

THURSDAY 31ST MARCH 2011

The Speaker, Hon Sir Allan Kemakeza took the Chair at 9.30 am.

Prayers.

ATTENDANCE

At prayers, all were present with the exception of the Prime Minister, Ministers for Foreign Affairs & Indigenous Affairs; Education and Human Resources; Commerce, Industries & Employment; Infrastructure Development; Mines, Energy & Rural Electrification; Finance & Treasury; Communication & Civil Aviation; Environment, Conservation & Meteorology, Culture & Tourism; Home Affairs; Lands and Housing; Justice and Legal Affairs; Planning and Aid Coordination; Agriculture & Livestock Development; Provincial Government & Institutional Strengthening and the Members for West New Georgia/Vona Vona, West Guadalcanal, Rennell/Bellona, Small Malaita, East Are Are, West Kwara'ae; Temotu Pele; North West Guadalcanal; South Guadalcanal; Temotu Vattu; Fataleka; East Honiara; East Choiseul; North New Georgia; West Kwaio; Aoke/Langalanga and Malaita Outer Islands.

Bills - Second Reading

The 2011 Appropriation Bill 2011

Mr Speaker: Honorable Members, debate on the 2011 Appropriation Bill 2011 will continue today. I would like to remind Honourable Members that according to Standing Order 61(2), a maximum of four days is allowed for the second reading debate, and today is the second day of debate, however, it will depend on Members of Parliament. When no further members will rise to speak on the bill, the chair will call on the Honourable Minister of Finance and Treasury to wind the debate up before the question is put. The floor is now open for debate.

Hon. SOFU: Thank you for giving me the opportunity to take the floor to participate on the general debate of the 2011 Appropriation Bill 2011. In so doing, I first of all would like to register my vote of thanks to the Minister of Finance for his lively speech presented on the floor of Parliament on the 29th of March 2011.

The theme of the Budget is *“improve quality of expenditure to invest in better services for the people of Solomon Islands and to lay the foundation for sustainable growth”*. I want to thank successive governments for the way in which they brought the country up until today.

I wish to register my vote of thanks to the Director of Budget and the staff of the Budget Unit and all the hardworking public officers who during the budget process have sacrifice their time and effort in putting this document together. Without them we would not have this document in front of us, and so I wish to thank them. Special thanks go to the Chairman of the Public Accounts Committee and members of the public accounts committee, permanent secretaries, and chief accountants for participating in the process of the delegation of the public accounts committee. I wish to thank them too for the good work.

With the effort of all public officers of our various ministries, the Budget is before us today. They went through the budget, scrutinize it and made sure everything is in order before it is brought to Parliament, and so I wish to acknowledge all public officers of our various ministries for the good work they have done. Budget is not a new thing. We have come 33 years now after independence and each government that came into power, it is a requirement under section 102 of our constitution that the Minister of Finance brings a budget to Parliament to authorise any expenditure for the next 12 months. The Minister of Finance is doing the right thing and I wish to thank him on behalf of the Government.

I think it was twice that past governments have been selling government houses, it was stated there twice. I understand you know this very well, Mr Speaker. Public officers are very important and so they need to live in a good environment, good housing that is conducive to enable them perform their work properly. I wish to thank the NCRA Government because when I look at the Budget I can see a specific allocation made for police housing, health workers and public officers. I want to thank the Government for this, for the first time, that houses were sold, but the NCRA Government considers housing its officers seriously by putting provision in the Budget towards housing for public officers.

It is very easy to blame public officers for non performance or for doing very little. But I wish to remind this House that there are three basic important resources that we need to have in order to achieve our objectives, and these resources must work together because if one fails we will not be able to achieve our objectives. The first is

money. Whatever planning, whatever ideas we may have towards the development of this country; money is one thing we need to have in place to be able to carry out our plans, to achieve our objectives. The second is human resources, manpower; we need to have qualified manpower, we need to have officers and manpower that can work hard to achieve the government's policies. Without qualified manpower, I do not think it will work, and so manpower is important. We need to have experienced and qualified manpower; people that can do work and carry out what the government of the day wants for its people. The third one, I want to remind this House, is equipment. These three resources, when put together, of course any government; governments in the past, that of the present and any government of the future can certainly carry out its objectives and policies.

Sir, when we are on the opposition side we would talk like those on the other side and when we are on the government side, we would talk like those on this side. This parliament is meant to be like that. This is because we may have qualified manpower but our problem is finance. Or maybe we have money and equipment. When I was minister for infrastructure development, when roads were in bad state everyone is saying "come on minister, where are you minister". My former prime minister and now the Leader for Opposition knows this very well, look, he is smiling because he knows this very well. And your good self too, Mr. Speaker, when you were prime minister knew this very well too. Those two men understand what I am saying. We may say many things but the problem is no equipment, no money, even no qualified manpower. If you only have two and the other one is not there, I still do not think it will work, it is difficult. We need to have the three before it is achieved. But it is good because when we contribute to the budget, we come up with suggestions, ideas on how to build the government in decision making in order for it to go forward in its planning and to achieve its programs. That is what I want to clarify here that in order for any government to achieve its goal, these three things must walk side by side, they must work hand in hand before we can achieve our goals. I would like to thank past governments for their attempt in bringing this country this far 33 years after independence. Some have already died, some are still alive and they have a heart for this country. I believe whatever government is in place, it has concerns for the people of this nation, our beloved country, Solomon Islands. That is in terms of the three resources we need to fulfill our goals and aspirations towards our people.

Development cannot happen without human resource. It is very easy to hear outsiders writing talking about government officers. They can say what they want to say as that is their right. But I have strong feeling to inform Parliament that we have very well qualified manpower and it could be the other two things that we may be lacking. But we will try our best to write policy programs of the Government to ensure they are implemented.

The recruitment and management of our people in the public service is delegated to permanent secretaries of respective ministries. I think it is very difficult to recruit people in the technical fields. There are areas in the public service that need specialisation. It is not something that can be done overnight. All posts in the public service under in normal circumstances, vacancies were sent and interviews conducted and finally officers are recruited and so it is not an easy thing.

I am glad there is an allocation of \$15million for recruitment in the 2011 Appropriation Budget. The Ministry of Public Service is there to facilitate appointments in the various ministries for their establishments. The Ministry of Public Service is there to consult with any ministries requiring manpower for any financial year. That is the Ministry's primary responsibility.

I want to thank aid donors for their assistance through qualified manpower for the ministries. Here, I want to thank RAMSI for the partnership program currently going on through their officers working in the Ministry of Finance and the Ministry of Justice & Legal Affairs. As the Minister for Public Service, I would like to thank them for this partnership with the government. As Minister for Public Service I would like to acknowledge RAMSI for this partnership.

I want to register my appreciation for the following donor partners for awarding scholarships to our public officers over the years and I believe it will continue. I thank the donors like Japan, Australia, New Zealand, Taiwan and PNG, and also others through their multilateral program. I believe this will certainly build the capacity we want in our various ministries.

I also appreciate funding allocation for IPAM this year. The Ministry of Public Service plans to carry out many training courses this year with more emphasis on our provinces. There were public officers posted to our nine provinces, and it is not right that they are just simply left there. We need to train them through this IPAM program, and I am glad there is provision for such training, to be conducted in our provinces.

I would like to thank this Government and even past governments that their focus is to build this country in terms of infrastructure. We rely very much on those infrastructures.

Our ministries will continue to enhance capacity building, and the serious need to discipline that the Ministry of Public Service will continue to conduct on our public officers. We have a code of conduct, and now officers of the Ministry are working with the AG Chambers to improve the disciplinary process. I would like to thank former ministers of the past government, especially my colleague Member for North Vella La Vella when he was there, as minister for public service in the CNURA Government, was working on this. I would like to thank him.

Just to inform this Parliament that in 2010, 69 public officers were disciplined, 31 were terminated, 21 given final warning, and nine were served with demotions. I think the Government is doing very well. Whilst the public service has qualified manpower

and officers in place to carry out work, the public service is also looking at discipline to be conducted on officers that need to be improved. Anyone breaching regulations, there are procedures needed to be taken against them.

As of January this year, nine (9) public officers were terminated. This is for the information of the House. You may ask why does the Minister raised these things on the floor of parliament? People were asking whether the public Service on behalf of the government is carrying out discipline too. Were public officers disciplined? Yes, indeed. We conducted that. That is our duty, and we did it. This is to improve officers in order for them to work to the expected standard expected by the government. There are rules that guide public officers and to adhere to.

In regards to the rural areas through the rural transport fund, I believe this will certainly help services extend to our rural areas. No one can deny this and to say, 'during independence or at such a time like this, that government does not have a plan for road connectivity in our areas. I believe each Government of the day that comes in has a plan to carry out for its people. But you know, time, money, equipment and manpower, as I said earlier, are very important. They are contributing factors for us to achieve our goals. Likewise, the NCRA Government also has that kind of thinking by coming up with policies it thinks it would address certain situations or it thinks it would try to make it work. So we cannot say anything about past governments because they also did work very hard. They came up with development policies they think will address the needs of this country. The NCRA Government that is in power at present also has good plans for our rural populace to enable them participate in economic development. And so I would like to thank the Government for its policy of establishing growth centres throughout the country. That is a very important policy. That is a policy the NCRA Government thinks it will try as it thinks it will work because in remote and distant places, there will be a central location where activities will be conducted.

I would like to kindly remind the Minister for Infrastructure Development that infrastructures like roads, bridges, wharves and airstrips are very important in order to connect those activities. If we put those growth centres down there, we would expect full participation by our rural dwellers. I thank this initiative by the present Government for establishment of growth centres in various locations throughout our country. It may be difficult to do it, but let us begin, let us start somewhere somehow, and that is very important. Where we fail we start again, we adjust and we improve. I would like to thank the Government for that.

On that note, I would just like to remind this Parliament and even users of public infrastructures that we need to treat those infrastructures as ours as they are very expensive, but they are very important in terms of economic activities. We need to look after them.

If you look at the Recurrent Estimates by past governments even the present and the future, the recurrent heads are always there for the same things year after year, and why is that. It is because of our personal attitude, our do not care attitude. Our governments have tried their very best to look after us to provide such expensive infrastructures. I want to give you an example that when I was minister for infrastructure development, we constructed that underpass road at the market with the other one at Point Cruz. Those underpasses were there for the safety of pedestrians to walk under and come out the other end and go to the market. Also, after doing their marketing, our people can go under the pass and go safely to the other side to wait for the bus. The same is with the one at Point Cruz. But people just do not care. If you go inside those underpasses you just cannot comprehend what you see inside those underpasses. And I am not going to mention here what is inside.

(laughter)

We can laugh but this is very bad. Every year the government budgeted for the same things in the recurrent estimates, the same items appear again and again and again.

My good citizens of this country we need to improve on our personal attitude and our care towards public utilities. The government is concerned and that is why it keeps on doing it. A lot of money has been spent on those public infrastructures. And I am not only talking about the underpass at the market but many more infrastructures in Honiara as well as in the provinces. I think we need to work together so that next year we budget for different things. Otherwise we budget for painting of the same things over again because there are writings all over the place. If you want to write, go and write on the blackboards. This is to kindly remind our good people who are using those infrastructures. Aid donors are helping the Solomon Islands Government to build those infrastructures in the rural areas and the urban centers and so we need to take care of those infrastructures. I believe it is our personal attitude and so we need to change from it. If you have not changed in 2010 then try and change in 2011 so that infrastructures put in place by the Minister for Infrastructure last much longer so that in 2012 we budget for other things for the rural areas.

When the Minister of Finance read the Budget Speech even our people at home who are listening in are very happy. This is because it is specific on many projects with full assurance and full hope given in the speech for our people, and so I too am happy. You know, it depends very much on us, the public officers and those who are going to implement this Budget, and those of us that ensure policies are conducted. We, the ministers, need to work hard, public officers need to work hard, every one of us must work together. I am very happy with this budget because of the projects, the specific areas the projects are allocated for, and this is the first time, and so I want to thank this

government. We the people who are going to implement the budget are very important.

In my concluding remarks, I want to thank the NCRA Government because some of the programs in line with the policy, I see that my people from East Kwaio will also participate at the constituency level. I have already talked on the national level and so this time I am going down to the constituency level, like the growth centers. Officers who are going to implement this, we have high expectations from you, it is very important.

The small activities that my people in East Kwaio will participate in will benefit them, and it is there in the Budget. In the government's program I can see, there is one growth centre in East Malaita at Faumamanu and this caters for East Kwaio and East AreAre and may be East Fataleka. When the growth centre is established there, I believe it will stimulate road connectivity so that the people can come and do activities in that centre –marketing, purchase cargo for their canteens or bring in timber and cocoa. Our people would like to participate in economical activities but they cannot come to town because they will spend a lot of money and so they would take their produce to that centre and sell them there as it is much closer to them. I am happy with that.

Whatever budgets we draw, I want to give a word of caution to this government that it depends very much on us, our seriousness because this is our policy. I believe we have qualified manpower in our various ministries because they are the ones who are going to implement the policies and government programs, and I trust them to do it. If we set the right direction, certainly they will do their part.

Once again, I would like to thank you for recognising me to take the floor to participate in the general debate of the 2011 Appropriation Bill. With these few remarks, I support the Bill and I resume my seat.

Mr SOGAVARE: Thank you for giving me the opportunity to participate in the debate of this motion on the second reading of the 2011 Appropriation Bill 2011, and the motion is that the 2011 Appropriation Bill 2011 be read the second time.

At the outset, I want to join the others who have congratulated the NCRA Government for its first budget and, of course, the Minister for Finance and Treasury for presenting it. This is a crucial document, as far as the government is concerned because it should consolidate the election promises of the government which are outlined in their various policy documents.

Of course, special mention needs to be made on the Permanent Secretary of Finance first and his officials for putting up, I guess, with the government trying to make sense of the political thinking that went into the formulation of the Budget and, of course, supported by the Permanent Secretary of the Ministry of Development Planning in as far as the Development Budget is concerned. I must admit it is not an easy task

and I really admire the Permanent Secretary of Finance when he appeared before the Public Accounts Committee to answer the very tough questions put forward by the Committee. As I have said, some of us have been in his shoes before and I can tell you that it is not easy; it is always a constant battle between trying to make sense of different interests and aspirations, and so it is a really tough business.

I must also register my thanks to all other permanent secretaries and senior government officials for the effort taken into the preparation of the budget, I guess, with all genuine intentions to reflect the big political statements made by the government when it took office.

As is required of us in the debate to the second reading of the bill, I will confine myself to the macro level on the general principles, of course, making reference to various priority areas that the NCRA Government, especially the political thinking that goes behind the policies that came up in these books, and eventually some of them appeared in the 2011 Budget. If time permits, I would make some observations on the prevailing economic and fiscal monetary situation as outlined by the Minister.

Of course, the most important aspect of a budget is the threat to the implementation of the budget. Originally, the 2011 Budget is premised on one political thinking behind seven priority areas, and as time goes on they were squeezed to where we eventually ended up with only five. The first seven that appeared in the first documents given out are:

- Reconciliation and rehabilitation
- National security and foreign relations
- Infrastructure development
- Social services development
- Economic and productive sector development
- Assistance for civil affairs, and
- Machinery of government

Those are the areas specifically listed as the areas that will be funded. In the final version of the budget, in the outlook, and I assume that is what is eventually represented in the schedules that we have before us in the books are five, and the first one is rehabilitation and social reform. It now takes a different name. And I think it is appropriately changed because reform is one of the pillars of this government. The "R" acronym stands for reform, and so it is just appropriate. When I first saw this I said, "there goes out one very important pillar", but I think it was eventually taken back, and that is very important, but specific on social reform. The second one is national security and foreign relations; restoring and developing infrastructure; development of economic base; and public sector reform. There are two aspects of reform taken up by the government. That is a government basically saying that as far as reform is

concerned, we are concentrating on these two very specific areas. Some of us are questioning “where is land reform and where are the other reforms”, but the government has specifically made it clear here that it is looking at specific areas of reforms. The way I understand it is that the unit in the Prime Minister’s Office will come up with how we are going to move forward in implementing the other policy areas.

