

WEDNESDAY 18th DECEMBER 2013

The Speaker, Sir Allan Kemakeza took the Chair at 9.48am.

Prayers.

ATTENDANCE

All were present with the exception of the Ministers for Justice and Legal Affairs, Commerce and Industries, Environment, Conservation, Climate Change, Disaster Management and Meteorology, North East Guadalcanal, and the Members for North Malaita, East AreAre, South New Georgia/Rendova/Tetepare, North Guadalcanal, North New Georgia and Ulawa/Ugi.

SPEAKER'S ANNOUNCEMENTS

Mr Speaker: Members will by now receive a memorandum regarding the presentation by Dr. Bryan Lane, practicing chiropractor, to be held in Conference Room 2 at 12:15 pm. I encourage all members to attend this presentation.

BILLS

Bills Second Reading (*Debate continues*)

The 2014 Appropriation Bill 2013

Hon. WALTER FOLOTALU (*Minister for Communication and Aviation*):
Thank you for giving me this opportunity to contribute to this important 2014 Budget. My other colleagues have literally covered most of the issues on our common endeavours. However, as minister responsible for communication and aviation, it is my desire to share with this House the experiences and challenges of my ministry to strive in the

implementation of the 2013 Budget 2014 and its plan and vision to implement the 2014 Budget. Like my other colleagues, 2013 presents yet another challenging year and 2014 will be another challenging year for my ministry, most particularly in the implementation of government programs in the communication and aviation sector. Our role in providing sound and effective communication services and providing safe and secure aviation services is a real challenge indeed.

In the Communication Sector, I am glad to announce that since reforms in the Communication Sector, my ministry has just established the Communication Division. The appointments of a director and deputy director have now been formalised and are now accommodated under the World Bank funding with Telecommunications Solomon Islands.

The establishment of the Telecommunication Policy Unit is of significant importance. It is important at choosing and adopting appropriate regulatory tools to respond to new market behaviours and the growing need for consumer protection. While there is a good case to be made for competition and market based approaches to broadband in Solomon Islands, my ministry is considering approaches that will balance market forces with the need to prevent market failures. The office is aimed at creating regulations and policies that will mobilise human, financial and technical resources needed to provide broadband connectivity to the wider population of Solomon Islands and to strengthen the role of information and communication technology (ICT) as an innovative and creative engine powering economic prosperity and sustainability.

For that purpose, I want to salute my colleague, the Minister for Finance and Treasury for declaring the Solomon Islands Oceanic Cable project in his Budget Speech. The submarine or optic cables will connect Honiara to the rest of the world with subsidiary linkages to Auki, Noro and Gizo in the Western Province.

In the Pacific we share optimism with the rest of the developing world that information and communication technology can revolutionize the lives of our people through empowering them with information and opportunity that can break down barriers between those at the centre and those at the margins; the divide between the rich and the poor, the divide between the urban and the rural.

People can only be equal if they are equally informed. People can only be equal if they have equal access to their government and the services it provides. People can only be equal if they are connected with their fellow citizens, and I believe this is where the theme of this budget applies, “making a difference in the lives of our people and striving to do better with existing resources.”

In Solomon Islands, one of the major problems of providing services to remote areas is the huge cost for our mobile companies to establish the necessary infrastructures. The sites are difficult to get to, difficult to build on and difficult to service. The rate of return at least is not attractive; there are lots of land disputes too.

Another factor we are faced with is the challenge of connecting population separated by the vast expanse of ocean. The NCRA Government is looking at regulations that will facilitate infrastructure sharing between service providers. This means companies can pay fees to share another company’s pre-existing infrastructure such as share towers rather than having to build their own, and of course the existing tower owner will have to make it available to others. Doing this will dramatically reduce operating costs for service providers and in turn should lead to better coverage and more choice for Solomon Islands, especially those living in rural communities. It also reduces the environmental impact of constructing duplicate infrastructures, and it means that new players will be able to enter the market without having to construct their own towers. More competition means better competitive pricing and better services.

Since 'communication' comes under my ministry, I will now touch on some aspects or development in regards to 'aviation.' As mentioned time and time again, our role in providing and ensuring access, safe and secure air transport for our travelling public in the aviation sector remains our important priority. Despite the many challenges in achieving these priorities in 2013, I can also safely say that my ministry has done tremendously well in ensuring that government programs under my ministry are well implemented and we will continue to work even harder in 2014.

Let me briefly highlight the key areas of our ministry's responsibilities, our challenges and achievements in these key areas. As you know, the Henderson International Airport remains a vital gateway to Solomon Islands. In ensuring our international gateway is functional and operational, a significant portion of my ministry's resources has been utilized to achieve this. This year, we have again managed to implement a number of projects at the airport that will continuously ensure public safety and security. This includes the completion of the air site perimeter road that would enable more security patrol and ease of access by relevant personnel in the air site. The security patrols of aviation security airport police will no doubt curb the daily security breach of people and animals illegal entry to the air site.

Additional security gates and new aviation security buildings have been completed. My ministry has almost completed facilities that would house our new fire fighting engine which arrived in the early part of this year. These improvements, for instance, have enabled us to play an effective support and role for the hosting of some important events such as the recent Miss South Pacific from which we all have taken pride internationally of its success stories.

The completion of the Munda International runway and upgrade of the Gizo Nusatupe to an old weather tarsealed runway this year under New Zealand assistance to Solomon Islands must be highlighted. Although there are numerous works yet to be completed such as perimeter fencing, runway lightings, a terminal, a control tower and establishment of navigational aids, I am confident that we will continue to pursue these in 2014. At this juncture also, let me thank the New

Zealand people and their government for their generosity in providing such magnificent assistance to our people. I hope that we will maintain our partnership and understanding with the New Zealand government to successfully complete this project, not only for the people of Munda and the Western Province but for Solomon Islands as a whole.

Apart from the maintenance and development of our international airfields, my ministry has successfully completed two new provincial and domestic airports. Manaoba in the Lau lagoon was opened in September 2013 and Lomlom airport in the Reef Islands in Temotu province has been completed and will be formally opened in early January 2014. The process carried out by Solomon Airlines for insurance purposes remains to be completed before the schedule flights to these new airports.

I have sighted news articles in the newspapers which stated that if there are no flights going to Manaoba, the runway will be converted into a soccer pitch. I therefore would like to assure the travelling public that everything has its own laws and process. Airports cannot be just opened and expect flights to fly in. Planes have to be insured, the capacity of the runway has to be checked; the compacting of the airstrip has to be properly assessed and checked. For instance, the twin otter itself is 15 tonnes so how would it land if the runway itself is soft? Processes must comply with international standards.

Whilst building airports are already a challenge, the maintenance and upkeep of our provincial airports throughout the country is even more challenging. A total of 16 airfields have been directly financed and maintained by the Ministry. In order to maximise benefits for our rural resource owners, my Ministry has involved landowners and communities in these locations to carry out maintenance work and in return create income generation for these communities.

As mentioned earlier, the bulk of my Ministry's recurrent spending for 2013 are utilised in the maintenance of not only our International Airport, but those of our provincial airports as well. The upkeep and maintenance of these airports are critical as we are not adhering to the required standards under our Civil Aviation Authority,

but that of International Civil Aviation Organisation standards, as we keep up with the global aviation standards for safety and security.

On the implementation of our 2013 Development Budget, I would also like to point out that my ministry on the whole implemented more than 60 percent of the projects under our Development Budget. The two new airports on Isabel and Choiseul have started with engineering and surveying assessments, but due to land factors and financial constraints, my ministry was not able to complete it. However, it is my ministry's desire that we will pursue these developments in 2014.

Apart from our domestic obligations, as you know, the communication and aviation sector requires our affiliation and obligation to international organisations. One worth mentioning here is our membership and affiliation to the International Civil Aviation organisation (ICAO), a body established internationally to ensure a global approved standard and safety is carried out and maintained throughout the world.

My Ministry is very mindful of our affiliation to ICAO, and as mentioned on numerous occasions, most of the activities and programmes that my ministry implements are in direct response to ICAO audits. In other words, we are very much guided by ICAO audits as its recommendations require us to be at par with the rest of the world in terms of security and safety. By achieving these, we are not only improving the state of our facilities, but more importantly, it gives Solomon Islands credibility that gives confidence for our overseas travellers' security and their safety.

On the international front, I must also mention our support to Solomon Airlines, our only airline in the various air services agreement with our neighbouring countries. My ministry's support to Solomon Airlines entails that air services agreement done on behalf of our airline involves close consultation with Solomon Airlines before the finalisation of any services agreement with any other countries. This is not only to protect our only airline but also to forge fair competition with our

regional neighbours to achieve a more cordial and win-win situation for all.

Let me now briefly turn to my ministry's 2014 Budget estimates. As mentioned earlier, my ministry's budget, in all its sense is a reflection of our ministry's commitment and objective of providing access, security and safety for the travelling public and enhancing our commitment and affiliation with our global partners in driving our common goals in the Aviation & Communication sector. My ministry believes in equitable distribution of aviation infrastructure and also to serve remote potential economic areas and high densely populated areas.

In 2014 my ministry will place priority on the completion of Munda airport to achieve this alternative international standard. The perimeter fence and the runway lines will be our most immediate tasks in January 2014. These activities will set the pace for Munda to be our second international airport in the not too distant future. I am also adamant that this development is a step in the right direction and one that will bring in more economic development not only for the Western province but the country as a whole.

Apart from the developments in Munda, my ministry is planning to upgrade strategic airports to all weather tarsealed airports. This includes Lata in the Temotu province which despite of some disturbances or road blocks at the airport a few weeks ago we will still go ahead tarsealing it. Also, we will upgrade the airports at Kirakira in Makira province and Taro in Choiseul province. The upgrade to tarseal runways means that we will not only have safe runways to land aircrafts in all-weather situations but we will also significantly reduce maintenance costs that have always been associated with grass runways that we commonly have throughout the country.

On a final note, my ministry has already developed our 2014 work plan which provides the strategy and roadmap in achieving our development objectives for 2014.

Finally, let me take this opportunity to thank all stakeholders of my ministry for their partnership and support throughout the year. No wonder my ministry has been given an excellence award this year. I

thank all my staff of the ministry for standing behind me to execute the plans of the government. My heartfelt with gratitude goes to my officers for their tireless efforts in keeping our ministry operational and achieving our development aspirations in 2013. We look forward in 2014 to continue serve our country and our people.

I also want to mention here as well some developments in Feragwau School which appeared here and was queried. I just want to say that I am very grateful that the Feragwau senior secondary school has been included in the 2014 budget for the establishment of the school on the island of Manaoba. I want to thank the government for putting this in the budget because my people in that island have been disadvantaged for many years; this will include those in Ndai.

About three weeks ago I sent roofing irons for 40 houses for the people of Ndai so that I am not seen as only assisting people of Manaoba, my homeland or my place but I assist the constituency of Lau/Mbaelelea as a whole. These are what I want to say as my contribution towards this Budget Speech, thank you. I would like to wish everyone in this honourable House a merry Christmas on behalf of the people of Lau/Mbaelelea. I wish everyone a merry Christmas and a prosperous new year.

Hon. JOHN MANENIARU (*Leader of Independent*): I wish to also add the voice of my people to the debate of the 2014 Appropriation Bill 2013 and also join the choruses that other colleague MPs have been singing so far in debating this very important Bill.

As is customary, I would like to take this opportunity to thank the hardworking Minister for Finance and Treasury for bringing this Bill; the budget for our country and our people, especially at this point in time when we are moving towards Christmas and our people would like to hear some good news and the budget is one good news for them. I would also like to thank all those who have worked very hard in contributing positively to the preparation of this Bill. I would like to thank the hardworking Chairman of the Public Accounts Committee and his committee members and the Attorney General's Chambers for

working on this Bill enabling it to come before the House for debate. I would also like to thank all the hardworking permanent secretaries and senior staffs of ministries who have also worked hard in preparing this 2014 Appropriation Bill 2013. And I thank permanent secretaries with their officials for coming before the Public Accounts Committee for consultations.

I would like to start by briefly commenting on the report by the Public Accounts Committee as shared by others already on the floor, because as a member I would also like to comment on the report. The report by the Public Accounts Committee records and highlights the difficulties that the Committee encountered in terms of time. We are all busy people and as a member of the Public Accounts Committee, it has not been easy especially at such a time like this to sit down and really do a good work in completing all the hearings in time as expected of the Committee. I say this because a few comments seem to imply that the PAC is not committed to doing its work in delivering its responsibility in time.

I think what is important is that most of the reports by the Public Accounts Committee indicated; and I can still recall the strong recommendation on the need to be more organised where the government needs to submit bills at least a month before Parliament starts. I think that would be helpful because you cannot expect Public Accounts Committee members to be free at whatever time you expect. Members also have other constituency responsibilities which we all are feeling the pressures of it every day. So when we submit important Bills, like this Appropriation, in an untimely manner; it puts more pressure on the committee and especially on the secretariat too. But I think the chairman of the Public Accounts Committee has highlighted and stated the reasons. I think the weekend that we should have completed the report was a busy weekend for Parliament staff as they held their Christmas party and on Sunday the Opposition and Independent office also have their party somewhere on the beach. So the

weekend is not possible for the Public Accounts Committee. Anyway, we have the report before us; but I strongly urged everyone to take note of the issues raised in the report because it is very important for us to actually take note of them and think about it. And those who are responsible for taking action on the recommendation I also urge them to take note of those recommendations and do something about them.

Sir, I will leave that matter there, and I want to touch a bit on the '2014 Appropriation Bill 2013.' First, the budget theme which the Honourable Minister of Finance has delivered; the theme for 2014 consolidated budget is "making a difference in the lives of our people and striving to do better with existing resources," that is the theme of this budget. It continues to talk about and focus on our rural people and their lives, I really support this theme because it is a theme that reflects what our responsibilities are especially Members of Parliament representing our people.

What they are going to look out for is the actual benefits that they can get out this theme and in particular the budget as we go into its implementation in 2014. Sir, this budget is to deliver \$3.5billion in spending to provide services to all Solomon Islanders which the focus is on our rural and general economic development. That is important Mr Speaker and I fully concur with this statement in regards to the budget. \$3.5billion to all Solomon Islanders, and I really want reemphasis that. Again, \$2,861,900 in recurrent expenditure is also to take care of service delivery to our people. \$641.1million in development projects expenditure, that is also important to our people and we know the budget also provide \$34.6million for Contingent Warrant (CW) to meet unforeseen expenditures throughout the year.

Sir, the focus of the NCRA government in 2014 is to continue investment in rural economic development strengthening to better lives of all Solomon Islanders. And I thank the NCRA government for continuing

to deliver this budget which focus to strengthening better lives of our people or Solomon Islanders.

When I was looking at this budget I was also reflecting in terms of its rural focus where it tries to highlight on this theme. When looking at the budget I have noted that donor budget support revenue estimate \$64.4million is reduced by \$260.2million compared to the 2013 budget, a 23percent reduction. And when this budget is talking about our rural people, now here we are talking about the \$260.2million. Is that good for our people when we say that it is their budget? Is rural focus and already the development budget which is going towards rural development is reduced to \$260.2million and so it gives me question to reflect further on this theme, whether what we are saying is true or we are just talking about this theme so that it sounds good to the people we are representing them Mr Speaker.

Again further still Mr Speaker, from the information that is received before the committee which I am a member of, as far as we know \$66million is taken from constituency funds is reallocated for our national elections and only \$2.6million will be received by the constituency. By doing this we removed the money that goes to our people in the constituency and we only give them \$2.6million. And so when we are saying that it is for the rural people, it only gives me a big question mark. Because you take away \$66million from them through their constituency development funds and then you are saying it's their budget? It is something that they already received in 2011, 2012 and 2013, I cannot make the ends meet as far as the theme is concern.

So the development budget is affected and even the direct funding to our people through the constituencies is already affected.

I heard some of the ministers who have spoken already, they really supported the budget, I know why you are supporting it because you are comfortable with the budget, and you have other means which you can take from for your constituency. And I will dwell with that as I go further Mr Speaker.

It is only a mockery when looking at this budget theme which it continues to tell them with this reductions in the development budget and reduction in there direct constituency funding. Since the budget is not there or to be more specific that the budget is not for the whole 50constituencies, it is only for the few constituencies.

Sir, looking at the negative effect on the constituency development plans and programs we have been deducted \$66million as we know Mr Speaker, from our ongoing program and that is a concern to me.

Sir, I would like to thank the NCRA government for the programs of 2011, 2012 and 2010 in biffing up this constituency funding and we are into a lot of programs now and its continuity that you have talked about in this theme: existing resources will continue to support the livelihood of our people Mr Speaker, have been reduced in reallocating money for the national election.

And so it gives me a big question as to why now we are doing it like this? Why NCRA government you have done very well, excellent and congratulation for that- we have allocate money for our people, previous governments failed to do this because they listen to donor partners. This is our country Mr Speaker, the resources that we gained from our domestic revenue should reach our rural people because 80percent of them are out there in the rural areas and why do we hesitant. If we can really channel the money down to them, why do we hesitate Mr Speaker? In this manner it seems we climbing up the ladder and then we go down the ladder again. And that one is disappointment to me as well as it not really reflects well on how we continue the delivery of services to our people. Already some of our constituencies we will be affected, you on the government side will be alright because you have a lot of basket but we in the Independent and in the Opposition Mr Speaker, is only have an allocation of \$2.6million for us. You were lucky because you will be holding into the ministries from the development budget.

