

THURSDAY 12TH DECEMBER 2013

The Speaker of Parliament Sir, Allan Kemakeza took the chair at 9:41am.

Prayers

ATTENDANCE

SPEAKER'S ANNOUNCEMENTS

Mr Speaker: Honourable Members, I wish to inform the House of the following letter of appreciation that I have received from the presiding officers of both Houses of the New South Wales Parliament for the successful hosting of the Regional Youth Parliament in September. (*Quotes the letter*)

Dear Sir Allan, we are writing to express our sincere appreciation for the National Parliament of Solomon Islands' hosting of the Regional Youth Parliament in Honiara in September 2013. The professionalism of your staff and the support of the Solomon Islands Government for the event made it a tremendous success, despite the unfortunate absence of our twinned parliament of the Autonomous Region of Bougainville. We both made statements to our respective Houses on Tuesday 15th October, formally acknowledging the contribution made by all participants and acknowledging the organization and efforts of staff of the National Parliament and the Solomon Islands Government. Extracts from the transcripts of the proceedings in the Legislative Council and Legislative Assembly are attached for your interest. The relationship that the NSW Parliament has with the parliaments of

Solomon Islands and the Autonomous Region of Bougainville is something we highly value. We are very happy that young people from New South Wales have had the opportunity to see for themselves the way in which young people of Solomon Islands are engaging with the political process and addressing issues of concern in their region. Yours sincerely, the Hon Shelley Hancock, Speaker and the Hon Don Harwin MLC President of the NSW Parliament.

STATEMENT OF GOVERNMENT BUSINESS

OBITUARY SPEECHES

Mr Speaker: Honourable Members are aware of the passing of the former President of South Africa Mr Nelson Mandela on the 5th of December 2013. The Honourable Member of Parliament for Aoke/Langalanga has requested to do an obituary speech. I will allow obituary speeches in respect of and in memory of this great leader under Standing Order 13 (1) (j)."

The Honourable MP for Aoke/Langalanga should have been the one to move the speech but since he is not here I will give the opportunity to the Honourable Prime Minister to

Before we proceed with that speech, it is customary and proper that we all pay tribute to and remember one of our world's leaders, the late Mr Nelson Mandela, former President of South Africa. May I please ask all Members, and members of the public present and listening in to rise and observe a moment of silence with me in memory of this late great leader.

The House stood for a minute silence in honour of the late Nelson Mandela

Hon. GORDON DARCY LILO (*Prime Minister*): As we all know that from a week ago from today, on the 5th December 2013, the world lost one of its true sons, described as a Giant of a Man, Nelson Mandela of South Africa. Right across the world leaders, celebrities, communities and members of the public have been paying tribute to the late Nelson Mandela. It is also fitting that we as leaders of this nation pay him tribute, reflect on his life and see how the principles he stood for apply to us as people and nation.

People around the world continue to mourn Nelson Mandela who died at the ripe age of 95, simply because of his struggle against the apartheid regime in his country and the change he brought to the lives of ordinary people. He has passed on a legacy probably bigger than himself and his African National Congress.

Why is this man so famous? Just some 40 years ago in South Africa under the apartheid regime, themes like oppression, segregation, prejudice and discrimination based on race were the principles of government and the principles of ordering human society in that country.

Nelson Mandela's life was basically a fight against those forms of oppression, injustices and bad government. Today many leaders and people around the world now celebrate what he stood for and the many sacrifices he took during his struggle. But in those days he was alone. He was imprisoned for his beliefs, called a terrorist and even shunned by the international community. And if I could recall, I think it was only in 2008/2009 that he was removed from the US list as a person known as a terrorist. But yet during his ordeal he never lost sight of basic human ideals; that of freedom where all people can live in peace alongside each other. Although at times he was stressed he continued to advocate for peace, forgiveness and reconciliation and this is the reason why he was famous. All over the world he is seen as a hero basically because of his vigour, courage and determination to salvage a struggling our society.

During his reign as the president of South Africa, he was respected for his courage and wisdom in bringing people together to live in peace. In context, this is

not surprising because during his struggle and the fight against the apartheid regime, he made remarks which reflected an ideal society in which people of many races and different backgrounds would live together. One such remark is, and I quote *'during my lifetime I fought against white domination and I fought against black domination. I cherish the ideal of a democratic and free society in which all persons live together in harmony and with equal opportunities. It is an ideal which I hope to leave for and to achieve, but if need be it is an ideal for which I am prepared to die'*. These words characterised the essence of Mandela in his journey to end apartheid in South Africa. It is these words that characterise his courage, commitment and leadership to ensure there is a multicultural society in Africa. And as clearly stated by Richard Stengel who co-authored his biography "The Long Walk to Freedom", and I quote "His great task as the first democratically elected president of South Africa was to be the father of his country, to unite a divided battle scarred land into one nation", and therefore he had lived to his own words come to pass in South Africa.

Nelson Mandela's devotion for a peaceful co-existence between people of different races and cultural background must be an important life lesson for us. Such should be an ideal all of us should live for in order to build a better society for ourselves, our children and those who are yet to come. Nelson Mandela was a prolific and profound leader and he will be remembered as one of the world's most respected statesmen ever to have lived. I concur with what Mr Mandela's long time ally, the Anglican Archbishop, Emeritus Desmond Tutu who described him as an "incredible gift to South Africa". I would like to join other world leaders in saying that Nelson Mandela is an incredible gift to the world. The reason is clearly stated by Archbishop Tutu who said Mr Mandela taught us extra ordinary practical lessons about forgiveness, compassion and reconciliation. And this amongst other factors is the hallmark of his great leader. It is also because of this very fact that he won the hearts of many famous world leaders, academics, celebrities and people of various institutions and people of all races. As a way forward for this country, virtues such as forgiveness, compassion and reconciliation need to be advocated by national

leaders and any government of the day. We should mould and ground these virtues within us, as leaders we should champion of these virtues. These should be part of our leadership styles. These virtues are important for leadership that is positive and have an impact on our people.

Mr Mandela is one of the most loved and admired individuals of the 21st century who never claims any success for himself and never spoke down on anyone and always tries to hide his weaknesses. He appeals to the common people and that is why people were moved by his words. The underlying truth is that his words directly link to his values and principles. This is a challenge we must continue to rise to in order to make a difference in our time.

Mr Mandela dedicated his life to transforming South Africa, his country of birth but he has also changed the entire world. The lesson he taught us is an unflinching devotion to hope can triumph over any tyranny no matter how powerful. It is timely that I quote from him, a quote that has inspired many people in their fight for a better world. This is what he said; *“I am fundamentally and an optimist whether that comes from nature or nurture I cannot say. But part of being optimistic is keeping ones head pointed towards the sun and one’s feet moving forward. There were many dark moments when my faith and humanity was surely tested, but I would not and could not give myself up to despair.* Mr Mandela’s life also demonstrated the need to work and stand together for the advancement and improvement of the society. For instance, on the 2nd of May 1994, at the African National Congress victory celebration in Johannesburg he said: *“I hold out a hand of friendship to the leaders of all parties and their members and ask all of them to join us in working together to tackle the problems that we face as a nation”*.