I specifically mentioned reform, because it is interesting to note that the overarching political thinking behind the very existence of the NCRA Government is reform in three specific areas; constitutional and political reforms that the government terms as fundamental reforms; reforms in the social sector and economic reforms. If you closely look at these areas, they embrace all the major sectors in the economy; they are very encompassing.

I also acknowledge that the Government has put out its policy translation and implementation documents outlining what it plans to achieve during its term in office. It is a very useful document because it establishes whether the priority areas carried in the Budget as presented are in line with the policy intentions of Government.

With that introduction, I am trying to understand the political thinking behind the 2011 Budget, and for this purpose I consulted the various documents the Government is putting out in the very specific sections. To understand the policy rationale and the structure of the Budget, we need to resort to policy documents I have already mentioned, and there are two that emerges; one is the policy statement released in October 2010 and the translation document which came out very recently. As intimated above, that is the first area of contention that we will start to debate when it comes to the question of how and where we should invest the meagre resource of this country to produce the best outcome for our country.

This debate will not make sense until we put the Budget in its correct perspective based on Government’s policy intentions. If you look at Part 1 of the NCRA policy statement which is supposed to fully outline the political thinking behind the Government’s policies, it is a bit silent to outline the following main purpose of the policy intentions, and they are one liner focusing on the people of Solomon Islands, very important, the people of Solomon Islands. We can talk about the hills, mountains and resources but at the end of the day, the entity that matters when it comes to the budget is people. And I think they rightfully pick that. And they said their education, their employment, their health, their happiness and general well-being. That is very true.

It also explains the focus of this comprehensive reform as achieving great autonomy for economic advancement through a new direction and leadership. Picking the right areas!

The observation is just like this: those statements, looking at them on the face, may appear very ambiguous and probably say very little about where the Government is taking the country. But as I said, the focus is the people, which is very important. It may appear to fail to understand the underlying issues that caused the country to collapse, and that is where I will be my presentation on, because I feel that any governments post conflict, the issues that drive this country down the path of ethnic crisis must always be the focus on how we shape our policies.

The Prime Minister seems to believe that the key to addressing the problems of this country is to return the ownership of Solomon Islands through a constitutional amendment. I guess this is summed up in the desire of the government to achieve greater autonomy for our people. The government is yet to really fully elaborate and as alluded to by the Leader of the Opposition there is yet to be a very intense debate on the policies area; we are yet to do that. But on the face of it this is already problematic, if you look at it.

The Government also appears, on the face of it, if you just look at the one liners in here, there appears to be a lack of appreciation of what the country needs to address in terms of priority to pull the country out of its current status as a least developing country. Not only that but a least developing country that has gone through an ethnic crisis, based on clearly defined reasons by those who initiated it. I am saying this because there is no need to come up with any philosophy on this. There is no need to come up with any philosophical arguments as I have said to convince ourselves as to what is wrong with this country. The people who initiated these things clearly told us why they were disappointed. That is clear and well documented.

The concern here is that unless we do justice to the question of what really should we be addressing, any reform, how comprehensive it may be, may fail to address the problems of the country as understood by our people.

Also, the linkages between the national objectives and the national strategies appear to be a bit slack. The process is clearly driven, again by this apparent lack of appreciation of the real problems of the country. If it does, I beg to be forgiven but we may need to review and reconcile our understandings on this matter, and as I have said, we are yet to seriously debate the policies. It is, therefore, very difficult, to really pick what the NCRA Government is trying to achieve in the collection of policies being put together in the various documents we already have in our possessions.

But in my observation, what the government is enlightening are the conspicuous consequences of hidden causes, (I am trying to put it here) which can only be exposed by applying a comprehensive cause and effect analysis. You need to sit down and really analyze these things. This is the effect, what is causing it? I think we really need to seriously sit down first before we can really hammer down as to what we should really need to address.

I am saying this because it is a fundamental undeniable truth that the observed state of things, be it the state of the economy, relationship between ethnic groups, deteriorating quality of government services, deteriorating law and order and so forth are effects of deeper, deeper abnormalities and deficiencies in the system, having structural, physical, institutional, attitudinal, political, social and even religious causes. This country has been sucked into a political problem solving culture that was nurtured to grow and take root over time by the disease of short-termism and quick fix. We are not really concerned about the sustainability of any positive outcome that we realize. What we end up doing and having instead is a deliberate patch work with little or no concern for sustainability. And that is demonstrated in some areas of budget allocation. This is not only a problem now but it has been a problem that is prevalent in every government that we have been leading all along.

Now, the way I see it is that we allow ourselves to be lost in the hays and maize of observed problems, the problems that we are seeing here and now, collections of underlying issues and economic realities as manifested in the state of the economy and the deterioration of basic infrastructures and government services that we commit the serious mistake of dwelling on the specifics and lose sight of the encompassing issues that really matter. We fail to acknowledge that the country has a serious capacity problem. And I want to emphasize that.

The country has a very serious capacity problem to engage in any credible public investment program and that is why we come and debate these budgets here because there are only limited resources. We try to fight for which one is priority, and that is why we are knocking our heads in here sir because resources are very limited. We continue to commit the same mistake of focusing government resources on consumption and less on growth related expenditures announced in the national objectives. Of course, the Minister will argue that government expenditure is very important for the economy, and I also agree that we need to spend in the economy to make it fluid so that money is available. Government is a big spender and when you do not have any big spenders in the economy, you will only rely on the government to spend. There is probably a counter argument to the concern that we overemphasized consumption as opposed to development. However, in the long term we could wreck if we neglect development areas. Our lack of capacity will get worse in the long term if we fail to put in place a workable strategy that will seriously address that problem right now. The Government is saying something but it says it with lack of seriousness. We want some enthusiasm here, and let us move.

We are depending heavily still on aid donors and thank them for funding our infrastructure development program, sustain our education and health system and drive and sustain our peace process. We need to be thankful that they are willing to do that for us. But it would be pure stupidity and carelessness on our part to think that we can rely on them forever. That will not be right. Unless we appreciate our problems

and focus our intention on improving our capacity, we will be in danger of becoming a beggar forever in a very rich country.

The Government is in danger, in my view, and not only this one, of pushing the country down that path judging from the unclear political thinking that drives the series of disjointed and standalone policies that are collected from the various manifestoes, but leaving aside the policy rationale behind the political thinking that goes into some of the policies that appear in the six or seven political manifestoes that were put together to come up with the NCRA policies. In other words, the substantive political thinking in the national objective that should form the basis of political direction fails to grasp the central focus of our problems. Instead it jumped to what the government hoped the policies and the two tier reform programs will achieve and who they are targeting. That is focusing on the people of Solomon Islands, their education, employment, health, happiness and general well-being; and second, achieving great autonomy for economic advancement through a new direction and leadership. So I guess that is where we are going to pin down the government on.

In my personal observations these are not new thinking in the political circles of the Solomon Islands politics. This is because the government exists for the minimum reason to address the basic essential service needs of our people. It does not do that it does not deserve to be a government.

The idea of giving our people more autonomy that will facilitate economic advancement, in my view, needs to be appreciated in the context of a country that is now struggling to stick together. That is our very big problem, and I am pleased that the Ministry of Reconciliation and Peace still exists; probably we need that ministry forever now.

I made that statement because it is not a simple matter to be achieved through the amendment of the Constitution to remove the government of Solomon Islands as co-owner of land and resources in Solomon Islands unless we decide to abrogate democracy in Solomon Islands. I guess that will be a different debate at the appropriate time. This "out of focus" still persists in the lack of consistency in areas prioritized in the Budget which clearly deviates from the original government's intentions as I outlined earlier on.

I want to move on to establishing a development concept that must guide the structure of the budget, and this is where we start to debate. I am saying this because I believe the effectiveness of the national budget is just as good as the principle that drives it. You get that wrong and the whole effectiveness of the budget will be undermined. The government clearly advanced the theme of *"improving the quality of public expenditure to invest in better services for the people of Solomon Islands and to lay the foundation of sustainable growth"*. I have no quarrel with this theme, it says the right things. My only problem is that firstly it is a very subjective theme that it depends on the different definitions of what quality spending is and how one measures better

services and the ongoing argument about where should we invest our meager resources to achieve sustainable growth. Those are points of argument and will be an issue continued to be debated by this House.

Secondly, it is more a financial management theme as opposed to problem solving. Problem solving is well phrased there and I strongly believe that. I say this because I strongly believe that if we are to do justice to this country in terms of restoring economic, social and political normalcy, I believe that all budgets post conflict must adopt a problem solving objective. That is how it must be structured. As I will now proceed to explain, I believe and this is my submission to this House that the country should be focusing on a holistic comprehensive decentralization program. I strongly believe in that because every document, every problem about this country clearly points to that issue. It is clear that we have yet to learn from the mistakes of the past in terms of what to address to get the country back online.

The idea of greater autonomy lies at the heart of the government's policy direction based on the argument that Solomon Islanders do not effectively and beneficially own their land and resources. That seems to be the thinking that goes behind the formulation of government policy. This is a very good political argument, but it failed to address the underlying causes of the people's dissatisfaction if that is further analyzed. Granted, that view is a subjective view and is subject to debate. But I believe it is always the understanding of Solomon islanders that they own their land and together this country; it is our country. That being the case, there has to be a reason why Solomon Islanders feel that way, there must be a reason why. And the danger of pegging our attention on the observed overt reactions is we could be easily misled to believe that the observed reactions are the issues to address. So when we see people fight we want to go and stop them from fighting so that they do not fight. That is all we are focusing our attention on without going behind and finding out why they fight. That should be the issue we need to address "why do you fight". Not to stop the fight. Stopping the fight is only a temporary measure; it does not address the underlying issues as why the two fight.

As observed also, in my view, we, this House could be suffering from this mishap. That being the case, our wishy-washy understanding of the real problem is a matter of serious concern. Our thinking should be structured as follows. If we are to arrive at the issues that need to be addressed we should start like this. Based on the observed reactions of people, we question why people react the way they did. That question should lead us to establishing the cause of people's dissatisfaction. That should help us establish and determine the cause of people's dissatisfaction and establish and determine what and how we should address problems and this should finally assist us to formulate policies and strategies to address these concerns so that ultimately at the end of the day they are costed in the budget. It is unfortunate that we have to go that low to make this point. I guess this only goes to show how serious this

point is. Solomon Islands has gone through 32 years of colorful experiences of high and low, and if there is any good for people who are better placed to strategically address the problems of this country, it has to be the present leaders. I think we have been saying this all the time. The problem, the issue here is that the apparent carelessness manifested is a matter of serious concern.

Nowhere in the recorded history of the ethnic crisis do we find the thinking of the people who were responsible for making the actions they took in the years leading to the overthrow of the government in year 2000, than the log of demands submitted to the Solomon Islands Government by the indigenous people of Guadalcanal in 1999.

Interestingly, most of the issues raised in the demands were already matters of concern by our people since 1978 or as early as 1978, in fact going back too. As a matter of fact, there were already issues on the eve of independence. So it will be a serious mistake for the current leadership both the executive government and members of this parliament, in general for us to disregard the stated reasons behind the unrest and resort to the academic thinking of people who think they know our problems. This country is not left in total darkness, as regards to what was bothering the people who initiated the ethnic unrest. They fully documented their reasons for dissatisfaction.

I am leading to a point here. Of course, as commented on earlier, we must approach the demands holistically and strategically so that we are not bogged down in the overt actions and miss the reasons why people did what they did. For example, the issue of state government came about because the proponents believe it is a solution to addressing the over centralization of politically, social and economic power in the central government. It is interesting to note that these demands were made despite the fact that the country already has provincial governments system in place. They forgot to provide some autonomy to the provinces.

This brings up serious questions on the appropriateness of the provincial government system in Solomon Islands as a legal framework to effect decentralization. The conclusion is quite clear; the provincial government system is deficient as a legal framework to address all major aspects of a credible decentralization program.

In terms of policing, the issue therefore is not state government per se, but the issue it is addressed, and that is decentralization both as an issue and a strategy to address specific concerns in the specific areas. It is interesting to know that a further analysis of the specific demands of the people of Guadalcanal clearly shows that the demands have their roots in decentralization of development, as the way of remedying the specific issues of concern. In other words, the cause of concern was too much pressure on the economic opportunities available on Guadalcanal. I am therefore of the view that the national priorities should be carefully selected to address decentralization as *the focus*. If you fail to do that, then we miss the whole reason why we are in government. Failing that, as I have already stated, we will be swimming in the oceans

of priorities, confused and end up with a direction that will not address the real problems of the country.

The question that we as a country need to come to terms with in our endeavor to set our priorities in an environment where resources are scarce is; are we concerned about the long term stability and sustainability of this country? If our response is yes, then we better start thinking strategically so that we prioritize areas that will address the causes of people's dissatisfaction and at the same time address development too. It is interesting to note that the issues that caused dissatisfaction have lack of developments outside of Honiara and Guadalcanal as their underlying fundamental reasons. However, one may want to argue and the more you think about the underlying causes of the ethnic crisis, you cannot isolate it from the lack of opportunities in locations outside of Guadalcanal. In other words, the tension has a direct link to lack of development. It is for this reason that we need to be strategic in our approach in addressing our problems. Our development strategies must be conscious of the need to achieve and sustain peace. The term, I guess, peace conscious-development strategy is coined to describe this approach. In other words, our development strategy must address real issues that affect real people.

When we talk about the well-being of Solomon Islanders, we are talking about the more than 500,000 people of the country, 85 percent of which is in the rural areas. The statistics are not yet available and so I do not know whether this distribution is still valid. For development to have any meaning to them, they must see it and benefit from it. That means they must actively participate in the process. We have been saying these things all the time. I say this while fully appreciating the role of foreign investors in the development of our country.

As analyzed and concluded, a message that keeps coming up in the list of the demands that I have been telling you put to the Government by the people of Guadalcanal is comprehensive, holistic decentralization. That is not an overstatement; it is a statement of fact fully backed by the political thinking that is occupying the minds of provincial governments and the people of this country since we attained political independence in 1978. It is in response to this call by the people of Western District that the country adopted a provincial government system in 1983 as we all know. And it continues to be the issue now, continues to be the issue, it is not yet finished so something must be really serious about this.

Interestingly, the Government talks about achieving greater autonomy for economic advancement through a new direction and leadership. I do not want to dwell more on that, but when you try to look at the specific strategies to try in achieving this objective, there is a little bit of mismatch. As a matter of fact, the approach taken by the Government can be best described as a collection of loose policies that somehow lacks the impetus to cohesively drive the desired outcome. Worst still is the fact that even the desired outcome as dwelled on by the Leader of the Opposition yesterday is a little bit

unclear because it is wrapped up in political jargons that are not clearly connected with the standalone strategies outlined in the policies. I believe the Government must have a flag carrier policy that sums up the core issues. I believe that policy is comprehensive, holistic decentralization.

What I am saying is that this comprehensive, holistic decentralization is the strategy to achieve ultimate objective the government is talking about to achieve greater autonomy for economic advancement for new direction and leadership as declared in the national objectives.

The other cluster of policies and strategies should be appropriately grouped and focused to achieve economic recovery, sustainable development and reforms. And the Government took that up very well in its policies, it is just a question of “*man talem duim*’ (*one who says it, does it*) on those policies.

Of course, the strategies we are talking about is to be strategically approached so that it addresses both the demand and supply side of those stimulants as the core strategy and supported by strategies to improve the ownership of Solomon Islands and the wellbeing of Solomon Islanders. To effectively address this, in the setting of a situation where the country’s ability to generate revenue to address everything is limited, we need to adopt a cross sectoral, holistic and comprehensive approach that will achieve a number of socio-economic objectives at a minimum cost. The Government’s declared solution to over centralization of development is the proposed growth centre policy, which seems to be the flag carrier policy the Minister of Public Service alluded to earlier. Again, whilst I have no quarrel over this policy, it is a standalone strategy that will take years to achieve the desired outcome at a very high cost. I believe the comprehensive decentralization program should address three fronts and this is the envelope of the growth centre policy. If we are specific we will have a bit of problem because of resources as well when the demand now is “all of us would like to develop too, so why only some”, on the key flag carrier policy of the government. And I appreciate that there is a serious budget allocation that will be looking at establishing some committees to seriously look into this thing and then advise the government. But, in my view, and this is not new, it is just a matter of putting the strategies together. I believe the comprehensive decentralization program which is effectively the growth centre policy as to how we should look at should address three fronts as follows because we are addressing rural development. One is that we adopt an aggressive investment strategy, and this is not a new thing, the only difference is high quality investors destined for rural economy under a comprehensive special economic zone strategy. This policy has been around for some time and there is some misunderstanding as to what this is, in that some were narrowed down to export processing zone, and limited to that.

