supplement shortfalls from the annual budget. And this is, in any government, a normal practice and nothing is erroneous in this practice.

Preceding governments including the ousted Grand Coalition for Change Government did present similar supplementary appropriations during its term in office. The various ministerial allocations whether they be contingency warrants or direct allocations whether it be expenditures or recurrent are to supplement the original so that government can execute development program and as well to continue provide basic social services to the people. And so there is nothing sinister about the Bill.

Sir, you know that this Bill is an enabling bill to have services provided to the people, and so the services that we provide to the people are for the benefit of the people and therefore this Bill is in the interest of the people.

We have developed a habit in this house, Mr Speaker, and that is we usually claim the support of the people whenever it suits us or legislations or for motions. And in many instances such a claim is without veracity. A case in point is the recent motion of no confidence. Without consulting the many constituencies of the country, the mover, my good friend, the Member for West Honiara claimed the support of the people. I wish merely to draw our attention to this irregularity to enable Honorable colleagues to contrast when to claim the interest of the people or otherwise.

But in this instance and in respect to the Supplementary Appropriation Bill that is before the house, the government is confident that the Supplementary Appropriation is made in the interest of the people; there is nothing evil about it.

Mr Speaker, no two governments have the same development programs and priorities. There may be similarities but in most instances you will find that the methods of accomplishing these priorities may vary. Therefore, the relevant question to ask

about the supplementary program under debate is not whose priorities or work programs are we designing these additional expenditures. It is common knowledge, Mr Speaker, that the CNURA is in government and has identified development opportunities and priorities. Similarly, the question is not whether or not the supplementary appropriation is made for the interest of Members of Parliament.

I said earlier on that the Supplementary Appropriation is supplementation to the approved 2008 Budget meeting shortfalls in both the recurrent and development expenditures. These development programs and expenditures in the social services are aimed at assisting the citizens of the country. There can be no other explanation to the contrary. Perhaps the prominent issue at hand that can be misinterpreted is the RCDF. And a number of Members on the opposite side of the house expressed their concern as to the payment of it to the representatives of the people.

It was alleged, Sir, that the money should not have been released because there is no basis for the increase. But Mr Speaker, the money in question is not for Members of Parliament but rather for the constituents to help in various projects and development. This money does not belong to Members of Parliament and so anyone who deemed the money to be unjustified and need to have it returned to the government must first of all seek the consent of the constituency. The money is for the people and without their consent, and the money returned, in my view, is denying the access of the constituents on much needed projects and services.

The relevant question is how we can provide better and quality services to the citizens of the country. Mr Speaker, the peoples' Ministry of Education and Human Resources Development has the highest recurrent budget in 2008, which was set at around SBD\$313,521,777. This includes SBD\$24,290,106 from the New Zealand Aid Budget support.

The Ministry also has the highest Supplementary of SBD\$34,080,715 as you can see in the Supplementary Appropriation Bill. The additional is only for the recurrent budget. People might ask why education always has huge recurrent and always asks for supplementation. The answer is very clear, and that is that education is a service sector and it expands every year given the annual high birthrate current in the country. The Ministry delivers services to more than 140,000 children and students in the school system from early childhood to primary and secondary schools. The Ministry also administers one 1,034 tertiary scholarships at the Solomon Islands USP centre and other regional educational institutions. In addition, we have more than 600 teacher trainees each year undergoing teacher training as well as 6,000 teachers who are already in the Teaching Service serving country-wide. To date, Mr. Speaker, we have 487 early childhood education centres and 500 stand-alone primary schools, 150 community high schools including primary schools attached to them and 16 provincial secondary schools as well.

Apart from early childhood education, the Ministry also administers operational grants to all primary and secondary schools as well as administering grants for the 10 provincial education authorities and church education authorities. This should give you a picture of the scope of work and responsibility of the Ministry, and the number of

stakeholders and clients that it manages and coordinates as well as the number of schools and institutions that need to be resourced and maintained annually. This is the reason for the request for more resources and finance.

Mr Speaker, the Supplementary Budget for the Ministry of Education and Human Resources Development will go towards tertiary scholarships to meet students' costs, allowances, tuition fees and USP contribution as well as salary overspent, utilities, minimum wage and COLA. Tertiary education is very specific to the Ministry of Education and it consumes a large portion of the budget indeed.