In tackling the problems of his nation, Nelson Mandela reminds us that we need to work in partnership for our own advancement as a nation. As leaders of this country, we need to put this into practice and I believe the words clearly spelled out by Mr Mandela point to the need for us to work together. In his own words as taken from one of the conversations he made with his co-author Mr Richard Stengel of his

biography, he said “My concern is always to bring people together”. Leaders, what do we need to do here? I believe we need to put our heads together for our country to advance into the future. But I am sure that you will all agree that one of the undeniable truths about this great leader is that he was a destined leader. He was born into a family of leaders and therefore from his childhood days he learned to be a leader for the people. From a very early age, he learned to shoulder the burdens of the society. His experiences under the Apartheid Regime gave him the impetus and moulded him into an outstanding leader for South Africa and the world at large. And I believe that the high-water mark of his leadership was when he became the President of South Africa and in that he clearly demonstrated one thing and that is he buried the past and looks forward and not backwards.

Madiba has shown us an important roadmap in our development aspiration to bury our dark past and look forward into the future. But we all cannot be like Nelson Mandela, and I concur with the President of the United States of America, Mr Obama, who said that “though we will never see the likes of Nelson Mandela again, but we can make his life work our own”. I think the strengths of this great icon which I have just briefly painted out are some of those worth good thoughts for us. The world will certainly miss this great leader, however, one thing is clear that his great work in South Africa and what the world learn from him will always linger on. For that we can all say farewell Madiba, farewell Nelson Mandela, son of South Africa, the beacon of hope for the world and may his soul rest in peace with our good Almighty Lord.

Mr Speaker: Thank you honourable Prime Minister. I will now give opportunity to other members of Parliament to make their speeches in this regard and I will limit your speech to 10 minutes so that we can proceed to other business.

Mr PETER SHANEL AGOVAKA (*Central Guadalcanal*): I too would like to contribute to this motion in saying welfare to Madiba, the great Nelson Mandela of South Africa.

I do not know how many of us in this House have the opportunity to visit Pretoria, Johannesburg or Soweto for this matter and more specifically to visit the house of this great man in Soweto. In 1997 I had the opportunity to go to South Africa as I was part of the Pacific and Africa delegation that went to Pretoria for the International Labour Organisation (ILO) meeting. We had the opportunity at that time to visit Mr Nelson Mandela's residence at Soweto.

My personal experience when I went into this little house was of solemn serenity. It was his house before he was taken as a prisoner and locked up in jail. It was a very simple house with simple bedrooms and a desk and table on which he used to sit and write. On the other side of the street is the residence of his wife, Winnie Mandela. But my personal visit to his house, as I said and I will repeat, is of solemn serenity, especially feeling the air of this great man, the champion of human rights; freedom from Apartheid, freedom from minority rule and freedom for the people of South Africa.

I also had the opportunity to visit one of the Apartheid museums in Johannesburg, South Africa and took us an hour to go through this museum. I was very emotional when I learned of how apartheid started in South Africa and the atrocities committed. If one goes through the museum, they will see a lot of these things. One of the things that came out clearly was the work of Mr Nelson Mandela, the 'Madiba' in trying to put an end to apartheid in South Africa. After we visited the museum we came out and there is a pool there that people can throw coins inside and make any wish they want. One of the wishes I made when I tossed in a coin to that pool was that I wish peace and freedom will continue to exist in South Africa. Such is my personal experience of South Africa, Johannesburg, Pretoria and Soweto, places that house this great leader.

On behalf of my people and me we would like to wish the families of Mandela, comfort and God's protection and may the 'Madiba' legacy lives forever with us who love freedom and human right. Good bye 'Madiba' and may God bless you.

Mr DEREK SIKUA (*Leader of Opposition*): Mr Speaker before I go on to make my eulogy speech to the late Nelson Mandela, I would like to apologise for coming in late. As you might know I have just arrived back from the Rennell/Bellona province early this morning. We went there to do consultations on the CDF Regulations and I brought back two messages from the Honourable Premier of Rennell and Bellona province for the Prime Minister. First of all, he would like to give the Prime Minister and his government very best wishes for the Christmas season and a prosperous New Year and the second message is to ask the Prime Minister not to forget his promise to the people of Rennell and Bellona province. I would like to dispense with those two messages before I continue.

With that I would also like to thank the mover of the Motion to move that we make a eulogy speech in memory of the late Nelson Mandela. When the late Nelson Mandela passed away on Thursday last week, I as Leader of Opposition sent a condolence message to the government and the people of South Africa through our Ministry of Foreign Affairs and International Trade here in Honiara on behalf of Members of the Opposition Group. My condolence message reads:

"To the government and the people of the Republic of South Africa through the Ministry of Foreign Affairs and International Trade, Honiara, Solomon Islands. From the Leader of Opposition, the Hon. Dr. Derek Sikua, MP, National Parliament of Solomon Islands

It is with profound sadness that I and the Members of the official Opposition of Solomon Islands and our families learned of the passing

away of one of the greatest founders of the modern democratic South Africa, Nelson Mandela. The world has lost a heroic leader who has inspired the world with his unwavering devotion to liberate his country from oppression. The late Mr. Mandela has taught the world what true leadership is all about. He fought for freedom and justice for the people he loved and we owe it to him to continue such selfless act wherever we are in the world. Please convey our heartfelt sympathy to his dear family and the people of South Africa in this time of national mourning and may you all take comfort in the wonderful memories of this great man. May his soul rest in peace”.

That is the message I sent through our Ministry of Foreign Affairs to the people and the government of South Africa on behalf of the Opposition side.

As you know, the late Nelson Mandela was lauded a giant of history and one of the greatest leaders of our time. As you may know, a memorial service was held in a stadium in South Africa where about 100 world leaders attended. This was Tuesday last week and I am not sure if our government has sent someone to represent Solomon Islands on that occasion to farewell and bury this great leader. But at that memorial service, the President of the United State of America, President Barak Obama was present with the UN Secretary General as well to **10.12** farewell and pay tribute to honour the great service of this freedom fighter, a prisoner, a president and a Nobel laureate that gets South Africa out of apartheid. Those of us who came through the Cambridge School of Certificate, especially those of us that came through the Solomon Islands School Certificate and studied history in school would know what apartheid and the situation in South Africa is. And this great man led South Africa out of apartheid.

This man, Nelson Mandela came through very difficult times in his life. Of course, we know he was in prison for 27 years but well before that he led the struggle against apartheid in South Africa and his struggle was our struggle. His

thoughts are also our thoughts and in the end his triumph is also our triumph. His dignity and the hope we find in late Nelson Mandela is what he has expressed throughout this life. Also the freedom, the democracy that he brought to his people in South Africa which is cherished today is something we think of today.

We thank the people of South Africa; the world must say thank you to the people of South Africa for giving birth to this leader. We thank South Africa and we join other people around the world to thank the people of South Africa for giving us and for sharing the life, the triumphs and the struggles of Nelson Mandela with us. It is true that he is one of the greatest leaders of our time, and not only South Africa has lost a hero but Solomon Islands as well, and we have lost a fighter. I think we as politicians have also lost one of our colleagues because Mandela is also a politician as we know. He is a colleague who shows us the way with a heart that is larger than life and a heart for his people. We as politicians have also lost a mentor and someone that we can look up to when we aspire for how we should lead our people.