There is the elaborate comprehensive version of that and that is, we come up with a comprehensive special economic zone strategy where specific locations in the

rural areas are actually zoned as special economic zone. So the entire place between us and Kia is zoned and call it a tourism development zone. Some areas are zoned under this comprehensive legislation and call it agriculture development zone, and some areas like that. What you do is that it is a self operating mechanism attracting high quality investors right in there, because the proposed legislation should outline everything the investors are entitled to.

You see, what investors are concerned about is, what is in there for us, and there are three parties that need to be addressed in every serious investment. One is the government for its taxation, the second is landowner – those owning the land and want something out of their land, and third is the investor. So far we have only been addressing the landowners. We go and negotiate for land, land, land and the interest of the government, but what about the investor. I think it is about time now that we need to revisit the comprehensive special economic zone strategy, so that it is a self operating mechanism, attracting high quality investors right to the rural area to develop that specific sector.

The second area I am thinking about is, in preparation of the state government system, we must immediately address the capacity of the provincial governments to become effective service delivery agents of the national government. This is a sorry state of affair because we established the provincial government system in 1983 but we have not been allowing it to work the way it should work. It is an agent of the national government. You know what an agent is? It is devolving functions and with the functions money must also be going down with it. But devolutions in the past; devolutions go but money did not go with them and so it struggles until we take back a number of functions that we have devolved. For instance, health services are devolved functions to the Western Province. The premier at that time, as early as 1978 was really complaining when the national government was saying to bring back those functions to the National Government. That defeats the purpose of the Provincial Government system.

The Provincial Government system is set up in the provinces to deliver services on behalf of the National Government. The National Government should not be a delivery agent. Its delivery agent is the provincial government system. But that means we must a very lean public service to look at it. We need to either have a lean public service, reduce it and send all the officers down to the provinces because it is there that they should deliver services – they should stay there.

I think you will start to make the premiers a bit happy with this, because they exist there; they have political power as well as power to deliver services to their people. Right now, the provincial government system is a big white elephant that is just sitting down there. And now we are moving from the provincial government system because it is not working, we are moving to another big problem, the state government system. We have yet to make the provincial government system function

properly and we move to another step. We need to look carefully at these things, not that I am against state government, I am all for it. But we need to clearly look as to how we move.

Yes, as I have already said, the empowerment of the provinces must go with the level of resources and logistic support they need to deliver. If you are to devolve health services, give them the funds for health so that they deliver health on our behalf in the rural areas. If it is education, put funds down there, there should be no money in the Ministry of Education rather money should go to the provincial government to deliver education.

The third one, we formerly established - and this is dear to my heart constituencies as service delivery agents of the national and provincial governments. To me, this really makes sense, because \$50million from the Government, another \$50million from the Republic of China goes to Members of Parliament to deliver. Some of the provinces, their budgets do not even reach \$2million, but the budget of one Member of Parliament is over \$2million. But when there is requirement for accountability, we put all pressures on the provincial government and premiers to be accountable!! Well, what about you and me?

I remember last time when we all received letters for audit of the RCDF accounts, you see members of parliament sitting down outside there as if they are seeing ghosts. They were reading letters and saying 'huh, this is not right'. What is not right? What the letter actually said was, 'if we find anything wrong with your account, we will refer you to appropriate authorities to be investigated'; that is what is not right they said. Goodness sake, do you think that is our money? That is government money and so we need to account for it. There is going to be an amendment from the Auditor General, there is going to be a law coming to this parliament and if we, the 50 Members are serious on accountability, let us pass that legislation when it comes here. Do not sabotage it somewhere, it must come.

Because of time constraint, I will only discuss the third aspect, I am not going to cover the other two areas, but I am only going to discuss the constitution thing. And as I have hinted already, it is the effective way of implementing the growth centre policy of the Government. I think the Leader of Opposition has made some reference to it yesterday, and I think I picked up correctly what he said. The growth centre policy can be implemented at a minimum cost but wide coverage is achieved rather than what the government is proposing where \$6million is put in just one place. This strategy, the third aspect of the decentralization policy I am talking about here looks at the entire constituency as the growth centre; the entire constituency as opposed to a specific location in the rural area.

Of course, the pre-requisite to the effectiveness of this strategy is to establish development coordinating centres throughout the constituencies to coordinate, monitor and manage development strategies right at the grassroots level. An important part of

this strategy involves the establishment of catalysts of growth in specific locations throughout the constituencies. Some are good at cocoa, some are good at fisheries and some are good at other areas like that, and some are not at all but are taking fishing project to go right into the bush. These activities I am referring to are resource based, they must be export oriented activities that involves the active participation of people. These resources are in the rural areas and we are not utilizing them, but there is huge potential there. If somehow those things are properly designed so that people are involved in export oriented resource based activities, the 50 constituencies will be involved, our people and that should boost our economy. This probably only requires an additional \$1million to the constituencies.

Sir, with your indulgence, I just want to inform the House what we are doing back at our home. We have a coordinating centre with all the appropriate facilities already there. We are now working on a 15 office administration block. My plan, and I think this goes to the government is that you need to drive the aid donor representatives to the village, they are based there. If white people do not want to live in the villages then appoint people who can go and live there so that they can deal directly with the people. In that regard, we have reserved one block or one wing for people like that. The other areas of the office block is for people to be appointed to specifically look at areas such as agriculture, housing project, rural electrification and areas like that which we are going on to deliver at this time. It is about four hectares of land we acquired from tribal owners. We are now in the process of acquiring three more four to five hectares of land from different tribal groups.

We are establishing a beekeeping development centre on one six hectare land, and from the advice of some experts that we already have, we will need to decentralize and expand or put to other areas throughout the constituency the number of hives that we would want to establish. We are establishing a rural based livestock centre of another five hectares of land and we are acquiring another land from a tribal group who are still meeting at this time and are still to get back to me in regards to the development of a fisheries centre. We spread them out and they become catalysts of growth in the wards. I will live it there, but at the opening, I will invite the Minister for Rural Development to come and open the three centres.

The last area I would like to talk about is addressing quality spending. The crucial question among many that Parliament will grapple with and continues to grapple with since yesterday in the course of this debate is that given the level of financial resources available to fund the expectations of our people on how should we prioritize the use of those resources to address the real needs of this country. I just want to share some views on this.

As far as the 2011 Budget is concerned, my understanding when reading the Act is that the Government is requesting this Parliament to authorise a total of \$2,031,527,874 and out of this amount, a total of \$1.5 inclusive of \$115m is direct

budgetary support from our development partners, and this has been requested to fund the recurrent expenditures, and \$497m inclusive of \$80m from ROC through the Ministry of Rural Development which the Government is requesting to fund the development budget. The understanding as well is that the recurrent budget also incorporates more than \$146m of statutory expenditures. The big part of that allocation is \$120m in debt servicing.

The Parliament is also being requested to authorize the Government under section 4 of the Appropriation Bill to borrow up to \$100m by way of overdrafts and advances should the government consider the need to do so. The Parliament is also further requested to authorize the Government to borrow another \$100m from unspecified sources for the purpose outlined in columns 1, 2 and 3 of the second schedule. The Government also, amidst all the intention to borrow is telling Parliament that it is going to produce a budgetary surplus of \$24.2m during the course of the fiscal year. We are made to understand that the surplus is calculated as the difference between approved expenditure ceilings and the projected revenue that the government is confident of collecting through its revenue agencies including \$287m from donor partners.

The Parliament also is further requested from reading of the documents to authorize the Government to incur expenditures by way of contingency warrants, totalling \$53m and this was expressed by those who spoke yesterday, it is more than \$25m or \$26m. In summary, the Government has the following sources of funds at its disposal to fund its election promises: \$2.2b from domestic revenue and direct budgetary support, \$100m from borrowing for use on the following sources:

1. Rehabilitation; recovery program cost including regularisation of outstanding financial obligations carried forward into 2011.
2. Development projects in natural resources, economic infrastructures and human resources. This is for the government to borrow \$100m to do that, it can advance that.
3. In summary, another \$100m of overdrafts and advances for unspecified use. I understand that that could be from the Central Bank. And the Minister has assured us in this House that he will work very closely with the Governor of Central Bank on how to manage this and the need to push government to overdrafts and advance on that level.

In addition to those funds above, our development partners are telling us that they will incur a total of more than \$1.4b in 2011 under the various sectors. So in total, this Parliament will be concerned about the effective utilization of budgetary resources to the tune of \$3.9billion; that is close to \$4billion to facilitate credible public investment

program in 2011. I think the real question that we will all face, the real question that is facing the implementation of the budget is “how much of these resources will be realized and available to the government to fund the national priorities as outlined in the policy documents.

It is interesting to note the Member for Aoke/Langa Langa suggested moving the budget to deficit. The Government obviously did not structure budgets around deficit, it structures budgets around surplus, and it says that although there is provision for borrowing up to \$200million, we will not touch it; instead we will make a surplus. That is the real question!

As far as aid assistances is concerned, I am very encouraged by the commitment of the government to ensure that all donor funded programs are lined to the operations within the framework of the relevant ministries.

It is clear that we are yet to realize that policy, and maybe the Minister will tell us when he responds to this, whether we have consulted with the aid donors for them to realign their program to the government’s priority. I say this because you need to go through the budget documents to see that the aid assistance is still focused on the same areas from the previous year. A clear indication, like I said, maybe the Economic Reform Unit or the Minister for Development Planning will sit down with aid donors and probably we will see a different structured budget next year if they are still committed, because some programs of the aid donors are ongoing projects, and so probably the new resources they are giving us can be redirected by the government to go in line with priority areas of the government as stated in the policy objectives.

While Solomon Islands has the duty to appreciate the kind assistance by our development partners, and in this regard, I would like to take the opportunity to thank them:

- ADRA (Adventist Development and Relief Agency) for constructing many water supplies in the constituency
- New Zealand Government for building classrooms, and
- AusAID establishment of clinics and things like that.

We should be thankful for assistances like that, but the recent revelation of the misuse of aid money in a number of countries in the region including Solomon Islands is a matter that we should be concerned about. This only confirms the concern and reservation that, I guess, many of us have about the aid delivery mechanisms utilized by aid donors and the aid policies of donor countries, which obviously justify the way aid is managed in aid receiving countries.

I am saying this fully acknowledging the genuine assistance of development partners to health, education, security, good governance and machinery of governance programs, without which Solomon Islands would not have attained the level of credibility, which we are enjoying right now since the ethnic crisis which brought our country to its knees. But the point remains that there is a lot of room for improvement in the way aid money is used and the focus of aid assistance in Solomon Islands. I am just looking forward to the day when the government will have serious discussions with our aid donors.

As a matter of fact, it has been proven, and is a sad reality that a country in need is always vulnerable as a venue for international cronyism and legalized money laundering. This is a sad, sad reality. It is not unusual for lucrative contracts to be awarded to companies that have very close connections with ruling governments in donor countries, and I will stop there. I guess what I am saying here is, we have a duty as a country to ensure that the kind assistance by the donor countries is utilized in the areas that will facilitate sustainable development and poverty alleviation. That is the objective of the aids given to us, and that is to directly address sustainable development and poverty alleviation. Anything outside of that is outside of their aid policies. This boils down to agreement on priority areas.

In my own personal view, we can only achieve this through the production of the country's long term development plan, and I am encouraged when I look at the government's policies, its plan to actually enforce that plan by law – to actually legislate the development plan. That is a good policy. My only sadness is, and I do not know whether the others have picked it up, and as I said I did not go into the specifics of the Budget, we only allocated a lousy \$350,000 to this very, very important program. If we want to put our foot down and tell aid donors that this is the way to go, you guys, then prioritize the long term development plan; a document that everyone should agree on - the donors and stakeholders.

Yes, I think the \$350,000 is probably to complete the Medium Term Development Strategy, referred to by the Leader of Opposition yesterday. I want to give my very brief view on this. I am not talking about that document because if you look at it, it can be seen as an extension of the political manifestos of the ruling government and maybe the aid donors – sitting down together and looking at the plan. What I am talking about is a series of multi-decade integrated long term development plan that must be developed and owned by all stakeholders in the country, and only addressing specific areas, this is my thought on this. It only addresses specific areas, questions, that is “what to develop” and “by whom” aspects or questions of the plan.

I strongly believe that unless we come to our senses now and adopt a long-term approach to our development strategies, we will continue to drag our endeavours and suffer from the consequences of underutilization of aid and the constricting effect of a short-term and quick fix mentality that had been the hallmarks of our development

strategies all these years – we are always on program of actions, program of actions) until today. No wonder why we are not moving forward.

When you add political instability which results in frequent changes in government to this appalling situation, what you will have is a perfect environment to breed economic stagnation. Just look at us after 32 years, we are systematically becoming poorer in a country that is blessed with bountiful natural resources. It is something that we should be thinking about. I say that with all genuine concern because I am not a great believer in economic statistics, especially when you put human faces to the statistics. For example, the budget outlook talks about the economy growing by 6.7 percent in 2010 and it is expected that a growth of 5.5 percent will be achieved in 2011. That figure has very, very little relevance to the standard of living of our people or their ability to cope with the demands of the cash economy and a host of other challenges associated with the workings of our debt based economic and financial system.

The issue is becoming more serious when that growth they are talking about is attributed to unsustainable logging activities in this country. What that figure is effectively telling us is that loggers are shipping our logs to overseas country raw, earn some foreign currency in the process, which is distributed as follows under the current technology agreement – 60 percent to the loggers, 25 percent to the government and a lousy 15 percent to resource owners. That is what that 6.7 percent is telling us, that is the story. Of course, it is also accounted for in the foreign reserve statistics of the country so that it is used to purchase things from overseas. That is all it is telling us. It has nothing to do with the standard of living and the improvement of the wellbeing of our people in the villages.

Solomon Islands is not an ideal economy so that we can use those statistics to gauge the success of our economic policies on the lives of our people. Again, I go back to the policy of government, and people are the number one priority of the government. In an economy where 85 percent of our people are rural based and cannot easily access financial resources for development through our financial system, what we are saying in this House, and that is why we will continue to debate, debate, debate until we get hot, the only effective way of addressing the development needs of our people is through the budgetary process; they cannot access the banks, no matter what sort of laws we pass in here, there is a law passed in here to say that people in the village can use their outboard motors as guarantee for loans. It did not work because the loans are appraised in the same principle like any other loans. You have to be a fit man to repay and you must have resources based to support the loan if it turns bad.

Yes, I agree entirely with the views expressed by the Deputy Prime Minister as regard the pace at which we graduate our people from subsistence living. I watched the TV when I heard the Deputy Prime Minister highlighted it. This is quite right, very, very correct. We must be careful at that pace. As a matter of fact, this country is not

experiencing absolute poverty because of the cushion provided by the subsistence economy. Thank God we are Solomon Islanders! Just look at some African countries, today people are going to bed tonight without anything to eat. We throw food around, bread – we throw off its skin and eat the inner part of it. We cook more food until we throw them in the rubbish, while people in some parts of the world, now as we are talking, have nothing to eat and they go to bed. We are blessed. So I totally agree with the views expressed by the Deputy Prime Minister.

The pace at which we are converting or we are graduating people from the rural economy to the cash economy must be done strategically. Once we are graduating people they must be people who are fit enough, they own business, because sometimes they get into business and they do not want to work at home. And supposing the business breaks down there is going to be poverty right here although there is land back at home. I take that point and I think it is a very, very important point in any strategies we design to involve our people in business. While we do that we must continue to help them plant their gardens for kumara, cassava and so on.