Human resource development, Mr Speaker, as everybody would agree is important in this country and everybody also recognizes this importance. While people may argue and criticize how scholarships are administered and may observe that there is poor management, but education is a ceaseless exercise and as such, the Ministry continues to address these issues. But right now we need supplementary for our current students who are studying at various local and overseas institutions.

Mr Speaker, at this stage of my discussion and contribution, I would like to take this opportunity to thank the development partners such as the European Union, the Australian Government and people, the New Zealand Government and people, Papua New Guinea Government and people and the Republic of China and people and other development partners for their continual support in educating and developing the human resource base of this country.

Sir, I was privileged yesterday to co-host with the Embassy of the Republic of China a little ceremony marking the handing over of scholarships and air tickets to seven successful recipients of the Republic of China Scholarship to do studies in Taiwan in the coming academic year. It is encouraging to note, in this instance and in many instances as well, that our development partners recognize our financial deficiencies and would like to help. But we must not take things for granted and continue to depend on peoples' sweat and tears. We must also attempt to do things for ourselves. The supplementations they generously offered us are a gesture of goodwill and merely additional to the country, and we ourselves should provide in abundance.

Mr Speaker, the Ministry is implementing a very huge work program including teacher training, curriculum review and development and capacity improvement at school level, provincial level and national level. The Ministry needs manpower and finance to support the implementation of the nation's education programs. The passage of this Bill shall enable us implement the work programs and service the sons and daughters of this country.

In wrapping up, I thank you for the opportunity to make my contribution and once again wish to thank the honorable Minister of Finance and his staff for the Bill before the House. Mr Speaker, I have no reason to oppose the Bill, but fully support the Bill. Thank you

**Mr OTI:** Mr. Speaker, also at the outset as is usual, thank the Minister of Finance for this Bill. Also I would like to thank the Public Accounts Committee of Parliament for the scrutiny of the Bill and the Report that is now laid before Parliament. The Public

Accounts Report is not for anyone but it is for the Parliament and so we need to be clear that it is our Report to ourselves on how we see the government is preparing estimates that it needs to bring to this house for two reasons, and in this instance to regularize the expenditure the government has committed under the contingency warrants as shown in the Bill, and secondly to further provision the heads estimates, which are likely to have been underestimated in the original appropriation, hence the need for Parliament to pass this supplementary to enable the government spend legally within the limits allowed by the law and particularly us as required to be passed by Parliament.

Mr Speaker, I note that in the Supplementary Appropriation, which I did not have time to dwell in detail and compare particularly the underestimations which were in the original Appropriation whereby has resulted in this Bill to regularize funds which have been expended under the Contingency Warrants for 13 expenditure heads in the Recurrent Expenditure and 3 development heads in the Development Expenditure amounting to a total of both the Recurrent and the Development \$41.7 million.

Secondly, Mr Speaker, like I said that the first reason is to regularize expenditures committed under the contingency warrants, it is also to appropriate for what ministries have predicted to be shortfalls in their current allocations under the Estimates as appropriated for by Parliament whereby 26 Expenditure Heads the government is requesting Parliament to bless and also 3 Development Heads. So in total these two Expenditures amount to \$200 million plus.

The issue here is not whether or not the expenditures that the government is asking Parliament to bless are wrong or right or whatever. But the issue really is whether our revenue forecast for this year is able to meet these expenditures, and it is the government's commitment.

Mr. Speaker, estimates are estimates. If they are guesstimates then it will be wrong because you can be miles away – if you guess. Estimates are allowed because it enables the government to maneuver within its ability to finance the budget and to vary where they need varying, including if there is the need to vire internally then it can be done. You need not go into the extent of committing funds under the contingency warrants, and this is where the Minister of Finance was saying about the possibility of financing this Supplementary through a number of ways, and one of which I would like to touch on is the one he mentioned as virement or shifting funds from one Head of under-performing ministries to the others. That is quite legal under the law.

Mr. Speaker, what would be of concern to Parliament and the people of this country is the many expectations that this has created. That is a concern to us because we want to spend money on what we want but we do not really know nor do we bother to know nor do we ask how this money is going to come in.

As much as attempting to implement the programs which the government had brought out in its policy, there is the utmost and urgent need for the government, particularly the Ministry of Finance to step up its revenue collection mechanisms and measures to enable some of these projects and programs to be realized.

