

MONDAY 25 AUGUST 2008

The Speaker, Rt. Hon. Sir. Peter Kenilorea took the chair at 9:50am.

Prayers.

ATTENDANCE

At prayers all were present with the exception of the Ministers for Honourable Prime Minister & MP for North East Guadalcanal, Commerce, Industry and Employment, Education and Human Resources Development, Fisheries & Marine Resources, Foreign Affairs & External Trade and the Members for Central Makira, West Guadalcanal, Ngella, North Guadalcanal, Central Honiara, West New Georgia/Vona Vona, South Vella Lavella, Aoke/Langa Langa

QUESTIONS AND ANSWERS

Log of Claims - SIPEU

20. **Mr SOGAVARE** to the Minister for Public Service: In regard to the log of claims submitted by the Solomon Islands Public Employees Union, can the Minister inform Parliament:

- (a) On the detail of the log of claims; and
- (b) On the government's position on each of the claims?

Hon TOZAKA: Mr Speaker, I thank the Honorable Leader of Opposition and the MP for East Choiseul for his question. The answer is that there is no log of claims submitted by the Solomon Islands Public Employees Union (SIPEU) to the Ministry. Thank you.

Mr Sogavare: Mr Speaker, supplementary question. Can the Minister clarify to Parliament that may be it is not a log of claims but can the Minister clarify the current status of issues raised by the Solomon Islands Public Employees Union with the Government for which a Memorandum of Agreement has been entered into with the General Secretary of SIPEU.

Hon Tozaka: Mr Speaker, I thank the Leader of Opposition for that question. I think that is another question that may be he can resubmit to be included in the Order Paper later so that I can provide answer to it.

Mr Sogavare: Mr Speaker, I respect the Minister's response who has been very, very reluctant. This is an issue that has been with the government for a very long time now. There was an MOA signed between the SIPEU and the government and so the government knows very well the answer to this question but since they want us to reframe the question, we respect the Minister for trying not to answer this question.

Question No. 21 withdrawn

MV Bulawa's Maintenance

83. **Mr WAIPORA** to the Minister for Provincial Government & Institutional Strengthening: How much has the government paid to Makira Ulawa Province this year for MV Bulawa's maintenance at Tulagi?

Hon PACHA: Mr Speaker, I also would like to thank the Member for West Makira for this question. The sum of \$173,202 has been advanced to Makira/Ulawa Province under the Provincial Shipping Grant for the month of June to November 2008. Thank you.

Mr Waipora: Supplementary question, Mr Speaker. The amount that was given to me, is it the annual amount that will be paid to the Makira/Ulawa Province for the maintenance of the ship and under its devolution order or are there any financial consultations with the Province to make sure that they have a fixed amount for this ship as it is a ship that was given under devolution order for the Makira Ulawa Province?

Hon Pacha: Mr Speaker, there is an allocation of \$200,000 annually to the Province for the repair of the ship, which has been given down under its devolution order, especially the two provinces of Guadalcanal and Makira/Ulawa. This is to help these provinces repair ships given to them under the devolution order.

Mr Waipora Mr Speaker, before I thank the Honorable for answering my question, I would like to give some advices to the Honorable Minister. He must work closely together with the Makira/Ulawa Province so that the work is undertaken at a faster rate because at the moment it is still far from being completed; the work that is going on at Tulagi on this ship, the MV Bulawa. Thank you.

Reopening Of the Gold Ridge Mine – 2008

84. **Mr WAIPORA** to the Minister for Mines, Energy & Rural Electrification: What is the up-to-date work on the reopening of the Gold Ridge Mine for this year 2008? Mr Speaker, before I sit down for the Minister to answer, I got this question out of the CNURA Government Policy, on page 11 which says: 'Open Gold Ridge Mine in 2008'. I am just wondering and think it is in the interest of Parliament to know the up-to-date work of the mines there.

Hon HUNIEHU: Mr Speaker, thank you for the question raised by the MP for West Makira. Mr Speaker, I would like to thank the Honorable Deputy Leader of the Opposition and Member for West Makira for asking this very important question.