Now, in this regard, I am a bit disappointed and probably I have not looked properly at the budget as yet, to see the Government not taking up the organic farming policy. I understand this is approved by the last government, the Cabinet approved it. I think the idea is to eventually set up, maybe a division in the Ministry of Agriculture to look after organic farming. The strategy is directly concerned with improving the yield and quality of our local fruits and vegetables so that it is within the food security objective. Maybe there is need to look again at this. If we are serious let us look at the organic farming policy that was approved by the last government.

I guess this is a long way of saying that the Solomon Islands Government is yet to have an effective control over the use of aid money or any resources at all for development. And for 2011, as I have mentioned already, in terms of assistance from our friends, it amounts to \$1.4billion of non-appropriated funds.

The government can also, as I said earlier on, forget the provisions to advance and borrow, a total of \$200million under section 4 & 5 of the Appropriation Act, because it is bound by the Honiara Club Agreement and so it is going to be a bit difficult, and I think from what I read in the documents, I think they are going to meet again with the Honiara Club – and I do not know where this Honiara club is situated, where are they meeting to discuss this matter so that maybe we come up with a new concept. This is now a surplus budget; maybe next time we will start to talk about a deficit budget because if \$200million is borrowed or advanced by the government, it is actually moving the budget down to deficit. And as rightly pointed out by the Member for Aoke/Langa Langa there is nothing really wrong with that, as long as the money borrowed are invested in areas that will return something to the country.

Realistically, we can only talk about \$2.2billion from our revenue sources and the request to incur \$53million additional spending under contingency warrants. Because

of this restriction, the Government has a huge responsibility to ensure that our meagre budget resources are directed to areas that will address sustainable development. That is a challenge and the Government, I guess, needs all the support it needs to do that.

I note that the Government attributed the growth in revenue in 2011 to the opening of the Gold Ridge Mine. This, maybe, is the last point I want to raise here before I will sit down because I think it is a very important point. I am concerned that we have been taking the revenue generated from our non-renewable resources for granted for years, without taking any serious thoughts about the sustainability of the benefits arising from the utilization of revenues coming from non-renewable resources. This boils down to the question of where we have been investing the revenue generated from our non-renewable resources and, of course, as well, renewable resources that take years to replenish, for example, logging of our forests take maybe 20 years for trees to be grow before they can be harvested. Experts are telling us that we should be investing these in our agriculture, fisheries, tourism and other resourced based economic activities including infrastructure development, and you can bring in human resource development as well in terms of education and health. This is a serious policy if we are to be seen as having any concern for the future of our country. There must be a concerted, deliberate policy driven effort to invest the benefits arising from non-renewable resources into sectors like tourism, agriculture, fisheries infrastructure development in the interest of sustaining the benefits accrued to the country, because as custodians of current decisions, we have the welfare of our future generations to look after as well. Let us not only think about ourselves but children being given birth to in our country as well.

Looking at the 2011 Development Budget, and I do not have time to look at the Recurrent Budget, but public investment in the areas, I have mentioned are as follows:

• Agriculture	\$35,200,000
• Fisheries	\$ 3,700,000
• Tourism	\$15,500,000
• Infrastructure Development	<u>\$38,100,000</u>
Total	<u>\$92,600,000</u>

From a quick calculation, the Government is going to collect more than \$400million (\$443,014,198 to be exact) from our forestry, minerals, and the fisheries sectors. At this rate of utilization, we should invest or maybe reinvest not less than \$100million in each of these sectors if we are to be seen as actively investing income arising from non-renewable resources or renewable resources that takes years to replenish in the productive sector to enhance sustainable development. That is not what is happening for years as clearly demonstrated in the case of the 2011 Budget. The level of

investment/reinvestment is about 20 percent of revenue we are getting from these sources. This is unacceptable. If this ratio of investment continues, we will have nothing to show for the revenue generated from our minerals, logs and fish. Just look at our logs, which are almost finished but we have nothing to show for the logs that were harvested since 1926. We have a lot of lessons to learn from other countries, I guess.

There are countries with no or little natural resources but are doing fine, and over a period of 30 years like us, graduated from least developing countries to industrialized countries. One such country is Singapore which virtually does not have anything, but invest only on its human resource asset and it is now an industrialized country in the world today. We have resources more than Singapore.

On the other hand there are resource rich countries that are now struggling to perform as countries, relying very heavily on aid donors to look after the basic economic needs of their population. Something must be drastically wrong. For those that are successful, they invest their hard earned revenue in sectors that improves the long term sustainability of their economy. May be we can learn from them. I rest my case on that issue.

I come to the end of my submission to the House. I think I have said enough. All I want to say in regards to threats to the successful implementation of the 2011 Budget is this, "*man talem duim*", in short with no need of debate. The Minister's Speech is littered with many things, with all the strategies to manage the Budget. I fully, fully agree, I really support him 120 percent. I encourage the Government to demonstrate stickability on how it will implement the Budget. I also agree with the views expressed by the Leader of the Opposition that the country can only move forward in an environment that is free from political instability.

As expressed by the Leader of Opposition, this side of the House has no problem supporting the Budget and he already stated the position, and I would like to join him to do so. Approval of budgets is not a simple matter in politics. It is an expression of confidence on the Government and the direction it is taking to develop our country. I do not know where to place my feet. I would like to believe that, that is the spirit within which this Budget is supported by this House. Live up to it and deliver! "*Man talem duim*". Thank you, Mr Speaker, I support the Budget.

Sitting suspended at 11.35 am for lunch break

Sitting resumed at 2.05pm

Mr HANARIA: Thank you for allowing me to contribute to the 2011 Appropriation Bill 2011. Before I continue, it would be selfish of me if I not register my commendation to those who were involved in the preparation of this Budget. Therefore, I would like to congratulate the Minister of Finance and Treasury for his hard work, wisdom and courage in bringing before Parliament this very important bill, the 2011 Appropriation Bill, 2011. I would also congratulate all permanent secretaries and staff of all ministries who have spent their time in making sure the budget document is ready for parliament meeting and by providing information and figures compiled for bids and submissions. Similarly, I would also like to congratulate the Permanent Secretary of the Ministry of Finance & Treasury with his able staff, especially the Budget Unit for the compilation of these 532 pages document of the Recurrent Estimates and 70 pages documents of the Development Estimates that form the bill which is now before us today.

Some of the phrases used in the Minister of Finance's speech are extremely important and therefore captured my attention of which I need to refer to because it attracts the nature of my contribution to the bill. In the implementation of government public finance and management reform, he said and I quote, "*The overarching reform goals are to reduce public waste and increase efficiency in public expenditure*". I believe this is very important and one of the core statements that we need to adhere to.

Every year budgets are brought to government for approval and after a few months they ask for supplementation or contingency warrants. And yet the Minister bringing the bill tells Parliament that the Budget is credible, fully funded and responsible. I believe in order to achieve the goal to reduce public waste and increase efficiency in public expenditure, you need to take ownership of the budget because unless you take ownership of something you will look after it well. You need better management to monitor the implementation of the budget in order to achieve your intended goals, and that is what is lacking!

I am pleased to know that the hard working Minister of Finance and Treasury is trying to address this through financial management and budget reform by establishing a division in the Budget Unit called "Public expenditure analysis section" which will involve public expenditure review and monitoring role. This is very good! But only you make sure it does the work.

The Minister in his speech mentioned land tenure system as an issue to development and infrastructure and I quote, "the land tenure system has serious impact on business, investment development and infrastructure". I supported this policy in the beginning and I have involved in the initiation of this policy on a party level. I have seen it as a priority policy in the NCRA translation document but sadly it is not reflected in the budget. I am sad to say that the chiefs of East Are Are are waiting for funds to help continue their good work of identification of land owning groups with the aim to develop their resources. The work of land recording and identification of East Are Are land has started a couple of years ago, but has slowed down due to financial

constraints. If the NCRA Government is serious about the reform of land, then it must address the issue of customary and tribal land ownership and identify boundaries by providing fund allocations in the budget or through supplementary. You will note that the spinoff effect of the so called growth centres cannot prosper without firstly fixing the land tenure system because that is where we grow the growths.

The Minister for Finance and Treasury has mentioned the need to improve SOEs to achieve better performance and service delivery and with effect allocated \$10million to assist SOEs or State Owned Enterprises including the establishment of community service obligations. While this is good for SOEs, there are some eminence of political influence in some cases and hence does not perform to expectations. But instead become another window to drain out financial resources of government. I would like to see the SOEs stand on their feet and the investment of government funds should be conditional with the goal to achieve effective service delivery.

I would like to do some analysis on the Budget. The recurrent revenue source locally of \$1,968.8million reflects an improvement on our capacity to collect at least 18.3 percent, more than original budget estimates of 2010. I believe that improvement come above as a result of improved management system of collection in Inland Revenue and Customs & Excise in the Ministry of Finance, and also, projected improvement in the collection of license in the fisheries sector. If you look at another scenario where Solomon Islands does not receive help from donor friends and we therefore depend on our domestic source for revenue, then the result of this budget would have been different; making a deficient and not a surplus.

I would like to thank our development partners and friends for their continuous help to the country of Solomon Islands by giving us \$287million which appeared as donors budget support in the recurrent revenue column. This makes the total revenue of \$2,255.6million that makes a way for a surplus result of 24.2million in the Budget. I suppose the question to answer by successive governments is, when are we standing on our two feet and start to help ourselves and extend our help to others and not depending too much on others to help us? I believe it is not a hypothetical question here to answer, but my point is that future budgets should reflect an increase in our ability to sustain our development needs through our domestic source and hence, reduce our dependency on others.

In the recurrent expenditure we have experienced an increase of 3.6 percent over the 2010 estimates. This is reflected by the increase in payroll which is understandable due to the increase in manpower in various strategic ministries. There are a couple of heads in the recurrent expenses that raised my attention and will need some explanation maybe in the committee of supply stage, for example, the head of allowance and overtime in some ministries' budget allocation for allowances are more than salaries. This raises another question as to how are these employees' NPF contribution are calculated because allowances take a bigger part of their salary.

Another head that has a big increase is housing allowance. We need to be clear in the policy of providing accommodation to our employees. Are we going to build new accommodation or continue to rent? Office rents have big increases as well in the recurrent expenditure, but I am happy to know that some ministries like the Public Service is building new office complex at Town Ground. In the long term, having own office building we reduce the cost of rents. Office telephones and electricity may result in attracting some savings if proper management control system is put in place in all ministries.

Let me come to the main priorities. In the NCRA Government Policy Statement under the 2011 consolidated budget, the Government has main priorities, and I will comment on a few.

In the area of reconciliation and rehabilitation, the sum of \$2.0million is given to the national reconciliation program and \$1.0million is given to the Commission of Inquiry into Land Dealings on Guadalcanal. My own concern here is whether we will achieve real peace and reconciliation. Put in another form, have the program big enough to cut off the roots of the issue. On the Commission of Inquiry's into Land dealings on Guadalcanal, which I believe was set up a couple of years ago, how soon are we going to see progressive report from this Commission? Because huge money was given to these commissions and we need to see reports at any stage of the life of the commissions.

In the area of national security and foreign relations, my concern relates to the allocation of \$1.5million for the set up of the parole board. We were informed by the Permanent Secretary of the Ministry of Police and National Security during the PAC deliberation that allocation is for rental accommodation and allowances. I am happy to note that this is a substantial amount of money for the committee of four members, a board of four members that meets only when required of them. This needs further clarification maybe, in the Committee of Supply. We may be setting precedents for other boards. That is my concern.

I am happy to note the assurance made by the PS of Finance and Treasury on the question as to how strong the Budget will withstand a disastrous circumstance, and he confirmed to the Public Accounts Committee that the government's projected cash flow will provide for at least two months cover and will cushion any economic shocks should that happen.

The Budget is the base for expenditure and not the cash flow. That simply means that accountable officers should spend strictly on their budget allocations. That should be the benchmark, not the cash flow. The Permanent Secretary of Finance and Treasury has confirmed that ministry bids have been considered on the quality of bids and how convincing officials were able to justify and defend their submissions. I wonder whether bids for the allocation to eradicate the first growing African Giant Snail from the Ministry of Agriculture is of quality and convincing enough! This creature is

growing in an alarming rate and you do not have to go far to realize the infestation and damage it causes around Honiara, it is serious. I would suggest a supplementary to be tabled for funds to eradicate and control this pest as soon as possible before it spreads elsewhere. Or if not government seeks funds from the logging sector whom I assumed have brought this pest into Solomon Islands.

I have noted there are numerous mispostings of item lines which demonstrated the 2011 Budget lacks proper consultation. The Public service ministry is seen essential to the proper implementation of the work program as a result of this budget. Respective ministers should ensure their ministries achieve their policy goals in an acceptable time frame so we need to discipline ourselves as well and work hard.

A lot of us are yet to know the definition of the economic growth centers; what are the spin-offs, what actually will happen in the growth centers, and not just assuming that we will make a lot of money out of growth centres to help our constituencies. I would request that proper description and explanatory notes be given to Members of Parliament of the activities of economic growth centres and also programs run by the Bureau of Social and Economic Reform. Altogether, we are approving a total recurrent and development budget estimate of \$12.2m for economic growth centres. That is a substantial amount of money.

Not taking a lot of time, most of the things we wanted to achieve in this budget will be tested during the implementation stage. Let us give the budget an opportunity to transpire its goals and objectives, because I am sure supplementary is not available. With these few remarks I support the Bill.

Hon. SIGOTO: Thank you for giving me the opportunity to contribute towards the debate on the 2011 Appropriation Bill. First and foremost, I would like to thank the Minister of Finance and his officials, and officials from the Prime Minister's Office, the Ministry of Public Service and the Ministry of Development Planning for putting together after much consultation with all ministers this draft bill, the draft bill that is now before this honourable House. I also would like to thank the Chairman and members of the Public Accounts Committee for scrutinizing the 2011 Budget before submitting it to this Parliament.

As the Minister responsible for health and medical services, I would like to take this opportunity to brief Parliament on some of the plans and developments that my Ministry is planning to do in relation to the 2011 Appropriation Bill. But first of all I would like to inform Parliament that my Ministry yesterday submitted to Parliament for tabling our 2011 to 2015 Corporate Plan. I have also very shortly brought before Cabinet my Ministry's National Strategic Plan 2011 to 2015 for endorsement before officially launching it. I will also be releasing our 2011 operational and work plans as soon as the 2011 Budget is passed.

I am happy to state here that all of the above mentioned plans are in line with the NCRA government's policy statement and NCRA's policy translation and implementation document. The National Health Strategic Plan 2011 to 2015 is also in line with the current national strategy that the Ministry of Development Planning and Aid Co-ordination is working on. I am happy to inform Parliament that my Ministry has gone through a lot of consultation with all important stakeholders in the last 6-12 months in order to complete our Ministry's plans. The consultations involved and included all our provincial premiers and governments, the provincial health authorities, development partners, UN Agencies, NGOs, Faith Based Organizations (FBOs), central agencies or ministries and important line ministries. My Ministry is currently engaged in the Sector Wide Approach (SWAP) working very closely with all our partners to develop a health system that will better serve our people of Solomon Islands, not only those that are in urban populated areas but also those in rural remote areas of our vast geographically dispersed country.

The overall vision of the Ministry is still "A healthy, happy and wealthy population", as clearly portrayed in the cover picture of our 2011-2015 Corporate Plan. Our stakeholders within the current MHMS SWAP consists of AusAid, JICA, ROC (Taiwan), SPC, WHO, UNFPA, UNICEF, GAVI, World Bank and the Global Fund. My Ministry has established a Development Partners Coordination Group committee that provided a forum and mechanism to coordinate the various stakeholders to ensure they work according to a single plan driven by the Ministry and to have a single funding envelope. There are lots of challenges in trying to address all these issues, however, I am happy to note that a lot of progress and improvement has been achieved over the two years since the SWAP arrangement started.

I would now like to comment specifically on the Ministry of Health and Medical Services Budget for 2011. The overall budget allocated to my Ministry in the draft budget is \$387,216,000. This includes \$222,287,698 for the Recurrent and \$2m for the Development Budget. The figure I gave also includes \$143,928,942 funded under budget support from AusAID. The budget support from AusAID is targeted towards Health Sector Support Program (HSSP), Water Supply and Sanitation (WATSEN), and Malaria and Maternal Health.