Mr Speaker, as has been pointed out yesterday by the Leader of Opposition, currently, there is an under-performance in the revenue collection by the government by

about \$20 million a month from statistics provided by the Ministry of Finance. That should give you a signal as to whether or not you are able to raise the additional revenue come the next 16 or 20 weeks to raise the additional revenue to finance the Supplementary Appropriation when in effect you are already falling short of collecting the revenue to finance what is already appropriated for.

This is what it is like. The government is government, there are, of course, coming towards the end of the year, a lot of these programs will not be released and for very good reasons. For example, Mr. Speaker, in the Development Estimates, one of the biggest capital Development Estimates is this year's one, over and above previous years, particularly last year, and as we have heard yesterday, less than half of what have been programmed have been implemented, which means that the bulk of the projects are yet to be realized because of the reasons perhaps amongst others the shortfall in the government collecting revenue as pointed out yesterday.

Mr Speaker, that being said, this is where the new projects, which is a very important one, the rice project. This \$25 million, I would have hoped is scaled down a bit. You should first of all prepare the groundwork for these projects before you appropriately reflect it in the next Estimates. Only then it brings down your commitment against the revenue that is already a shortfall, and at the same time you are telling the nation that we are in progress with the processes and the projects, instead of sweeping across the board providing \$25 million which is not going to be implemented. But the Minister must explain at the end of the year why the \$25 million project did not take off the ground.

Mr Speaker, these are issues that are now in the minds of a lot of people. I do not know about the other Members but I can speak for my constituents that they have realized that goods and services have been slow in reaching them. For others, may be goods and services reach your constituency quickly, but not us in Temotu Nende. I do not know what kind of tricks you played that services get to you as soon as possible or your projects are being implemented at the right time. That is the case with the 49 Members of Parliament except for Nende Constituency. So give us the trick, Mr. Speaker, so that we are placed on equal footing.

Mr Speaker, finally I would like to touch on a particular issue, which I am glad to see reflected in the Supplementary Appropriation. Environmental issue is taking the centre stage of all developments globally at this time, and we must come to terms with it. We cannot continue to build infrastructures and so on and so forth or for that matter build rice farms without considering environmental issues, without us addressing logging issues in Solomon Islands. These can impact directly on the environment. And for the first time I also note in the Appropriation an allocation of half a million dollars for the work of the Environment Advisory Committee. This Committee was established under the 1998 Environment Act and is also working alongside the Wild Life Protection Act 1998. For ten years, Mr. Speaker, these two legislations have not been executed as they should have been, and for the first time I think the Ministry of the Environment has seen it fit to include provisions for it in this supplementation. I hope that next year it will be reflected even higher because of the urgency to address issues that impact on the

national economy, on health and agriculture and on everything there is. It is critical that we step up and become more vigilant in addressing our environmental issues. This small allocation put under this Supplementary Appropriation is a start in the right direction.

Those of you who are asking a lot of money for this and that, for this ministry and that, and so forth, must scale down a bit. Let us address environmental issues first as it is critical. Because if we damage the environment, if the mitigation against environmental impact fails then you might as well just forget about all other aspects of development.

With those remarks, Mr Speaker, I would like to commend the government for taking this initiative. I hope that in the next Appropriation proper for 2009, we will appropriately reflect the importance of environmental issues in the national budget.

Lastly, but not the least, Mr Speaker, as I said earlier on, the reference to shortfall in the revenue is already impacting on us. I could recall about four weeks ago immediately after the National Trade and Agriculture Show, and the weeks of the Independence Anniversary, there was a shortfall of water in the hospital. There is no money at the pharmacy in the hospital, at the dispensary, and the reason they gave us then, and I have to point this out because it is critical to health is because some of the issues and priorities needs to be appropriately addressed to see which one is important. As has been pointed out, the RCDF is people's money and that is true, it goes there, but people's money for what. Life and death situation is important or for us to buy what we want to buy. This is critical. Right now the National Referral Hospital is critical. Rations are running short, water is short. We had to buy our own water to mix medicine at that point in time. After four weeks now, I do not know what the situation is.

What I am saying, Mr Speaker, the government and the Minister of Health is to especially address this issue, recognize the helpless, the vulnerable who cannot fend for themselves who are too ill to move, too ill to ask, I think it is their plight that we need to address.

These two considerations: health and environment are very important. I hope that the \$31million reflected in the Supplementary will go along way to addressing those shortfalls. If it is to do with allocation and if it is to do with cash flow, Mr Speaker, then of course the Minister of Finance to prioritize the expenditures on which is to come first?