Mr Speaker, in answering this question, I would like to inform this Honorable House that the progress so far over the past four and half months, in working towards the re-opening of Gold Ridge Mine, the Government has accomplished the following:-

- The establishment of a government-led Gold Ridge Reactivation Task Force.
- The Task Force has held seven consultation meetings to date, with all the main stakeholders, including, Australia, Solomon Islands Gold Mining Company, Gold Ridge Community Landowners Council, Kolobisi Tailings Dam Association, the Metapona Downstream Association, and the Guadalcanal Provincial Government.
- The outcomes of these consultations has resulted in:
 - The identification of 3 sites for the relocation village, which the land acquisition process has been completed for 2 sites, namely, Ravua and Kovelei. The third site known as Bubulake is discovered to be within the mining lease area, and currently discussions between the SIG, Landowners and the company are progressing and should be finalized at the close of this month.
 - The valuation of the first 2 sites mentioned should commence immediately after all legal processes are completed and accepted.
 - The option of whether the relocation sites will be leased or purchased outright is being finalized by the customary landowners and the SIG Taskforce, before tabling a paper to Cabinet.
 - Housing designs for the relocation villages are being agreed on through discussion by the company, the landowner's and SIG.
- All matters and claims by the three land-owning Associations will be submitted as a Cabinet Paper, also outlining Government's position for Cabinet's blessing.
- All tasks are expected to be completed by October/November 2008. Land owning Communities will be expected to move to the relocation sites by March of 2009 and this should pave the way towards the re-opening of the mine.

Mr Speaker Sir, in providing further progress, some of the obstacles now lies with the investor who is still at the moment pursuing a political risk guarantee from EFIC, an Australian Institution that normally provides political risk guarantees for companies in that country.

I can assure this Honorable House that the progress made so far in reopening the Gold Ridge Mine is well underway. Thank you very much.

Mr AGOVAKA: Mr Speaker, I did not quite get what the Minister was saying on the submissions by the three landowners' Association, namely the Gold Ridge Landowners Association, the Tailings Dam Association, and the Downstream Landowners Association. What is happening to their submissions? I did not quite get the answer when the Minister explained the submissions by the three landowners association. What is happening to their submissions?

Hon. Huniehu: Mr Speaker, the government has appointed a Taskforce Committee to deal with all the issues the MP has raised, and up until now we have been fully satisfied with information provided to the Ministry. However, if there are some sticking points, and as I have mentioned in my reply, the Taskforce Committee is an ongoing process and it is continuing to review any sticking points raised by any parties to this Taskforce. These very same groups are also parties in the Taskforce Committee. Thank you.

Mr. Waipora: Mr Speaker, because the reopening of this goldmine will occur in 2008, with the different tasks that the Minister has mentioned, what month would be the estimated time for the actual re-opening of the goldmine?

Hon. Huniehu: Mr Speaker, at the end of 2009.

Mr. Waipora: Without taking up any more of Parliament's time, I would like to thank the Minister for Mines and Energy for his good work. Keep up the good work as it is a very important expected development of this country. We hope that the landowners will cooperate with the Minister and his Ministry for the progress of this work.

Mr Speaker: Honorable Members that concludes our question session for today. We will now proceed to our next item of business.

STATEMENT BY THE MINISTER OF AGRICULTURE AND LIVESTOCK ON THE DEVELOPMENT OF THE NATIONAL RURAL RICE PROGRAM

Hon RIUMANA: Mr Speaker, thank you for the opportunity to provide this statement before the Parliament, according to Standing Order 17, subsections 1 & 2 regarding the current soaring food prices, particularly on rice and the strategies the CNURA is taking to address this problem.