This cap where this money we take away from our constituency funding Mr Speaker will hit hard on some constituencies. I am not really against the thinking and mentality now about the money because we can corrupt it. That is a public perception. It is true for some constituencies, but some Constituencies are really working hard to really

improve the livelihood of their people. So when the government comes with a budget that goes directly under the Constituency Funding, it is a good thing which I support.

But here we want to tell them liars in the 2014 Budget. In fact it is their budget, we actually lied to them, and \$66million is not a small thing. And as I have said, our programmes in the Ministries, the Ministry of Agriculture, the programmes that you funded for us in the last two years, what are we going to do for its continuation? Our programmes in the tourism, huge funds were put into tourism by the government. Are we going to close or suspend those programmes, because we will not continue with them? That is my question and concern.

The Ministry of Forest, Ministry of Mines, Energy and Rural Electrification, Ministry of Home Affairs, Ministry of Women, Youth, Children and Sports, Ministry of Health and Medical Services, very important programmes that the NCRA Government has, we should continue with those in our Constituencies. And recently, we also come up this CDF Act. And what we do here, as I read in this budget, 2014 Appropriation Bill 2013 does not really reflect well on our policies to really advance our Constituencies and the rural people and their rural livelihood. And so my question now is, because it does not come out clear in the Development Budget estimates- I have not seen it. Where are we going to continue with those important programmes that you have started in the Ministries?

Mr Speaker, that leads me to actually concur with the concerns and disappointments shared by earlier speakers. I concur with the Member of Parliament for East Choiseul, I concur with the Chairman of the Public Accounts Committee, the Member of Parliament for East Honiara, that our budget is politically framed. 2014 Budget is just next year, and it will be the election year. So when we put everything in the Ministry, how many of our Constituencies can hold in those Ministries, how many of the Constituencies? At the moment, it is sad to say, from

my observation as a new comer in this House and the Leader of the Independent, that the culture in the past when I was working in the Ministry of Commerce, where the MPs who are with the government, it is only them who hold inside the budget, the development budget and even the recurrent budget. That is history, and that is recorded. And so when we talked about developing Solomon Islands holistically, is it 29 Constituencies that make up Solomon Islands, or 30 Constituencies, or 35 Constituencies? There are 50 Constituencies in the Solomon Islands, and all of them are equally entitled to this budget.

I am sad to say that, I see that we continue with this thing, we go and self-serve, you go in and continue. When another person comes, he will also do the same. Those who are not in the government, forget about it and their people. I am very sorry for our people in Solomon Islands.

And I want this Christmas, if I can call on all of us, the 50 Members in this House, we have been claiming ourselves Christians, let us repent. So that next year when the elections come, we will go and lead this country in justice and fairness. This custom and bad attitude in that we come and just self-serve because you are in the government side and the West Are'Are member is an independent member will not have access to the development budget for this four years, no program for him; that is what has been going on. That has been going on and I think we need to stop that from this Christmas and that is my appeal; I want to tell that because it has made me very disappointed. If you are the only ones that have access to those funds; that is basically the budget we have before us.

Sir, I am privy to some information that reflects the concern that I talked about. This report on the Ministry of Infrastructure, the list is there and if you look at it, it is a self-serving list Mr Speaker! We have 50 constituencies and they all need ships, they need roads and wharfs but it seems that such services goes to only few constituencies.

The other point that I also want to raise here is, only few constituencies have projects every year. Are those the only constituencies here in the Solomon Islands? There are total of 50 constituencies so you should distribute them fairly.

I want to register that if we privy to the records it could be very disappointing, and I do not want our children to see it or hear it as well. Because it does not reflect well on us leaders who come and take the oath to fairly lead this country, with its resources for its people and when our theme talks about the rural people, we need to think carefully about it again.

Having said that it is very clear on how 2013 Appropriation Act is being implemented. From the information that we know, it shows that the same practises continues and so I think it is a high time for us to take this country out of that mess where it has already become a culture and go away from.

I want to touch a bit on the 2014 Appropriation Bill 2013 and specifically to talk on the Ministry of Education and Human Resource Development. I want to thank the Honourable Minister of Education for his work and the NCRA government on the establishment of our own University (SINU). That is a big achievement and a mile stone achievement in our history and I also want to thank the government through the Minister of Education for helping them to get education. Some of my students from West Are'Are are also benefiting from the University through the government support and assistance.

The only point that I want to register here is when the students allowance come out and when the bills for SINU comes out, it then only puts pressure on us, as the priorities are accorded to SINU. When I go to the treasury our activities are held up in order to get the SINU allowance processed and paid. I think that is our mistake and the Minister has already note, that we have to move forward and whilst we make good decisions we must also try and evaluate the cost of our decision making. So that it will not affect us unnecessarily.

In the budget it again raises another concern for me; it seemed that when we are moving forward somehow at the same time we try to reverse.

Are we saying that we are not going to give that opportunity for our children again, since there is no money to fund them? That sort of decision as reflected in 2014 Appropriation Bill 2013, is that enough for our students if it is a hundred? This one hundred will again hit the street and that is another bad consequence of it. Where will these students go? We have got to really look at ways whereby we engage our youths so that they have a meaningful life and live a productive life for our country. I see that we will have to face some more consequences with what this budget reflects for SINU. Our students will put more pressure on us, our economy and the budget itself because these are expenditures for the country.

Whilst on that, I see that the reduction in the tertiary scholarship, which costs around \$50million; I hope we will pick up soon in the near future. It is not really good news as far as I am concerned because we have to create a university that gives opportunity for everyone.

I would like to recall what the Honourable Minister of Education said in his recent speeches. He highlighted that students and parents must be assisted and the ministry of education have assisted some of the students that only paid half of their fees. If we are to actually consistent with that, it means we are moving forward. We need to help our students so that they are able to learn at our university. At the moment they are now going to be restricted because of the limitation of funds; unfortunately, that is also real. But that is a challenge to all of us. What can we do to actually help this situation so that we create those opportunities for our children rather than just stop because of insufficient budget? That is our challenge.

I would like touch on the Ministry of Infrastructure Development. I have read the report that I have just highlighted and it is a very interesting report and I am really concerned and disappointed about how the funds are distributed. I submitted an application and I have consulted the current minister that I need assistance for maintenance on wharfs in my constituency. I wrote a letter and attached it to the application and

submitted through the PS to the minister. I did further follow-ups but nothing happened. I was thinking that maybe the amount I requested is too big and that is why it was not approved but I can only be comforted by the fact that I am an Independent member and not a member of the government. That is alright because that is the way our country has been run as I already confirmed today, because I have been working in the public service before I came here. That is what I see in this report and the distribution of funds. It is highly politicised and only the cronies are there and that is what I am concerned about.

On a positive note, I would like to thank the hardworking Minister of Infrastructure Development and the Permanent Secretary for their achievements in terms of our roads in Honiara, airports and so forth and that is something that they need to be commended for and also the hardworking staff of the ministry. On that note, I would also like to thank the World Bank and Solomon Islands Government for the road maintenance, especially the cleaning of our town by our unemployed youths. That is a very good scheme initiated by the ministry. I also would like to thank the New Zealand Government for supporting our government in terms of airports and also roads to continue to grow our infrastructure through investment in infrastructure.

Before, the Prime Minister stated that he wanted to establish infrastructure all over Solomon Islands and I really support that because many of our islands have land but there are no infrastructures, so if we build roads something economic will come out of it if we have the money for it. So that we can grow our economy through the expansion of our infrastructure programs so that all our people can access their land to develop so that they can contribute positively to our economy.

For the Ministry of Fisheries, I have listened to the Minister yesterday and I would like to congratulate the hardworking Minister of Fisheries and Marine Resources and the Permanent Secretary including his staff

because they are beginning to pick up with their revenue. I am sad that when going through their development budget and recurrent budget, our budget section at the Finance and Treasury do not really realise their potential. That is where we should dump in millions and millions of dollars so that their revenue increases in order for them to create a lot of opportunities through fisheries activities for our people. I think that is one area that I see where the budget has fall short on.

Sir, I would like to encourage the Minister and Permanent Secretary on the onshore programs which they have engaged at this time in NDom and Tenaru (Red Beach). We must achieved these two projects because it is very important, because we need them to be established so that they can provide needy opportunities for our people in employment and as far as small businesses concerned and also the potential of export marketing for our country. So whatever we can do especially the Ministry of Finance and Treasury, give money to the Ministry of Fisheries so that they speed up their projects so that we can establish our bigger projects.

We cannot go far because SOLTUNA as we know is a classic case we continue to rip the benefits from, so we should not hesitate to actually pour millions into fishery projects under the Ministry so that we can expand the opportunities under the Ministry and its investment programs.

Sir, I would like to touch on the Ministry of Rural Development, the Ministry is now rural focus and we have just passed a CTF Act and we the bipartisan committee are currently working on its regulations and hopefully we will begin implementing it next year or later next year, but that is an important development and achievement. I would like to congratulate the Minister of Rural Development for that achievement because we are beginning to have an accountable mechanism in place to look into the resources that comes through us Honourable Members.

I am still curious on the economic growth centres and I am interested on what is going on because I am on the opposite side of the House and I do not really know the update. But in the Appropriation Act 2013 at the Ministry of Rural Development more than \$39million is allocated for economic growth centres. The only achievement that I know of is the ground breakings, well; from where I stand I think that the ground breakings are very expensive, in hundreds of thousands. If the Ministry of Commerce which also have growth centre allocation there, and if you add the expense it is more than \$40million. What is really the tangible achievement in terms of economic growth centre so far and that is the question because more than \$40million we will be spending this year and if we are not doing it right Mr Speaker, then it means it is something that needs an urgent revenue because it is a huge money and also it promises a lot of opportunities for us and our country and so I would like to look at it.

So far I know the ground breaking and I think every ground must already been broken and for them to start is what I do not know of because I am on the wrong side of the House basically so we do not receive that information. But if we can achieve those projects, our economic growth centres then I will really support it because it promises a lot of economic development for our people, especially in the rural areas which are closer to the economic growth centres Mr Speaker.

I would like to recall an understanding which some of us have pushed forward that every constituencies need a growth centre, the 50constituencies they all need the growth centres because at the moment only two or three constituencies were hosting the economic growth centres but all the constituencies have people in there and they need the services.

And so if government can look at starting up the growth centres in all constituencies I would like to urge the government to look at it because it is not that West Are'Are is just sitting down and watching you because you cannot provide us with economic growth centres. So I am asking for the economic growth centres because the 50constituencies needs it.

So that is the basic infrastructure services that can be short of assured from a growth centre in a constituency to every people, if you go there yes, a medical service is there in that centre and then if you go there the telecommunication is there, and if you go there something like this is in that centre. That is basically what I would like to see in all constituencies. So if we can really expand on the economic growth centre, some of us that were not entitle for economic growth centres, maybe a growth centre will do for us because we also have people that need those services and that is to an economic growth that can also delivered or provided by growth centres.

Sir, I would like to touch on agriculture and Ministry of Agriculture and Livestock. I would like to thank the Minister, the hardworking Minister of Agriculture and Livestock for the achievements so far in your ministry. Your ministry is the key Ministry, because we talked about food security and our economy; our economy starts with agriculture and you have all the right to claim that you are the most important ministry. And even if we do not receive any money we still eat and that is because of agriculture Mr Speaker. Minister, on your programs for cocoa and coconut I would like to congratulate you. The Member of Parliament for West Are'Are is really happy with it because my farmers have received fundings from your ministry. I was quite disappointed earlier on because, where we will continue on with those good programs in order for our farmers continue to participate in the economic development and aspiration which we as government have lead them inside?

The rural people must participate so that when we reduced the fund that goes to them then that is a concern to me. If we do not want it to go through the Honourable Members Mr Speaker, then we start off the CDF Act because it is already there and we can push those things through if you do not trust the Honourable Members of the constituencies. What matters here is that people down there are the recipients; they are the ones that are matter in terms of the delivery of services and what we are budgeting.

Sir, I have not seen the budget of Minister of Agriculture and Livestock is reflecting the aspirations and desire of this country Mr

Speaker. So when will we have a budget that is aggressively trying to develop our economy? This budget does not reflect this, no! How many jobs are we going to create? How many investments are we going to create? These things do not come cheap. We got to spend money; we got to invest money in order for us to actually reap the harvest, the benefits. And here in this budget, we are talking about the 2014 Appropriation Bill 2013. I fail to really see the aspirations reflected in the budget. We are not growing our economy. We just rely on the logging industry which is already a sunset industry.

Finance Minister, you rightly said that its income will be going down, that is true. If it is going down, are we still going to talk about it going down? When are we actually going to turn around and say, if it is going down, then this should go up? And this budget does not reflect this. And whilst I am on the Ministry of Agriculture, that is the Ministry that should take the bulk of the funds, so that we can grow root crops, fruits and everything. At the moment, it is only domestic; we still cannot export it yet. The small island countries in the Pacific region are exporting pawpaw and melons, what about Solomon Islands? When are we going to be serious about our export market opportunities? When are we going to take that seriously? We got to start; we will not only rely on the logging industry because it is going down.

Sir, while I am on that, I thank the Minister for the budget of the National Oil Palm industry development programme, where \$8million is allocated. Because West Are'Are is also inside the programme and for Solomon Islands that is how we should go.

Mr Speaker, I fail to see what is going to be part of the infrastructure. You want our people to grow only oil palm? They are afraid of it. You continue to grow, but it is not like coconut and cocoa, where when it is harvested you will just put them inside a bag and carry it. No, it will need ropes. Our people will not be able to plant if the government cannot come with a concrete assurance in that you will go and make roads for them to use.

Mr Speaker, infrastructure in terms of roads for the oil palm must be there in the first place. It must there; we should not make a mistake with this. At the moment, we just told them to plant; it will not work. We got to assure them that the funds are here and we will build roads. That is important for this oil palm industry, and it is an industry that we must encourage and we must establish fully to the capacity that this country has. I thank the hard working Minister for Agriculture and Livestock. We must make that industry happen. But millions of dollars for roads must come. So that we are clear on the areas and roads that will be used when they harvest their oil palm must at least be there, even if we do not give further equipments to them under our budget. But I fail to actually pick that up in the development budget. We must start to look at that because the nursery that we have there is growing. In twelve months' time, they need to plant them. But are we going to let them plant them like the cocoa and coconut on the hills if there is no road? They need those infrastructure, so I want to register that interest so that the hard working Minister and the NCRA Government to come up with those good programmes, and must also note those areas.

Sir, the Ministry of Mines, I will briefly touch on. That is now regarded as our sunrise industry, but it has started to face problems. It started to give out bad signals to our people, who are the resource owners. It is something that the government will work hard to sort out. But I do not want us to repeat what has happened to the logging industry since 1929, what does the logging industry do for this country? Where do we see the infrastructure from it or people who go into logging industry, what do they gain from it? It seems that they are poor than before prior to the logging and so the mining industry as one of the speaker has highlighted should be given to our people. I urge the Minister responsible to take the Bill here so that we pass it here and allow the landowners get the most of the income as those minerals are their resources. Also they are the ones that need the money in order to

develop themselves and they can make use of the opportunity they have through the opportunities that we give through those money. So I think that is an important area and whilst we just on the beginning, we need to organise it well.

There are many rumours about Gold Ridge and if you want to listen you just go and ask the market people. I think the government officials should try and hear people's comments. Even the question that pops out from me when they tell such stories is about the security issue. The current securities that we have are from overseas and so does that mean that we do not have securities nor does it mean that we do not have people to look after such jobs? That is interesting and I understand the kind of securities that they need in terms of their investment but then when we look at ways to benefit our people then that is an opportunity for them.

The other stories I heard is about the helicopter, they said that the helicopter can come there and sometimes it comes during night time. Therefore when I head those rumours I think we need to look into such situations very carefully. What I am getting at is that this is our sunrise industry so let us give hope for our people who are the resource owners by approving the right legislation. So I want the Minister responsible to take note of that and bring to Parliament the amendment that the ministry is working on.

I will stop here and once again I want to thank you for giving me the opportunity to participate in this important debate of the 2014 Appropriation Bill 2013. Besides, I want to take the opportunity to thank the hard working Minister of Finance for introducing this important Bill to the House for us to look at and debating it. Also, I want to thank all those who have contributed to this debate, and with those few words I resume my seat.

Mr David Day Pacha(*South Guadalcanal*): First of all I would like to say thank you for allowing me to take the floor of Parliament to contribute on this debate of 2014 national budget which was presented to

Parliament on December 12th 2013 by the Honourable Minister of Finance & Treasury. I wish to say thank you to those who are involved in the preparations of this 2014 Appropriation Bill 2013. Most of the things have already been said by my colleagues from this side since the beginning of the debate and therefore I am not going to repeat all of that.