Mr Speaker, I said that I will be brief and not focus on any particular issue, but I bring those two particular issues out because they are appropriately reflected in the estimates, Mr Speaker, and I beg to support the Bill.

**Mr BOSETO:** Mr Speaker, first let me thank the honorable Minister for Finance and Treasury for his presentation of this Supplementary Appropriation Bill 2008.

Mr Speaker, my special word of thanks goes to the chairman and members of the Public Accounts Committee. Sir, I appreciate very much the quality and the critical responsible examination of the Bill by the Committee. Therefore, Mr Speaker, the Public Accounts Committee's Recommendation No. 5 must be taken seriously by the

Government when preparing the 2009 Appropriation Bill 2009 in the next November Meeting of Parliament.

Mr Speaker, I would like to read that particular recommendation, which says: *“The Ministry of Finance and Treasury further improves the timing or preparation of Appropriation or Supplementary Appropriation Bills in order to allow the Public Accounts Committee to conduct proper scrutiny of the Bill and provide a meaningful report to Parliament for the guidance of Members of Parliament and facilitate robust debate in the House”.*

Mr Speaker, a person like me, a lay person in relation to money for instance the budget I would like this Committee to do more work and therefore the preparation of the next Appropriation Bill for next year must be finished virtually by end of October so that we can spend enough time to read. It is not good just hunting around or saying anything that we like but I personally see this as very important.

Mr Speaker, from the concerns and issues raised by the Public Accounts Committee, I am able to see some of the very important issues, which I would like to point out one or two.

First the spoken and written words of the CNURA government’s policy, that is its vision, its goals, its promises etc, do not appear to be compatible with its programs of action. For example, if more money is budgeted and spent for overseas travel, then this is not rural advancement but overseas advancement or top up advancement.

I noted that the Cabinet is now seriously looking into this concern. If improper use of contingencies warrant without compliance with condition as set by Section 103 of the Constitution, then we set our own priorities and serving ourselves but not the rural majority of our people. Our policy for people centred cannot materialize for our rural advancement goal.

Or if the Appropriation Fund budgeted for this year 2008 has been overspent illegally by some ministries as indicated by on page 15 of the Public Accounts Committee Report then the rural advancement priority suffers. Therefore, Mr Speaker, our spoken and written policy of our visions, goals, promises, and focus on people centred can easily create false expectations until “we hear and see in action”. Spoken and written words not enough until they are incarnated.

After saying that, Mr Speaker, I support the budget especially some of the following Ministries’ budgets:

- The Ministry of Finance for extra \$8,950,000 for Western and Choiseul Provinces assisting tsunami rehabilitation program of action. Mr Speaker, my people of South Choiseul Constituency would like to thank the government so far for giving us \$1.36million, which had been already utilized and we expect some of the funds I mentioned to be shared with us so that we continue to work on the program of the second phase rehabilitation.
- The Ministry of Agriculture & Livestock Development for its \$25million at present. Mr Speaker, I have a different view on this one. If it is true that this one is coming to be spent before the end of the year, then we are already now. Give us may be half a million or one million because we are thinking to establish in

several localities the milling, rice milling or copra milling, which falls within agriculture. I want the Minister responsible for this Ministry to take note of this because he would find my submission immediately after this supplementary budget is passed.

- The Ministry of Mines, Energy and Rural Electrification. Mr Speaker, the Ministry only provided a budget of \$1,343,227 for funding of rural boarding school project as well as hospitals in provincial centres. But we know now the sudden increase of kerosene and fuel and our weak dollar cannot afford, especially those who are living in the rural areas. Therefore Mr Speaker, I would like to see the Ministry to give serious consideration in close consultation with other relevant ministries, especially the Ministry of Rural Development to map out a 10 year plan for combined commitment of government, non governments, multilateral, bilateral and our own rural communities throughout Solomon Islands to work together for all our rural centres, families, villages and so on to have their solar or hydro electrification. For me, this is a must.

Mr Speaker, if we are true and dedicated to our long term commitment to the policy of bottom-up-rural advancement then this rural electrification must be addressed with budget priority.

With those few remarks, Mr Speaker, I beg to support the Budget.

**Mr BOYERS:** Thank you, Mr Speaker, for allowing me time to comment and briefly put across my views on the Supplementary Appropriation Bill 2008. I note that a lot of other speakers have covered many of the issues I would like to talk on. But at the outset I fully support this Appropriation Bill.