As you know, Mandela has been in prison for 27 years but when he came out he does not have any ill feelings and grudges against anybody. He has the mighty power of forgiveness and in his ability to forgive and embrace his brothers and sisters, he has the ability to forgive and embrace his brothers and sisters who inflicted so much pain and so much hurt to him, and not only to him but millions of other fellow South Africans.

I know you have given us only 10 minutes and I think I may have already expended my 10 minutes. I was not prepared for this as well because I was on my way here when I heard about this motion but with those few words I would like to say that we have certainly lost a leader, a friend and may his soul rest in peace. Thank you.

Mr MILNER TOZAKA (*North Vella Lavella*): I join the Prime Minister, the Leader of Opposition and the Member of Parliament for Central Guadalcanal who have already spoken in supporting this Motion. The passing away of the former South

African President, the late Nelson Mandela on Thursday 5th December at the age of 95 is indeed a great loss to his family, his people and country and the world at large as a global village who knows him as a great leader. The late Mandela would be remembered as a man of vision, a man who loves his people and country. The Prime Minister quoted some words of Mandela's speeches so I too would like to quote an inaugural speech he made in 1994, and I quote:

"We understand it is still that there is no easy road to freedom. We know it well that none of us acting alone can achieve success. We must therefore act together as a united people for national reconciliation, for nation building, for the birth of a new world. Let there be justice for all. Let there be peace for all. Let there be work, bread, let there be water and salt for all. Let each know that for each the body, the mind and the soul have been freed to fulfil themselves." End of quote.

The late Mandela is also a God fearing man and this is what he said and I quote: *"Actually, who are you not to be? You are a child of God. Your playing small does not save the world. We were born to make manifest the glory of God that is within us and as we let our own light shine, we unconsciously give people permission to do the same. As we are liberated from our own fear, our presence automatically liberates others."* End of quote.

This speech by this great man, the late Nelson Mandela also reminds me of another great man like himself too who wrote his speech when he was in prison like Mandela. This man is St. Paul and St. Paul says this, and I quote: *"The attitude you should have is the one that Christ Jesus had. He always had the nature of God but he did not think that by force he should try to become equal with God. He was humbled and walked the path of obedience all the way to death."* End of quote. Having said these, what can we learn from this great man, the late Mandela? There are many lessons that we could learn from him. The Prime Minister and others have already alluded to some of

them but I just want to pick three of them and the first one is humility. We need to be humble and full of forgiveness like him, for example, when he came out of prison and abolished the apartheid government that put him in prison in the first place during the segregated society, instead of this person engage himself in the business of pay back like we would usually do, he forgave everybody. He even forgave the jailer, the prison officer who put him in prison but did not treat him well. When he walked out free he had coffee with that particular jailer. We also need to be like him in our commitment to democracy that he also stepped down from power for only one term in office. That again is humility.

South Africa has indeed lost a leader who sacrificed, devoted and willingly gave up all he had to bring about freedom and democracy for his people and country. On his deathbed surrounded by his family he made it clear that love, patient and tolerance were most important. That is what he said. On behalf of my people and myself, I would like to take this opportunity to convey our deepest expression of sympathy and condolences to the family of this great man and the people of South Africa as they mourn the passing away of this exceptional and remarkable leader during our time. Thank you.

Mr JOHN MANENIARU (*Leader of Independent/West Are'Are*): I too would like to join the honourable member for Central Guadalcanal, the Leader of the Opposition and the Prime Minister for their eulogies on the death of a great leader, Nelson Mandela and I too support the motion.

As we all know, Nelson Mandela is an international hero for justice, freedom, human rights and a champion for democracy and reconciliation. Indeed, as the chorus was sung, the world has lost a giant father, Africa has lost a son and a father and it is his legacy at this juncture that gives us the opportunity to share our sympathy on behalf of this country and our constituencies as well as to give us time to reflect on his great legacy as a leader.

If we were to ask the question, when did apartheid ended in South Africa, it ended in February 1990 when President FW de Klerk announced the release of late Nelson Mandela from the prison cell. That is when apartheid ended. This reminds us of this hero that of the 95 years he lived on this planet earth he stood for freedom, human rights and democracy and he championed reconciliation in his country and that has flown to the ends of the world.

I would like to reflect on a speech presented by the late Nelson Mandela on his 90th birthday when he appealed to the rich to give great assistance to the poor. He said there are many people in South Africa who are rich and can share those riches with the not so fortunate who have not been able to conquer poverty. Mr Speaker, I would like to reflect on that to our situation as leaders of this nation who are also struggling with poverty, but not as bad as South Africa. At this juncture, if this call can penetrate into our hearts as leaders of this country, let us live this legacy in our leadership to fight proactively with all efforts and energy we have to give assistance wherever we can under our rights to our citizens of our country who are in need of us, our leadership who are heading into poverty.

May I also reflect on a dream that the late Nelson Mandela has for South Africa and I quote: "I dream of an Africa that is in peace with itself. I dream of the realisation of unity of Africa whereby its leaders, some of whom are highly competent and experienced can unite in their efforts to improve to solve the problems of Africa". I pray that the God Almighty who has taken his son, the late Nelson Mandela into His Heavenly Kingdom will by His Holy Spirit help leaders of Solomon Islands to live this dream of this great leader so that we can help our country follow the footsteps of this leader. As this leader led his country out of Apartheid, we can also lead our country out of poverty that is facing our country at this time. He is an international hero, a son, father and grandfather of South Africa. His life speaks volume. It is a giant shoe for anyone in this planet to fill, but we can help promote his legacy of peace, unity, caring for the poor, caring for the needy and providing the leadership of sacrifice for our people and the people around us that

needs help. Those are some reflections I would like to share as part of my eulogy on this motion. The people of this world are farewelling this great leader and I thank the Honourable Prime Minister for moving this timely and appropriate motion for us leaders of Solomon Islands in this Honourable House and on behalf of our people to also farewell this great leader.

Mr Speaker, on behalf of my people of West Are'Are Constituency, I join all leaders of this Honourable House to bid farewell to late Nelson Mandela. May God bless South Africa and may the soul of late Nelson Mandela rest eternal with the God Almighty.

Hon CONNELLY SANDAKABATU (*Minister for Planning & Aid coordination*): Thank you for allowing me this brief moment to also pay tribute in words to a great world leader, the late and former President of South Africa, Nelson Mandela.

On behalf of my good people of Northwest Choiseul Constituency, the Choiseul Province and in unison with the rest of the country and the world at large, I hereby extend my humble and sincere words of condolence to the wife, the children and the people of South Africa at the passing away of their great leader, the late Nelson Mandela.

Indeed, the late Nelson Mandela was a man of great vision, patience, courage, endurance, humility, strength and above all an unwavering faith in achieving the dreams of his people by shattering apartheid through non-violent principles. His passing away brings to a closure a beautiful dream of the people of South Africa and the world of which we are also a part of. His people and his beloved country of South Africa are now able to enjoy the freedom for all which many of us are taking for granted. The late Nelson Mandela was indeed a great man though simply, humble and humane. He has left us a wonderful story of a true leader. The late Nelson Mandela has raised a new benchmark for what a true leader should be. His life exemplifies all the leadership qualities we all aspire to have. His life's example will be the mirror of measure for world leaders of today and tomorrow.