As a Christian, I am concerned that the budget says very little about religions and churches. Christian churches in the Solomon Islands are just as big as the National Government and their activities far outweigh those of the government. At this juncture, I want to use this opportunity to inform Members of this House about what I want to call a 'Sunday Decree.' Many if not all Christian religions around our country honour Sunday as both a day of prayer and a rest day. That in itself confirms that Sunday decree already exists. Unfortunately, the importance of Sunday decree is already being eroded by the introduction of Sunday soccer leagues in Honiara and in some villages around the islands. Solomon Islands professed itself as a Christian country. Well, my colleague Members of Parliament let us prove ourselves as Christians by supporting the Sunday decree and say no to games being played on Sundays.

NCRA Government through its search for lasting peace had finally identified two flashpoints which needed urgent attention and priority support in order to advance the process of peace and reconciliation in the Weather Coast and Bougainville spill-over effects. So much had been mentioned about Weather Coast and Bougainville spill-over effects but nothing tangible was consistently happening to those two locations by successive governments until recently.

Just last week in Pelchakuri Village of Weather Coast, the dreams and aspirations of my people who needed their normal livelihood and humanity to be returned to them had gradually materialised by the Solovisu Programs that was launched by the Prime Minister. I wish to

thank the Prime Minister on behalf of my people who overjoyed to see him in the Weather Coast last week.

The Prime had also mentioned in his speech that Weather Coast and Bougainville spill-over effects are flashpoints that urgently needed Solomon Islands Government (SIG) to advance peace and reconciliation. In the Weather the reconciliation between the RSIPF, Guadalcanal Province and the people of Weather Coast concerning the use of State Patrol Boat, Police Field Force (PFF) and armoury against its own citizens must materialised and put to rest. Mr Speaker, we must not continue to pretend that they can go through recovery naturally, nor do we expect them to come forward and seek forgiveness and reconciliation without healing the internal wounds and process their settlement and rehabilitation.

Mr Speaker, with the richness of our culture and tradition our church organisations, government, donor partners, Non Governmental Organisation (NGOs) we will be able to heal the internal wounds that we have inflicted to our people whom we should protect.

Mr Speaker, the Warlord and initial combatants came from the Weather Coast needed proper attention for reconciliation process in order to avoid future conflict until and unless we are serious about addressing the core issues of negligence of equity development to such area, there is a high chance of conflict recurrence. Both the former combatants and victims are victims to our system of governance.

The issue of the border spill over effects must be seriously addressed by our government. Let us support the use of traditional avenues which is currently organised by the Ministry of National Unity, Reconciliation and Peace through their provincial peace and reconciliations in Western province and Choiseul to bridge our reconciliation.

The rehabilitation issue of our citizen who were victimised by the Bougainville spill over effects by the Papua New Guinea; state own assets; Patrol Boat, PFF armoury were now over due for more than two decades to be addressed seriously. I am pleased to know that the Prime Minister's speech at Pelchakuri village in the in Weather Coast had recognised the two flash points that had similar intervention by state own asserts against the sovereignty and livelihood of its people. In that regard I would like this Parliament to support the budget inputs by Ministry of National Security and Correctional Services and the Ministry of National Unity Reconciliation and Peace to advance the undertaking of peace and reconciliation in Guadalcanal.

Sir, I understand that there is \$8million in the Ministry of Police and National Security for Lofang and Babanikira. Mr Speaker, May I ask you one question. Is there any funding for a Police Post in the Weather Coast? And if your response is no, may I ask you my second question, is there a chance to split or share the allocation for Babanikira? The land for Police post in the Weather Coast is ready, so you just give roofing irons and nails then I am going to build the Police post.

This Parliament must now realise that the process of peace is very costly and expensive but all our people need equity treatment of advancing and maintaining peace in their villages, community, islands and provinces. All government policy and programs, the implementation must subscribe to peace initiatives. All multi stakeholders must use peace as their underlying medium of livelihood and socio development at all levels.

Sir, the Parliament of Solomon Islands must be proactive in providing us an additional resource to finance the implementation of peace process to all devastated regions in Guadalcanal Sir. They include fatal shooting at Berande, St Joseph's School in Tenaru, the burning of houses at Mbinu,

the shooting of a water tank at Gaobata School and raid of Okea fuel depot on North Guadalcanal.

Mr Speaker, I must also use the same opportunity to raise my disappointment with the government because its 2014 budget does not provide any allocation for the rehabilitation of the people.

Mr Speaker, one more thing I am pleased to know from the Prime Minister's speech at Pelchakuri village is about the need for the government and the Guadalcanal Provincial Government and other stakeholders to hold round table discussions for a sustainable and meaningful rehabilitation program. I as their elected representative totally agree with the idea of the parties discussing a rehabilitation program that will be sustainable and meaningful in the longer term.

The sustainable rehabilitation program Mr Speaker should include road, bridge, wharf, school, health centres and police posts for the people and communities of the South Guadalcanal constituency. Mr Speaker, my only worry when I hear the round table discussion is the shape of the table because its round and I immediately think about the children of Israel going around wilderness and around for forty years and I am a little bit worry otherwise this discussion will only go around and around and around and forty years we will be around the same table, that is my worry when I heard the round table discussion. The way to the Canaan's land where it is full of milk and honey is a short route, you do not need go around the table Mr Speaker.

Mr Speaker I want to inform this Parliament that my people of the Weather Coast have been aspiring to advance their villages and communities. They are ready to be partners with both the national and provincial government to develop sustainable commercial projects that can derive incomes from them.

Mr Speaker, I now ask your indulgence just to allow me to take advantage of this opportunity to send my seasonal greeting to the people of South Guadalcanal.

Mr. Speaker: You can go ahead.

Mr David Day Pacha: Thank you very much Mr Speaker, my message reads as, I as your representative wish to extend to churches, our community leaders and the people of my constituency Happy Christmas and New Year celebrations to you all, with all of us working together we should all plan towards a prosperous New Year 2014 and beyond.

With this few remark thank you very much and God bless us.

Mr JOHNLEY HATIMOANA (*Ngella*): Thank Mr Speaker for allowing me to also contribute to this debate on the 2014 Appropriation Bill 2013 as well as to highlight some of the issues that is needed for us to highlight in this budget for 2014. But before I comment or make some observation on the issues, I want to thank you for allowing me to talk and also I want to thank members of the Public Accounts Committee for having to bring into light some critical financial and economic issues highlighted in its report before us.

Mr Speaker, I will be naïve for not giving credit to the Minister of Finance and Treasury and his team and working pretty hard to have this 2014 Appropriation Bill 2013 before us. Reading through various reports and supporting documents connected to the 2014 Budget, and in particular the 2014 draft estimates of which entails the recurrent and development estimates with the proposed recurrent establishment register and other supporting document. It is obvious that the government will not achieve its budgetary focus theme in the medium term. Why I am saying this is because we are so much concentrated on the figures and the dollar sign, but the developments that we need to put in place in our constituencies and the country as a whole, I do not think, it will be achieved. And that theme is clearly spelt here and I would like to quote – “Making a difference in the lives of our people, and striving to do better with existing resources” end of quote.

Mr Speaker, while this budgetary theme is sound, I believe this will not make any difference to the lives of the 80/85percent of our rural dwellers, who we all know are depending on hand-outs, year in and year out, despite owning existing resources.

Mr Speaker, why I am saying this is because we do not have consistent economic policies that are conducive and in tune with our political decisions. And this is indeed a sad state of affairs. On the issue of reform, I do not know how many reforms successive governments have initiated without the rural dwellers' participation. I led to believe, we will not achieve future developments and aspirations should we continue to isolate majority of our population out there in all levels of development. Therefore, you and I, all political leaders in both provincial and 50 of us in this Honourable Chamber must not lose track on our role as leaders of this nation.

Sir, we must remind ourselves over and over again, we are not elected to pursue our personal egos, rather elected to this legislature to make laws that should bring this nation forward, not backwards. If the majority of our population who owns our natural resources are not consulted in whatever policies we initiate and pursue, we tend to waste a lot of time and money. And for that latter reasons it is crystal clear that there are budgetary risks that we will confront as explicitly expressed by the Public Accounts Committee in its report and this is not in the best interest of our country. This budget is not precise, it is a budget initiated by certain individuals to meet their personal agendas especially when our national election is just around the corner. In addition to that considering the recurrent expenditure of \$3.5billion I have no doubt that we will not achieve it in the next financial year and this is because the donor funds may be reluctant to readily avail the money considering the 2014 general elections as the donor agencies will have something else to spend on and this normally happens in the past.

Therefore, the contingency provision of \$34.6 million could be first exhausted in the first six month of the year if we do not use it properly our budget allocation that we have here and of course some reduction or decrease in some of the ministry's allocations will be affected as well. The decrease in the development expenditure of 32 percent is a clear

manifestation that no major development will be undertaken in the next financial year. Therefore this will jeopardise the economic growth in the medium and long term. Now I just want to note some things here that the government budgetary paper volume one expresses on economic opinion. That is in 2014 the real Gross Domestic Product (GDP) growth will accelerate to around 4 percent and if there is no improvement in the 2014 budgetary allocation to agriculture, fisheries, tourism and other income generated sectors of the economy anticipated GDP growth will not be achievable.

I guess there will be no growth in the GDP if we continue to rely on imports other than on export commodities. The reason for this is because the budget strategy and outlook paints a sober and a gray picture. As highlighted by the Public Accounts Committee the Solomon Islands economy is becoming a challenge and not only that but the overall economy of this country is not properly managed. Therefore, how do you expect that anticipated prediction in the GDP to accelerate by that percentage? If agriculture, fisheries, tourism and all service industries are not properly managed and worst still if these industries are not given budgetary priorities in the next 12 months.

Allow to me to add a couple of observation to the change of budgetary support to the Ministry of agriculture and livestock development. The reduction in support to this ministry will further weaken the ministry's achievement and I want to thank the Minister of Agriculture and livestock. I think you are highly recommended or I commend you that you have done well in the last two to three years in your Ministry Coupled with that, the decrease or change in the budget support to the Ministry of Education and Human Resources Development will not help as well. This is where I wish to elaborate on.

Over the years the Ministry of Education has been bombarded for not performing to expectation. And for this reason, there is a greater need to concentrate on increasing the ministry's allocation based on the following; but before commenting on that I would like to thank the Minister of Education. I think you have done well over the years that SINU was established and I think that is a way forward for us so that we

have our children and future leaders in this university and we have to manage the finances that we should spend within our own university and I think that is a success for our country.

Recently the government had spent enormous amounts of money to investigate into the burning issue or an issue that has become a burning issue in our country on teacher absenteeism. We have set up a committee to deal with that. The issue of absenteeism as the committee has always expressed, is a tip of the iceberg and I think we have to really look at the issues of our teachers in our country. We look at the teachers' salary, we look at the teachers' housing, we look at the teachers' leave passages, teachers' professional training, teachers' allowances, teachers' inspections, appraisal and promotion, teachers' transportation, teachers' benefit, school administration and infrastructure, school land issues, community participation, ministry and school development strategies, education authorities and so forth. We have to give priority to education. Our education system can only work if we give good remuneration to people who strive to harness our education system in the country. I would like to ask the Ministry of Education and the government for that matter to consider our teachers and officers within the Ministry of Education and Education Authorities within the country.

If all of the above including those that are not mentioned are properly addressed and managed, the inclusive of new activities in the 2014 budget, I have no doubt that they will be fully achieved in a shorter period. What is the use of spending millions of dollars around the clock if education key stakeholders are not fully funded enabling a tangible education system that should produce a better pool of qualified human resources to harness economic growth in the medium and long term.

Previous speakers have raised very important issue pointing out risks and areas that we will not be able to achieve if we do not work together on this budget. Therefore, if this 2014 Budget is passed, I am urging this

side of the House to be mindful of the more than 500,000 people whom we represent in this Honourable Chamber. Our country now has a huge population which is above half a million and fifty of us here we represent them. And I suppose we have to do the right thing because if we come here and pursue our personal agendas I think we are going to forget our people who are out there. So I just want to conclude by asking a simple question first to us here and you Mr Speaker on the CDF Act that we have just recently passed. Now we are coming around the corner and we have come up with another Appropriation Bill; it looks like we are not going to implement that CDF Act, regulations have already been enacted and now we are coming to this.

So we more or less enacting are our laws in which there are many of them and it looks like we are not going to implement the whole lot of Acts and Bills that we pass here in Parliament. So with that I would like to take this opportunity to thank you and thank my people in the constituency of Ngella. I just want to tell my people that next year is our election year and some people will come around with bags of money so watch out for them because that it is not the right way to do things if we are to make laws in our country. We are elected honestly and we must elect the right people to come and represent and honest view in this Honourable Chamber.

So Mr Speaker through you I just want to wish you and your family a Merry Christmas and a happy New Year 2014. To the peace, loving and kind of my constituency Ngella, you have done well for the last 10 months where we have achieved much and let us look forward 2014 may I wish you a Merry Christmas and happy New Year.

Hon Snyder Rini(*Marovo*): Thank you Mr Speaker for giving me this chance to contribute to the 2014 Appropriation Bill 2013. I will be very

brief in my contribution as a lot of issues that I want to raise have already been raised by my colleagues in this side of the House.

First of all I would like to thank the Minister of Finance and his staff for bringing this budget to Parliament. Mr Speaker, putting together a big budget like this is not easy so we must congratulate the Minister and his staff for bringing this Appropriation Bill. I would also like to thank other Ministries for submitting their bids to the Ministry of Finance, you are doing well ministers and also your staff. Mr Speaker, I would also like to thank the two departments in the ministry of Finance for their estimated revenue in the Inland Revenue department and also the custom and exercise department.

I would also like to thank the Ministry Fisheries for one of the biggest contributors of revenue to the government. Thank you very much Minister and your staff you are doing very well, continue with your good work.

Mr Speaker, I am not forgetting the other ministries, they might not be contributing directly to the budget but they are contributing to our foreign exchange and I must thank the Ministry of Forestry, the number one foreign exchange earner for this country for your work. Also the ministry of Fisheries again I would like thank them for the foreign exchange revenue that ministry has taken into our country.

Not forgetting the other ministries Mr Speaker Sir, the ministry of Agriculture and Livestock, thank you very much for the contribution of foreign exchange to this country, ministry of Mines and Energy and not forgetting the hardworking Minister for the Minister of Tourism for bringing foreign exchange to this country and those foreign exchange is making the economy of this country strong.

Mr Speaker, when I look at this budget I have seen one in this budget. When I look into this budget Mr Speaker, I have seen that this is not the budget of NCRA; it is the budget of ministry of Finance and Treasury. Why I say this Mr Speaker, all the ministries they are costing out their programs and their projects and they send it to the ministry Finance and the ministry of Finance is cutting their budget or not even including the bids of ministries. And this one Mr Speaker, it showed

clearly in Public Accounts Committee when the officials in those ministry they are saying, 'oh, we are submitting our bids but the ministry of Finance is reducing it or we submitted our bids but the ministry of Finance is cutting our bids', so that is why I am saying Mr Speaker, that when I looked into this budget it did not reflect the program and priorities of NCRA government.

When you look into the allocations of funds in the development budget, it is not enough. Like yesterday the ministry of Fisheries, the minister talked about his programs and this ministry earns a lot of funds for a foreign exchange and also the direct funding for the budget. He mentioned yesterday that there was \$18million in the recurrent budget, and you know how much in the development budget Mr Speaker? Only \$8million, this is not enough to run that very, very important ministry and he said that \$4million of that amount is for development of fishery centres or fisheries activities in the provinces, thus, he only left with \$4million on his development budget.

Then he talked about that his ministry will look into projects; the fisheries project in Tenaru, fisheries project in Suava Bay, fisheries project in Doma but that \$4million is not enough. And if you look into all the Ministries, all the allocations are not enough. Look into the Ministry of Infrastructure, the priority of NCRA Government is to build infrastructure; to build wharves, build roads, build airfields, their number priority, but you look at the Ministry, it is not even enough. Even the roads which is the priority of NCRA Government, there is no funding there. Like Mongha-Aola Road, it is a priority for the government, there is no funding for that. Marau-Kuma Road, it is a priority for the government, there is no funding for that. Tatamba-Hovi Road, there is no funding there, and these are the priorities in the Programme of Action for the NCRA Government, but there are funding. Mr Speaker Sir, the Minister of Finance has talked about growing the economy which is very good. But he just stops there. In his speech, he said, we must grow the economy but he just stops there. How do we grow the economy? I expect him to go ahead and say this is how we will grow the economy. In the fisheries sector, this is what we will do to grow the economy. In the agriculture sector, we will do this to grow the economy. In the forestry sector, we will do this to grow the economy. In

the minerals and energy sector, this is what we will do to grow the economy. But he just stops there and just said, we need to grow the economy. He also said that logging will run out. He said that and just stops there and did not mention the alternatives. When the logging is over, which sector will take the place of the logging industry? I expect him to say, in these sectors, I will give investors incentives like this. In the forestry or fisheries, we will give incentives like these; there is nothing in the budget.