I would like to sincerely thank all our donors who are signatories to the SWAP arrangement for the budget support and technical cooperation provided to my Ministry. The various plans that my ministry have developed which I refereed to earlier underpins the planning, implementation monitoring and evaluation that will be critical to ensure that important health and social indicators are achieved.

I would like to remind honourable colleagues that my Ministry is mindful of the fact that 2015 is the deadline for the achievement of the eight Millennium Development Goals. Three of the eight millennium development goals are directly under the

responsibility of my Ministry to achieve and there are others that are indirectly related to the ministry as well.

In the same spirit, I would also like to clearly state here that many of the things that contribute to the health status of the population is contributed by other ministries as well and other organization and groups; just to name a few it includes clean environment, good housing, nutritious supply of food, good communication, good roads, good transport, good education, especially for women and children. It is because of this realisation my Ministry's current draft national strategic plan 2011–2015 and the completed 2011-2015 corporate plan clearly had two broad areas of policies. They are the substantive policies: things that we do in health; and the organizational policies: the things that are critical to achieving what we do, but under the responsibility of other central agencies and other line ministries.

My Ministry is mindful of the needs and demands of the people for better provision of health services. Our plans have included those priorities, so we will aggressively review and address all levels of health care which are primary, secondary and tertiary health services.

My Ministry is also reviewing two key policies that will underpin the above process and they are the role delineation on policy and the minimum package of care of all levels. The review of these two very important related policies will, therefore, determine the human resource development and infrastructure and facilities policy that will be required to achieve the wishes and the goals of our people.

My Ministry is about to review all the health facilities at all levels in the country. But this is important following the 2009 census new population results. We are also working on the review of our human resource development plan. Whilst working on the above two key policies, we are already in the process of forming the taskforces and working groups to see how best to implement several important key priority programs and projects of the Ministry. They include the National Referral Hospital relocation design and site identification which should also be handled whilst reviewing our tertiary health care services. This will also be done in relation to the improvement of provincial hospitals.

The other area is the integration of primary and secondary health services closer to the people. This will be addressed in the support of identified growth centres, in line with the NCRA policy on mini hospitals. We do believe that health care services should be closer to our people, especially those that live far from provincial hospitals. My Ministry would like to see the so called mini hospitals upgraded from area health centres that provide an integrated primary and secondary health services.

I am happy to inform Parliament that I actually paid a familiarization tour to Malaita Province in early February this year to see for myself the challenges that are being faced by the people in implementing this very important policy. My visit included a courtesy call to the honorable premier of Malaita Province, Hon. Edwin

Suibaea and some of his executive staffs and patients of Kilu'ufi provincial hospital, Fauabu area health centre, the Malu'u area health centre, the Bita'ama rural health clinic and the Auki area Health centre. My delegation was able to see and hear the challenges faced by our staff and patients and communities in the rural areas. My Ministry is therefore continuing consultation with premiers and executives of the Provinces and my Ministry staffs in the provinces to ensure that the development and upgrading of health facilities are in line with the needs of our people. My Ministry therefore will openly welcome consultation from honorable colleagues in this House to help design on how better to serve our people in the rural remote areas.

Before I resume my seat, I would like to take this opportunity to thank my colleague Minister of Finance and officials from the Prime Minister's office and Cabinet, the Minister for Public Service, the Minister of National Planning and Aid Coordination for their contribution towards the finalization of the 2011 Appropriation Bill. I would also like to thank the development partners and all stakeholders in the SWAP mechanism that are in place in my Ministry. I would also like to thank the Non Government Organizations, the Faith Based Organizations, especially the churches that are in partnership with the Ministry in the delivery of health services to our people.

I would also like to thank the premiers, their executive for working closely with my Ministry and supporting the delivery of health care services to our people. I would also like to take this opportunity to also thank the former members of parliament and those who are currently in this House for your initiative in helping to build and support health services in your constituencies.

I would also like to take this opportunity to inform the Parliament that I have brought a paper to Cabinet which has resulted with a Memorandum of Understanding signed between the Government and the South Pacific Commission that will result in the installation of 21 PCRICS or rural internet connectivity that will improve communication between Honiara, the provincial centers, especially the sub-centers. My Ministry has contributed to 11 of these proposed sites under the Global fund through the SPC. Our plan is to use these new facilities to improve communication, training and the beginning of e-medicine between the National Referral Hospital and provincial hospitals as well as area health centers in the country.

In conclusion, may I take this opportunity to thank the dedicated staff of my ministry, all other central agencies and line ministries that support us in our plans and efforts in the delivery of health care services to the people of this country. With those few remarks I support the Bill.

Hon HA'AMORI: Thank you for giving me the opportunity to contribute to the 2011 Appropriation bill, 2011. At the outset, I would also like to join my colleagues in thanking the Minister of Finance and his officials for their preparation and the tabling of the 2011 Appropriation Bill. It is a challenging task given the difficult socioeconomic

situations, challenging our country since independence. There are many things we would want enough funds for, but because there is not enough to go around, the Ministry of Finance has to prioritize submissions from the different sectors. Reluctantly, each Ministry has to accept what is given to it, and the Ministry of Education and Human Resource Development is no exception. I can assure you that my Ministry will put to good use what has been given to us. I will not commit the same mistake the servant with the one talent has committed.

On that note, I would like to thank the Ministry of Finance & Treasury and the Ministry of Development Planning and Aid Coordination for the consideration given to education. Human beings are interesting micro organisms, the same individual is both an honest truth speaker but at the same time can also be a dirty liar. He smiles maybe because of love but that same individual is smiling at you maybe because he is satisfied that he has found a mule. The frontiers before this budget, therefore, must be accepted as broad. We cannot be too focused as if it is an easy and straightforward matter.

Education is a service sector, it does not generate revenue for the country directly, but we all consider it as a priority sector because it is the people we train and develop who generate revenue and contribute to the economic development of this country. I would like to assure this House that being conscious of the ignorance many people have about the economic contributions of the Ministry of Education and Human Resources Development, my Ministry will increasingly engage in target training to meet even the criteria of overseas job markets.

You will see that the Ministry will be engaging more and more in the development of our tertiary education sector, which of course includes TVET - that is the technical vocational education training. Considering that we are now a nation of half a million people, we will have a university soon. When one considers that more than 10,000 individuals, for example apply to SICHE for places and SICHE can only take just over a thousand, it is acceptable to spend more money in our national college to improve its capacity and quality. In other words, SICHE must be upgraded. There are other developments intended for post secondary education subsector, but for now I will not dwell on them because I am conscious of the time and others who have not yet spoken.

The budget maybe, small now, but I can assure you that it will increase to correspond with the need to develop a credible tertiary education sub sector for our citizens. Human resource is the most important resource of a country to manage, develop and lead a country into prosperity. Both the public and the private sector need adequate and trained manpower to manage and develop the limited resources that this country has. For example, the forest which is depleting, the fisheries and marines though currently abundant will also deplete if not well managed; and the land which is also abundant in our beloved nation but is not easily accessible by investors for development, just to mention a few.

One of our current important issues is we perhaps spend just a bit more time on the issue of access to education at the expense of the need for quality education. In a country like ours, and that is, a least developed country, as people would like to label other countries, it is a difficult balancing act to satisfy both the need for access to education and still maintain a credible quality of education. It is a good start though that my Ministry is conscious of these education related issues. I am sure as soon as we are financially healthy our budget allocations will reflect the need to address these issues more and more.

As the Ministry responsible for training and human resource development, it is only reasonable that we receive a larger portion of the nation budgets, so that the manpower needs of this country can be adequately prepared to advance the socio economic interest of our nation. We may have the latest technology and all the money in the world but unless we have a knowledgeable and a relevantly skilled workforce to drive these resources, we will not gain even an inch of our development aspirations.

Having said that, and seeing that this is the first budget of the NCRA Government, I would like to inform this House of the three strategic goals of my Ministry. These are:-

- to achieve equitable access to education for all people in Solomon Islands
- to improve the quality of education in Solomon Islands; and
- to manage and monitor resources efficiently and effectively.

The education budget is centered on activities and programs that will help achieve these strategic goals in education.

The education sector has come a long way since the first missionaries and the colonial government set foot in this country. Over the years, it has expanded. In 2009, and I can inform the House that we are working on the data for 2010, the total enrolment was 175,218 (children and students in the school system, from early childhood sector to the Form 7 senior secondary school. This is an overall increase of 8 percent from 2008, before the Fee Free Education Policy was introduced. The net enrolment rates have improved at all levels but primary has the highest net enrolment rate which remains above 95%. In other words, the number of our children now attending school is higher than compared to the past.

Non-attendance rate at primary have also decreased overall, from 5 percent in 2007 to 3 percent in 2009. These are positive development towards the universal primary education which is one of the Millennium Development Goals. In addition, the gender parity (this way of girls not going to school and only boys go to school) index for primary, junior and senior secondary school has indicated progressive improvement over time, since 2007, and this is also a good progress towards the MDG on gender

equity and participation in education. Against that background, I can assure this House that our goal in equitable access to education is achievable, especially when allocation of resources is geared to school infrastructure to provide more classrooms, dormitory spaces and staff housing. It also means encouraging more providers in education.

The sector has not only increased in student number but also in teacher numbers. My Ministry administers the largest workforce in the country - the teachers. Of the 8000 plus positions, we have 7,593 positions filled with teachers. We have the difficult and the challenging task of managing and monitoring the performance of this large teaching force. Not only that, but also to keep it motivated. The Minister of Education therefore asks the understandings of this honorable House when matters related to the welfare of our teachers are brought before it for consideration. Teachers are the key players in delivering quality education to our country and therefore, they must be well managed, monitored and appraised but also must be well provided for, in terms of their needs and remunerations.

Because we are also striving to achieve Regional and International initiatives such as the 'Education For All' Goal and the Millennium Development Goals, we have many development partners involved in the education sector. We need to be able to coordinate our development partners and stakeholders in education, and so I am pleased to say that the Sector Wide Approach (SWAP) (which my colleague Minister for Health has also mentioned) introduced in the Ministry of Education and Human Resource Development is still very much alive and functioning in the education sector.

Access without quality is meaningless. There is no point in putting children to school if after leaving school they still cannot read and write. Because of that, it is important to continue support for our programs to achieve quality education. The results of the Solomon Islands Standardized Test of Achievement, in short usually referred to as "SISTA 2", sat by the class 6 pupils' last year shows improvement in the literacy and the numeracy levels in our schools, contrary to what some people may want to compel us to believe. There is also a SISTA 1 carried out in class 4 and we expect the report on the achievement in 2010 soon. These tests are designed to monitor the achievement levels in literacy and numeracy based on the expected learning outcomes of the national school curriculum. Compared to the baseline of 2005 and 2006, the percentage of the critical level has reduced but this is still below 50 percent. These are good indicators to help us allocate resources to priority areas to promote the quality of education that we offer.

The Cabinet has just approved the learners' assessment policy. It covers all sub-sectors in education including TVET. My Ministry will be developing the additional assessment instruments in order for this policy to be effectively implemented. Having these instruments in place will help us monitor the quality of education and provide information for decision making.

Having emphasized the priorities of the sector, I would now like to turn to the Education Budget 2011. I would like to thank the Ministry of Finance once again for the budgetary provisions to my Ministry for this financial year, in particular the increase in tertiary allocation, both in the Recurrent and the Development Budgets. As alluded to earlier, human resource development is important for social and economic development and, therefore, the allowed budget allocation reflects the desire of the NCRA Government to develop the manpower resource of this nation.

I would like to thank the Ministry of Finance for supporting our ongoing programs. Although reduced, this budget provisions will help the implementation of the education policies, in particular the publishing of teaching materials. This is one of the core programs to address quality education. We are expecting more titles of the revised curriculum materials this year and next year so the increase in the development budget for this program is timely. We have done some reallocations between the budget lines based on the needs of the Ministry as well as to reflect priority areas of access, quality and management. This measure is also in line with the need to encourage quality spending as emphasized by the Ministry of Finance.

My sector receives a lot of support from development partners, either through budget support or bilateral assistance. These supports go to all levels of education from early childhood to tertiary and TVET. On this note, I would like to thank all the development partners to education that have continued to support education and we look forward to more fruitful partnerships for the future. With these few remarks, I fully support this Bill.

Mr. ETE: I too would like to contribute to the debate of this motion and my debate will be brief.

First of all, I would like to congratulate the NCRA Government for the intensive effort accorded to completing and tabling its first budget to Parliament. I suppose this Budget reflects a government that will adequately feed, clothe and shelter its citizens, and simultaneously making sure the economy runs for the next 100 years. This is by and large what governments are here for and that is why we are elected to parliament. How effective governments deliver depends very much on many factors, one of which is the quality of budgets that are brought into parliament.

At this point, I want to thank the Minister of Finance and the Prime Minister and the hard working ministers for putting together this budget and to bring it here, this very important bill, to Parliament where we hear the Minister of Finance is seeking Parliament to authorize over \$2billion, coupled with an authority to borrow from external sources, from traditional or commercial banks or other multilateral institutions for a ceiling of \$100million for overdraft. And this is catered for under sections 4 and 5 of the 2011 Appropriation Act 2011; whether it is a loan, grant, an overdraft or a combination of both.

I also wish to thank permanent secretaries and public officers for putting a comprehensive budget. It is a fallacy to think that budgets are drawn up by politicians; that is a fallacy. For us sitting in this honorable Chamber, we should thank the bureaucrats for drawing it up for us, using resources of the country for the benefit of Solomon Islanders as a whole, and not to only please one political party or a few politicians and our agendas.

I guess I would begin by discussing the 2010 Appropriation Act 2011 by saying that section 103(1) and (2) of the constitution and section 15 of the Audit and Finance Act allows the Minister of Finance to expend or spend funds under contingency warrant last year. Although I agree with CWs, those are for quick-fixes where it is impossible to do it through a proper supplementation bill because it is not brought to parliament. That leaves room for the Minister of Finance to maneuver and adjust spending, but at the same time spending can be a catalyst for corruption; a corrupt practice where sometimes too much power is granted to expend this country's money to just one ministry. Although we can argue that Cabinet gives the approval before it is spent, but too much CWs being used like that, and I quite agree with previous speakers like the Leader of Opposition and the Member for East Choiseul on this that I feel that CWs are just too many; about \$53million are just sitting down there to be spent on something that can be forecasted. It not only happens now but has happened in successive governments and I ask the government to consider this again.

Let me now turn to the fact that in October of 2010, a resolution was passed by Parliament for one quarter of this money which we are here to approve - \$2.2billion, to which in my mind, already around \$666.6million has been spent in the first quarter of this year. What it means is that \$1.4billion in expenditure estimates, excluding other donors and other sources which are non appropriated funds on top of that, but some money have already been spent. What we are now passing is a quarter consumed already in the first three months of 2011 fiscal year, and I ask: have we spent it wisely? The Minister of Finance will have to explain this to Parliament and the people of this nation in his closing remarks.

I gathered that the theme of this budget is to create one new united and vibrant Solomon Islands. I think that is the theme of this budget which appeared in the policies of the NCRA Government. I believe we are now in the eighth month of the life of this Government, and I question whether the policy statement and the implementation document that have just been released do reflect and link the translation document. I want to ask every permanent secretary to seriously look into this and incorporate this inside their corporate plans of 2011-2015. This is important because we are now running up towards one year.

I ask a further question and that is whether current decisions by the Cabinet encourages its sons and daughters loyal and dedicated to serving the service of the crown, the implementers of this policy, the question I am asking is this: the

Government is a hard schoolmaster and if NCRA is serious about implementing its policies to the letter, it would have to give them the carrot in the bag otherwise the implementation plan that we are going to pass here is nothing but a refuse paper.