One of the very few bright lights of the world has now grown dim and fades into eternity but his legacy remains with time. For now, I join the world in thanking our Almighty God for the life of this great man. He has lived this life in all its fullness, both in war and in peace and in slavery and freedom. Now his spirit is free at last and may his soul rest in peace.

Hon. DICK HA'AMORI (*Minister for Education & Human Resources Development*): I feel obliged to stand and say a few words of recognition and acknowledgement of this great man, the late Nelson Mandela, on behalf of my people as well as the education community of Solomon Islands.

I have some heroes like you also have heroes; some of them are most prominent icons that I cannot help but mention them now are such people as Abraham Lincoln, (they are of a different class and that is why I have to mention them) the great Mahatma Ghandi and Mikhail Gorbachev. Rarely do we mention these names and that is why I have to mention them. And another one is FW de Klerk. I consider these men giants as well and, of course, the one that is the subject of our debate in support of the motion this morning.

Nelson Mandela is a great person indeed and I guess he is great for what he stood for and that is what we need to always remind ourselves of. If we think that Mandela is great and deserves the honour as expressed by the various statements we made in this House, it is because of what he stood for. And what did Mandela stand for? He stood for human emancipation. That is what he stood for; the freedom of humanity. And he did it in a very interesting way. It is only interesting perhaps because that is not the way 90 percent or 99 percent of us would do it. He did it differently; just like the other heroes that I have mentioned.

This man is a giant, perhaps and I do acknowledge that he is a giant. The size of his personality can only be understood in the context when it is contrasted with what he stood against amongst others; apartheid. As some had already mentioned, I think the Honourable Leader of Opposition said that we studied some of these in

our high school days, and some of the things we read and told about the system that this great leader stood against have etched into our minds. I could not wipe out the apartheid from my mind, what the system had done. So the seriousness of the apartheid, this person among his colleagues and I must also acknowledge them, must be bigger than the evil known as 'apartheid'; it must be bigger and that is why this person is worth mentioning and I very much appreciate about this motion.

Having said that, I would like to also make mention now in comparison with this great leader, Nelson Mandela, because we tend to forget those that make things happen. Mr F.W. de Klerk, although we quickly forget about him, but if you read about him he is very instrumental in also undoing the apartheid system so I think he deserves some mention as well when we mention Mandela this morning because he had arsenal in his hands. He could have decided differently but he did not, he decided for what Mandela stood for and together this great man undone the evil apartheid system.

In conclusion I just one to say that the greatest honour we can give to this world icon is to emulate and uphold his ideals. That is the greatest memory we can have of him. I noticed many statues erected outside of the Westminster Abbey and to my surprise I also saw Mandela's statue standing there with the likes of Sir Winston Churchill and other great English men who made England what it is today. Among them is this person Nelson Mandela and it clicks something in my mind about this man that he must have been a big leader. His memory therefore should not only be in that statue but in how we uphold his ideal; what he wanted to see happen. That would be in my opinion the greatest statue and the greatest memorial we can give to this man. With these few remarks I say shalom Mandela.

Hon MATTHEW WALE: Mr Speaker, my apologies for coming in a bit late. All the things I heard the Prime Minister said about this man while travelling in my vehicle are very true. The statue of this man is one of the greatest who has ever lived in this world through history and yet also a servant. He is not a person that wants to exalt

himself. We see him as a giant because he is a servant of his people. This reminds me of somewhere in the gospels where Jesus says whoever wants to be great among you must be the servant of all. I think it would be remiss of all us not to reflect on this thought that the pathway to greatness is servant hood through honest, sincere servant hood. It is good for us to think about this.

Some of us have seen the movie about this big man called invictus, and this word invictus means unconquerable; his soul, spirit cannot be conquered. His devotion, commitment and passion were on high ideals. Ideals that all of us regardless of our creed which is common to humanity; the ideals of justice, equal opportunity, peaceful coexistence, ideals of grace, of love, forgiveness, renouncing pay back or revenge. These are ideals that we would also do well to reflect on for our own leadership in this country and our own society because we too have struggled with ethnic regionalism, greed that corrupts the heart, the propensity for violence which is merely below the surface, racism, sectarianism and this payback culture that is plaguing our society and leadership. I think if we reflect on those ills and reflect on our own individual roles as leaders in overcoming these challenges as we reflect on the life of this man that he lived his life to inspire his country, he lived his life to inspire the world and it must inspire us so that as we reflect in our own small corner of the world and in our own small ways or big ways in the role that we are playing in our nation and society that we too will find in ourselves the longing and the desire which is in there to be good, to do good and be gracious, be loving, be forgiving and to pursue and seek justice and to actively and live actively renouncing payback and revenge and to work for that which is good for everybody in our society.

When we are fully committed to these ideals and there are no other little things that will cast a shadow of a doubt on our commitment to these ideals, then we in our own little ways too can be invictus, we can be unconquerable in our commitment to the broader good of humanity as we have it in our society.

As we reflect on the life of this man, it is time for us to pose and reflect on ourselves and our country as we do when we reflect on even our relatives when they die. We think about the good things they have done, and perhaps we do not agree with some of the choices they made and we reflect on our own lives and see how that life inform our choices and how we live our lives.

I do not want to quote a lot of the things that other speakers have already quoted that points to the greatness of the soul and the spirit of this man, but I think all of those points to one particular trait or character of this man, and that is humility. As the Prime Minister said during his speech earlier on today when he spoke, he is not a man who sings about himself, he is not a man who pushes himself, he is not a man who tries to step down on others or quench the spirit of others. But he is a man who is totally humble and is willing to serve. He is someone whom his people and colleagues recognize his leadership and his servant heart and put him in the rightful place for this servant heart to lead their nation.

We know in Africa and other nations that in their struggle for independence, freedom struggle we know of people like Mugabe in Zimbabwe who chose a certain direction. We know of Idi Amin who chose a certain direction. Mandela could have chosen a similar direction or some other directions but he was a servant and chose embracing of humanity as found in South Africa as the way forward for that country, and we would dwell to reflect on that for our own little part of the globe.

I would like to add the voice of my people to this chorus and say, 'we do appreciate the live of this great man. We reflect on the life of this great man and we pray that we will find in ourselves here in this House, in our provincial assemblies, in our chiefs and church leadership, women leadership and youth leadership right throughout our communities throughout our lovely islands, the longing to be given the opportunity to embrace each other and to move forward.

This person also sees the establishment of the Truth and Reconciliation Commission which inspired our own truth and reconciliation commission process. He sees it right through to the end and a report is published. Their situation is much

more aggravated and accentuated than our own, but he sees it right through and he never once flinch from any single purpose in his desire to see reconciliation and however sensitive cases might be, comes out in the open. And because people trust his leadership and maturity and responsibility with which he has with his people, his people trusted him and his colleague, the Archbishop Emeritus Desmond Tutu to carry the nation together through that difficult time.