And you know, no matter how hard we go out and advertise Solomon Islands, but if we do not give any attractive packages to investors, no one will want to come and invest, no! Solomon Islands is a very expensive for investors to come and set up. The cost of utilities in the Solomon Islands is very, very high. The interest rate in the Solomon Islands is the highest in the region. The investors when they come and they want to see the rate of return they will take. For example, the Digicel wanted to come and set up when we open up this monopoly. When they came in and analyse the cost to set up here it is very, very expensive and that is why they withdrew. They said that Solomon Islands is a very expensive place to do business. The expected rate of returns where the shareholders expect is not good. That is why they withdrew.

Now we have to change or we have to reform our tax system. Our tax system is the highest in the region. We have to reform our tax system. I expect the Minister of Finance to bring the Bill forward for us to reform our tax system but up until now it is yet to come. I expect other ministries to bring their Bills to reform their operations but again they do not do so. How would we expect to attract the investors if the cost of setting up a business here is very expensive? Electricity is very expensive and not reliable and at the same time water is very expensive and not reliable as well. From those views how will we encourage those

big investors to come in especially in the fishing industry as they need more water and more power electricity?

I want to touch a bit on these two months revenue reserve of the ministry of Finance and Treasury. You see the collection is very good in both the ministry of Finance & Treasury and the Ministry of Fisheries and others more but why do we still have this cash flow problem? Collection is very good but when the payment vouchers go to them they do not make the payment because of the cash flow and I would say that it is these two months revenue reserves that cause this problem. What happened in there is that the ministry of Finance hold back two months revenue and said that those are for reserves and I would say reserve for what? You need every cent that is collected to be used to finance our budget. For instance, like this year we said that we have collected revenue of \$2.8billion but if you take two months cover of that for month it may add up to \$240million and for two month it will go up to \$480million and that is the amount that they reserve.

Now in this 2014 budget \$3.5billion and if you calculate that one it will roughly about \$360million for one month revenue and for two months it is about \$700million. So by that problems experience this year will happen again next year. I just want to ask the Minister of Finance for either you to withdraw this system or relax it a bit so that the budget can be funded. I understand that this was imposed by IMF and so I want you to tell IMF that it is enough because the country is suffering from it. So I want to say here that it is because of that reserve that cause cash flow problem in the ministry of Finance and that is due to the holding up of two months revenue cover.

One thing that I think the ministry of Finance will talk about is the interest rate in the budget. But it never comes out on the budget speech and this is the major costing factor to set up business in this Country, you know the average rate or the borrowing is about 20 percent and the deposit rate is 0.5 per cent to 2 percent so you see the margin that the bank collected and they have a very big margin about 17 per cent to 18 percent. I expect the ministry of Finance or the minister in his speech to tell how the central bank with the Ministry of Finance to try and address

this issue because this is a very big cost factor to running business in the country.

In the past we use to say a bank is a place for saving money. Nowadays they are operating differently. There are banks charges for almost everything. Even withdrawing money at the ATM costs \$20 for one withdrawal. My goodness, this is too much. This is a daylight robbery. They are not providing service and yet claim that they are providing services. They even charge fees for keeping of accounts and I would like the Minister of Finance to discuss this with the Central Bank and sort it out because this is a very big cost of running business in Solomon Islands.

The other thing I did not hear during the Budget Speech is the liquidity in the banking system. Not that government has more funds and some more funds coming from the aid donors; there are lots of fund in the banking system, but I did hear during the Budget Speech how the Ministry of Finance and the Central Bank will handle liquidity, how liquidity can go through the right channels so they can be accessible to business people. There are lots of money in the banking system, but even the banks are not lending and I do not know why they are not lending. If this is not addressed and liquidity is not channelled to the private sector because they are the engineers of growth and not the government because it is just an expender. If this liquidity is not channelled through the private sector then there will be no growth in our economy. So I urge the minister to look into this issue and discuss with the Central Bank as to how this liquidity can be channelled through the private sector.

During the speech by the Minister of Finance, he talked about SIEA. That is very good. World Bank will assist SIEA to provide reliable electricity service to Solomon Islands. My only concern is how that fund will be channelled to SIEA. In the budget the Minister of Finance talked that US\$13million will be channelled to SIEA. \$11million is on loan and

\$2million on grant and the loan will be channelled through the government to SIEA. My concern in this arrangement is that it is just as the same arrangement a before. Government loans from ADB and channelled it to SIEA and charged SIEA to repay the loan but SIEA was not able to repay the loan and government has to pay for that loan for SIEA and other statutory authorities. Mr Speaker, in 2009 when I was the Minister of Finance I write off more \$200million inter loan, loan between the government and Solomon Islands Electrical Authority (SIEA) because World Bank said that if their balance sheet is clean then they will come in so we write off that. When their balance sheet is clean and they come in SIEA is still the same because there are still power cuts and still shortage of fuel. So my concern is that the arrangement will be the same like before, that the government gets loan from the World Bank, lends it to SIEA and if SIEA cannot pay the government; because the process is like this. Government gets the loan, lends it to SIEA then SIEA repay it back to the government and then the government pays back the World Bank or any funding agencies. And if this is not happening then we are falling back to the same trap that we have fallen into before.

Mr Speaker, I would like to touch a bit on the recommendations and reports that come from Parliamentary Committees especially on the recommendation by the Public Accounts Committee. I think we need to do reforms on Committees in Parliament because at the moment I have seen that they have no teeth to bite. So if you make recommendations after recommendations but if the government do not want to get an election on that that is the end of it. So I want to say here that any government in the futures should look into Parliamentary Committees, strengthen them or might get a legislation to Parliament to strengthen them so that all the recommendations or any issues being made has a teeth to bite and it can be implemented.

Mr Speaker, we always talk about revenue. The other thing which the Minister of Finance have not mentioned is the control of expenditure, he only talks about quality expenditure, and this is what drains out government money especially the contractors. A small building that would only cost about \$200thousand or \$300thousand will cost \$2million or \$3million. For roads which might only cost \$2million or \$3million costs \$9million or \$10million. Even contractors which the government have awarded to repair roads, do not last for long and then contractors continue working on them, so what quality spending is that?

Mr Speaker, if we are not controlling the spending then we cannot move. I would like the Minister of Finance to look into this, not only the Minister and Ministry of Finance but other Ministries as well. Look at the Air fields and roads that we made, they cost \$10million to \$20millions which is very expensive. But the amount that was spent does not prove that we have a good asset at the end of the project.

Mr Speaker, I would to touch a bit on the scholarship of SINU. Mr Speaker Sir, as you know that SINU is a pride of country and I would like to thank the NCRA government for establishing SINU. Every people in Solomon Islands are really happy how the government is setting up t SINU, how government provides scholarships to SINU and I am very sad to hear when the Minister of Finance said, that next year there will be no scholarships or they will cut the scholarships. It is a very sad thing Mr Speaker because you were doing the very thing but suddenly that good thing that you were doing in just one speech really destroys it.

So I would like to say to our Government please try and relook back into SINU's scholarships because they are helping our people in this country. Education Mr Speaker is very, very important that is why during our time we are initiating the free education in primary school Mr Speaker. Then when CNURA government comes in we are putting this free education up to form three because it is very important because

we need an educated population here in Solomon Islands to make our economy grow and become strong.

If we do not have proper educated citizens in this country Mr Speaker, our country will be weak, so education is very, very important. So I am just asking the government and the minister of Finance if you can reconsider the scholarships for SINU because they are our children Mr Speaker so I like the Minister of Finance must look into this area and try to reinstate the scholarships for SINU.

I know Mr Speaker, it is quite an expensive exercise but we make a commitment so we should not pull back but we should move forward and fulfil the objectives where the government have talked about in the program of action and plan of government.

Mr Speaker, lastly I would like to say this that I would like to say thank you to the government to bring in this budget, this budget is not for us 50 members of parliament, this budget is for the country, it belongs to the nation and it is good that we must pass it before the end of this year or before Christmas so by early next year then every funding should continue.

And also Mr Speaker, I would like to wish you and your family Merry Christmas and everybody in this Chamber, the government side or all of us 50 members of parliament wishing you all when you return to our various places a Happy Christmas, make sure that all the celebrations that we make, we must control it, it is not good we are overboard sometimes we are excited then we are overboard. But make sure that we are doing things within our limit.

With this few remarks Mr Speaker Sir, I support the budget and I resume my seat. Thank you.

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2:22 – 2:27

Parliament resumes.

Hon DICKSON MUA (*Minister for Forestry and Research*): Thank you Mr Speaker for giving me this opportunity to also contribute. At the outset, I wish to recognise the leadership of the Honourable Minister of Finance and Treasury, his Permanent Secretary and Staff for managing the consultation process for this budget in a manner in which this process was pursued and undertaken.

Sir, I also wish to add my voice to my colleagues to restate the relevance of the theme of this budget “Making a difference in the lives of our people and striving to do better with existing resources”. Similarly I wish to commend the Chairperson of the members of the Public Account Committee for the tireless efforts and the manner in which they have scrutinise the Bill.

Mr Speaker, these good intentions will go a long way, when we have sound policies and programmes complimented and founded on these good intentions and purposes. One of the priorities of my Ministry in 2014 is to complete our consultation on our policies and legislation as we lay the foundations and platforms for this sector into the 21st Century.

Sir, our programmes are people oriented and focus on improving the livelihoods through their development of their own resources. For instance, through the Reforestation Programme, the farmers or their associations are assisted and encourage to plant trees as better use of their land to support their livelihoods. In this case, the farmers are provided with seeds assisted with nurseries and training. I am glad to report that in 2013, our farmers through their small holders forest plantation established 240 hectares. In 20 years’ time, these trees will yield about \$65.5million.

Sir, we also established 47 nurseries for our farmers and associations as well as conducted 10 training session of forest plantation civic culture for our farmers. This programme also supported farmer associations

with provisions of tools and financial support. Subsidies also provided to our farmers through their Members of Parliament.

Mr Speaker, this is a subject for consultation in the future for transparency and good governance practices of public funds. The downstream processing programme is another initiative of my Ministry that supports our people. Through this programme, the Value-Added Timber can now better coordinate the supply of timbers to the markets in view of the timber yard and office at Henderson. Our constituents also benefit from this programme through their members of Parliament with chainsaws, water mills, Lucas Mills or furniture tools. As expected, monitoring and evaluations of these activities are paramount for better and improved delivery of government services to our people. Trainings on sustainable forest management were conducted to promote sustainable forest management and enhance the technical knowledge of our resource owners. The other key portfolio of my ministry is dealing with logging in our country and on average \$1,697,600 cubic metres were exported since 2010. This is valued about \$165,737,584 (USD) and this account for about 16 per cent of our GDP so we need to be very careful about our measures to sustain this sector.

In 2012, 106 operational licences were issued this comprises 32 in Western Province, 28 in Isabel, 15 in Makira, nine each for Choiseul and Guadalcanal, eight in Malaita, three in Rennell Bellona and two in Central Islands Province. In 2013 there is an increase in the number of operational licence by 11 against a total of 232 felling licence and the NCRA government has concluded that in effect in September this year. Any new application for felling of trees will not be considered and this has suggested that we need to improve monitoring and the assessment of the conditions and terms of the operational licence for felling.

In that regard, a taskforce has been established and is now embarking on a program to pursue a review of this sector, monitor and assess the conditions and terms of operational licences as well as advice for the future of this logging in the Solomon Islands. These findings should be

communicated to Cabinet as early as first quarter of 2014 and these programs and activities will continue in 2014 with the budget of \$38.2million for my ministry. Moreover, the success of this sector to some extent depends on the collaboration of the other government ministries, the private sectors, and other stakeholders and our development partners.

This is essentially important when our subjects, beneficiaries and target other people of Solomon Islands. More specifically when we deal or refer to the resources owners of this land, in that way I am glad to inform this chamber that my ministry continues to receive the support and cooperation from other ministries like commerce, environment, Finance, Public Service, development & Planning and the office of the Prime Minister and Cabinet. Similarly these are the opportunity to engage further with the private sector and our development partners in year 2014 and beyond.

These are the types and nature of reforms that my ministry will pursue as we endeavours to strength our working relations and corporation for the better of our people and the future generation.

With these few remarks and reflections I support the Bill.

Hon. PETER SHANEL AGOVAKA (*Central Guadalcanal*): Thank you Mr. Speaker, for allowing me this time to join the choir of voices who have spoken before us on the 2014 Budget debate. Our time now is almost 2:30pm and I will clip off an hour of that and by 3.30pm somebody can participate.

Firstly I would like to thank the hardworking Minister of Finance and Treasury, my good friend and classmate at King George VI for tabling this Bill to Parliament for its deliberation. I also wish to acknowledge and thank the following: Permanent Secretary of Finance and his staff, all the Permanent secretaries of selected ministries and their delegations who appeared before the Public Accounts Committee hearing, the

chairman and Members of the Public Accounts Committee including the Auditor General who is the committee's secretary, Parliamentary secretariat for their untiring commitment to the committee's work. I would also like to thank the Central bank of Solomon Islands for their intervention and insight into the economy of our country.

For the last three years the Minister of Finance brought forward to this Honourable House a Budget that he calls 'credible'. This year the Minister of Finance chose the words 'sound and responsible'. I am not an English teacher and I do not wish to debate the meaning of these two words, I do feel that having gone through the Public Accounts Committee Report that this 2014 Budget falls short of being responsible. One only needs to look at the Auditor General's Report on various ministries; like the hiccup of contracts and I think for Marovo alluded to this morning, non-retirement of imprests, no asset registrar, abuse of government assets, abuse of public funds and utilities, abuse of royalty funds and the list goes on. And one only look at the 2013 Development Budget to see self serving ministers and backbenchers receiving or allocating themselves shipping funds, education and health funds from the Ministry of Rural Development. We have records of these things and the chairman has alluded to it already.

The 2014 Budget falls short of being responsible but the second quarter of 2014, most of the productive ministries will vire or apply for Contingency Warrant to sustain their work program and to build on what they have done in 2013. Their budget will not be enough to achieve their set goals or policy objectives.

The economic outlook and I quote what the Minister of Finance said; and I quote:

'Sir, 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 sub

contraction in agricultural output, levelling of log production and lacklustre result in Gold production.”

Sir, are we worried about this statement from the Minister of Finance? Sir, we are worried about the statement from the Minister of Finance, and confirmed by the Central Bank of Solomon Islands (CBSI). Yes, we must be concerned, and I am concerned that graduates who come back into the country will have no jobs. The Member of Parliament for East Honiara describes it well that the 2014 budget will not improve the economy or creates jobs for our people. This is a very sad state.

There will be no major economic development in Malaita, our most populated island and province; this 2014 budget will see Suava, Auluta and Bina Harbour continuing to be in limbo. I always feel for my brothers and sisters in Malaita because there is no major economic development on the island. Most economic development happens in Guadalcanal and the Western province. I do not need to prove it to you because you can see it for yourself. For Temotu there is no economic development there; Makira except for logging, there is nothing much there, so you will see that there will be very little happening next year in the 2014 budget.

There is only 0.3percent growth in construction, manufacturing and service sectors between 2012 and 2013. The Minister of Finance has alluded that these sectors are expected to offset the weaker production in the mining and primary production sector.

Sir, I would like to frame my debate and let us look at some of the key commodities that we have in our country so that we can have a feel of how we are going with the key commodities in our country. Let us first of all look at logging, in 2013 we were told by Central Bank that the latest annual logging estimates have been revised down from an initial estimate of \$1.948million cubic meters to \$1.866million cubic meters.

We have just heard from the Minister of Forestry and I can pose the question, why? Sir, it is simply because of the decline of actual logging and forecasted log price. Up to October this year the production of this has reached \$1.541million cubic meters, only 7percent lower than last year. So this tells us a story. The statement tells me a story that the decline will continue next year in 2014. Some people liked to term the logging industry as a sunset industry, and it is. You can look at the statement that I have just said to note that we are declining in our logs.

Sir, as you know trees cannot grow over night it takes time to grow and if we do not start replanting these trees they will never grow Sir.

Sir, let us look at the ministry that holds the Act and Laws governing forestry and its related administration and operation the ministry of Forestry and Research which its minister have just spoken.

Under the 2014 development budget they are allocated \$10.37million Sir, particularly for Botanical garden development, national herbarium research, national forestry biomass and carbon inventory, support to reforestation program and downstream processing program, Sir, by the way Minister Central Guadalcanal did not receive our forestry funds for downstream as well as the forestry. So if you have time Sir, could you check it up?

Sir, they are also issuing the license as well; felling license and logging license and I don't know Sir, the Member of Parliament for West Are'Are always complain about that ministry, always complain about the Ministry Sir and I don't know when will you try to solve it or resolving his issue. That he has been complaining about logging companies, they continue to log without the knowledge of the actual landowners Sir.

So Sir, I would like to touch on a very important component on the development budget of the Ministry of Forestry and that is the national forest biomass and carbon inventory. This program Sir is a very important program, it simply tells you whether you still have your trees or not after the assessment Sir. So if we continue to cut our logs very soon we will have no forests, all our virgin forests will be gone Sir.

And Sir, we in Central Guadalcanal logging have remove all our virgin forests and now the logging companies are logging secondary forests Sir. Once it is gone we will only have grasses, grass that is not fit for the cows and after the grass its bare land. Now the point of replanting comes in and I am thankful that the ministry has provided funds for reforestation and downstream processing program made available to Members of Parliament which are very helpful in helping farmers, the people who planted trees and they would like to venture into processing to harvest their trees Sir and that is a very good program.