Significant also are the remarks of the Minister of Finance in his speech that the 2011 Appropriation Bill 2011 is focused on building infrastructure and development, and a credible one. The Minister suggested that it is a fully balanced budget. In my mind, this kind of rhetoric is meaningless. If you review the 2010 government finances to make a comparison, by September of last year, we already have a deficit of \$73.5m, on one budgeted estimates of 71, and under the 2010 budget figure of \$1.6billion, and with the ongoing deficits on monthly estimates, the 2010 Budget had certainly incurred deficit. Last year and all successive years since 2000 it has always been deficit, deficit - the government books cannot even be balanced. What it means is the government's cash position must be sustainable to shoulder the liabilities estimated in both the recurrent and development monthly projections. The strength of revenue captured to date is unpredictable and, in my mind, is unsustainable, given that the biggest export in terms of the balance of payment in this country are logs, and the pricing outside is not determined inside this country. It follows prices outside due to the escalating crisis that is going on globally.

I believe the 2011 Appropriation Bill 2011 when it is turned into an act will be no better than that of last year.

The pressure on the NCRA Government's current working capital will be showing deficit, and I believe the \$80million monthly revenue cover will be a joke unless the Minister of Finance and the NCRA Government sticks to its promise in October 2010 to increase the determined value prices on log exports to 100 percent, and that is from US \$98 to \$100 cubic meter and to adhere to the Attorney General's Chamber advice to cancel all current export duty on round logs. I overheard the Ministry still granting exemptions to two logging companies and some individuals to this day. This leakage to government revenue to favorites has harmed this country in the last two decades.

I am surprised to note that the current development budget is only 24 percent of the entire 2010 Bill 2011. That thick book referred to as the recurrent estimates accounts for 70 percent of the total budget. If you calculate it you would find these figures, if you do a bit of mathematics you would find it. I feel that the development aspirations of the Government will not be fulfilled with this kind of percentage that you have.

I would have hoped that the development budget of 2011 is on an average of 38 percent and recurrent 60 percent to be credible if NCRA is to foster an average rural development impact that is worthy of any praise by a villager. Other than that, we will be under funded projects that have minimal or little effect to the man living down there in the rural area.

I now want to draw your attention to the 1971 Governing Council Budget. Economically, 1971 was the year the 6th development plan was introduced with proper economic advice by the governing council. Several development surfaces:

- The signing of an agreement with Mitsui Mining and Smelting Company of Japan for the bauxite in Rennell, which did not eventuate.
- An agreement with Taiyo Gyo Gyo Company of Japan that pulled out in the escalated violence in 2000.
- Planning and planting of the palm oil nursery at CDC.
- Planning of the 99 heads of Braham and cross Braham cattle, which at that time was a gift from the Australian Government towards development of the country.
- Maintenance of subsidies to all coconut plantations in Solomon Islands.
- Opening of the Lungga Power station.
- Green fields identified for new airports in the country to sustain mobility and aerodromes. (Today there is poor aerodromes in civil aviation).
- Opening of the Fera, Balalae, Bellona and Choiseul Bay airports. I do not know what has happened to Fera airport at the moment. But a lot of airports created under that sixth development plan are now closed down.
- Establishment of the Housing authority to shelter people coming to look for jobs in Honiara.
- An internal affairs commission established to oversee all the above projects.

The 1971 budget together with successive budgets thereafter built this country to what it is now, and I hope after 40 years this government is going to do something different to deliver to its people and this country. I put 1971 as a comparison here to our current budget in this debate.

At this point allow me to make comments on the 2011 Appropriation Bill 2011 on the various ministries, and I will start with the Ministry of Health. In November 2009, Parliament approved a special select committee to review the NRH delivery of service at the Central Hospital by conducting a wide range of open media conferences in Honiara. I was, at that time, the CEO of the National Referral Hospital and we made recommendations for government together with a comprehensive NRH strategic development plan 2010-2015. I checked those recommendations against the recurrent and development budget now brought to Parliament, and I want to say that I am very happy to see this government allocating \$1.5million for site plan and design for relocation of the NRH to a green field somewhere. I must admit that this process may take turn to 10 to 15 years to be done, and so if we have to do it, we have to do it now.

I noted that the NRH upgrade vote has been scraped off from \$3million to zero and at this point, I want to ask the Minister of Finance to seek CW if you will to build

some capital works in NRH. Although it is curative care, a lot of donor funded projects go towards public health programs. But it is important because you still do not have a psychiatric outpatient. That outpatient is just the same as the OPD. I must say that the upgrade of the medical laboratory there is below standard, for instance, biochemist analysis are now done by hand and so scrapping off of that \$3million, I think, should be revisited. The new operating theatre, and currently there are two, one is a minor theatre and with a backlog list of emergency, on a two day average basis, prompts the need for us to relook for a new operating theatre there. That was the plan of the Ministry of Health, in particular the National Referral Hospital for the last couple of years. It needs to be reviewed.

On health information system upgrade at the NRH, the hard working Minister for Health must revisit all strategic development plans coming from the Ministry of Health are by assumptions, there is no data to substantiate why make plans like this for health or why we do we do EPI programs, why do we do TB programs. All those were done on pure assumptions, there is virtually no data. I encourage the Minister to look again into that and incorporate it in the budget.

There is no budget for ambulance and new vehicles to transport nurses and doctors on shift work, and that is why when you go to the National Referral Hospital, you cannot see any doctor on duty there and their shift programs need new vehicles. We have been asking for that. When I was with the Ministry, the vehicles or even the ambulances there are now 14 years old, the ambulances running around there, except for one that was donated by St. Johns of New South Wales in 2009. It is good that ministers are driving around in new hiluxes and so forth, but I want us to seriously take note that if you are in comma and you arrive at the National Referral Hospital, you are a dead man already, because there would not be anyone attending you, because there is no vehicle to pick doctors and nurses up. Sometimes nurses travel in an old double cabin hilux that I used to use – written on its side with ‘National Referral Hospital’ which is almost 13years old. So I ask my good hardworking Minister to look into that. Probably it can come out in the contingency warrant.

In this budget too, I encourage the Government to look at the MIR medical equipment there at the NRH for us to tackle aggressively. A lot of the equipments there are unsafe. How would you know that the X-ray machine at the NRH is safe when used on you when the machine is already obsolete, its parts cannot be obtained from the market outside. Whilst I am happy with the total budget of the Ministry of Health, I thank the hard working Minister of Health, my contributions are there for us to look at.

The SWAP was signed in 2008 at the King Solomon Hotel, between different multilateral and bilateral donor partners, but it still excludes Taiwan per se. In 2006, an agreement was signed between the NRH and Kaoshiung University Medical Hospital, and since then millions of dollars have been poured into that program. The Kanti Centre at the Central Hospital is doing a fabulous work there. But the sad scenario was

that the Kaoshiung Medical University Hospital or Taiwan had been purposely pushed off board from signing the Sector Wide Approach agreement. I humbly request the Minister of Health to take note of this, to accommodate this arrangement speedily.

SWAP accounts for zero in this Budget, because how I see it would be done in the budget is that I think it would be split out. The World Bank and the UNICEF do not adhere to the initial thinking of the agreement signed in 2008, and the thinking is because you have under this current budget, the World Bank and the AusAID funding water, sanitation and the same things, which means they are concentrating funds on one area and therefore neglecting other important sector areas in health; be it public health programs or curative care.

I think ministers are supposed to sit in the driver's seat and say to our good donors 'this is what we want'. I think that is what is in the Parish Declaration. 'This is what we want, so please help us on this'. I see there will be no drastic improvement in the quality of services at the National Referral Hospital, and subsequently achieving the millennium development goals (MDGs) by 2015; it is something of a distant dream. I urge the Minister to review his allocation anytime soon. I find that there is a mismatch in policy 4.2.4 with where we bring in the 2011 Appropriation Bill 2011, and I hope your good and hardworking Minister for Finance takes note of this.

I will now turn to the Ministry of Infrastructure. I am really happy with the hardworking Minister of Infrastructure and the Minister for Finance. May I thank them both for allocating \$1.5m for the Vura road. I thank you for honoring your commitment we made in December and early January this year. The Vura road, as you know, apparently hosts approximately 30,000 residents of Honiara, and in my mind had been in bad state since 1999. And so I thank the Minister of Finance and the Minister of Infrastructure for that. But I caution the Minister for MID that any contractor undertaking work on Vura road must do quality work, using proper asphalt system and proper engineering standards in the completion of this capital works in line with policy 6.21(a). Sometimes contractors in their effort to make large profits put too much thinner, where sometimes kerosene was used to supplement the work, hence will only propagate bad craftsmanship and non-quality roads in our country. Sometimes you can see it that way, but I trust it will work out well for residents there.

I will now move onto the Ministry of Provincial Government. The Townsville Peace Treaty Agreement (TPA) recommendations point to building a provincial home for Guadalcanal Province. I see no provision allocated for this project. Does the Minister for Provincial Government have any other plans for this? I quite agree with the Member for East Choiseul in his speech earlier on today that we must plan things in line with problems, causes, effects that haunt this country in its darkest hour. I appreciate very much the speech that was uttered today in regards to that issue.

I now turn to the Ministry of Lands & Housing. I wish to thank the hardworking Minister for Lands & Housing for his insight for mitigating the difficult situation

encountered by approximately 7000 odd people in Honiara city that are having problems with access to clean water by allocating bore-holes for Honiara. Apart from that, I urge the Minister of Lands to look into the fact that TOL allocation in here has been scrapped off. East Honiara is host to some of the unfortunate areas in Honiara city. Successive governments have tried to do it, but I hope the Minister will do something together with the Minister of Finance to see that every temporary owners' license in Honiara be granted offers, because I believe in my honest opinion this idea of TOL is a postmortem concept of the past, it should not happen in today's age of 2011. I think this year, 2011, all citizens in this country should hold FTE titles. But I do not see any figure across TOL here under the Ministry of Lands and so I ask the Minister responsible to look into this again.

I will say something now on the Ministry of Commerce, Industry, Labour and Immigration. I applaud the Minister for Commerce for the insight and planning to include appropriate funds for the consumer affairs project head 488 for an inclusive of \$1million. This country does not have a structured pricing policy directly relating to the labor force and balance of payment in this country, hence inflation is created and unfortunately uncontrolled. When a country does not have a proper pricing policy what will normally happen is the traditional tools of fiscal and monetary policies are inadequate to achieve growth in the economy without undesirable high rate of inflation.

I had the opportunity of leading an eight man delegation when I was minister for public service to Apia and Suva with the Minister of Commerce to look into the Consumer Commission in Fiji and the Wage Council of Samoa. We had wide consultations with both the government and the private sector including the ILO on how we should adopt a workable system in Solomon Islands. I have faith in the Minister to bring a bill to parliament for the establishment of a wage and salaries commission and a consumer commission respectively sometimes this fiscal year.

I will now say something on the Ministry of Public Service. It is fundamental that the attitude of Public Service and those loyal and dedicated servants of Her Majesty's Service are given hygiene factors like housing, long service benefit by this current government. I stand to thank the Minister for Public Service for your wisdom in allocating \$5million for public service housing.

An option paper written some years back concluded that in 1985 sales of government houses had never been replaced by any previous government, hence the Government had to budget for \$68million each fiscal year for temporary arrangement scheme called private rental scheme that is unfair and is detrimental to government budget spending. Some two years back, \$68million was budgeted for and by the time it was spent, it went up to \$109m.

Make no mistake that the bureaucrats are merely those who have the ability to work for any government of the day, and provides a permanent non political service that carries with it a commitment to a standard that they are loyal to whatever

government is in power, responding to new political priorities making sure that the bank of knowledge and experience is used to benefit the people of this country. These are the workforce that need to stay under decent shelters and looked after well after they retire from the service. Failing to fulfill this duty of care will cause unnecessary tension that could be detrimental to the service of the crown. I hope the government takes full note of these comments.

I will speak a little on the Ministry of Home Affairs. I gathered that the function of sports has been shifted from what it used to be, women, youth and sports to the Ministry of Home Affairs. It was just not long ago that I learned of this. A \$1.5m was allocated for preparatory work for a new sports stadium at the Burnscreek area. While, perhaps this is a worthwhile development, the people living at Burnscreek had been, in recent times, pushed to the edge. This process of change has thrown up the issue of how policies of government are being translated and implemented. The NCRA policy number 10.7 is explicit about enhancing the establishment of a sports institution and a stadium. Burnscreek settlers are those who lost properties during the violence of 2000 when militia was pronounced. I wrote to the ministry responsible recently on behalf of the more than 1,500 men, women and children affected by this policy, Policy 10.7 and I asked the Minister to bring a paper quickly to Cabinet on this.

There is a danger, and as a government we must understand that when good citizens of this country have been sidelined in a major exercise without proper dialogue and consultation by an institution that is suppose to protect their interests and rights and continue to leave issues unattended, they will certainly fester and they could use this issue as a rubbing point to contend the government.

I want some consultations done with this Policy 10.7, and the Minister responsible for home affairs must quickly do it. While policies are made like this, the practical part of it must also be adequately catered for. Otherwise policies are put for them but we do not see these people. I see this in the spirit of a true Solomon Islander and hope that the government will handle the matter with urgency. I say this because I do not see a relocation package under this Budget nor do I see any provision under the Ministry of Lands for acquisition of land for this purpose. We hope the government will take note of that.

I will now turn to the Ministry of Environment and Conservation. Climate Change is a global agenda, whether this government is in office or another government, it will always be on the agenda of big countries and it is real and very costly; it has a price on them. Crop agencies, by and large, are amalgamating their technical expediencies and resources to help us who are within the Pacific ring that are affected. The hard working Minister for environment and conservation is doing all he can to see our country benefits from multilateral agencies and perhaps the greens to source funds accordingly. I am happy they have signed an agreement in Vanuatu quite recently last month on this.

The heavens are calling and the waters are rising to which no technology, knowledge or expertise, I do not care whatever it is, can preclude its coming, and so I would want to see a budgetary allocation under the 2011 Appropriation Bill 2011, if the government is dead serious about the people of low lying atolls like lord Howe, Sikaiana and other atolls in Solomon Islands to be relocated soon. I hope the Minister of Finance will consider using SBD\$53 million contingency warrant for this glorious purpose.

I now turn to the Ministry of Education. As much as I agree on the appropriation and non-appropriated allocation for the Ministry of Education, I wish to point out the fact that the education system needs to be reviewed and overhauled. Doctor Robert Randall of the University of New South Wales, in the early 70's wrote a paper entitled "Education for what?" to which he pointed out that any education system is as good only as those who make it. I suppose what transpired in 1984 needs to be reviewed further as the government is aggregating new concepts of improving the current institutions that we have, building new tourism schools, proposing a university and so on to look into reviewing it, otherwise the system will be in a big mess.

1984 marks the year the Teaching Service Commission was introduced into the national constitution of Solomon Islands. The independence constitution never had that when it was handed to our fathers at the Lancaster House in London. Also, in 1984 the SICHE Act was enacted and approved in Parliament. In 1984 also, the government then introduced community high schools around the then five provinces. Today the system has it that we are confused as to who is responsible for community high schools in terms of employment. Who is the employer of those in the community high schools? Is it the Ministry of Education, the Teaching Service Commission, the provincial education office, the Public Service commission or their education authorities or who? With SICHE, who is responsible for designing their curriculum? Is it the Ministry of Education, the SICHE board, the Teaching Service Commission or the Public Service Commission? Who is their employer? The 1987 Collect Act makes these questions more difficult to answer. No wonder under this recurrent budget you will see teachers not allocated sea fares to go home because the responsibility was being pushed around to the Town City and when they went there, they were told there is no budget for them there! The trap is obvious and I am asking the government to review this scenario before it gets into propagating the sums we need to build the country.

My final words, while I agree that government policy and budget are tools to improve the living standards of the citizens of our beloved country because it directly builds up the stock of resources so as increase the nation's capacity to produce goods and services and at the same time increase economic growth as a result of availability of technology, education standards and so forth, the important question I suppose the government must honor is whether it is possible to improve living standards without

economic growth is possible. I have some doubts that our economy will grow to 5.5 percent. By World Bank standards, 2-3 percent for a least developed country is very good.

But I would like to thank the Ministry of Finance for bringing this Bill to Parliament. I want to caution all of us in this honorable House to be true to the endeavors of this nation for the betterment of our beloved country. With this short discourse, I support the motion.