Like any government there must always be expenditure of funds and the budget we debate always brings up complaints of whether the government is spending too much or not spending enough. But at the end of the day, Mr Speaker, a government that is spending money is inevitably delivering service. Supplementary appropriation means that extra funds are required to carry out service delivery.

There has been a lot of talk about the Permanent Secretaries being Accountable Officers in delivering the budget, and at the end of the day I believe that additional expenditure reflects that Permanent Secretaries have been doing their jobs. Whether or not they are aware of changes in the Supplementary according to their ministries is a question mark, but at the end of the day I do not believe ignorance is a position of justification. It certainly does need to be cleared at any PAC Meeting that when Permanent Secretaries come into a meeting they must not say 'we are not aware'. That is a bad reflection on the responsible officer and a reflection on the Ministry. But, of course, that has been the status quo and that sort of attitude needs to be altered. But it also brings some reflections, Mr Speaker, that may be there needs to be further capacity building within the public service.



For Permanent Secretaries to push back to the PS of Finance by saying we are unaware, the Finance PS is saying that he is following general orders and financial instructions, there needs to be more cohesiveness.

At the end of the day, Mr Speaker, I am not going to talk too long but my position as a backbencher to government is to assist the Finance Minister at looking at the possibility of generating further revenue to increase in order to better service delivery to our people.

I remember way back in 2005, Mr Speaker, when the Statistics Office was set up, there was revelation that 60% of government houses are illegally occupied. When you look at the Supplementary, the enormous outside pressures are fuel increases directly affecting transport costs, utilities, electricity, telephone, water. This brings to mind, Mr Speaker, whether or not 60% of houses illegally occupied belonging to government whether we are actually paying for telephone bill, the water bill, the electricity bill as well for those houses. May be even vehicles that are still being used illegally that belongs to government and government is still paying bills for.

I note sir, that when I was the Finance Minister that the car I used to use, a little sedan, is now being by a public servant with a different number plate on it. That brings into question an issue, and this is fundamental that if you are going to save money do not lose it.

The biggest question that we should also be looking into through the Statistics Office is an asset inventory. I remember that when virements came through there was request for laptop computers on the basis that the old one was too old and needed replacing, and it went on for many other issues as well as assets purchase but there was no refund or retirement of that asset and obviously that asset get carried forward to somewhere else. The laptops and computers, I can remember, were purchased with huge sums of money by line ministries. If those computers should come back into a stock or store house and a stock take done, a lot of those computers should be given out to schools.

I think there are a lot of leakages the government needs to tap into to save the loss that would actually create an added impact of making sure that we end up with a balance budget.

Contingency warrants, Mr Speaker, are hard facts of any government. The fact that we need to make sure we balance our budget in relation to our debt servicing obligation is a very important process of responsible government.

The other issue I would like to bring up, Mr Speaker, is the amount of money that is spent on tertiary education. With a highly growing population, if we are going to create social justice for our people, we have to make sure that our young growing population gets a free basic education. It is not good promoting tertiary education, which at the end of the day creates an elitism position, the suffering at the other end of the scale for our innocent children. The growth rate is not going to be stopped and so how we manage our funds and educate our people is our major responsibility.

An informed population is a cooperative population. We all want our country and our youth to be educated. This is not to say, Mr Speaker, that we should not further

tertiary education. But I understand in the recent past that there was a cutting level of the number of tertiary students to be awarded scholarship every year. It is disturbing to see again that in this year's budget we are actually funding last year's excesses.

From 2005 to 2006 we normalize that at the expense of that year. It was covered within that year. Now we are going into a retrospective debt position of this year's budget funds now funding last year's debt in tertiary education as well as trying to fund this year knowing full well that next year's budget is going to fund this year's excesses.

Sir, when we have that sort of program of retrospective debt, how are we going to put forward our position of educating our youth. You create the funds to produce free education for our children. I think this is a mighty challenge.

Personally, I do not believe that it is going to happen over night. But I do believe that in the process of making sure we manage our yearly budget according to the expenses of that year, I am pretty sure there will be a magic bullet coming from somewhere to assist in budgetary support to make sure our children have free education.

This is a concern, Mr Speaker, because we know that a lot of our populace, the mothers and fathers are really struggling very hard to educate their children. There are some instances now, and I am sure a lot of MPs agree with me that there is enormous pressure now on us to pay school fees for our children.