I am sorry that it is not included in the budget this year, maybe you should rethink on how we should go about it. My only sad thing about forestry funds Sir, is that the three constituencies, I do not know whether Malaita Outer Islands have forestry too Sir? They would probably benefit well off with the fishery funds and whether the three Honiara constituencies who do not have any forests that are loggable. I know my brother from Central Honiara is listening but they could be given more on certain other funds like water supply or even housing funds or even making their roads accessible Sir, this kind of funds Sir instead of all of us being equal but then we find that we do not have forest to log and that is my worry Sir.

Sir, I will go fast, I would like to do my contribution within one hour

On gold, on the key commodity gold, Sir we are told that the total output up to October this year is 47,274 ounces of gold, that is about 32.7 per cent lower than the year to October in 2012 last year, this reflect lower output in the first quarter but hopefully it will reach up to 60,000 ounces by December this year.

Mr Speaker, while I appreciate the importance of the Gold Ridge Mining project in my constituency, I do share the sentiment raised by the Member of Parliament for East Choiseul in his intervention or contribution to the 2014 budget Sir. And that is the 3percent royalty which is a rip off to landowner's resources. He alluded to other places that have more than half or fifty percent of royalty. Their contribution Sir was the resources and the land that they have. So I urge the Ministry of Mines, Energy and Rural Electrification to review the Mining and

Minerals Act, so that it reflects how Solomon Islanders relate to land, land resources and its use. Our laws must be such, that it does not marginalise resource owners. The current law really marginalise us at the Gold Ridge. Gold Ridge is a yard stick for any mining development in this country, and we have to set it right. So that by setting it right, all mining companies that comes after or locations that come after will be set in good motion.

Mr Speaker, land and resources must form collaterals or contributions to any joint venture in the mining industry. So that it allows landowners to participate, it allows resource owners to participate in the mining industry. Not just mere spectators of how their lands are used or their resources extracted. But they must participate as well.

Sir, I am very concern that the other issues that I would like to raise here is the issue of the \$18million royalty misuse. Today, I as the Member of Parliament for Central Guadalcanal, I do not know what had happened. When I look at the budget for the Ministry of Mines and Ministry of Finance, I cannot find how they will resolve or address the \$18million shortfall or abuse of that fund.

Sir, I do not want to go back to history, but the Ministry of Mine, Energy and Rural Electrification must be concerned, so that they will try and address this \$18million royalty abuse. I will make a statement like this; it is up to the Minister and the Prime Minister to look at this. But one thing that you will note is that, the Honourable Member of Parliament for Central Guadalcanal has never been officially invited during their meetings to try and address the royalty abuse by the government. They do not follow the process, the royalty formula that we have set up when I was the Chair in 2006.

Sir, it was really sad. Maybe it is by design or maybe it is by default, I do not know. But the Honourable Member for Central Guadalcanal was never involved in trying to address this \$18million royalty abuse.

Again on Central Guadalcanal, I want to speak on the Tina Hydro. Mr Speaker, while my people in the Tina Hydro region have willingly want to work with the government and the investors on this national project, the recent visit by the Prime Minister, and I have already alluded to him, and his two Ministers that the Member for West Guadalcanal and the Member for East Guadalcanal, have left my people very concern, their concern is that they do not trust how the government deals with those things, and in our discussion the Prime Minister has explained it to me. But his explanation was different from what the people told me and one of the vocal voices there is none other than the former member of central Guadalcanal and he is very angry. I hope the project office for Tina hydro and the minister or the Prime Minister will write a good letter to him just to explain how and why they go and who invited them and who arrange the trip.

The people asked me and they said why did the member of East Guadalcanal have to go and not the member for Central Guadalcanal? We the leaders of Tina hydro, some of them were not consulted or not invited to this meeting and I do not know whether it is by design or default. That is a question that we can ponder on but let me say this, what goes around comes around sometimes. Whilst I appreciate the funds made available for the constituency renewable rural electrification, I must urge the Minister and his ministry to continue with the community micro hydro feasibility studies program.

The budget of \$21million in the Ministry of Mines & Energy for development budget should make some progress in this regard. You know the community micro hydro feasibility study is important and as you know and we keep saying this that fossil fuel in the Solomon Islands is quite expensive and the only way that for us in the country who have a lot of sunshine is to go by renewable energy. One of that renewable energy is water where we can make feasibility studies in the villages, so that we can make small micro hydro projects in the villages and light up that particular village or particular community. Such are very good programs and I really appreciate that the ministry have that program.

Sir the other commodity is copra. Copra production in our report that have shows a 54percent fall against the same period as last year that is, it reaches 10,888 metric ton.

It is predicted that the underperformance of copra against 2012 is expected to remain to the end of this year. Our rural coconut farmers or our plantation boys have struggled and their coconut plantation has grown senile and they are needed to be replanted. However, I am pleased that the Ministry of Agriculture and livestock development continues to assist our coconut farmers in providing funds for the 50 constituencies and it really helps. But the problem is that we keep having the same farmer coming and receiving funds and others are complaining that they did not receive funds. Even some of them we find out there do not have plantations especially for us in the Central Guadalcanal. People use the plantation that belongs to RIPEL to claim as their coconuts. So I urge the ministry of Agriculture and the minister that if applications arrived at your office your officers must do survey to plantations, to justify before giving funds to these coconut farmers. The same also applies to cocoa, in the report we have, cocoa production will rise by 11percent to 4,042tonnes this year against the same period in 2012.

Funds provided by the ministry will also continue to support cocoa farmers in the fifty constituencies. That is a good thing, especially for us Guadalcanal because we have a lot of flat land and people are planting cocoa and now we are waiting for the hybrid from St. Martin so that we start plating.

One question that I always ask during the Public Accounts Committee hearing is whether monitoring and evaluation programs are done on funds that are available to Members, for example, cocoa and coconut farm and the reforestation and downstream processing; whether technical people from the ministry assess and give feedback to us as to whether these funds are used wisely, they are successful and that we should continue or they are a failure and government should abolish and do not give funds to Members but channel it through the ministry to

distribute the funds so that they have the technical people to evaluate and monitor the progress of the coconut and cocoa plantations.

We have passed the Bio-security Bill this year but the fight against foreign pest, like the African Giant Snail, continues to be problematic. I hope that the African Giant Snail does not spread to other provinces. It should be contained on Guadalcanal and the ministry should try and eradicate it. When I look at the budget, I am really sad that the prevention and eradication of African Giant Snail is not reflected in the Budget. I do not know how the minister will deal with the issue of eradicating the African Giant Snail when you have very little in the budget to try and address the problematic pest.

There are other commodities in agriculture that I do not touch on, particularly on Oil Palm and there is also one on manufacturing but just on fisheries because as the minister alluded to that they are doing a loining at Tenaru, which is within my constituency and we the landowners are happy. The only thing I want to warn the minister of is the piece of land for that factory, because some squatters are already building there; otherwise we will experience the same situation with the stadium at Burns Creek. It was difficult to remove people from that area and a Member already built a clinic there and that will make it even difficult to build that stadium. The same goes to the Tenaru land that we identified for the Loin Factory. My advice is that the minister send someone to go and check and if we can quickly get hold of the land and fenced it for this particular development.

Just briefly on investment, we are told that the foreign investment activities remain positive as indicated by FID inflows and FID application. The FTI inflow remain above the \$200million mark in the first half of this year and the September quarter of 2013 saw approved FID application rising by 18percent. By sector, the largest recipient of the total approved investment applications during the third quarter were

other services, whole sale and retail. They account for 52percent while mining, tourism, construction, fisheries, forestry, transport and communication and agriculture account to the remaining balance of that percentage.

Mr Speaker, wholesale and retail dominating price in FDI application; I am quite worried about this Sir because those productive sectors that we should have develop like mining, tourism, fisheries, agriculture, transport and communication, forestry and construction are very important for us. What happened to these productive sectors?

Let me pick tourism. In my ten years as Foreign Affair Minister I travel quite around and I have seen places like Bali, the Caribbean, Africa, America and the Pacific but Solomon Islands can be counted amongst the best in terms of tourism.

So when I look at the Ministry of Culture and Tourism development budget I do not know whether I am going to laugh or cry because we have so many beautiful islands with waving palm trees, white sandy beaches, blue ocean, lush forest and waterfalls yet the development budget of Tourism and Culture is \$5million for ecotourism development and another \$5million put together for tourism development and institutional strengthening and it is not enough for us to develop these sectors. It is not enough for us to compete with Fiji, Samoa, Cook Islands or even Tahiti. We need to put our money where our mouth is and tourism to me is a sustainable development in our country. The Minister of Tourism will agree with me.

Like my colleague Member of Parliament for Marovo has stated in his debate; I also subscribe to his statement where he said we need to reform our tax system. Our tax system is too high and as you go higher you pay more taxes, and the cost of doing business in Solomon Islands is very high compared to our other pacific neighbours. High cost of electricity

as he has already alluded to, high cost of water; these are utilities which industries need to operate.

Then another commodity that is unavailable is land. Land is problematic in our country because landowners are having problems- land disputes so developments are not able to occur. Take for example in Suava Bay, Bina Harbour and the others, it is only land issues that hinder developments there. These are challenges that doing business in Solomon Islands is very difficult.

So I am asking the Minister of Finance to look again into our tax regime. I know the Prime Minister is well versed with our tax regime; impose tax free to certain industries like tourism for certain number of years until they are on their own feet then we tax them. Impose such incentive to help investment in our country. Otherwise, in the FDI inflow the wholesale and retail are going to dominate and then the others are going to be left out.

Sir, I would like to touch on employment, the Ministry of Finance and Treasury have conducted a survey called the household income and expenditure survey; that is a very good program. But when we asked the Permanent Secretary to draw from this data, how many people were employed? To draw data from his income and expenditure survey, how many people actually worked in the formal sector or even in informal sector? The Permanent Secretary cannot answer this because they cannot draw out that one and the same question was asked to the ministry of Commerce and the Permanent Secretary said the same thing, they have no data for the employees in our country.

Sir, why I am asking this is because it is important Sir, because we need to know who are not employed and who are employed then each year we will know our unemployment rate, whether it is going up or it is going down or it is still the same Sir. So that when we present our budget we will say 2012 unemployment rate is going down and in 2013 unemployment rate is still going down in certain percentages. So that we

can estimate whether the 2014 unemployment rate will go down further. At the moment we do not know who are employed, how much percentage is employed and how many percentages are unemployed in our country Sir.

That leads me to this human development indicator. It is reported to the Public Accounts Committee that from 2000 to 2012 Solomon Islands Human Development Index value has improved by nine percent. So we are reaching 0.53 in our ratings, so in world ranking Sir, this value still positions Solomon Islands within the low human development category ranking. We are ranked 143 out of 187 countries Sir, Vanuatu they are in 0.626, Kiribati they are in 0.629.

If you ask me, why I am saying this in my debate? Sir, it is very important so that we can look into our education again, and I am also happy and I share the sentiment that others have shared, and thank the Minister of Education for presenting this Solomon Islands University Act and the creation of the SINU from SICHE to a new university. Hopefully Sir, this will boost our ranking in terms of the human development indicator.

Sir, the other thing I would like to ask about is the awards of scholarships Sir. Every year we awarded scholarships and our problem Sir, is that we do not match within skills of qualifications the demands of the private sector or even the public sector Sir. So we are training the administrators but then we did not train the technical people. So we need to correlate these two here, the award of scholarships must match with the qualification and skills demand of our industries both public and private sectors Sir.

Sir, the warning was said by the Central Bank here that un-control awarding of scholarship could force serious threat to budget sustainability Sir. Whilst I appreciate the scholarship for this year, we have heard what they have said that it is one off now. Again I do not like to debate the government policy; it is up to government and cabinet for them to debate that one.

Sir, I do not have too many things to say so I have to touch on my last issue and that is on land issues Sir.

When the Member of Parliament for Central Guadalcanal stand and speaks he often talked about land. The people of Guadalcanal

continue to be victims of land uncertainty in their own land. I am saying this because if you look at the bona fide demands of Guadalcanal, one of them is land, the return of alienated land.

Sir, the rise and fall of the ethnic tension should have been a lesson for us in this country. But this is not, the lessons that we have learnt have quickly eroded. I subscribe to the sentiments raised by my colleague, the Member of Parliament for South Guadalcanal. We are still slowly addressing reconciliation and peace building in the Weather coast. There is nothing much more than that. The peace agreement signed by the militants in the Townsville Peace Agreement, I do not know whether it has expired already, so much that the government is not really worried about the land issues on Guadalcanal any more. Because if you look at the budget, there is nothing here that talks about trying to address land on Guadalcanal.

Last year we had a programme, the land identification programme, starting from Ngalibiu to Tamboko. This year it was removed from the budget. We were working with the three House of Chiefs in Tamboko/Tandai, Bahomea and Ghaobata to try and identify the landowners of those particular lands. Why I am saying this is because it is important for us to identify so that there is land security for the people who want to build houses, people who want to invest, and so on and so forth. So that you do not go to any Tom, Dick and Harry who is trying to fraudulently sell land that he does not own. And that is what is happening here on Guadalcanal. People are fraudulently selling land that they do not own. It is causing problems now.

Sir, the bona fide demands of Guadalcanal on the return of alienated land, must be addressed. And I call on the Ministry of Lands, Housing and Survey; where is the Minister? Is he there or not? In your development budget, you are allocated a sum of \$14million. I want to request the Minister and the Member for East-Central Guadalcanal to allocate out of this \$14million, \$1million or \$2million for the

continuation of the land identification programme. It is a good thing, because if we do not address the land issue on Guadalcanal, we will still be trying to build upon this peace and the Unity that we have now and we should not try and destroy it. Because if we do not address the land on Guadalcanal, what we are saying is that 'just destroy the peace and the national unity that we have already built.

As you know, after the ethnic tension the cost of it is enormous, coming from SIG and our development partners. And after the ethnic tension, you remember, you created a fully-fledged Ministry to look after national unity, reconciliation and peace. So you did a lot of work in your time and you are awarded with it. I congratulate you for bringing peace back in our country. But if we do not address the land issue on Guadalcanal, we will go back to where we came from during the ethnic tension. So I am urging the Minister and the good Prime Minister to allocate some funds so that we continue on with this programme. I am willing to assist with this programme. It is our concern.

Finally, Mr Speaker, I too would like to thank you as the Speaker, the Clerk and the staff of the secretariat and the staff of the Parliament for your continuous support in my work as the Chairman of the Education and Human Resource Training Committee and in my other work as member of the Public Accounts Committee and House Committee. I also want to pose here and give my Christmas greeting to my people of Central Guadalcanal, thank you so much for the support and we will continue to work together in 2014. I think my term here as the Member of Parliament for Central Guadalcanal we have tried to raise a bit the development in our constituency. So with these remarks I will sit down and support this 2014 Appropriation Bill 2013, thank you.

Mr MOFFAT FUGUI(*Central Honiara*): I stand to join other colleagues to contribute to the 2014 Appropriation Bill 2013. I thank you for allowing us to continue the debate this afternoon as it is now heavy on our shoulders and even I can see the toll on the Minister of Finance. In recent

times for our records this budget is one of the most delayed budgets that the Parliament had come across; it is a delayed budget because of the short time before Christmas and everyone here at Central Honiara everybody is all over the place waiting for Christmas gifts.

Usually it is presented one month before and the ill prepared fashion that the budget has been negotiated and from the report of the Public Accounts Committee right from the initial pages, recommendation one states that the government has been late by one month. One month is a long time in Parliament life and a lot of things can be achieved in such time as the committee's report revealed and I quote, " due to the very late delivery of the draft estimates of the 2014 Appropriation 2013, there was insufficient time to interview representatives from four of the Ministries and I hope it does not include Parliament and four statutory offices or representatives from the private sector to inform the committee on the financial implications that the government taxation policy has on private sector".

For a government that pride itself and which all government does in ensuring that things are done properly and expeditiously this budget is a huge let down and for a ministry, the ministry of Finance to whom annual budgets should be an yearly event. This is less than what the members of the public would have expect, either the ministry that is the ministry of Finance is overtly disorganised, thoroughly overloaded, completely infiltrated or severely politically butchered. Our only consolation in all these is that this is the last budget of the NCRA government and we are thankful that the end is nigh. I said so because once upon a time I was a member of the NCRA government. As the case is we do not have to wait upon the present NCRA for another budget.

The chairman of the Public Accounts Committee had called the budget a 'Christmas tree'. Have you ever imagine that kind of Christmas tree? It is a huge polarity in terms of one extremity to another. That is very fascinating. We should be happy that we come up with very inventive terms. I would regard this as a very generous rendering and a more apt metaphor would be to call the budget a 'Christmas bunny'. I will explain this in due course. Bunnies are toys, they are there during Christmas not

to satisfy our needs and longings but to titillate our imagination and to fire up our infantile fantasies. I will elaborate on that.