Mr. TOZAKA: Thank you for giving me the floor to speak on this important Bill, the 2011 Appropriation Bill 2011. Let me start by joining my colleagues who have spoken on the Bill, to express my sincere thanks and congratulations to the Minister of Finance & Treasury for tabling this Appropriation Bill for our consideration and approval. I also thank the Chairman of the Public Accounts Committee and his members for their report.

Without this Bill, we will be spending money for services and the development of our people and country illegally. Without this Bill being approved by this Honourable House, the whole government machinery will come to a standstill, and it is not good to any of us or our people, and so it is fundamental that both sides of the House support this Bill. And I am satisfied that this is exactly what is going to happen.

Having said that, it would be discourteous and irresponsible in my part, as the representative of my people of North Vella, if I fail to take part in this important scrutiny stage of the Bill because our silence could give a lot of negative signals to our people, especially on this particular bill which affects their livelihoods.

Some of the things I may say may not be too tasteful, but as the Prime Minister of Australia said in her speech to a joint meeting of the US Congress in Washington recently “real mates talk straight” which means to us “real wantoks talk straight”.

In general this Budget, in my own opinion, seems to have emerged from a struggle between what the government of the day wants, what the donors want and what the bureaucrats want. Hence, the mismatch, hence the linkage, the gaps that we have been talking about from this side of the House between the budget itself and the policies as referred to by other speakers. One could say therefore that the balanced part of this Budget, the surplus of \$24million, I presume must be from our friends, the donors, the key economic development activity spending are from the government and the recurrent estimates are from the administrators.

The missing link here, obviously, is our people. They are the silent group in the budget. This is the greatest challenge that has been challenging us, not only in this particular budget but in budgets presented by successive governments in the past. I am talking here about our people in the villages who are still patiently waiting for their water supplies, clinics, roads, market for their products, transport and the list goes on. I am talking here about our public officers like the teachers, which the Minister

responsible for education has mentioned and so as the Minister of Health and Medical Services; the nurses, the extension officers posted out in the fields, in the provinces, some of whom are still waiting for the last three months perhaps for their salary welfare payments. I am talking here about the unemployment of our youths, and the graduates who roam the streets of our town looking for employment. I am referring here to the increase in cost of living affecting our people such as the increasing cost of petrol, increasing cost of kerosene, diesel, increasing cost of transport and school fees for our children. The things that I am referring to here, constitutes reality to our people, and if this Budget is not going to meet these every day realities then the credibility of this Budget is in question.

This Budget belongs to the people of Solomon Islands as other honorable colleagues have said. It belongs to the people of North Vella La Vella. But I fail to see, for example, in the budget specific allocations for clinics damaged by tsunami in 2007 in some areas in my constituency. I hope my good friend and wantok, the Minister for Medical Services who has already spoken, but I did not hear him mention this omission, will take note of this concern and take immediate action on it.

Talking about the tsunami rehabilitation program, it strikes me that I would like to inform the honorable House that there has not been any follow-up by government authorities in the restructuring of damaged infrastructures such as wharves, water supplies, aid posts, clinics, our roads, coconut, cocoa plantations in the Western province and the same could be true for Choiseul province. Because of this, some of these things have fallen on us Members of Parliament in our respective constituencies to meet these costs from funds that we receive.

The credibility of this Budget again to our people does not mean anything to the people about its balance, its surplus. To our people credibility means everything; it means ethical principles such as respect for the law, government system, and procedures to ensure that public resources are not wasted, abused or used improperly. I am referring here, for example, that the public wants to know from both sides of the House, such as the foreign fishing vessels issue. The public would like to know, as you could read in the media almost every day, please tell us about the Papua New Guinea \$3m Chancery payment. They would want to know, and this is very important. The public would like to know the log ship, the bechedermer issue and recently, the education scholarship funding and house rental issues. These are very important and our people would want to know these things. They want to hear it from us. I hope the responsible minister or ministers for that matter will take note of this. Do not put them aside, do not shelve them under the carpet or mat, so to speak hoping that they will disappear. Our people will never forget these. You must have long memory, honourable colleagues, that these are the things our people are so concerned about. These are the things that multiply and become liability to us.

It also strikes me that the Minister of Finance and Treasury in his intervention, produces this Budget in time for the meeting and has come up with very important key projects, which some of them, and I sympathize with them, have been labeled as fairy tales, custom stories. In other words, we continue to budget for activities, we continue to budget programs and projects, which we know very well from legitimate reports from ministries that some of these projects are not feasible. They are not fitting to be put in the budget or they are just failures, but we continue to put them there. Take, for example, the \$6m going down to the growth centres; this is outrageous and in my opinion is an error of judgment and decision. Because using these growth centres, the same concept that of the area councils, that of rural centres, that of fisheries centres and that of agriculture centres. Is it not the same concept?

The Minister of Finance and Treasury might give us his definition of these centres, but if it falls within the definition of these failed centers, then where is the wisdom of establishing these centres again, may I ask? How hypocritical are we when we know perfectly well that this centre ideology is a failure in our system, and yet we are recreating them at the expense of other feasible commendable projects for the development of our people and country.

We might as well close down the provincial government system altogether. I say this because the functions of these growth centres should fall within the responsibility of the provincial government under the Provincial Government Act. These centres will not be in Honiara, but in the provinces so it should be the business, in my view, of the nine provinces to own them, lead their establishment as the nine provinces see suitable and fitting. Otherwise they would be seen by the provinces as a top-down approach from the central government and bound to be treated as an opponent. They would say 'we already have centres' – this one from the central government and they will see these centres as their opponents, unnecessary and liable for failure. I call on the government to revisit this concept very carefully and if there are already effective organizations in the villages initiated by the communities themselves with the help of their Member of Parliament, and these include organizations such as the church, women, school communities, farmers' associations, if these organizations are already effective in our constituencies, such as the one my colleague Member for East Choiseul has shared with us, then he should continue with his growth centre.

I can also show to you that I also had my growth center. A growth centre means that communication is important to us in North Vella, and so I have put 16 radios from one point to another, and that is my growth centre so that people can talk from one end to another for the first time. We address communication, and slowly we are developing these 16 radios when the people feel like having some more things. These are some of the things that are already happening in the field, and I think we should respect and use them. I would like to ask the Ministry of Finance that if this is one way for us to utilize

these funds in the true meaning of the growth centres that we want, then I think it is one way the Government should be looking at.

May I repeat, why do we not use these non-government organizations to do this work, instead of us throwing millions of dollars to another bureaucratic monster that we have already experienced is a failure.

Another fairy tale that I see is the \$8million to develop downstream processing timber. This, I guess, is to give the landowners the option for sustainable harvesting of their timbers. The concept is all right but there is lack of capacity on the Ministry to implement this program effectively. I remember that all constituencies are supposed to receive a Lucas Mill package from this project or a similar one in the past, and my constituency of North Vella was one of them that missed out, we do not receive any Lucas mill and so I have to buy it myself. We missed out because someone was not doing their job. In other words, there was a lack of management of this project in the Ministry. So let us look at these things carefully and if they fail to deliver, let us consider improving the programs and projects we put in place.

There are some more examples of projects of this nature on the challenges, reality and credibility of this Budget, but I will not go through them but leave it to the others to take up.

Having said this, I think it is pertinent and timely that we ask ourselves as honorable Members the question as to how could we address the present weakness of our budgetary system to eliminate the ghost programs and projects that I am talking about here. I would suggest that one way for the Minister of Finance and Treasury as his additional responsibility, and I hope he is listening to Parliament, to make annual implementation report to Parliament on all development projects and programs. The Minister presents to Parliament the progress on the implementation of projects and programs as they appear in the development estimates. Because it is only from this report would we know either a project is successful or not, otherwise we will simply blindly pass budgets without any information on project development, let alone their failures. I think some previous speakers have pointed out this, like my colleague MP for East Choiseul and the Leader of Opposition have also pointed this out, and I support this idea.

When an appropriation bill is brought here, it should be accompanied with this performance report from the past so that we know what has happened to these projects; whether they are successful or failed. And if they fail, then of course, they should not continue to appear in our development estimates, otherwise as I have stated they will be simply fairy tales or custom stories that we always talk about and get tired of listening to.

Having said that I wish to congratulate the Minister for his excellent reform program for the Inland Revenue division and the Customs & Excise in partnership with

the RAMSI machinery of Government and the Public Service Improvement Program. I am happy for him that he is investing in reform. Reform is very important, had there been no reform, it would not have been possible for us to have this budget and a surplus budget.

The Solomon Islands public service, as the minister of public service has stated, has been striving for standard of Excellency in the provision of public services to all Solomon Islanders. I am very pleased with the high performance of our public officers in revenue collection and compliance program in the Ministry of Finance. The support of the Minister for the further development of manpower support and training is highly commendable.

As we might endlessly talk about the donors for their conditionalities, by considering the fact that about 75 percent of our budget is funded by them and the balance is by us, what choices do we have in talking about them? Solomon Islands will continue to need the support of the international community, including its development partners. Therefore, at this juncture, I wish to acknowledge the assistance and support rendered by our development partners such as the World Bank, Australia, RAMSI, New Zealand, EU, ADB, Japan and the ROC –Taiwan. Taiwan, we thank you for the help you have given our people in the rural areas with the livelihood, micro programs and the RCDF of course.

Just because we have a balanced budget and some spare dollars in our accounts does not mean we are out of the woods, if I may use the phrase used by the Deputy Prime Minister yesterday. We are not yet out. The challenge here is far from over; there are bigger challenges still ahead of us. We must not celebrate yet, because more is yet to come. With a shattered economy and a fragile peace, the task of rebuilding our country in ensuring lasting peace is a daunting one. We just have to work together cooperatively, understanding and appreciating each other as coming from one country, from different places, different constituencies but working together. I think that is the way forward, absolutely, no one can argue about that.

In conclusion as time is catching on us, may I remind us again that it falls on our shoulders, not only the Minister of Finance and Treasury but all of us Members of Parliament sitting here that the need to manage our finances is crucial now and very important than ever before if we are to develop, if we are to be respected and accepted as a member of the global village of nations. And most importantly as other speakers have stressed most importantly is our people, and the importance of this Budget is “stick ability”, we must do what we say; just those two words. This, of course, is not in the best interest of oneself but in the best interest of our people and the country as a whole. With these few comments, I thank you and I support the Bill.

Mr. MANENIARU: Mr Speaker, thank you for recognizing the Member for West Are Are constituency to also contribute very briefly to the 2011 Appropriation Bill 2011. I

also would like to further comment on the speech delivered on Tuesday by the Honourable Minister of Finance and Treasury.

I on behalf of my people of West Are Are congratulate the hard working Honourable Minister of Finance and Treasury, his Permanent Secretary and staff for the remarkable achievement of a surplus 2011 Budget as well as a credible one. It is history in the making, and I would like to congratulate them for that achievement for our country. On the same note, I also thank and congratulate the Hon. Prime Minister and the NCRA Government for a fine and historical 2011 Budget achievement. This is the first after independence for us to receive a surplus budget table in this honorable chamber.

I will be brief as I alluded to earlier and I will focus on the government machinery that is entrusted with the service delivery function to our people that will be responsible for the implementation of this Budget. Let me turn first to the theme of the 2011 consolidated budget, which is "Improving the quality of public expenditure to invest in better services for the people of Solomon Islands and to lay the foundations for sustainable growth". That is a very vital theme as well as the mission statement of the government as to how it will lead us in redirecting the economy of this country. I totally support this theme with the budget.

I also would like to join earlier speaker in supporting this theme and focus on the word 'quality' centred in this theme. Hence, the focus for the implementation has to be quality people to implement this Budget, quality inputs, quality expenditures, quality outputs and quality results as an outcome. When we focus on this theme it requires us to be quality, and that is exactly what I personally see as important for the 9th Parliament as we are leaders with this important budget, in particular is a surplus budget which promises a lot to our people. I think focusing on quality, we are going to present what has been a demand by our people for many decades. May our rural people, the very people we represent in this Honorable Chambers reap the quality outcomes of this surplus budget? That is the challenge, not only for the government but it is for the 9th Parliament as we are leaders representing our people, here we are debating this very important and historical 2011 Appropriation Bill 2011, we are to deliver.

Allow me to touch and comment on this fiscally responsible, credible and surplus Budget 2011. This is indeed a golden promise to our people, especially the marginalized rural people of our country. So much has been promised to be delivered in past decades since independence and very little tangible development has been achieved or delivered. Many good budgets have come in this Chamber, what if any, if there was an assessment conducted that tangible achievements were delivered to our people by budgets in the past. This is evident by tangible investment and infrastructure establishments in the past. These infrastructures are the vehicle of delivery of services to our people, and they are in fact the promises of our budget and in particular this

surplus budget. It is high time we speak the truth to our people and reward them for the past failures in the delivery of social and economical services, and this is what the 2011 Budget is promising.

The NCRA Government has stated very clearly that it will deliver on its policy platform of providing services to the people of Solomon Islands and to lay the foundations for sustainable growth. I concur with this statement and I encourage and challenge the NCRA Government to spread the resources both socially and economically to all constituencies and our people in the rural areas of Solomon Islands. This will truly be sustainable. We are representing our people, we have resources budgeted for, but only who are those receiving it? It could be only a few at the front door, and not those living in isolation in the constituencies and remote areas of our country. I believe this is the promise of this Budget.

As a member of the Public Accounts Committee (PAC), I am deeply disturbed by some concerns raised by line ministries. Their concern was that some of their original budget submissions were cut and are already eying supplementary in their submissions. I am surprised that we are still talking about the budget, but some of the line ministries were already talking about supplementary. Is it not an abuse of the budgetary process when the same expenditures disallowed in the budget process come back in the supplementary?

Virements, as commonly practiced, is also in my opinion another way of abusing budget heads since they were approved by this honorable House. When approving the budget in here, it has been a common practice known that the virement practice is there. I can see that if we approve the budget and implement it then it would be very good.

Allow me to turn to financial management and budget reform. I would also like to join other colleague MPs who have spoken to congratulate the honorable Minister of Finance and Treasury for his direct involvement in the consultation process of the budget. The honourable Minister of Finance and Treasury, I congratulate you. It is the first time for me to hear, although I was a public servant for many years that ministers in the past have taken very lightly the budget process. No wonder why we fall short of achieving our budget goals because responsible members of parliament are not involved directly in this whole process but leave it entirely to our bureaucrats.

I, in person, would like to congratulate the honorable Minister for that, and it is a good example for us to follow. We are here elected by our people to represent their interest in the budget, and that is our number one role because that is their life. As alluded to by the Member for East Choiseul, the budget is for our people, it is money. I really encourage other ministers to follow the good example set by the honorable Minister for Finance and Treasury.

I would like to comment briefly on exports and imports. We know very well that our imports are always high, higher than our exports, and this will continue for many more years to come with the current trend we are going as reflected in our budget. This

situation, as we all know, will continue to weaken our dollar until we come up with a budget that will proactively address this particular situation. I personally feel it is high time our budget takes into consideration our export sector. At the moment, we rely very much on imports. The budget, disappointedly, does not reflect encouragement for our export sector. Where are we going to get our money from? How can our dollar be strengthened when we do not export? What are we to export? We have to start planning; we have got to start putting money into our soils. We often heard and also talked about in this Chamber that our country is very rich, yet this is not reflected in our revenue.

I would like to briefly comment on revenue. In 2010 our total revenue reached \$2,182.5m. I commend the Inland Revenue Division, the Customs, other ministries and staff for a job well done. This is projected to increase this year and I fully agree with that because it only needs improvement. We have these operational systems and we just need to create an appropriate conducive environment and take good care of the golden goose that lays the golden egg, then we will achieve tangible and meaningful results in our revenue collection. We know that those collecting our revenue are working very hard under conditions that sometimes are not conducive, but yet they produce. I fail to see in the Budget direct budgetary allocation that will address increased revenue that we are talking about, especially those who are responsible in implementing this policy.

I would like to move on to contribute very briefly to the reconciliation and social reform goals as mandated to line ministries. The Ministry of National Unity, Peace and Reconciliation has mechanisms for peace. Are these mechanisms working effectively and efficiently as envisaged? What about our existing unity, peace and reconciliation mechanisms? Do we also budget for them to activate, enhance and enforce them? What about our models, the local ones that exist with our chiefs, our churches; why not turn to them? The imported models cannot work for us in terms of the peace and reconciliation process that we want in this country. I believe we have them, we just need to harness them and we need to budget for them. May be those mechanisms that we have in place are costly or are not suitable for our situation or our environment, and so I believe we have options we should turn to our own.