When you think of it there are a lot of children now being marginalized from receiving basic education, and when you have this marginalization it becomes the 'haves' and the 'have nots' and at the end of the day unify a population in cohesive humanity.

There are other areas I would like to talk about, Mr Speaker, but those are the two main areas I would like to talk on. I am very happy to assist the government in any way in regards to 60% of illegal housing. I am sure there is a formula and I sure the government has been working on it. As a responsible backbencher, Mr Speaker, I would like to give my support to doing my best in making sure that the government does not lose money, so that when we come to the end of the year the expenditures in the budget will become balanced and reflect better service delivery for our people..

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

**Hon Rini:** Mr Speaker, I would like to first of all thank Members who have spoken since yesterday from the Opposition side, the Government side, the Ministers and also backbenchers.

Mr Speaker, I must make it clear here that this Supplementary Appropriation Bill is in two parts, and we must not confuse ourselves. The first part deals with expenditures paid out in contingency warrants and these contingency warrants were approved by Parliament when it passed the 2008 Appropriation Bill 2008. What was paid out in the first part was already approved by Parliament. Therefore, this supplementary bill is not asking for that amount. What is required of us here now is for Parliament to regularize these expenditures.

When the contingency warrants were approved, a lump sum was approved, which is \$25million for recurrent and \$25 million for development budgets. When these money were spent the various heads were then charged, and that is why we come back to Parliament to get approval for the payments made under the various heads.

The first part of \$41.7million has been paid already and has Parliament's approval. What we are doing in this supplementary is just for Parliament to come and bless the payments according to the various heads.

The second part of it, Mr Speaker, is for new funding. I am very surprised that the Chairman of the Bills Committee said yesterday that the Ministry of Finance is bringing this supplementary appropriation bill asking for \$201million. No. Parliament is only being asked to approve \$132.2million in the recurrent budget plus \$27.3million in the development budget, which makes up the total of new funding that this supplementary bill is asking for to the total of \$159.3million. I must make this clear so that we do not confuse ourselves in thinking that the Ministry of Finance is bringing this supplementary to get approval for an extra expenditure of \$201million. No, that is not true. This appropriation bill is only asking for extra expenditure of \$159.3million.

Mr Speaker, a lot of issues have been covered by various speakers, especially the Opposition, and I am very pleased that the Minister of Environment has covered those areas very well yesterday. Even some Ministers too have covered a lot of issues raised by the Opposition side when they spoke to the Bill.

I would like to reply to some of the comments raised by the Opposition Leader and even the Opposition side. One point the Leader of Opposition raised is that it should be the Ministers that should appear before the Public Accounts and not Permanent Secretaries. Mr Speaker, the Constitution is very clear that it is the Permanent Secretaries who are accounting officers and not ministers.

If Permanent Secretaries cannot answer the Committee then that is very bad. I say this because it is not Ministers that are making the virements, and it is not Ministers that are preparing the contingency warrants. That is done by the officials. And before the officials pass these, it is the Permanent Secretaries that must finally sanction the papers.

What I can say, Mr Speaker, is that it is not appropriate for Ministers to appear before the Public Accounts Committee.

Mr Speaker, the Leader of Opposition has even gone further to say that the CNURA Government has diverted from its six priority areas. That is not true. If you look at the supplementary appropriation bill, Mr Speaker, an extra \$11million is for security. On social services \$32million is for health, \$34million on education, \$25million for the Ministry of Agriculture on productive sector. This means we are not diverting from our focus.

The other Ministries like Peace and Reconciliation, Infrastructure and civic affairs still have enough in their budget, and that is why they did not ask for additional funds. I must make it clear here that the CNURA Government did not divert from its six priority objectives.

Mr Speaker, a lot has been said about the RCDF, and I believe Ministers in their debate today covered this very well. I must repeat it again here that the RCDF is not for Members of Parliament but it is for people in the constituencies.

If a Member of Parliament does not accept this money then he is depriving the rights of the people in his constituency because it is not his money but it belongs to people in his constituency. I think the reasons for this money were explained very well by the Minister for Energy yesterday. It is because of increased cost in materials, increased cost in freights, so Members need extra funds to meet this increase in costs.