We have also come through difficult times and I urge the Prime Minister to lay the Truth and Reconciliation Commission report before Parliament in the spirit of Mandela so that all of us can embrace each other and deal with the issues and recommendations contained in the report. Like Mandela we can trust each other to hold each other's hands so that our people can trust that we are mature enough to deal sensitively and responsibly with issues contained in that report. With these few remarks, I thank you for the opportunity.

Mr. JOHN MOFFAT FUGUI (*Central Honiara*): I would like to thank you for the opportunity to talk about Mandela this morning and also for the Prime Minister to agree for it to be put in the order paper today. But I would like to remind you of one admin need we need to put there. If we put on No. 4 in terms of the business for today, obituary speeches, we must put it as in honour of Nelson Mandela. Otherwise in posterity when they read obituary speeches they do not know who these speeches are in honour of. This is very important. My apologies I did not listen to what the Prime Minister said because I came in late.

There are two important things about Mandela when he died on the 5th of December this year. The first is that he is not a rich man. Second, he was not alone. When Mandela strands the streets of Soweto when organizing his advocacy group to fight against the operation of what is called apartheid or separateness in simple language, he was a black man. That blackness and the honour he had is because of the deepness and of the darkest of South Africa and the whole of Africa. That is what Mandela is great for. He was a leader and he was a black leader. We should

never forget that, so that if we say that apartheid has ceased in 1990 when FW de Klerk said it when he first had a cup of tea with Mandela and they talked about the beginning of the end of the apartheid and apartheid ends, I would like to say that that is not true. Apartheid now is all over the place and as leaders we must stand aware of what apartheid in terms of the different manifestations it will show out in our country.

The worse thing in terms of what Mandela has done and has done greatly is that he did not oppress his own people. If we are black people and we oppress ourselves, then that is the worst form of oppression, that is apartheid. We must be very careful with that so that when we lead we must lead very well, we lead divinely and we lead with holiness and righteousness in our country. This is very important. When you do that wealth, money, resources and other things will come and it will not be problematic to us but it becomes the problem of divinity. I agree that Mandela was a religious man and I think the whole of Africa and all black people all over the world were praying for him. He was not great because he was Mandela. No, no, he was great because he was not alone, so we thank God for that. I hope you take into account not to applaud people for nothing but to do something about it.

Finally, the whole of Africa is around 900million people, almost a billion people and there is no representation in terms of Solomon Islands as a country in Africa. I have mentioned this in the past and I am going to mention it again. In terms of the legacy of paying tribute in terms of obituary speeches this morning, we must make sure that we join with black Africa as black people. The world is divided already, even before Mandela came in, in the early 1960s; it is already divided into white, black and the rest of the country in between. We thank Mandela for highlighting this when he staged his race against apartheid because he not only looks at Africa. He was drinking tea with Suharto in Indonesia and he also did the same with Dr Mohammad Mahathir in Malaysia as well. He also had tea with the

President of India and he also had tea with the former Prime Minister of Australia, John Howard.

And so the struggle was a global struggle specifically to cast out darkness from Africa so that Africa does not remain in the dark any more but its people are seen as a people because even before that they were not regarded as a people. I do not want to give too much applaud to Britain because when apartheid was still on, Britain was still benefiting from the gold and diamonds in South Africa. As leaders we must be careful of such when we deal with people that we should respect them but make a difference in terms of who we are sharing with, who we are even sleeping with or even trading with. Mandela was very, very careful about that. Peace pervades his heart; he was not a violent man. But he was violent in the sense that when he needed sunglasses (if we can use sunglasses as an idiom that we can read politics or history with) he was not given any sunglasses and that is how he lost his sight on Robben Island all because he was not given any sunglasses although he asked for sunglasses. That is the depth of darkness of apartheid at that time.

I want to thank the Prime Minister and I want to thank you Mr Speaker, but make sure as leaders we must be careful that even the smallest and least of all people in our country must not lose out in terms of the greatness we have learned from the late President and the late noble laureate Nelson Mandela today. I want to thank you and the Prime Minister for putting this obituary speech in today's Order Paper for us to pay our respect to Mandela.

This kind of speech should not take 10 minutes but it should be a whole day's affair where in the end, we may have a Holy Communion or a mass or whatever our religious rituals are and then we celebrate this great leader because he lived for 95 years, but he was on Robben Island for 27 years waging a fight he believes in that does not belong to him because of the very reason that he was a black man. On that note, I want to thank you.

Mr Speaker: That concludes the business of the obituary speeches.

BILLS

Bills – Second Reading

The 2014 Appropriation Bill 2013

Hon RICK HOUENIPWELA (*Minister for Finance & Treasury*): I am honoured and most humbled as the Minister for Finance and Treasury to present to this Honourable House the 2014 Budget on behalf of the Government and the nation of Solomon Islands. The Government has articulated an overarching theme for the 2014 Budget. The theme is “Making a difference in the lives of our people and striving to do better with existing resources”.

The Budget that I present today will deliver \$3.5billion of spending to provide services to all Solomon Islanders. This Budget also provides \$34.6million to cover the potential for unforeseen and unexpected needs. This Budget is a sound and responsible budget which will ensure economic stability and is fiscally sound. In keeping with the government’s development priority focus, almost half of all the new measure is directed towards rural development and other economic affairs. This investment is met despite a slowing rate of revenue growth and a decrease in funding from our donors. The Government will continue its policy to invest in rural economic development in the pursuance to spread the nation’s wealth equally across the country.

In addition, this Budget takes forward a process of implementing the Government’s public financial management reform agenda which is designed to increase public and donor confidence in the Government’s public finance systems and processes. A key change in 2014 will be the implementation of the Public

Financial Management Act 2013, which was passed by Parliament on the 12th of September this year.

Before I provide further details on the 2014 Budget, I would like to provide an overview of the economic outlook of the country. Growth in 2012 was supported by improvements in telecommunications, construction, manufacturing and the trade & services sector aided by increased donor inflows. Exports of all major agricultural commodities such as palm oil, copra and cocoa recorded a decrease in volume and value during the year due to softening global demand and declining commodity prices.

The outlook for Solomon Islands economy provides the reference point for the 2014 Budget envelope. This outlook is becoming increasingly challenging because most of the key contributors to growth have been slowing down over recent years. This was largely driven by a number of factors, including a sharp contraction in agriculture output, a levelling-off in log production and lacklustre results in gold production. Real economic growth, however, is forecasted to increase slightly from 2.6 percent in 2012 to around 2.9 percent 2013 as a result of solid growth in the construction, manufacturing and the services sectors. Growth from these sectors is expected to offset weaker production in the mining and primary production sectors.

Growth in the forestry sector in 2013 is forecasted to retract slightly emanating from log production having reached a plateau at around \$1.8million cubic meters. That represents a fall from the previous year's production level. In terms of gold output, it is expected to moderate to around 60,000 ounces in 2013 before recovering to remain steady at around 65,000 ounces from 2014 onwards.

In 2014 real GDP growth is expected to accelerate to around 4 percent. This reflects increased contributions from the agriculture, fisheries and services sectors. Growth in the agriculture sector is forecasted to accelerate in 2014 due to expected firming up in prices of major export commodities. The contribution of the industry sector is forecasted to increase in 2014, which will support real GDP growth over the

medium term, reflecting the impact from strong investment activities in the manufacturing and construction sectors.