On the Ministry of Education and Human Resources Development, I want to thank the Honorable Minister and suggest that his Ministry looks into the idea of establishing our own university. We have heard over and over again that it is very costly to send our students overseas to attend tertiary education.

Hon. Maelanga: It is now 4.30 pm and I notice that there are still some Members who are yet to speak. I would like to give them the opportunity to contribute to this debate. Thus, to give Members that opportunity today, I seek your consent to move suspension of Standing Order 10 in accordance with Standing Order 81.

Mr Speaker: Leave is granted.

Hon. Maelanga: I move that Standing Order 10 be suspended in accordance with Standing Order 81 to permit the continuation of the business of the House until adjourned by the Speaker in accordance with Standing Order 10(5).

Standing Order 10 suspended after 4.30pm to continue with the proceedings of the House after 4.30pm

Mr. Mane: I thank the Deputy Prime Minister for giving me the chance to continue with my contribution.

On education, our own university which I was talking about, the donor partners as alluded to by the honorable Leader of Opposition are ready, so what are we waiting for, let us start. The Ministry of Education and Human Resources, nowadays you can see the high cost of education passed onto our rural parents today. Expecting our students from poor rural families to attend even SICHE is costly. This may prohibit the right of our young children to education. It is something for us to think about. It is our responsibility and I believe the 9th Parliament has the capability of addressing this urgent issue our country is facing, in the interest of our youths and children.

I want to touch on the Ministry of Health and Medical Services and say that the rural populace has to be served fairly with our medical services. I want to congratulate the hardworking Minister of the ministry for continuing to progress the plans of servicing our rural people, but there is still more to be done. The remote areas that our people are living in, the clinics are just kilometres away, which can take hours for them to reach those clinics, unlike you and me who are living in town. Just imagine if you are in that situation. This is what should be reflected and budget allocations should go for the very essential needs of our people.

I want to touch on the Ministry of Women, Youths and Children Affairs. Do we have a budget that addresses youths' rising issues and problems of today in our country? Even youth unemployment, as alluded to by earlier speakers is already our big problem. Where is the budget that will seriously address these issues? In the world today, we are seeing how powerful youths can be who are now addressing their own interests. We have to be careful here. We are responsible and if we are ignorant or fail to carry out our responsibilities as leaders, then we are likely to face problems.

The Ministry has to look after the youths, it has a wider responsibility of looking after the population, especially the youths and children of this country. An appropriate budget should be considered and accorded for this. But I fail to see that in the Budget.

I would like to move on to the Ministry of Home Affairs. I would like to commend the honorable Minister and Acting Prime Minister for turning to chiefs and churches in his Ministry's program. These two structured organizations have been in existence, their structures have been in existence for many decades and yet their relationship with the government is very loose. The role of chiefs is already there that when there is a problem in the village, you go to them and they reconcile you with shell money. I do not know if we still value this reconciliation custom, but our chiefs are there.

Churches are there as well and yet the government in its policy has been working in isolation of these two existing structures. I thank the honorable Minister, the Acting Prime Minister who stated in his speech in his contribution to the Budget that he will turn to chiefs and church leaders for implementation of his policies.

I am disappointed to note that there is no direct budget allocation to support the work of churches in the budget. This is inconsistent with governments in the past who recognize the work of churches by providing allocations in the budget under the respective ministry for some help to churches, but I fail to see that in the 2011 Budget. What are we implying here? As Christians we always claim that this is a Christian country, that God blesses us every day. He also blesses the 9th Parliament and here in action have not provided anything for them in the budget. I wonder why we are falling short of achieving our budgeted programs because we think we are somebody. We think we own Solomon Islands and we own the resources as reflected in our budget.

Let us again be reminded of what is recorded in the Holy Scriptures that what belongs to Caesar must be returned to him and what belongs to God must be returned to Him. The resources of this country belong to God, as we as Christians know very well. And I am disappointed, as I have said earlier that our budget does not embrace this thinking.

I would like to move on to touch on national security and foreign relations. The Ministry of Justice and Legal Affairs, as a direct consequence to aggressive logging activities in the country, land disputes are on the steep rise. Land for development is affected by land disputes, and yet there is no tangible budget support for local courts to address and clear land issues for our development aspirations. We know local courts throughout the country are in backlogs, their work is not progressing, as they cannot clear land cases owned by 80 percent of our rural people, to be cleared for development.

Here we are talking about a budget that would implement policies, and so where are we going to implement our programs and projects on? It has to be on land, and that is important. That focus has not been represented and reflected in the Budget, as far as I am concerned.

I want to touch on the Ministry of Police and National Security. I would like to congratulate the hard working Minister, his Permanent secretary and staff for their housing project. That is a golden achievement because those policemen who are

working very hard would now just realize that they would be living in proper houses. It is even worse in the rural areas for police officers and stations in the provinces and constituencies. And I wonder why the Minister so decide to start with this housing project in the urban centres. It should have started in places where there is no electricity, telephones and even vehicles. Those are the places we should be concerned about first. This is just a piece of my thought. I want to encourage the Honorable Minister to seriously reconsider looking after those that need his services first, rather than serving people living in town where life is a bit easy in carrying out the huge responsibility of policing and providing security.

Let me comment on restoring and development of infrastructure, and I will start with the Ministry of Infrastructure and Development. More infrastructure development is needed in this country, honourable Minister. Our social and economic growth and services rely on appropriate infrastructures - more roads, bridges, wharves etc, that should connect our farmers to their land and our people to their produces. This is talking export and talking food security. Infrastructures are needed to move services to our people. I would like to encourage and challenge the Ministry to be more focused since it has this so-called rural transport infrastructure fund. This is a remarkable achievement by the Ministry and staff, and I want to encourage the Minister and the Ministry to use this fund to look at the need of infrastructure in our country, especially in our remote areas.

On the Ministry of Communications and Aviation, I want to comment on airfields and the operator, Solomon Airlines. As we know some of our airfields are not profitable hence it is discouraging Solomon Airlines to serve our people. This is where SIG obligation in serving our rural people kicks in. In this regard, I would like to thank the Honorable Minister for Finance and Treasury for the \$10million budget allocation to SOEs. I think this will enable the Government to seriously consider its service obligation by talking with Solomon Airlines so that airline services go to airfields serving our rural people. Maybe once a fortnight or once a month is enough. This money can help SOEs to continue to face the challenges to operate profitably in our environment. Our environment is not conducive and very challenging to SOEs, and hence despite the fact that our SOEs are capable of producing profit, yet they are still struggling. I believe this assistance in the budget will help them to re-direct. The SOEs directly reach our people and they directly deliver our services and goods to the populace of this country. I can see that this \$10million is warranted in the Budget to assist them.

We need to look more into a conducive and enabling investment environment. This is serious in our country and it goes for every stakeholder to understand and cooperate on this. We want foreign investors to come and therefore we need to set the right environment. That is very true. That environment they can operate in, if we do

not create it, even though how much money we put into the budget and spend it, they will not come; it is as simple as that.

I want to contribute briefly on the Ministry of Lands, Housing & Survey. I was looking for direct budgetary allocation, to address squatters in and around Honiara. These are our own people and who should listen and address their problem? Who? Where is direct budget allocation to address this? Does it look good to us to see our own people struggling? Also, in that regard causing challenges for us? We have to address this situation head on. A meaningful allocation should be in the budget for us to deal with this issue.

Let me comment briefly on the development of the economic base; the Ministry of Agriculture and Livestock. Our economy has been relying on copra and cocoa for export, and this is the 1960s investment through a subsidy scheme then. How about revitalizing and revisiting the scheme for both coconut and copra? Our economy is only based on these two. Cocoa has just come up, but coconut has been there out of this scheme throughout the whole country. This 9th Parliament must visualize this. If we only talk about a budget that will only be spent on things that will not materialize, let us go back to this scheme of subsidy. Put it back into coconut, now cocoa. What else will be our substitute for logging revenue, if I may ask? We must think carefully, and I believe these two products are already there; they have been providing the livelihood sustainability of our rural people and yet its budget is not meaningful.

Even the project that has given a lot of interest to our people and our farmers, the cocoa. In the budget, both recurrent and development, I cannot see any budget assistance support towards that. Only AusAID supports this program and it is actually on the exit - I understand by June. If we are serious about our economy, what will be the substitute for logging revenue? It is only five more years, as I was told by the experts, and logging will be finished. What are we going to do with this revenue gap that will be in existence? That gap, what are we going to substitute it with? That is my concern and I see we need to urgently start, and where to start, we should not be looking for. Cocoa and coconut are already there. Just pour in money into these two. I believe that should be the wisdom.

Allow me to comment on the likely deadly killer to our cash crops and rural subsistence agriculture; the African Giant Snail. Unfortunately, there is no budget allocation for its eradication in this year's credible budget. I wonder why? I do not know whether we are thinking about this or not? Or are we just living in our houses? You do not need to look far to have a sight of this Giant African. Just go down to the Matanikau Bridge and you will see it - it is there. Just go to the dumping area in Ranadi and it is wild there; it is growing wild and nothing has been done about it, as far as my information is concerned. It is very big and also growing fast. Its eggs are big just like the eyeballs of the bait fish. And I understand from what I was told that one snail can lay one thousand eggs. If you have not seen it yet, just go to those two sites,

even after we finish from our meeting here and you will see it for yourselves, honourable colleagues. And I am very surprised not to see any budget for this pest. If they go they will just eat any leaf, and I am very sorry for our rural people. I just pray that the Almighty will continue to seal our farmers, our rural people from this giant snail because if they happen to sit down on top of the kumara then that is the end of the kumara. This is irresponsible if we do not budget for it.

It was alleged that it was the loggers that brought this giant snail into the country in their machines. Why do we not ask them or talk to them so that they foot the budget for this snail? They should be responsible. They are actually reaping and earning millions of dollars from our log resources and it would be totally unfair for them to go rewarding us with the African Giant Snail. Honorable Minister, act now to save our agriculture and food security!

I would like to briefly comment on the Ministry of Commerce, Industries and Employment. The economic growth centre budget has touched my heart. With the ministry's technical expertise, I believe they can do it; they can achieve the economic growth centre for us under our budget. How it will work is yet to be known. But this is of interest to all of us and our people because it is a new style of investment that will reach them, a package. It even promised foreign investors to be included in the package to actually kick start economic activities in the economic growth centres in the rural settings. This will be a remarkable achievement for our rural people, and I really support it, yet I am yet to see it.

I am making this comment not to be negative, but from experience in our own country, even our urban centres find it difficult to stand up to the needs and demands and investment aspirations of our country. Even here in Honiara, we struggle with foreign investment as well as our other centers. As alluded to earlier by other speakers, what kind of sweet package do we need to put to really attract foreign investors to places that are so remote that do not have electricity and no infrastructure. It is going to be a very costly package in order to have that attraction.

On the Ministry of Culture and Tourism, now and again we have been hearing the tourism potential we have, yet it is not budgeted for. Logging will soon go and so what will be the substitute? It should be tourism or even fisheries but where is the provision for these. We can just put it in and the industry will take off. We only have five years to do this.

I say that because in culture, I have been working for more than 20 years with a cultural group, the Narasito Panpipers where we toured the world, representing our country, but they are in the rural setting, the Government does not know because the government is not interested. But with regards to promotion which is going to cost millions, this group has already done it for this country, yet the government does not recognize it. This input by our people, by our groups is when we talk about tourism.

That is food for thought and we have to be acting now in trying to establish our investment.

I want to touch briefly on the Ministry of Fisheries and Marine Resources, which also has potential but it is just the same like the Ministry of Culture and Tourism in that we are not serious about it. I think it is good not to put in things that we are not serious about. The PNA establishment needs our serious consideration. We have the tuna resource but why do we not try to achieve maximization of revenue and profit from this resource.

On the Ministry of Mines, Energy and Rural Electrification, I want to commend the Ministry and the honourable Minister for the solar lighting program that continues to go through the MPs to our rural people. Continue with that good project, honorable Minister.

On the Ministry of Rural Development, I believe economic growth centres should be housed under this Ministry. The economic growth centre as presented during the PAC consultation meeting is very confusing. There is a significant budget allocation of more than \$10million for this and yet there was no plan delivered during the meeting. We do not know where we are heading on this. I think that attaching economic with growth center makes it more complicated. We should just start with a growth center by providing things like public telephone in my constituency, ensure that the clinic is operational, the basic services are available, and that is enough for us to start. The economic part will come later. The environment that we continue to progress with will attract the economic component of it. But if we start with economic first it means big money to be poured in the first instance. This Ministry should be responsible as it has the technical expertise to man this important project for our government and government policy.

On the Ministry of Environment, Conservation and Meteorology, I want to congratulate the honorable Minister for continuing to progress with the adaptation policy and program. Our people need assistance. There is a lot of money in the budget with donor partners recognizing how important and serious this program is. How long will it take the Ministry to plan when people are continuing to go under water, experiencing rise in the sea level. In my village when the sea level rises, almost all houses in about six villages will be submerged under water; six big villages. I am just concerned that when we had money under the ministry head, yet it will take another year 2011. We started discussing about this in 2008, but not a single change has been effected, as far as this situation is concerned in my constituency. Other constituencies too have a similar concern, and so the hard working, Minister, this is a very serious problem. You know it and we only need to move.

Talking about relocating them does not need us to plan further for it. Just give them chainsaws to cut their forests and they will start building their houses. What are those assessments and those things for? If they need a bulldozer, Mr Minister, just

provide the money, land a bulldozer there so that it digs the hillside and build houses. Give them the Lucas, they can cut their own logs rather than exporting them, but they cut it. It is as simple as that, Mr Minister. Rather than saying "yes, we have money but we are still planning; we will still come to asses you to see whether you still live comfortably or not; we want to see you go under the salt water first". That is not on, honourable Minister, we have to take an active responsibility. Let us deliver because people are in real need of this service.

On the Ministry of Forests, I want to commend my Minister for a budget allocation of \$8million. More should go towards this budget head for downstream processing. We talk about logging but our people really need to cut those trees to maximize, but are they going to cut those trees with their hands? Let us allocate money and give them sawmills. These people, if you go to Ranadi, you will see cubic there, and that is done with the use of only chainsaws. But if they can have the Lucas Mill, I am sure they are going to participate and increase their revenue in their participation in this economic activity; this is better than logging when they just sit there watching their forests taken away by loggers. Let us have the vision and do the right thing for our people in terms of addressing their own basic needs; they have their resources we just need to support and enhance them.

Before I conclude I want to touch very briefly on public sector reform. This is an important ongoing program for every government. We have achieved an effective, efficient, competent and trustworthy public sector, our delivery machinery. Effective service delivery is critically vital to grow our economy, hence the importance of our reform program. We continue to look at our public sector, harness them so that they become effective and efficient to deliver the services.

Reforming ourselves as leaders too is critical and important. We are the leaders and we must lead by example. That is the challenge to this 9th Parliament. The policy statement of the NCRA Government and the Budget Speech challenges us to be more responsible. We have a responsible budget; let that be reflected in ourselves as leaders because we are here to make the difference as stipulated in our budget.

If we are not careful, then those people in the public service are only following their leaders. If the Minister does it, and the bosses are doing it, why should I just watch, I must do it too. That is an existing problem in our service, and it is good that we recognize in our program of reform on the public sector. There is need for quality leaders and there is need for reform, and that is our choice.

To conclude, I want to take this opportunity to once again thank the honorable Minister of Finance and Treasury for this Budget and his Budget Speech. My good people of West Are Are constituency, the chiefs, church leaders, men and women and youths wish the NCRA Government and the Prime Minister every success in its implementation of the 2011 Budget. Sir, I thank you for the opportunity for giving me

the floor of parliament to contribute to this very important Bill. May God bless our budget and bless our country Solomon Islands. I support the motion.

Debate on the Bill adjourned to the next sitting day

The House adjourned at 5.06pm