Mr Speaker, I am surprised because when the CNURA Government paid SIG contribution to the RCDF, people on the Opposition side jumped up and down saying because it was the time for the vote of no confidence paying that money is not timely. Mr Speaker, in September last year the previous government did the same thing too. It paid an extra \$100,000 to every Member of Parliament. This payment was not paid into the Constituency Development Fund accounts, but cheques were paid directly to Members of Parliament. I received mine and it was paid to my name and not paid to the Marovo Constituency. It was paid to my name. I questioned the payment and I was told that it was supplementary of SIG funding to the RCDF.

When they did it before it is not a sin but when this government did it, it is a sin. Goodness me! We have very short memories.

Mr Speaker, another government policy, which the Leader of Opposition also criticized yesterday as not being a good policy is the increase in the determined price value of logs. Mr Speaker, the government introduced this policy, firstly, to increase government revenue, and secondly to enable resource owners receive a good value out of their resources.

I can tell you here, Mr Speaker, that since this determined value policy was implemented, the revenue we collected from logging increased by \$21.6million. Revenue increased. What is wrong with this? The stockpiling of logs is not because of this policy. China is the main buyer of logs from Solomon Islands and before the Olympic Games started and even up until now all the factories in China are closed. They stopped buying logs. That is the cause of the stockpile of logs and not this policy. Very soon, in the next two or three weeks when the Games are completed at the 24<sup>th</sup> of this month, the factories in China will open again and logs will be exported once again.

Mr Speaker, I must make it clear here that even though the determined value has increased and they still export logs, the stockpiling is not because of this policy but it is because logs cannot be sold overseas.

I must repeat again here that this policy is meeting its objective, and that is we are getting \$21.6million extra revenue from our logging exports.

Mr Speaker, the MP for West Honiara said that the RCDF that was paid out should come to Parliament for approval. Mr Speaker, I do not know what he meant by making that statement because to increase or decrease RCDF depends on government policy.

He also said that we are making illegal payments. What illegal payment is he talking about? That \$5million in RCDF was paid out under the last contingency

warrant, which Parliament had already approved. This is not paying it in advance so that it is illegal. It was paid under existing contingency warrants.

Another point I must make it clear here, which was raised by the Leader of Opposition and also again this morning by the Member for Temotu/Nende is on government ministries collection of revenue dropping from \$20million every month. I do not know where those two got their information from when they said that it is an under collection in every ministry by \$20million. I am very surprise when I heard that information, and I do not know where that information came from. I must tell the truth here that the government in on track with its collection of revenue. For example, the Inland Revenue over collected \$28.5million, the Customs has an under collection of \$13.9million. This is according to pro rata up to July. Other Ministries are under collecting by \$10million. If you add up the under collections from Customs, which is \$13.9million and other ministries of \$10million, it comes to \$23.9million under collection for seven months. This is not one month but seven months.

If you deduct the under collections from \$28.5million, which is an over collection of the Inland Revenue, we are still ahead of \$4.6million in our total revenue. Therefore, the government is still within the budget in revenue collection. That is one thing we must understand here.

Revenue is not the concern here. The main thing is to pass this Supplementary Appropriation Act, because even though you may have more revenue but you do not pass the Appropriation Act to pay expenditures, the government will be in big problem.

I can assure this House that from the measures we put in place, revenue will increase and we will be able to meet the \$159.3million that this Supplementary Appropriation Bill is asking Parliament to approve.

Revenue will come in as we continue with our policy on the increase on determined value of logs. We will be cutting out more remissions and exemptions. Also the other ministries, like the Ministry of Fisheries, its funds usually come in the third and fourth quarter. The same is with the Customs. If you look at the history of Customs, normally in the first and second quarter, revenue collection is always low. This is because business houses after importing a lot of goods in the third quarter for Christmas have many left over goods still there. These goods will run out at the end of the second quarter and so in the third and fourth quarter they will import again for Christmas and New Year, and this will carry over into the first quarter of the following year.

Sir, I want to assure the House that these extra funds this Supplementary Appropriation is asking Parliament to approve, this \$159.3million, will be met by our revenue and there will be no shortfall in revenue by the end of the year. I can also assure the House that the Government will fulfill its objective of providing services to the nation.

With those comments, Mr Speaker, I beg to move.

**Mr Speaker:** Honorable Members, the Honorable Minister of Finance has moved the Second Reading of the 2008 Supplementary Appropriation Bill.

*The Bill is passed*

**Hon Fono:** Mr Speaker, I move that the House do now adjourn.

*The House adjourned at 11:25am.*