What I mean by saying all these is this; because of the poor timing (*the budget has been late*), every resident of most MPs and even around the Parliament precincts are filled with expectant constituents. To simply put it, this also mean that all projects however important they are, are going to be melted, dissolved, disappeared and even absorbed as Christmas bunnies or gifts. That is the danger of the short timing. It is not the comment on the government but make sure there is adequate time to draw the budget so that when it comes to Christmas, nobody is waiting for all the money to come and we just dish them out as though it is a school day and everybody is waiting for cakes. No! This is what is happening now and that is my point; a strong but relevant point.

This is the fate of late budgets and all late budgets during Christmas time in Solomon Islands inevitably meet such state. It is not an indictment on the government but an indictment on how not to do budgets.

Having imputed that indictment, allow me to make a few comments on the budget proper and then I will finish. My first subject is on agriculture.

In many third world countries, especially in Africa, Asia and Latin Americas, agriculture remains the bulwark of the economy; not money but agriculture. why? Because most people get their produce from land and those on the coast from the sea for that matter. So it is green economy and blue economy if you like to turn it into an environmental terminology.

In Solomon Islands agriculture will remain and for a long time to come, the foundation of most of our peoples livelihood. So what do you do? In the 2014 budget, allocations for agriculture are manifestly inadequate. I

support what the Minister for Agriculture said that the budget for agriculture should increase every year because it links directly to the 80percent of our population in the rural area and that is where cocoa, copra and the rest of the greenies and bluish are important in terms of how we run the budget. For instance, for National Food Enhancement to improve food security in the country, only \$3million was given. I would have thought that Food Security deserves an amount in the vicinity of \$30million; not politics but food security.

The chairman of the Public Accounts Committee mentioned GDP yesterday. If we are to increase the allocation for food security, the country's GDP figure will change to a better one, a much stronger figure. Similarly, the National Cocoa Industry should have been \$40million and the National Coconut Industry should have been allotted another \$40million respectively. As we see in this budget, cocoa and coconut are given a mere \$4million each. Sir, there are people who have big plantations of copra and cocoa but only 4 people would have exhaust the funds. For industries that most of our people would benefit from this is grossly unfair. And for the principle of fair and equitable distribution of resources the government has failed; I am talking on behalf of our people, as a result most of our people will continue to suffer.

Poultry is an important industry for many of our local people and has met a worst fate. Nothing has been done to salvage the local poultry industry in the country due to cheap imported chicken that have been dumped in the local market outlets. Indigenous farmers in particular our women(*relate directly Honiara*) who have been greatly affected, I have raised a question about this in the last meeting to the Ministry of Agriculture and the Ministry of Commerce in the September meeting; Is the Minister of Commerce here? It is good that he is here because I do not have to be polite.

The Minister of Commerce who has promised to look into the issue; Mr Speaker despite high sounding platitudes and assurances from the Minister of Commerce who is not here this afternoon, who has promised to look into the issue, nothing has been done. This is an issue that is directly affecting our people that we often see at the Central Market. Again the government has failed our people especially our people in Honiara.

Moving on to the next topic, education; Mr Speaker in the future the economy of the country will be our people and not money or not even growth- if we do our figures right . The economy of the future is between the two palates of each Solomon Islanders who is being trained today. Education is one of those areas I personally would not apologise for, and I am an advocate for education, a true die hard supporter for education. So we have to train our people now because they are the economy of Solomon Islands.

In this budget \$50million dollars has been allocated for Solomon Islands National University (SINU), a major achievement of NCRA government and I congratulate us for that. But I would have wished that \$500million was allocated for SINU, not \$50million because of this reason. When they do their work like research and teaching at the same time they do not have to resort to budget subventions for assistance because they are going to wait for it, even they have to wait until Christmas and that is happening now in terms of some of the allowances of our students at SINU. You can attest for that Mr Speaker because I do not have to go far for you to see what I am talking about.

This is why I have canvassed support in the previous parliamentary meeting for endowment funds for SINU because it should not wait for government subvention but establish an endowment fund and move on with it.

Despite new initiatives including a \$7million allocation for specialised doctors' one abhors the reduction of the health budget for next year. Health has an exponential character so its budget must always increase, so the budget must reflect this. Rather we have reduced it; a reduction of \$144million for Health is saying volumes. It is a huge commentary and not a good one.

Health is a priority, without good health the whole country would come to a grinding halt and that is repeating itself. That is a tautology; that is stating the truth as it is and truth stating itself. Health is very important because it is the first form of wealth. It is not my money in my pocket but my health is my first form of wealth. For example, I have seen that \$1million is allocated for patient referrals at the St Vincent Hospital in Sydney, Australia for 2014. I think this is small; just outside I have met one of my relative and he said that his wife is sick and he said that he needs to send her to St Vincent Hospital through the 10beds arrangement that we have. I told him to wait around and you will put on your radio, it does not matter if you are staying with the Deputy Prime Minister then you would have to listen.

So \$1million Mr Speaker Sir, in other words it's very small, why it's like that. The waiting list is long and the list is very long, it is short when I was still a minister, it is too long more than 100 if I am not wrong. And we should get us many of these people as possible to s St Vincent hospital. There are a number of prominent people on this list as well Sir should I say, people with their contribution in this very House that we talked in, or even when the parliament was still in Kalala House. In other words you and I owe them a lot, putting in another way so that it is clear for us, there a lot of them there. Mr Speaker Sir, ordinary Solomon Islands are also important people to me, they are prominent enough to be on the list, no need for them to become former Prime Ministers or former Governor Generals, but add other ordinary people who do not even know that they have \$20.00 around to help them, we should help them, especially the young people with heart problems, cardiac problem and all these are important, so \$1million is too small.

You converting it to Australian dollars you will just runaway because there will no changes for you- it is very small.

And our actions or inaction reflects us, by asking who is he or she. Mr Speaker Sir, because of the inadequate funds delays would not help in critical cases. I hope the ministry would mitigate this through a new submission in an appropriation next year if we have another supplementary appropriation.

Fisheries, is an important industry. The minister of Fisheries is there, I want to congratulate him in advance.

Mr Speaker Sir, fisheries is one of our major hopes for the future and as the Member of Parliament for East Choiseul had remarked yesterday, the sea is teeming, that is it is overfilled with fish and let me add and other marine resources. There are lots of fish enough for you and me to harvest them.

Mr Speaker Sir, one sees that \$450,000 was allocated for a new office space for ministry as a former supervising Minister for Fisheries, if you drive along the side of the ministry of Fisheries, it looks beautiful from the outside but in terms of space use Mr Speaker Sir, is very awkward for lack of better word. So we need more space, I agree with the Minister.

I would suggest the ministry remains proactive, move further and acquire the land contiguous to it east wards, there is a good land there that is owned by a private person,. Mr Speaker, let me remind you, I am a person born in an artificial island, I breath in sea, I exhaled or breath out sea, so when you see sea, you will understand what is sea- it is a fascinating fantasy, better than Christmas bunnies, for that matter. So if you look at the ministry of Fisheries, just next door to it is the private area. And then the private area is fascinating because it goes to a shallow water, where legends of Guadalcanal has it, there is a woman who carries her big load there than she turns into a stone, but that is another day story. What I mean is, if we take that piece of land and then we put a wall there, that is a natural area for us to breathe in if we are successful with beach-de-mer. Let us try a different kind of fish the next time and that water is dead ideal for that kind I am telling you Mr Speaker as a sea man, by birth. Not because I am one year old and moving but by birth,

The ministry can even reclaim land towards the seaside as it extends its office ones it that piece of land. Mr Speaker sir, the tuna on shore development is most encouraging and we all support it, no exception because now we are moving from trees and land into the sea, we are moving from green economy to blue economy.

I must congratulate the Minister and his Permanent Secretary for the marvellous work well done and that one is good. In 2014 budget, tuna offshore development would receive \$4million. I hope the government to move faster with this. The government should not tarry on the further negotiations with landowners and other interested groups. Let me put my two cents on this before I move from that subject. When people said that we have problems with land, I said no, we do not have problem with land. We have problem with the people. It is the people that we need to negotiate and talk the way they understand it, the way that no European will understand, so that in the end they can avail their land. So when we say our people have a problem. It is what they called the victim syndrome. Like a person who is sick with malaria, then you say, are you sick with malaria and you need chloroquine. You are telling him what he is already in it. We should problem solve, and say, here is your land, let us do it properly. And let us not do it the way the government do it, rather does it the way people do it. Same as the way elections are done. I will briefly elaborate. The way election is done now, it is done for one day. So when people say, they are worried that they will not come back next year. No, do not worry about it; wait for the one day during election. It is only a one dumb day affair. Those of us at home are not like that, we talk and talk, we know exactly who the leader is and we say, alright, between Mr A and Mr B, who do you chose? They will say, let us allow Mr A to take now, and Mr B the next time around. Then we chopse Mr A, can you see that? Similar that applies to land. So when you point fingers. When I am speaking to you, I know people are listening and watching, I am not talking to you, I am talking to the whole of Solomon Islands but through you, of course because of the protocol of parliamentary procedures. When we talk about the land, it is the same thing. Use techniques and tactics, protocols, values, respect where they have. All the time when the government do things, the world over, they always do things wrongly

because they always imitate others. We pretend to be white men, but we are plastic white men, there is no life in it, no animation, nothing, worse as I have told you, worse than Christmas bunnies, not even Christmas trees. This is how we do it, we do it properly. So when we negotiate it, then we will get it. Because people must dispute to sort out the land before the land is free. Without disputes, dispute is in other words is just to talk and, argue like we do it here. When we talk louder, that is the nature of the work. In the past when I was a Minister, I talked like a Minister, this time around; I debate against the government to put an alternative through to what we do. This is very healthy, it is good. This is how the work is done, not just to sit down and keep quite as though you are a zombie; dead long ago even before Abraham. No, the very nature of the work demands that kind of creativity. That is it Mr Speaker Sir, I know you are listening, I am almost finish.

My last subject before I finish. Mr Speaker Sir, I want to move to the most important office in the land, the National Parliament of Solomon Islands. I agree with this, not the courts. The National Parliament of Solomon Islands is the most important office in this land, not even the Governor General's office, no. The sovereignty of Parliament is vested in the very House.

Mr Speaker Sir, for our records, this is one of the offices that the Public Accounts had not received audition. I was surprised when I read that. You are there, but you do not talk to the people. If I grade them- C minus. That is very generous, not doing a good job. When you are here, start here. Start with the Parliament, before you move around to talk with other Ministries or Departments. I was surprised, when it missed us. If this has happened by design or default, we must do something about it.

Mr Speaker Sir, next year's budget preparation should not see this repeated. Parliament should be the safe haven and the foundation of law making and policies. I see that \$633,333 have allocated for 10 new Parliamentary Committees. This is very good. In other words, they are spreading Committee work into all our provinces. This is to canvass hearings and sessions in all our provinces. I congratulate the government for that. This is way forward for our democracy. I am

saying this because when we went around with the Parliamentary Education Committee, I really enjoyed it, listening to other people, not you and me. You see different things - see exactly what are the differences and the nuances of West, Choiseul, Isabel, Ngella and other places; this is very, very healthy. We should do more of this, let us not stack in this place like a tomb and you are killing us with this excessive air conditioning and not even helping our health. So let us move out and canvass the opinions of our people and one sees that \$5million is allocated for national development program, this is good but I do not understand it. I am not so sure what this would entail or what involve in it but what I see on a daily basis, in Parliament is that other simple but no less important should also be taken care off.

Security officers who work overnight every night without sugar, tea and coffee, is that not part of the development program of the Parliament? Also not all officers are picked up and drop to and from work; I just want to mention something that I see. And those matters are not even parliamentary reform or even national development program, this needs to be attended to, the kitchen closes every night and so officers who worked overnight are deprive of an essential space to cook their food and drink their tea in a decent place. It may sound small but very important. It is just like when our wives do not want to talk to us and told us to go and eat on the roof because there is no space for you- that is very awkward and silly.

Compared to other Government officers, the salaries of Parliamentary Officers need to be re-structured and improved, I checked this already. If you say that Parliament is the highest office in the Land then it has to be reflected in terms of remuneration of the officers as well or the reward system. Moreover, Parliament officers' needs to have their wage raise as many of these officers do not had a raise in donkey years and I also know that it is not your problem or my problem but this has been a legacy of this place for a very long time and let us attend to it, if this is a development program.

Parliament in the world over is a growth area and what I mean is that, it is a bubbling area which needs a lot of coordination, up to date communication and creativity and that does not come easy, so a vibrant training for the officers should be put in place that should complement the existing projects that we have in terms of increasing the capacity of our Parliament. By doing that our officers will be happy, I am a person that does not follow the protocol of the Parliament in that I have seen it because it does not work properly with the white people themselves and so I do not intend to imitate it either. If I see someone I talked with him or her to find out what is going on at the work place and even gives them something to assist them.

And so if we can do that we will improve the Parliament and we will go on. For instance, last time when we had a youth Parliament meeting it was very expensive and it was more than half a million dollars. I would have thought for that kind of program. What you do is that you organise Honiara and you bring people from the market, from all the suburbs around Honiara to watch it because plenty of those people do not come here at the gallery yet. In other words, many of our people have never come here because if you wear a cut shirt and your hair is stinky and you look scruffy you cannot come through that door. Although you are from Aoke/Langalanga and your Member of Parliament is now speaking you cannot come because you look scrappy. Can you see the abnormality of all these things? Protocols are good as long as they work but if they do not work then you throw them in the dust bin and that is what I want to say, so that we can improve our Parliament.

Churches and faith based organisation, I am near to the end of my intervention. I would like to add my two cents on behalf of churches and other faith based organisations. Churches and other faith based organisations are very if not the most important institutions in the country besides the Parliament; Parliament aside and churches are prominent in everything everywhere. They play the same if not more important and relevant roles in the government. In fact before the term 'civil society and NGOs' become household terms in Solomon Islands, churches were the embodiment of such institutions. As a former British Colony, the churches were often equated with the government; the DC is

related to the Bishop. For records, Bishop Patterson is the cousin of Prime Minister Gladstone; one stayed in England and one came to us in the Solomon Islands, as an Anglican, the Queen of England as the Head of the Church and Head of government is fused in a single person and that remains until today. So how do you treat the churches? To put it short nowadays there is no ministry, no department responsible wholly churches. It is subsumed under the Ministry of Home Affairs, where churches are more important but you only find the Ministry of Home Affairs at the Anthony Saru Building.

In other words, it is so small that nobody recognises it but you mistreat it and in fact that is an abuse, it is a pervasion of institutions. This is not right because when the church people they look all around the place, except for their relative for any assistance but it comes in titbits. When a new government is formed next time, make sure that there is a ministry responsible wholly for churches and other faith based organisations.

Next year, the government through the Ministry of Education allocates \$919,329 for quality education, that is small by comparison. That should have doubled to do justice to the churches and other faith based organisations in terms of huge responsibilities they have in educating our people. Only two ministries assist in terms churches; the Ministry of Education and the Ministry of Home Affairs, for next year's budget I fail to see an increase in terms of church grants funds. As the MP for Central Honiara and as far as I have worked with churches and church people the work of the churches in the city is not diminishing. If anything, it has increased. Churches and church members have come up with more projects and request for assistance because they see the benefits they have received through government assistance. We need to increase government assistance to churches because it has helped our people through churches that are already established in the villages and communities and in view of the importance of churches and faith based organisation. I suggest that the new government think about a new ministry for the churches and faith based organisations. Both the

churches and the government address the same people with similar problems, we need to reorganise ourselves.

Finally, a word for my constituents. Allow me Mr. Speaker to thank my constituents for the support so far. Central Honiara Constituency is one of the last constituencies to receive funding from the government for this year and I am trying to get our funds to distribute to all of my constituents in time, especially whose names appear on projects. In other words, they do not just line up and we give them funds, No! There is nothing as such. Government does not do it that way and it has no funds for such thing. Those whose names appear on the projects will come but those whose names do not appear on projects make sure they submit so that we work on what the government allocates, otherwise I will dish out funds and we will have problem in the end.

Finally Mr. Speaker, allow me to thank you for your leadership in Parliament. I would like to thank the Clerk, our staff and all others who have supported the Parliament. With these few words, I resume my seat.

Hon HYPOLITE TAREMAE (*Minister of Peace and Reconciliation*):

Thank you for allowing me this time to make some brief. First I would like to take this opportunity on behalf of my Ministry and people in my constituency to thank the Minister of Finance, the Permanent Secretary and all his officers in the Ministry for this budget. I would also like to thank other Ministries for putting together their budget for this Appropriation Bill 2014. When listening to debates here it is like we are arguing but it is the custom of this House so I would also like to contribute a bit. I am not going to talk for a long time because most of the things have already been said.

The 2014 budget attempts to incorporate remedies to some if not most challenges emerging from experience in the running of the affairs our

nation by the Honourable House within the past three years. Sir, as it is a balance budget that aims to continue its policy to invest rural economic development in the pursuance to spread the nation's wealth equally across the country.

It is my humble plea that all Honourable colleagues of this Honourable House should really be behind this budget and support it in order to make this credible for the sake of progress for our people. The introduction of the Medium Term Development Fiscal Strategy (MTFS) is indeed improved, improvement to our forward planning strategy to be able to better prioritise expenditure.