Inflation is the key driver for the cost base for the recurrent budget, including payroll and other costs relating to delivering government services. It also has an important impact on development budget costs. In 2013, overall headline inflation is forecasted to average around 6 percent as international fuel and commodity prices moderate. In 2014, core inflation is forecasted to moderate slightly at around 5.5 percent.

Let me now take us into the fiscal outlook of the economy. In conjunction with the tabling of the Budget in Parliament today, I am also releasing the 2014 Medium Term Fiscal Strategy (MTFS). The Medium Term Fiscal Strategy is the Government's framework for presenting the state of the economy. It also identifies the challenges which Solomon Islands faces, and articulates the Government's plan for meeting those challenges. The 2014 Budget is consistent with the MTFS and importantly includes forward estimates for both the recurrent and development budgets. This allows for forward planning and prioritising of expenditure in the knowledge of the level of financial resources that are likely to be available in the medium term. However, funding for spending will continue to be tabled before Parliament for appropriation on an annual basis.

The state of the economy is the key driver of government revenue and subsequently the overall funding capacity over the medium term. Funding in the Consolidated Budget has grown strongly over the last few years. Between 2006 and 2012, total consolidated funding increased by an annual average of around 22 percent. Domestic sourced revenue grew by an annual average of 24 percent during the same period. This growth was driven by strong economic performance in that period.

In 2012, the Government's fiscal position was strong, resulting in a recurrent fiscal surplus. Domestic revenue increased by around 12.8 percent, driven by general economic activity and through improved tax collections reflecting

improvement in revenue administration. The Government continued to build up its deposits in the banking system to meet its policy objective of maintaining cash reserves equivalent to at least two months of recurrent expenditure.

In 2013, revenue is forecasted to grow at a slower rate of around 5 percent, compared to the annual average of the 22 percent growth achieved between 2006 and 2012. The slower growth in 2013 largely reflects a decline in the level of export duties due mainly from logs and a modest fall in non-tax revenue. The revenue outlook is expected to remain subdued over the medium term, reflecting slower economic growth and the projected decline in the level of export duties, especially from round logs.

Important still, revenue growth is not expected to keep up with nominal economic growth. This is the result of the expected slowdown in export duties from round logs and ongoing challenges in non-tax revenue collection where further reform effort is required from collecting Ministries. Generating sufficient revenue to fund goods and services to all Solomon Islanders is largely dependent on pursuing the economic growth agenda.

With the decline in the logging industry in the coming years and the consequential fall in revenue, coupled with the ongoing need to increase public spending, it is important that Government invests in other sectors of the economy besides agriculture and mining to expand the revenue base. To that end, the government must improve, strengthen and grow sectors such as the fisheries sector with a significant potential to bring in more revenue for the country. This will however require strong coordination within government across all line ministries and with the private sector to identify areas of growth, identify and remove impediments and ultimately raise the level of government revenue. These actions however swift they maybe are not expected to improve government revenue overnight. Nevertheless, given the severity of this issue, not only that the appropriate policy action should be taken but that necessary actions be taken swiftly.

This will need substantial and unabated investment in infrastructure, capacity building and development in technical knowledge throughout the Government.

Given the subdued revenue growth expected over the medium term, it is even more critical that the Government continues with measures that better prioritise expenditure and manage the risks around the revenue outlook.

Let me now outline the fundamentals of the 2014 Budget. The 2014 Consolidated Budget will continue the Government's focus on responsible and balance budgeting. The Budget is fully funded including debt servicing costs. This means that the growth in expenditure is affordable and will help to provide services for all Solomon Islanders without jeopardising our future. The Government will fund this growth through domestically sourced revenue. The cash reserves established since 2010 have been maintained to allow proper cash management through the course of the year.

The Government is budgeting for a cash balance of zero in 2014, not including any balance from previous years. In 2014, total revenue is expected to reach \$3.503million. Total domestically sourced revenue is expected to be \$2,838.6million, an increase of \$170.3million or 6.4 percent over the 2013 revised estimates.

To maintain fully funded budgets, average nominal growth will need to slow down from around 23 percent per annum for the period 2006-2012 to an average annual growth rate of around 7 percent from 2013 to 2018. The projections include a cash reserve of two months recurrent budget expenditure.

The Government is budgeting to spend \$3,503million in 2014 including donor funding of \$664million and total contingency provisions of \$34.6million. The Government plans to spend \$2,861million in recurrent expenditure and \$641million towards development projects. The 2014 fiscal table provides an overview of the 2014 Budget. This is set in the context of the 2013 revised estimates and the estimates for the three out years. I commend all Honourable Members to review the fiscal table which is found in Budget Paper 1.

Development budget projections are notional and actual development project funding will vary according to the life cycle of the projects. The development planning cycle requires regular progress reports and annual funding rounds for projects effectively zero phasing the development budget each year. The Ministry of Development, Planning and Aid Coordination has made strong efforts for the 2014 Budget to improve forward estimates for ongoing development projects. This process is ongoing and will improve the quality of forward estimates over time in support of the government's medium term expenditure framework.

A further improvement is that this year's Development Budget has been published at the economic account code level. This means that for the first time, Parliament can be fully informed on how development projects are to be implemented.

I am delighted to note that the Government is well-advanced in its partnership negotiations with the World Bank and SIEA to upgrade the Honiara Electricity Network. Together with the planned undersea optic cable, these two projects anticipate additional below-the-line' development financing of \$240 million in 2014. When completed these two projects would contribute significantly to business efficiency and general private sector growth.

In addition to expenditure growth, inefficient budget implementation remains an issue for the integrity of the budget. A five percent variation between budget and actual expenditure is considered to be an appropriate benchmark. However, the majority of ministries do not meet this benchmark. The tendency is for ministries to underspend their budgets. It is anticipated that effectively functioning budget implementation committees in ministries will improve budget implementation.

Let me now highlight some of the key challenges and opportunities for 2014 Mr Speaker, let me now introduce to this Honourable House, some of the key challenges and opportunities for 2014. In that connection, a number of significant expenditure pressures continue to pose fiscal risks for the Government. Firstly, tertiary scholarships. The decision to provide free tertiary education in 2013 has

proven to be a challenging objective for the Government to meet. The fiscal implications of this decision are quite significant. Estimated costs for tertiary scholarships and funding for the Solomon Islands National University (previously the Solomon Islands College of Higher Education) are five times greater in 2014 than they were in 2009.

In this connection, may I take this opportunity to inform Parliament that this increase in scholarships at SINU was a one-off measure, meaning all scholarships awarded for SINU students in 2013 will not continue. As of next year, all SIG scholarship awards will have to be reintroduced through a more stringent screening process and only those students who have re-applied for usual SIG scholarships will be considered by the National Training Committee for 2014. As you will note, from the fiscal outlook I have outlined for 2013, you can be certain that as a responsible government we are obliged to stick to this commitment. This action is expected to reduce tertiary scholarship costs by around \$50 million in 2014, but this estimate will depend on an ongoing drop in overall scholarship numbers from 2014 and onwards.