Mr Speaker, the government shares with great concern the challenges and difficulties our people are experiencing in relation to soaring food prices. Mr Speaker, world rice price has risen by nearly 76 percent between December 2007 and April 2008, and the trend is continuing to move upwards. The soaring food prices has been the result of the increased demand for cereal crops due to growing populations and higher meat consumption in emerging countries, low food stocks, droughts and floods from the

effect of climate change, high oil prices, increased speculation on food commodities, and growing demand for bio-fuel.

Mr Speaker, world cereal production fell by 3.6 percent in 2005 and 6.9 percent 2006 due to adverse weather conditions in the major producing countries, although there was an estimate of 5 percent increase in cereal output in 2007. Mr Speaker, cereal stock levels are significantly lower (18.7 percent in 2007/08) magnifying the impact of production shortfalls.

Mr Speaker, there is distinct correlation between food and energy prices as fertilizer prices. The rapid rise in petroleum prices has exerted pressure on food prices as fertilizer prices almost tripled and transportation costs doubled over a two year period.

The increased demand for bio-fuel has also had an impact on prices as 100 million tones of grain were estimated to be used for this purpose in 2007/2008. Therefore, it is a global concern for the world economies and is not just an isolated case for Solomon Islands.

Mr Speaker, the substantial increase in rice importation over the past number of decades is no secret. Statistics show that our nation expends a substantial amount of money just on rice and as a result it significantly depletes our economy.

Mr Speaker, almost all rice consumed in Solomon Islands is imported from other countries, and as price takers, Solomon Islands has little control over the price. The CNURA Government has implemented a number of strategies such as removing the government tax, allowing more competitors to import rice, informing people to change their eating habits etc. however these are all short term measures.

Mr Speaker, the results and consequences of any Government policies cannot always be measured in the short term, but rather should be evaluated and quantified over the long term. Mr Speaker, what we are experiencing now is the result of our own government's policies.

Mr Speaker, during the time of Solrice on the Guadalcanal Plains it was estimated that our nation was about 99% self sufficient. Since the closure of Solrice, as a consequence of politics, Solomon Islands has been forced to import almost all its rice for domestic consumption. The estimated cost for the importation of rice for domestic consumption has risen significantly as follows:

- In 1998 we imported 24,000 metric tons costing the government \$44million.
- In 1999 we imported 23,000 metric tons and costing \$42million.
- In 2000 we imported \$23million metric tons costing \$50million.
- In 2001 we imported 23,000 metric tons costing \$46million.
- In 2002 we imported 24,000 metric tons costing the country \$54million.
- In 2003 we imported 20,000 metric tons of rice costing \$57million.
- In 2004 we imported 30,000 metric tons of rice valued at \$60million.
- In 2005 we imported 41,000 metric tons costing \$82million.
- In 2006 we imported 30,000 metric tons costing \$120 million.

- In 2007 we imported 28,000 metric tons costing \$168million. For this year we are expecting the price to be around \$200million because last year 1 metric ton costs \$5,000 but this year it is 10,000 per metric ton.

Mr Speaker, whilst this statistics show significant increase in rice importation, the level of financial support by respective governments over the years is as follows:

In the years 2002 to 2004 there was no significant contribution by Solomon Islands, except for funding from Taiwan. In 2005 to 2006, the contribution of Solomon Islands towards rice was only \$2.6million. In 2008 the funding by the Government towards rice is \$27million.

Mr Speaker, rice production in this country has not always been priority of successive governments in the past. However, the CNURA Government's priority is the importation of rice production and its impact on our economy and as a consequence the CNURA Government has allocated more than \$27 million. The CNURA Government has developed a policy and strategic plans to alleviate the importation of rice in an effort to address the soaring price of imported rice.

On a positive note, the significant increase in food prices especially rice has resulted in the CNURA Government identifying the issue as a priority and the strategies which will be implemented will result in motivating our rural people fully participate and utilize their land resources, hence equally contribute to the national economy and shape the future for generations to come.

In addressing the significant increase in rice importation through the promotion of locally produced rice, will result in millions of dollars which is being spent on imported rice being redirected to improving government services such as education, health facilities and other social services.