However, as alluded by the Minister of Finance in his speech that revenue growth is not expected to keep up with normal economic growth should be a reminder to us to appropriately prioritise our constituency development aspiration to assist in identified sectors with the potential to bring in revenue for the country such as fisheries, cocoa, copra and so forth.

Mr Speaker, in the 2014 budget my Ministry, the Ministry of Peace and Reconciliation allocate a sum of \$12.9million for the recurrent and \$3million for development budget giving my Ministry a total sum of \$15.9million to carry out peace related activities in the country in 2014.

The 2014 allocation represents a 66.4percent increase over my 2013 budget allocation. The main reason for this increase in the 2014 is that in 2013 my Ministry did not bid for development expenditure, again the reason for not bidding was the lack of proper established framework upon which the functions of the Ministry can be directed, coordinated and delivered.

My Ministry have since been working very hard with the 2013 recurrent budget and have now managed to establish necessary policy frameworks to move the function of the Ministry forward. The Ministry

has since then develop its human resources development plan 2013-2017, reviewed it's cooperate plan 2013-2017 and completed consultation on a national peace building policy framework. And in the process of piloting a national reconciliation framework others such as the non government organization and civil society partnership policy framework is at its advance stage.

The ministry is currently fully engaged in the Weather Coast RSIPF reconciliation program. The launching program 'Suluvisu' has been done and the remaining part of the program will continue in 2014.

As I speak, staff of my ministry are currently in Talise ward of South Guadalcanal supervising the first two ceremonies out of eight and that are required for the four wards namely:- Vatukulao, Duidui, Talise and Wanderer Bay.

A program of trauma counselling and healing will be followed after each of the suluvisu. This will carry out by church leaders and other trained councillors from CSOs and NGOs and other faith based organisations.

Mr Speaker, I think this issue is one of the long outstanding issues where a colleague Member of Parliament for South Guadalcanal is mentioning in his speech today that I think it is almost more than a decade for us to do this. And like me I would like to take this opportunity to thank the Honourable Prime Minister as he has the vision for us to do this program and really it is one of the ways forward and it is a break through because it is an outstanding issue that few governments in the past find it difficult to addressing. But thank you very much in which the Member of Parliament in that constituency is also working hard in his own area.

Mr Speaker, some of the key challenges highlighted in the budget speech are challenges that we should learn from such as the scholarship issue and I am glad that the government was quick to recognize this and act accordingly.

Mr Speaker, Honourable colleagues would agree with me that for the sake of the National University, it is of paramount importance that we maintain its credibility.

Mr Speaker, the national general election will be upon us soon and I am certain that honourable colleagues are looking forward to this very important event. The financial input made by this government to this very important national democratic process is worth it. The so many problems associated to the existing registration and voting process will be eliminated and processed made safe, fair and more transparent.

Coming back to the budget Mr Speaker, I would like to comment on the development budget. It has been a challenge to boast the execution of the development budget. However, it should be encouraging to note that in this budget, government is taking steps to improve the situation. I believe with the new measures put in place, we should see improvement in our development budget in 2014.

Mr Speaker, the state owned enterprises were also mentioned in the budget speech. Mr Speaker, these SOEs are very important part of our economy and we should be thankful for the service that they provide. This SOE borrowing policy is indeed important in the fiscal relationship between them and the government.

Mr Speaker, it is also very encouraging to see major developments such as the Solomon Islands Ocean Cable Project, the Honiara Electricity Network Upgraded Project being finalised and ready to be implemented. The 2014 Budget, in its entirety is comprehensive and that has embraced most challenges faced by our government, and develops a mechanism to address them.

In the respect, it is action oriented and in my mind I have no doubt that, it will take this Honourable House to the financial year 2014. Before I take my seat, I just want to thank the people of Central Makira Constituency for their support, and also I would like to thank all members of Parliament whom we spend our time with this budget even though we should be going for Christmas, but it is important for us to pass this budget before we go home or we go for the Christmas break.

Mr Speaker, I would also like to thank your office and all the officers who always work with you in this Chamber for your time that you spent

during this Parliament meeting. With that, thank you very much, and I support the motion.

Hon SILAS TAUSINGA (*Minister for Provincial Government and Institutional Strengthening*): Thank you Mr Speaker for the opportunity to contribute to the budget debate, and also at the same time to enlighten you and share with you the progress made by my Ministry for the budget implementation for 2013, and the key policy that my Ministry will be implementing for 2014 recurrent and development budget allocations. I also would like to thank the Chairman of PAC and your members for the job well done in scrutinising the provisions of the 2014 Budget, and for allowing your time to be informed about the programmes of the NCRA Government through the various line Ministries and government agencies.

Also a big thank you to the staff of the Ministry of Finance and Treasury, Ministry of Development Planning and Aid Coordination, and the Ministry of Public Service for compiling the budget bricks and estimates and to provide the technical expertise and assistance that will make this budget more viable, value for money, economically driven and geared towards more service delivery, particularly for our rural populous. A special thanks and appreciation to my Ministerial staff and particularly to the advisors and technical staff through the Provincial Government Strengthening Programme for their roles and expert contributions to ensuring that our rural populations received the desired service required and to be informed about the roles and aspirations that government connects and share through its policies and work programmes for the betterment of our citizens.

Mr Speaker, a special thank you goes to your staff at the National Parliament Office for the tireless and the preparations in ensuring that this Parliament meeting runs smoothly and according to the democratic

principles and where such meetings provides an avenue for members of Parliament particularly about development aspirations and needs desired by their constituents, and particularly members of their communities within Solomon Islands.

Honourable Speaker, let me inform this House about the mandate that confers my ministry to play its pivotal role in ensuring that the general population receives the livelihood and welfare that is required from any democratic government. Core functions of my ministry include; Policy formulation guidelines for implementation of Provincial work programs and activities that are in line with the national development strategy objectives and the NCRA policy statement.

Also we are responsible for the overall policy directions, supervision of SIG policies, establishing strategic directive and mandate for provincial governments and rural communities to perform.

Furthermore, we oversee the implementation of government regulations and other cabinet decisions by mainstreaming them into recurrent and capital development budgets of the Ministry.

Supervision in monitoring of provincial work programs in liaising with the strategic objectives and policy statements of the central government.

Oversee the implementation of the performance management processes policy initiated by the ministry of Public Service and the Public Service Commission.

Policy development support to provincial executives, ensuring sufficient implementation of capital projects through national and (PCDF) arrangements, capacity for building members of provincial assemblies provincial administration and other government agency staff through the provincial government strengthening program.

To organise and coordinate premiers conferences and ensure that the recommendations and strategic issues raised by the provincial governments are brought and addressed at the national level and to

ensure the implementation of such recommendation does foster greater coordination, integration and cooperation among the different levels of local, sub national and national governments.

Moreover, to ensure policies and strategic direction of programs and activities are within the preview of the existing laws of Solomon Islands including the Constitution. Also we do the coordinating under the Ministry (PGSP) in line with objective 8 of national development strategy the approved project document.

Oversee overall control and accountability mechanisms within the Ministry in line with the existing Laws financial management ordinance of provincial governments, NCRA policy and of course good public expenditure management practises. Work towards fiscal decentralisation policy advocacy on behalf of the of the provincial government in ensuring that they have the necessary resources and capacity and responsibility to look after the financial affairs and make strategic decisions for the betterment and improve livelihood of their citizens.

Having gone some of these functions and mandated activities is no easy task for my ministry especially when you deal with 85 percent of the rural population and nine provincial governments of Solomon Islands.

However, with the support of key line ministries such as the Ministry of Finance and Treasury, Ministry of Development Planning and Aid Coordination and of course the ministry of Public Service. My ministry endeavours to deliver in liaising with other government agencies that is required for the development through service delivery channels strategy policy initiatives for the provincial governments.

As you know so well about the national general elections in 2014 where the majority of the people do not only experience uneasiness and discomfort but it is also a year that people's democratic right of choice will be applied with voices of the people would be heard. 2014 is an exciting year not only for the national general elections but also for the provincial elections of six provinces, and those provinces are; Malaita, Guadalcanal, Rennell Bellona, Temotu, Central and Isabel shall be

holding that provincial elections to elect new members of their assemblies.

This is a major mandate responsibility of my ministry for the 2014 as it is required by the virtue of provincial Act 1997 to ensure new members are elected to represent their constituencies or wards. The elections are due in December 2014 and the voter registration process for the provinces will not be difficult now since the ministry will utilise information from the national voter registration exercise carried out by the Ministry of Home Affairs. You may recall that this year we conducted successful provincial elections in the provinces of Choiseul Western Province and two other By-elections for Temotu and Rennell and Bellona Provinces.

Despite the tight budget for the major exercise, my ministry steered well and broke through a number of challenges, which include unfavourable weather problems, reluctant public officers who prefer to get their allowances first before performing the election duties, limited funds to carry out election duties and undue influence from certain members of the public in affairs of the provincial elections.

Provincial elections for the Western and Choiseul provinces and By-elections in Temotu and Rennell and Bellona has been so far successful and democratic rights of our people in these provinces have been exercised and therefore it is heard.

In June this year, 2013, my ministry also successfully conducted the 7th Premiers Conference which was held in Gizo, Western Province at the Gizo Conference, six resolutions in form of Communiqué were endorsed by the nine provincial premiers and the City Mayor of Honiara City Council. The Communiqué was submitted and endorsed by the Cabinet since July 2013.

Issues raised in this Communiqué are not new issues but rather reminders to the government of the general aspirations of provincial governments and for the national government to be more focus and robust on it to address its development needs as sub-national governments.

The NCRA Government has been so far aggressive and assertive in focussing towards the provincial development needs. So far since the 1st Annual Premiers Conference in 2007, the ministry has been endeavouring to address the resolutions emanating from these respective premiers meetings, some of which particularly those that require legislative reforms and further studies, consultations and findings are still ongoing.

The ministry will continue to work with other line ministries and key government agencies in addressing these issues in 2014 and beyond.

I wish to take this opportunity to inform this House that the next Premiers Conference shall be held in Guadalcanal co-hosted by both Guadalcanal Province and Honiara City Council in 2015 as a result of the Cabinet to hold conferences once every two years in order to give time for the implementation of conference Communiqués. Preparation for the 2015 Conference in Guadalcanal shall commence in 2014.

Furthermore, in response to the call from the Honourable Premiers, my ministry developed a handbook on policies, procedures and guidelines on preparations and management of premiers' conference events in order to ensure that these kinds of events are successfully conducted and that intended results can be achievable. This document will be submitted to Cabinet for its approval in January 2014.

In terms of Provincial and ward Profiling, I must inform the House that my ministry has commenced the implementation of Cabinet decision in carrying out ward profiling and formulation of strategic plans for the provincial wards in every province. This major activity has commenced in six provinces. They are: Choiseul, Guadalcanal, Makira/Ulawa, Western Province, Isabel and Temotu Province. In the six provinces the data collection has been completed with second round of consultation conducted in Choiseul and Western Province. Upon validation of these compiled ward profiles, the consultation shall be developing strategic

plans for each province based on the ward profiles that link to the national development strategy objectives. Central, Malaita and Rennell Bellona Provinces shall be covered in 2014.

The completion of ward profiles shall facilitate the development of constituency profiles. The exercise is therefore seen as an important input into the preparations of constituency plans in 2014. The database of ward profiles shall be made available to every Member of Parliament for developing constituency profiles and constituency development plans. I therefore urge Members of Parliament to share their Provincial Members' visions and cooperation in ensuring that we do have strategic plans that aligns constituencies' development plans with needs of provincial governments and needs and strategies that help shape us to work towards achieving common medium term development targets and objectives of the national development strategy. I must put on record that compared to 2007 and 2008 all provincial governments have produced yearly financial statements on users cash basis and that the office of the Auditor General carries out interim and final audit of the provincial financial statements as a result of the improved accounting practise adopted by provincial governments.

The PGSP has brought many improvements within the provincial government system since its inception in 2007. PGSP's main objective is to establish the balance between capacity issues, responsibility, resource utilisation by provincial governments many positive developments were attain as a result of this program and this includes attended financial reports, auditing of these financial statements, revitalisation of provincial public accounts committees in some provinces, policy framework developments, knowledge and skills transferred through workshops, drafting provincial ordinance in some provinces, light capital infrastructure development through provincial capacity development fund, improved governance and accountability.

Some of the core programs of PGSP phase one will be carried forward into the phase two of the program which should commence sometimes in 2014. One of the major components of PGSP phase two is the program on functional assignment studies in accordance with the NCRA government's policy. My Ministry has produced a draft report paved way for the consultations with line ministries in seeking clarification on roles and responsibilities of provincial government in service delivery.

Efforts in this study will continue in 2014 in order to determine who is responsible for what service delivery at the provincial level. It has becoming very obvious that confusions and frustrations do arise in terms responsibility and administrative power when implementing sound government policies and laws of the country at the provincial level. This confusion breeds animosity, lack of energy and lack of determination in implementation of government work programs.

It is therefore hope that proper studies in functional assignments in 2014 and during the course of PGSP phase two would provide clarification in roles and functions of provincial governments in liaising with the roles of line ministries. This is also to establish legal framework and cost of devolved and non devolved functions of provincial governments. Line ministries and key government agencies; the study is therefore very important in 2014 and beyond.

For this time in the history of provincial governments the provincial standing orders have not only been modernised but also standardised. This is an important activity which was undertaken by the Ministry through PGSP funding and technical support from the centre for democratic institutions in Canberra. This was intended to ensure and inform the effectiveness in the way provincial assembles conduct their businesses in line with the NCRA policies which involves strengthening governance institutions in order to deliver services and promote transparency.

Further, capacity development for the provincial assemblies and executives shall continue in 2014 in order to ensure that the provincial members are fully aware of their roles and responsibilities which are essential for them to effectively represent the wards and fulfil the legislative responsibilities.

In order to strengthen the revenue raising capacity of provincial governments my Ministry through the support of PGSP donors, this year conducted studies on revenue raising powers and techniques of the provincial governments. The objective of the study is to develop strategies of improving revenue raising capability of provincial governments. A draft report on these studies shall be made available very, very soon. In 2014 training shall be conducted by revenue specialists in order to improve the revenue collections skills of provincial offices.

The strengthening of infrastructure capacity of provincial governments in the delivery of infrastructural service at the provincial level continues to do in the period under review with the disbursement of the fourth tranche of Provincial Capacity Development fund to qualifying provinces. About \$5.7million was disbursed in the month of February as a last tranche of 2012/2013. The first tranche for 2013/2014 is about \$16.1million was disbursed to the qualifying provinces in the month of September, and the second tranche of \$5.1million shall be disbursed to the qualifying provinces before the end of this month.

Mr Speaker Sir, I wish to inform the House that the PCDF fund approval for the provinces as development budget was increased to \$30million in 2014 from \$22.5million in 2013.

I would also wish to inform the House that my Ministry remains committed to the original ideals of the PCDF as a performance based grant. The SIG introduced the PCDF as an incentive to improve the public expenditure management systems of the provincial governments through investments in small scale infrastructures.

PCDF is allocated to provinces based on the performance of provinces in key performance indicators particularly in financial management, adherence to the Financial Management Ordinances, the Financial Instructions, and compliance to internal control procedures and how the individual provinces address audit queries.

Assessment is conducted annually based on which the steering committee of PGSP determines who qualifies for the fund.

Based on the available statistics, the provincial governments through PCDF have completed about 654 solid projects in nine provinces in the past five years. About a 158 of the total projects implemented are all in education sector and 145 in the health sector constituting about 46 per cent of the overall projects implemented.

Mr Speaker sir, this is indeed a remarkable achievement within a period of just five years by the provincial governments. It is therefore very important to note that PCDF funding remains to becoming a core component of development capital infrastructure to our provinces. I do believe and hope that other funding streams such as the CDF also helps to attain this objective of rural development an enhancement of economic activity within the rural communities and constituencies.

Mr Speaker Sir, in addition to the Provincial Capacity Development Funds the ministry is allocated certain amount of funds for development projects. In 2013, \$5million was allocated to various provincial development projects such as office infrastructures in Makira Ulawa, Western Province and Central Provinces. \$1.7millin was allocated to Temotu to support the staff housing project for the core provincial officers. \$2million was allocated to Choiseul Bay township project.

Mr Speaker Sir, I am happy to announce that my ministry shall spend 100 percent of its development budget as put out in the work plans by the end of this year.

In 2014 \$6million has been allocated for the provincial institutional infrastructure development, \$5million for Provincial township development. My ministry shall continue to supervise the provincial governments to ensure that these funds are properly spent by end of the fiscal year.

On this note, Mr Speaker Sir, I do not want to elaborate further on other work programs carried out by my ministry but rather to inform the House that my ministry also equitably plays a vital role in the development of rural communities and strengthening of financial management and discipline within provincial governments. The overall object is improvement of livelihood for the good people of this nation.

Mr Speaker Sir, I wish to thank you for giving me the opportunity and share with you the experiences of my Ministry in implementing our recurrent and development of 2013, and how we intend to spend the 2014 allocations. I am sure all Honourable members could see the impact the provincial projects are making on the lives of the people of Solomon Islands. Despite the limited resources at their disposal, we could see progress and on the ground indicating real value for money.