The market for tertiary studies in the Solomon Islands was in response to the upsurge in Government support with a range of increased opportunities, mainly at the Solomon Islands National University but also with local expansion of UPNG and USP campuses. To address this situation therefore, in 2014 the NCRA Government will target scholarships to those disciplines and to those candidates who are likely to make the biggest difference in the future of Solomon Islands, meaning that not everyone who wants to go to university or who has the capacity to succeed at university will receive scholarship in 2014. This is a necessary measure to ensure the long-term sustainability of investment in this important area and overall education policy. To ensure this is delivered in 2014, the Government will implement more rigorous and stringent mechanisms in managing the allocation of scholarship awards. The Ministry of Education will continue to lead this work but they will do so by working closely with the Ministry of Finance and also with assistance from the World Bank.

The key elements for this work in 2014 will include implementing new student management systems; reviewing and tightening eligibility criteria; and developing labour market policies that will address future skills demands of the country.

Secondly, is the General Elections. Mr Speaker and esteemed Members of this Honourable House, you would be well aware that 2014 will see the nation once again return to the polls to elect a national parliament through a General Election. Open and fair elections are critical to ensuring a prosperous democracy to achieve peace and stability for our young country, and to enhance Solomon Islands position as an influential member of the Pacific Community.

Preparations for next year's general elections began in 2012. In 2013, the Government committed \$40.9million to implement, along with our development partners, this program with the use of the latest technology in voter registration. National elections are expensive but I think this is a small price compared to the goal of achieving a peaceful and functioning democracy. To that end, in 2014 we have made some substantial commitments to holding the national elections. These will be one-off costs of around \$76million to cover the cost of registration of voters, the cost of running the elections themselves, the costs of termination payments to MPs and also the cost of ensuring public security is maintained.

As a responsible Government, we have sought to offset the costs of these elections, largely by reducing constituency funding by around one third in 2014. This saving of around \$66million will make a substantial contribution to the costs of these elections, and is also appropriate given the term of this Government will end in August, 2014.

Thirdly is the payroll. Another pillar to a functioning democracy is a capable, reliable and efficient public service. Solomon Islands can be proud of the contribution the Public Service has made in supporting the continued development of our young nation over the years. While on the Public Service, I would like to make some remarks on the payroll, an issue that will require the full attention of

Members of this House and particularly of this and future governments. Payroll needs to be addressed comprehensively so that while we must ensure all our public officers are remunerated at levels that commensurate with their duties and responsibilities, at the same time it does not get out of control. We must endeavour to achieve the goal where excellence and poor performance are rewarded accordingly. To that end, it is useful to reflect on the efforts made this year to ensure teachers' salaries are appropriate for the important work they are doing. The process of re-levelling teachers' salaries dominated the news early in 2013. Together with other growth factors in teachers' payroll, 2014 will see an increase to the budget of \$60million.

We have responded to calls to ensure our most senior doctors are remunerated to a level that would keep them in the country. In 2014, we are investing around \$7.4million in increasing the salary of our senior doctors. This important initiative will also ensure that returning health and medical works from training in Cuba can still aspire a career path to continue their professional development.

Also in 2014, the Government will provide a cost of living allowance increase of 3.5 percent from July to all public servants, police officers, teachers and politicians. This will assist in meeting the rising cost of living. Allow me to reiterate in this Honourable House that persistent growth in the public service will need to be managed carefully. To this end, the Government expects to receive a report from a review of public service productivity and levels from the Ministry of Public Service early in 2014. This will be an important document because the cost of payroll, excluding housing allowance and other benefits has been growing on an average of 10 percent annually over the past decade. This growth rate is fiscally unsustainable. At the same time, productivity must be improved significantly in order to continue to deliver services over the coming years.

On implementation of the Development Budget, historically the execution of the Development Budget has been poor. As I mentioned previously, in 2014, for the

first time, the Development Budget will be published at the account code level. Based on already agreed project plans, this is planned to speed up implementation while being more transparent in the cost elements of the projects.

Development budget projections are notional and actual development project funding will vary according to the life-cycle of the projects. The development planning cycle requires regular progress reports and annual funding rounds for projects, effectively 'zero-basing' the development budget each year.

The Ministry of Development Planning and Aid Coordination has made strong efforts for the 2014 Budget to improve forward estimates for ongoing development projects. This process is ongoing and will improve the quality of forward estimates over time and in support of the Government's medium-term expenditure framework.

Let me now highlight a number of areas that will be pertinent to the implementation of the 2014 Budget. First is state owned enterprises (SOEs). It is important to note that the Government owns a number of enterprises that operate off-budget. However, these operations are in the public interest and have financial implications for the Government.

The Government wholly owns eight state owned enterprises (SOEs) which provide goods and services including electricity, water, transportation and communications. These eight SOEs are the Solomon Islands Electricity Authority, Solomon Water, Solomon Airlines, the Solomon Islands Ports Authority, the Solomon Islands Broadcasting Corporation, the Solomon Islands Postal Corporation, the Commodities Export Marketing Authority, and the Investment Corporation of Solomon Islands.

These SOEs operate under a separate legal framework - the State Owned Enterprises Act 2007, which requires that they operate commercially. Their Boards of Directors are responsible for the commercial decisions of the enterprises, but are accountable to relevant ministers for performance. These ministers are in turn accountable to Parliament for the performance of their respective SOEs. While SOEs

operate on their own account and not on government's budget, they do have a fiscal relationship with the Government. Where SOEs are profitable, dividends may be payable to the Government as shareholder. On the other hand, under the Community Services Obligation framework, the Government purchases non-commercial services from SOEs on behalf of the communities in areas that otherwise would not receive the services.

In addition, and because the Government is the sole shareholder, the Government may provide capital injections into SOEs, for example, to allow SOEs to make necessary investments that they may not be able to fund from their retained earnings. In the past, successive governments have provided fiscal transfers to SOEs to address losses from poor financial and business performance.

The SOE Borrowing Policy is an important recent development in the fiscal relationship between SOEs and the Government. And Owing to the poor debt history of Solomon Islands SOEs, they come within the scope of the Government's Debt Management Framework.

Secondly is the Solomon Islands oceanic cable project. The Solomon Islands undersea cable project will allow Solomon Islands to access faster internet and general cost effective telecommunications services. This project will have an undersea fibre optic cable that connects Honiara to the rest of the world through an existing undersea cable with subsidiary linkages to Auki and Noro. Implementation arrangements are still under development.

Solomon Oceanic Cable Company (SOCC) jointly owned by the Solomon Islands National Provident Fund and the Solomon Telekom Limited will implement and operate the undersea cable project. To fund this project, the Government has entered into a financing arrangement with the Asian Development Bank to on-lend USD18million to SOCC which will be repaid to the government with interest. This will fund the right to use the international cable and the two domestic spurs. A significant portion of the project cost will also be funded by equity and through a commercial loan.