The policy of the CNURA Government is based on the equitable distribution of activities relating to the economy for the majority rural population to equally participate in nation building thus providing social security and stability and at the same time the enhancement and empowerment of our rural people to improve their quality of living.

Mr Speaker, Solomon Islands is located in the tropical hemisphere and as a consequence has an ideal climatic conditions as well as potential land for growing rice. Abundant human resource participation in rice production, adequate technical expertise with support from the Taiwan Technical Mission, however, financial support, logistic, farm inputs to implement has often been lacking. As a result of this hindrance, Mr Speaker, most farming activities throughout the country have been adopting subsistence farming practices over the decades. To increase food production as a measure towards food security, our farming practices must change. It must change from subsistence farming to commercialize farming.

Mr Speaker, to support this initiative the CNURA Government has allocated \$2.6million from the 2008 development budget and further supplemented with additional funds of \$27million, especially for rice production. Mr Speaker, the strategy of the CNURA Government is to address rice production seriously by adopting two concepts.

- i. The full scale commercial rice farming, and
- ii. Rural commercial rice farming

The full scale commercial rice farming involves an average landmass of not less than 100 hectares and will be jointly implemented by the Ministry of Agriculture and the Taiwan Technical Mission. The full scale commercial rice farming involves a high level of management, mechanized farming and the CNURA Government anticipates establishing three to four full scale strategically located commercial rice farms throughout the country.

The rural commercial rice farming involves landmass of not less than 10 hectares and will involve participating villages, communities and groups in this program. Participating farmers will be provided with appropriate farm machineries, equipments and farm inputs such as power tillers, farm tractors, chemicals, tools, fertilizers, planting materials, etc. and the Ministry of Agriculture and Livestock Development and relevant Ministries will provide the necessary technical support.

Mr Speaker, as part of the MOU any participating farmers who fail to produce rice will have their machineries retrieved and redistributed to other interested participating farmers.

With these initiatives Mr Speaker, the CNURA Government is addressing the production of rice seriously. However, the land tenure system is delaying the smooth implementation of these programs. Customary lands, which make up 80% of our total landmass in this country remains outside the formal legal system and is recognized as one of the main constraints hindering rice cultivation.

The government of the has recognized this limitation and is working very closely with communities, farmers and villages, the resource owners in find ways and means to grow rice. The determination of the CNURA Government to grow rice given the current soaring food prices has enable the Ministry to provide assistance to 14 participating communities, groups and villages as follows:- Warutana Project - 10 hectares, Ruavatu Rice Project – 10 hectares, Sipo Rice Project – 10 hectares, Epata Creek Rice Project 10 hectares, Vila Rice Project – 10 hectares, Gwaunaru'u Project – 10 hectares, Marou Masike Rice Project – 10 hectares, Legafasu Rice Project – 10 hectares, Don Bosco – 10 hectares, Tenaru Rice Project 10 hectares, Folo Rice Project – 10 hectares, Pau Rice Project – 10 hectares, Takila Rice Project – 10 hectares, Nida Rice Project – 10 hectares. This is a total of 14 projects.

Mr Speaker, the total land area planted with rice throughout the country is as follows:- Malaita Province - 30 hectares, Makira and Guadalcanal Provinces – 30 hectates, Makira/Ulawa Province - 5.5 hectares, Isabel Province - 40.9 hectares, Temotu - 10 hectares, Western - 44.72 hectares, Choiseul - 6.2 hectares and Central 2 hectares.

Mr Speaker, from the 14 participating farmers assisted by the Government, 13 farmers are existing and are currently producing rice as follows:- Sipo Rice Project from the Western Province - 10 hectares, Epata Creek Project Western Province - 10 hectares, Siua Rice Project Malaita Province – 10 hectares, Marou Masike Rice Project – 10 hectares, Legafasu Rice Project, Malaita Province – 10 hectares, Don Bosco, Guadalcanal

Province – 10 hectares, Tenaru Guadalcanal Province – 10 hectares, Folo Isabel Province Province – 10 hectares, Pau Rice Project Isabel Province – 10 hectares, Takila Rice Project Temotu Province – 10 hectares, Nida Rice Project Temotu – 10 hectares, Kolotubi/Kava Rice Project Isabel Province – 10 hectares, Boroni Rice Project Makira Province – 10 hectares. This is a total of 140 hectares and with the two cropping we expect to achieve 1120 metric tons which is about \$11.2million

Mr Speaker, the ultimate objective of the national rice program through the rural advancement policy of the CNURA Government is to enhance and empower rural people improve their living qualities, improve food security measures and strengthen our economy. Mr Speaker, there is no doubt the CNURA Government's policy on rice is an opportunity of providing additional sources of income and the enhancement and empowerment of rural livelihood.

Mr Speaker, the importation of rice is the single most important commodity that has been responsible for draining the economy of this country over the decades and over successive governments. Mr Speaker, if we are to sustain our economy and improve service delivery to our rural people, we must commence commercialize rice production.

For this National Rice Program to be successful, community attitudes are extremely important in fostering economic development in Solomon Islands. Community attitudes must be positive, genuine and have interest in advancing economic development. The people of this nation must realize the importance of the impact the rural advancement policy of the Government will have on their future wellbeing.

It has been proven in the past that rice can be successfully grown on a commercial basis here in Solomon Islands. In order to combat the high price of imported rice and to contribute to economic development of the rural areas, it is imperative that both levels of governments, that is, the National and Provincial Governments, as well as church leaders, community leaders and the communities as a whole address this issue on a united front. Thank you, Mr Speaker.

Mr Speaker: Honorable Members, as you know that statements are not subject to debate but short questions are allowed. I will allow short questions if any one wishes to raise any short questions to the Minister's statement.

Mr Oti: Mr Speaker, I thank the Minister for the statement. Mr Speaker, the allocation the Minister made reference to, and which Parliament through the supplementary appropriated \$25million towards this initiative last week. Against the import bill over the years as the Minister has alluded to, estimating a possible \$200 million this year for the import of rice, and also taking into account the time to grow rice, I assume this money is now being invested between 90 and 120 days for one harvest. With the critical need to quickly address the price of imported rice, just for people to be aware that the price of rice will be stabilized or the local rice produced to be cheaper than imported rice, what time frame is the government envisaging or the Ministry for that matter, to see the first signs of the output of production in relation to what the Minister has said.

Of the 140 hectares made reference to by the Minister its output will be 1,000 metric tons, and that is also from his statement, 1,000 metric tons out from the 140 hectares. How would that impact on the price of currently imported rice? Thank you.

Hon Riumana: Mr Speaker, I thank the MP for Temotu Nende for his very good question. As the Member rightly stated by quoting from my statement that we are currently producing quite a number of farmers throughout the country and we will be achieving about 1,120 metric tons of rice, which is about \$11million in value.

Rice takes about three months before harvest and therefore in one year it is going to 2.25 crop taking into account crop rotation or husbandry practices. If we could achieve that within two years with commercial rice farming, I believe we can sustain the importation of rice. Thank you Mr Speaker.

Mr Sogavare: Mr Speaker, I think the issue here is food security. In fact this side of the House welcomes the introduction of this particular program, and we would like to see it fully implemented.

My question, Mr Speaker, is that this issue is about food security and so what are we doing to help our people relate with the existing crops they are familiar with already such as taro, potato, tapioca, yam etc. How do we see those crops? Are they okay or do we need to do something to help farmers produce more on crops that our people are already familiar with, and not rice that we are importing?

Hon Riumana: u Mr Speaker, I thank the Leader of Opposition for his very constructive comment. Yes, indeed the Ministry is addressing the changing of eating habits to other traditional crop or existing crops that are currently in the country. Mr Speaker, this would only be a short term measure. Increasing population against constant landmass will reduce the fallow period and therefore decline production and increase pests and diseases and all these. Therefore, it is important that we do farming activities with better management so that we improve production and improve food security. In the past I think rotation crops may be is 10 years, its fallow period 20 years before we come back to the same land. But now the population is increasing and so if the fallow period is one year, production will decline. This is why I said that all these are short term measures and so we need to go into a more commercialized oriented farming practice.