Thirdly is the Honiara electricity network upgrade project. About USD13million in World Bank funding comprising of USD\$2million in grant and USD \$11million in loan has been made available to the Solomon Islands Government. The Government has in turn agreed to pass on the grant and on-lend USD\$11million to the Solomon Islands Electricity Authority to undertake a project to upgrade the Honiara electricity distribution network. The upgrade of the network will result in improved reliability and efficiency of the Honiara power supply. In addition to these projects, the Republic of China (Taiwan) also provides \$15million each year to service the debt through the Export & Import Bank of the Republic of China (Taiwan).

I will now turn to the 2014 Budget proper. Through the 2014 Consolidated Budget, the Government continues to focus on rural and general economic development with 48 percent of all new spending measures categorized in this area. In 2014, the Government has allowed an additional \$250.5million for recurrent expenditure and \$641.1million for development project expenditure including support from donors. This Government is committed to funding the following areas in order to meet its key policy priorities; rural & general economic development, general public services & reform, education, public order and safety, health services, environment protections, housing and community amenities, social protection, recreation, culture and religion.

Allow me to outline the major initiatives in these priority areas of government policy. First is rural and general economic development. Rural and general economic development involves investments in the productive sectors of Solomon Islands including agriculture, forestry, tourism, commerce and industries, fish, lands, mines, energy, finance and banking. Some of the larger initiatives are \$30million for agricultural development, \$84million for transport infrastructure, \$30million for the provincial government strengthening program, \$94.4million for constituency development projects, \$40million for improvement to airfields,

\$21million for development of electricity and water supplies and \$9million for the provincial elections.

On general public services and reform, in order for the Government to deliver its policy priorities and provide services to the people of Solomon Islands, it is necessary for the public sector to be as efficient and effective as possible. The Public Service must also ensure that sufficient revenue is collected to allow the Government to meet these bold and important national objectives. Additional spending on the 2014 General Election is also included in this category as is spending on Community Service Obligations of State-Owned Enterprises.

The key initiatives for general public services and reforms are: \$57.6million for the Solomon Islands Electoral Commission, \$24.2 million for community service obligations, \$5.0 million for development of the National Parliament, \$4.0 million for public service infrastructure development, \$4.3 million for overseas missions, and \$1.0 million for SIG Connect or Metropolitan Area Network.

On education, education for Solomon Islanders is vital for continuing development. Twelve percent of new spending in 2014 is devoted to improving education services. This adds to \$88.8 million. The larger measures are \$50million for SINU infrastructure, \$27million for junior secondary school infrastructure, and \$6million for publishing and supplying of curriculum materials.

On public order and safety, the Government recognises that public order and safety is needed to support a stable economy. Six percent of new spending in 2014 is devoted to improving public order and safety and to accept additional responsibilities as RAMSI is in transition.

Some of the larger initiatives are \$18million for police infrastructure including housing at Lofung and Babanakira, \$12million for justice and judiciary infrastructure programs and \$6.3million for a range of initiatives in peace-building across the country.

The Government is also continuing to invest in improving health services. For that an additional \$38.3million has been allocated to Health in 2014. Key

initiatives include \$5million for Primary Health Care Development Program, \$3million for the Secondary Health Care Development Program, \$15million for Tertiary Health Care Development Program, \$2million for Public Health Development Program and \$7.4million for additional staff and retention packages for specialist doctors.

An additional \$21.5million is being invested in protecting the environment of Solomon Islands in 2014. Key initiatives include \$6million for Environment Haus, \$5million for National Disaster Management Office and Strengthening Program, \$1.9million for renovation of Lata and Afio Meteorological Stations, \$2.5million for the Solomon Islands Climate Adaptation Program, \$2million for Ecosystem and Biodiversity Conservation Management, and \$2.1million for increased office rental costs.

On housing and community amenities, through the Ministry of Lands, Housing and Survey, the Government is investing an additional \$14.7million in the following programs: \$10million for land development, preparation and construction program; \$3million for the Solomon Islands Urban Management Program; \$1million for the Institutional and Capacity Building Strengthening Program, and \$0.7 million for additional running costs.

In 2014, an additional \$4.2million is being provided for Social Protection initiatives to be delivered by the Ministry of Women, Youth and Children's Affairs. This spending is for investing, empowering and enhancing opportunities for women. On recreation, culture and religion, the Government has provided \$4million towards the Solomon Islands participation in the 2014 Melanesian Festival of Pacific Arts.

Mr Speaker and Honourable Colleagues, I do not intend to bore you any further, but let me just highlight some of the reform activities being undertaken in the context of the 2014 Budget process. This reform work introduces a series of changes aimed at greater involvement of cabinet ministers and their ministries in the development of the budget. This includes, firstly, the implementation of the Public

Financial Management Act 2013 from 1st January 2014. Changes in the legislation will improve the transparency of public finances and clarifies the accountability of public officials as to how funds are used and on what purposes public finances are used on behalf of the people of Solomon Islands. The implementation of the Public Financial Management Act will be supported by regulations and updated financial instructions which are currently being updated.

Secondly is the creation of budget implementation committees in line ministries. These committees are to ensure that the policies and priorities of respective ministries are integrated in their respective corporate plans and into adjustments to their baseline budget priorities and finally into any new budget bids that the Minister agrees to put to Cabinet. These committees are also responsible for monitoring the timely implementation of their respective budgets.

Thirdly is the expansion of consultations and feedback to include provincial centres. As part of the process to collect feedback for the 2014 Budget preparations, all provinces were visited by the Budget Unit in 2013. The Ministry of Development, Planning & Aid Coordination and the Ministry of Public Service also participated in the consultations in provincial centres. A range of volunteer organisations and churches responded with feedbacks on the views and priorities for the budget allocations. The feedback from Non Governmental Organisation (NGO), churches and the provincial governments was provided to the Ministry of Health and Medical Services and the Ministry of Education and Human Resources Development. The consultation reports could be used by these ministries to inform allocation and policy proposals. A report on these consultations has been considered by the Government and is published in Budget Paper No.1.

In conclusion, let me restate to this Honourable House again that 2014 will be a very tight fiscal year and given that the economic outlook is becoming more challenging, it requires hard and firm decisions. As a government, we are not afraid to take those hard decisions and it is because of this that we have been able to ensure

financial stability. With the ongoing reforms I have outlined before, we will continue our efforts to improve the budget process.

I have tabled today a balanced budget for 2014 which lays a firm foundation and provides an environment that leads to sustained growth and further enhances the development of our nation. With the strong partnership the Government has forged with our development partners, there is greater scope and capacity to succeed in our endeavours.

Finally, as the ruling government we are humbled by the trust bestowed upon us by our people and by this Honourable House to lead in this pursuit. I assure this Honourable House that such trust is not taken lightly which could only be repaid by continuing to work tirelessly to transform Solomon Islands into a vibrant nation and one that would indeed bring joy, peace and prosperity for all our fellow citizens and for all our children in the years ahead. I commend this Bill to the House and I beg to move.

Mr Speaker: Thank you Honourable Minister of Finance and Treasury. I also understand that the Minister would like to move a debate for the next sitting day.

Hon Rick Houenipwela: As required by Standing Order 61(2), I move that the debate on the 2014 Appropriation Bill 2013 be now adjourned until the next sitting day.

The question agreed to

Hon GORDON DARCY LILO: I move that Parliament do now adjourn.

The House adjourned at 11.48 am