Mr Kengava: Mr Speaker, just for my understanding only. First of all, I think the policy is very encouraging. I think we are now tackling the rice problem in the country. I think the policy from what I heard is encouraging as the government will directly deal with the rural communities, schools and institutions.

What I fail to hear is what way will the government use the provinces, the provincial governments, to support this policy because they will better understand good sites and communities that would be willing to assist in this policy.

Hon Riumana: Mr Speaker, indeed we are working very closely with every provincial government. The Agriculture Extension Support Services is located throughout every strategic location of the provinces and we are working very closely with our Chief Field officers in liaison with the Taiwan Technical Mission.

Mr Oti: Mr Speaker, I just want the Minister to elaborate further on the particular on the new allocation of \$25million and the 14 existing projects, what sort of assistance will be provided to the present farms. Is it only restricted to these 14 projects or whether there will be new projects and what sort of support, technical support or financial support will the government give to each one of them, if the Minister has the figures, and I am sure he has. Each project needs would be different in regards to their locations, their stages and so on. If the Minister has that information can he inform Parliament of it?

Hon Riumana: Mr Speaker, the 14 projects I mentioned here are those we have already assisted and we are looking at assisting more farmers from this \$25million. This is why we are working closely with our Chief Field Officers and the Provincial Governments to identify and determine areas suitable for rice growing.

In terms of assistance, Mr. Speaker, as we are addressing the more commercial oriented farming, we will be giving farming machineries such as power-tillers, tractors, chemicals, fertilizers and seeds, and in certain conditions may be cash but that is not a consideration at this moment because we have experiences from past projects that when cash is given, it is not really an incentive. We want to give machineries that can improve their farming activities. Any communities that fail to produce rice will have their machines retrieved because we have to sign an MOU before equipments are transferred.

Mr. Sitai: Mr. Speaker, first of all I would like to thank the Minister for his statement. As we have heard, short and long term but I think the target is looking at a long term period.

My question is like this; of the 14 farms mentioned by the Minister and already have assistance, can the Minister inform Parliament what time would production from these 14 farms end up on the shelves for people to buy and eat? Will it be at the end of this year or next year? Thank you

Hon. Riumana: Mr. Speaker, I made it very clear today that they are currently producing rice; they are harvesting rice now and are selling it in the provinces. Thank you, Speaker.

Mr. Sogavare: Mr Speaker, the price of rice sold in the villages, and this is from experience in the rural areas, what steps will the government take to assist in this area because farmers produce rice locally and then sell the rice at the same price like in Honiara. If the price in Honiara is \$200, the rice in the villages is also sold at the same price. This is a problem that is current; in fact it happens.

What will the government be doing about this? If it is not doing anything yet then may be the government should take note of this and start to educate people on how to cost rice that is produced locally so that it serves the purpose of producing rice locally otherwise we should just continue importing because it does not make any difference. It is just an issue that I would like to put before the government.

Hon. Riumana: Mr. Speaker, that is a very important point raised by the Leader of Opposition. Providing incentive to local rice has to be cheaper than the imported rice. So far, the Ministry is aware that most rice sold in the provinces is much cheaper than the rice in Honiara this time. To consider his point further, may be we will be working closely with the Business Division of the Ministry of Commerce to assist educate farmers on how to make pricing. Thank you, Mr. Speaker.

Mr Speaker: I think we have given enough time to asking of questions. We will go to our next business.

BILLS

Bills – Third Reading

The 2008 Supplementary Appropriation Bill 2008

Hon. Rini: Mr. Speaker, I beg to move that the 2008 Supplementary Appropriation Bill 2008 be now read the third time and do pass.

The Bill is passed

The House adjourned at 10:30am