Before I resume my seat, please allow to wish you and your family and your staff, a very merry Christmas and a prosperous new year 2014. I would also like to send the seasonal greetings to the 50 members of the House and your families, all the same. And to all your constituents, who are still out there still waiting for us, the same. And greetings and merry Christmas to the good people of my constituency, and wish all the best for the celebrations.

Mr Speaker Sir, with these few remarks, I wish to support the Bill and hereby resume my seat. Thank you indeed Sir.

Hon MOSES GARU (*Minister for Mines, Energy and Rural Electrification*):
Thank you Mr Speaker for allowing me to also contribute to this very important Bill, the 2014 Appropriation Bill 2013.

On the outset Sir, I would also join my colleagues to thank the Minister of Finance, Minister of Development Planning, their Permanent Secretaries and their staff for coming up with the Budget before us. I

would like to extend my acknowledgement to the Chair and members of the Public Accounts Committee for the scrutiny that they did to the budget that enable us to look at the key recommendations. Recommendations that I believe are critical, and the government should take heed of these recommendations for the smooth implementation of the 2014 Budget.

Mr Speaker, one of the major priorities of my Ministry is to complete the task of reviewing the policies and legislations, especially the mining and energy sectors. I would like to say that the work is still in progress, although rather slower than expected. But let me assure the House that because of the need for us to carry out much more wider and broader consultations with the all stakeholders throughout the country. We made a commitment that we set the target for the white paper to be presented to Parliament, may be in 2014. I guess there are setbacks within the Ministry, but I guess that we put this commitment to ensure that the white paper is broadly furnished to do the scrutiny of all stakeholders and especially a white paper for the Parliament to look at before the actual Bill come to Parliament.

Since 2012 there is a steady growth of up to 67percent of our household connected to electricity from SIEA grid and home generators and solar home systems. Hence, this is a very encouraging indicator as electricity is an integral indicator of development in any emerging economy like Solomon Islands. The NCRA government is committed to improve this rate in 2014 and beyond in partnership with our development partners and stakeholders in this sector we aim to reduce the current electricity tariff to less than half of the present cost. This commitment will be further realised by the rural solar home systems, the constituency renewable energy electrification and the Tina hydro power development programs.

There are existing programs and development programs that are currently on going and this will be further advanced in 2014 as reflected

in the budget. The rural solar home system is a regional program funded by the government of Japan and it is administered by the Pacific Islands Forum Secretariat. I am glad to inform this chamber that there is also a similar program also call the solar for rural schools that is funded by the government of Italy which also contribute towards this commitment. Malaita, Guadalcanal, Isabel and Choiseul Provinces account for about 80 percent of the solar home system while the 20 percent is distributed to assessed communities inside Makira, Temotu, Central and Western Provinces.

2014 is a crucial and priority year for the Tina hydro power project and in the nut shell project the final optimization on the project is due at the end of this month. The environmental and social impact assessment is completed and is now before the experts for review. A stakeholders workshop to verify this report is also schedule for January 2014, the land and identification and commercial contracting is in progress and we trust that this will be completed in good time before approval to go to tender in the first quarter of 2014.

Assuming that all goes well, we believe that the government will be able to announce the successful bidder in October of next year and therefore the signing with SIEA the power purchase agreement in November 2014. Also I am happy to note the SIEA like Solomon Water, some comments have been made and I would say that I am happy with the performance of these SOE for the last three years. Hence, I want to thank the wisdom of the SOE Act and also to our donor partners especially AUSaid, NZ, World Bank, the Japanese government and also other donor partners for their support.

Safe water is a crucial determinant factor in the livelihood of our people, especially our rural dwellers. Studies have shown that where there is safe water we expect better learning environment and this result in good education, health and productivity. Many of our residents in Honiara and Auki are now enjoying the consistent and abundance supply of water provided through the JICA Water Supply System for these two locations.

In 2014 the government through my ministry and Solomon Water will again support and assist the project to ensure that there is power supplied to these project facilities, circulated fencing for twelve bore holes, four pump stations, five reservoirs and one settling base in Honiara as well as fencing for three bore holes and one pumping house in Auki on Malaita Province. These facilities will be complemented by the ongoing assistance from Ausaid Project.

Mining is one of our potential industries. If managed properly, it will increase great real growth in our economy.

With this in mind, as I have said earlier, the ministry is building on its reform measure in consultation with our stakeholders for sound policies, regulations and legislations so that these resources are optimised for equitable distribution of the return to these resources to our people.

I noted that our people have been waiting for a long time for these reforms and this government is indeed listening and taking serious work to ensure that these amendments do come to the Floor of Parliament. I would like to say that before we can allow maybe a second licence to operate, I think it is better that this new legislation comes before Parliament in preparation for any second mining operations.

Similarly, I would like to call on all other provinces that have great potential in the mineral sector to open up our lands and resources to allow for prospecting to take place as well as mining. Gold Ridge alone and for that matter, Guadalcanal is not enough to support mining sector development in this country. I know other provinces have more resources too but I think we need to open up and support this sector.

We must all share equal commitment to grow our economy and I appeal to the people of Isabel and Choiseul to take careful and forward looking considerations for our provinces, our children and our country Solomon Islands. The government is very considerate and we would work to

improve on our current legislation to allow maximum benefit to our people and the country as a whole. May I reiterate that Gold Ridge alone cannot adequately sustain future growth and development in this sector.

Some sentiments have been shared by colleague speakers about the Gold Ridge Royalty payment that some call it as 'misappropriation' and some call it as 'abuse' and some call it 'steal.' I just want to make some statements here that I want to make corrections on these misconceptions because this money is paid under the authorisation of the Rausere tribe, one of the principal landowning tribes in Gold Ridge and whatever payment made it was made through the authorisation of this principal landowning tribe.

This means that although these payments were made in breach of the royalty payment regulations the amount paid can be easily recouped through entitlements of Rausere tribe. So I do not believe that any single tribe will lose any single cent out of this; maybe what we call misappropriation or whatever but it is just a redress of what is due to Rausere been repaid back to settle what is being over paid and which is supposed to be for the other tribes.

Mr Speaker: Honourable Minister, I will allow the Prime Minister to move the suspension of Standing Order 10 so that we may continue, and then continue to finish your speech.

Hon Gordon Darcy Lilo: Thank you Sir, I seek your concern to move the suspension of Standing Order 10 with accordance with Standing Order 81.

Mr Speaker: Leave is granted.

Hon Gordon Darcy Lilo: I move that Standing Order 10 be suspended in accordance 81, so as to permit the continuation and conclusion of the business in today's order paper until adjourned by the Speaker, in accordance with Standing Order 10 (5).

Standing Order 10 suspended in accordance with Standing Order 81

Hon Moses Garu: Thank you Mr Speaker. Yes, I am trying to explain the royalty payment that was made to some tribe that was earlier shared by some colleagues as a misappropriation. Yes, indeed as I have said it is something that is admisitively oversight and that matter can be admisitively corrected. And I guess this is the information that I want Parliament to understand.

Sir, I would also like to touch on something about my trip and the Prime Minister including the Minister of Environment to TT the hydro project earlier this week. In fact Sir, there are misunderstandings that exists amongst communities and tribes. But I guess our going is very much welcomed by the two House of Chiefs, the Bahomea House of Chiefs and the Malango House of Chiefs. It is evidence through their attendance and their speech to really show their appreciation, that for the first time that a Prime Minister and his Ministers have actually made a commitment to visit and talk with the people on the ground. Any misunderstanding of any other intentions or the purpose of our visit, I want the House to note that we do not have any other intentions. But to bring the government to the people and to share what the government thinks about the development of the Tina Hydro Project.

Sir, my Ministry and my team is really dedicated and willing to work closely with my colleague Ministers next year to implement the budget tabled before us. We will ensure that the \$41.5million budget that my

Ministry has for 2014 will yield better results, and we are confidence in our development partnership with stakeholders to improve working relationship between and among every one of us.

Sir, in closing, I want to take this opportunity to acknowledge the support and prayers of my people in West Guadalcanal Constituency for this year 2013. As you know this year has been a very difficult for all of us, in that the drawdown of our development funds has been rather slow, but I thank my people for their understanding and patient, as well as their tolerance. I want to tell my good people that we have been able at this time secure all the fundings for the constituency. I think 99 percent of our project funds have been secured. I want to assure you that we will continue to deliver from now until January/February; we will deliver the projects that are promised to you. And I want you to be patient until all these funds are ready for us to share. And as such, I will continue to seek your understanding and patient. I also want to caution you my people, such time as this which is close to the elections, a lot of speculations and rumours will come. I just want to caution you to be aware of what will happen during such time.

Sir, I just want to mention this, and I would take this time to mention a few of the rumours that are going around in my Constituency. I want to tell my people that this rumours that I have three buses and two three-tonne trucks. That is the story that is being spread around my constituency, they said that three buses are in Honiara, two three-tonne trucks are stationed in the West of Guadalcanal. So I want to say this to my good people, you must be careful about such rumours. At this time a lot of forces will go around and you must stay put and pray that the good Lord will give you good guidance to know what is good for you.

Sir, lastly I would like to thank you, and Clerk and the staff of Parliament for the good work that you are doing to ensure that Parliament proceed well. I also like to extend Christmas and New Year's

greeting to your good self-Sir and your family, to the Prime Minister and good wife and family, the Leader of Opposition, Leader of Independent, all colleague Ministers and all members of Parliament, on behalf of my people of West Guadalcanal and my family, we wish you all a Merry Christmas and a Prosperous New Year. With those remarks, I support this Bill and I resume my seat.

Hon MATTHEW WALE (*Deputy Leader of Opposition*): Thank you Mr Speaker, I do not have much to add. All the good things were already said. We know the constraints that the budget was set under, and we see some of the challenges, perhaps not fully, and perhaps not as clearly as we would like, but we get a glimpse of some of the threats or risks where the budget will face going into the New Year.

Sir, I was listening yesterday and earlier today, and the day when the Minister moved this budget, my heart was in pain. The pain started from one side to another and is churning in my hear. I think about the people in the rural areas. Though it is true that we say the budget is rural focused, but after we take a piece of timber and hit it on their heads, then we say this is your budget. That is what is causing the pain in my heart.

Mr Speaker, I just want to read a little bit from the gospel to give a little warning to the Minister for Finance especially, but also other Ministers as well. The gospel of Luke chapter 16 verse 19 says: A parable about Lazarus and a rich man, and it say: "And Jesus said, there lived a rich man who wear fancy and expensive clothes and every time he ate nice food, and also there lived a poor man called Lazaru, and his body is filled with sores and every day he lies at the door of the rich man and wants to eat some scrape of food that fell from the table of the rich man. Even the dogs came and licked his sores.'

That is my little worry that our people who really need help and assistance will just sit at the door with their sores. We are not going to recognise them because only a few people are going to eat this cake, and only the bits and pieces that drop off from the table will reach the people below which they are going to fight over. That is my worry Mr Speaker. This is because we have a lot of priorities and the government of the day has to make the decision over these priorities and the risk is the situation of poor Lazarus.

When Abraham Lincoln, the former President of USA said, 'government of the people, by the people, for the people, this is a profound statement and if we reflect on it, this is a statement that should bare meaning right throughout all the affairs, all the thinking, all policy thrust and the future planning and actions of the government. So the focus on people should never at any time be diminished or in any way trivialised when we think about what the government should be and what the government should be about and what the government should be doing. This is especially so when it comes to slicing the cake and to share it, especially in the allocation of resources. This is the reason why I have this concern.

Listening to the speech by the member of Marovo today he mentioned of many issues that continues to boil in my heart. It is a good and prudent financial management for the Minister of Finance to make two months cash cover. We agree on that but when we continue to keep \$400/\$500million in there when the National Referral Hospital has no medicine, when the Talakali clinic closes and others close, it seems that we lose sight of our people. We do everything to meet this financial prudence but put at risk this basic service, where even people who are sick with malaria face a life and death situation as there is no medicine. This is a real situation that happened this year but this year's budget which shows projections up to the end of this month is fully funded. In fact there will be a little bit of surplus made. Whilst at the same time right throughout the year pro rata, the Ministry holds on tightly to the

two month cash cover. So this point made by the member for Marovo is a very pertinent one. By all means be prudent but at the expense and not at the risk of basic services to our people. It is unfortunate to our healthcare system that we do not have records of preventable deaths. If we have a proper record of preventable deaths, I think will become abundantly clear that when we hold on to this prudential requirement, there has been some lives lost; unnecessary deaths that could have been prevented.

I would like to rub in that point because I think it is an important one; that financial management is not the end. It is the means to something greater and that something greater is delivery of a reasonable quality of services to our people. When the requirements are good as they are or financial management become the end in itself or become the goal of what we do, we lose sight of the people. The people become the Lazarus waiting for cramps falling from the table. This ought to concern us. If it does not concern us then we are really disconnected from our people and the struggles they go through.

When the Ministry of Health appeared before the Public Accounts Committee, and like other ministries as well, they were obviously quite a bit different from what is funded in the 2014 Budget. But what is clear with regards to health is that we are really not budgeting. The budget is not set not only on the level of need moderated of course by resource constraints and efficiency requirements but it starts from the level of need right throughout our nation. Rather, the conventional approach where you start from what start with from the actual and provide a baseline for it.

I am really concerned about the health budget. I am concerned because of this matter of preventable deaths which seen to be a strong feature although it is not properly recorded, but it is a strong feature within our health system.

I accept the assurance from the Prime Minister last week when we met privately after the obituary of the Late Nelson Mandela and he said

that by this week he will lay the Truth and Reconciliation Report before Parliament. Looking at the budget and across the machinery of government, and especially the Ministry of National Unity, Reconciliation and Peace, they should look at perhaps some initiatives that come out from the recommendations contained in the report of Truth and Reconciliation Commission. I understand that the Prime Minister told me privately that day that a task force had been set up to look at the recommendations and to recommend what the government will do. However, we miss yet another year, 2014, to see what the government intends to do and out of all that, what is doable and so this matter will now get postponed yet again for 2015. So I just want to encourage the Prime Minister and government to lay the report of the TRC before Parliament and allow Parliament early in the New Year to go through and do justice to the recommendations contained in this report before we can look at the Government's intention to respond to those recommendations.

Our Peace process has still got somewhere to go. The issues that have been raised by all of us but also outside of this house are issues that are very much alive and issues that we do not want to use to incite emotions or strife in our midst, issues that call for matured, responsible, sound, balanced thinking and handling. Issues of land and Land Reform is one of the cornerstones of these issues but issues also of obviously, representation; electoral reform, redistribution of wealth that comes from the natural resources, the sticky issue of freedom of movement. These are issues that we know forms the base of the strife that we have come through. I do not think any of us and I hope nobody else outside of this house should come to think that we should go back to another conflict to teach us the lessons and to give us a sense of urgency to deal with these issues.

It is important and you Sir personally had been at the forefront of the peace process and it is a matter that is close to your heart as it ought to be to the rest of us, that these issues warrant a constructive debate and

government proactivity or government action. And it is important that we have open constructive debate about all the issues that are outstanding in our peace process.

Looking at the budget of the ministry of peace and reconciliation, it is clear and even the officials who attended the PAC hearings also air this concern that it is grossly underfunded. So again, we may be taking too much for granted, we may be thinking that everything is now alright and it will be better this way and onwards. And so we are choking off our funding and our investment in the peace process. I believe that this is a mistake that ought to be rectified. We all the more should adequately resource the peace process to ensure that no stone is left unturned; to ensure that we clear up any tree branch that falls and blocks the road; that we leave no stones unturned and sweep away everything that is under it – all issues are up in the open, everyone in the country reaches a consensus as to what it means to be a 'one nation of different peoples and of diversities. It seems that this is the core of the peace process that we must continue with. But I am a bit sad that the Ministry of Peace is under funded by quite a bit.

Land reform is not only an issue where it comes out of the initially the bona fide demands of Guadalcanal it also obviously come out quite strongly during the conflict itself and the issues pertaining to land reform or land and customary land and even alienated land throughout our country is an issues where it is common right throughout in our country.

It is regardless of whether we are matrilineal or patrilineal in our island, those issues here they are very, very similar.

Sir, that plus the need for our economy to blossom for it to flower and it grow, that also requires land reforms as well, you know we talked about Doma, we talked about Tenaru, we talked about Suava, we talked about Fomamanu, Afio, Bina and every place that we talked about and all those places they were land, land and sea but in our custom we treat sea as land and so we continue in some places 10 year, 12 years, 13 years,

14 years, 15 years and so forth to try and neither acquiring the land or to make land become available for commercial development.

And so we continue to spend money to get the land available but yet those land not quite available, processes contain inside the appropriate legislation to help us to get those land available, we are following it but yet the land is not available. And so, if we are really concerned for the growth of our economy, we would be giving much greater urgency and resourcing adequately and initiative to reform land throughout our country.

What is clear is that land reform is not at the forefront as it should be. And also this one it would like one big cloud that handing over economic growth prospects in our country because you cannot build the tourism facilities or air ports, roads, wharfs and factories in air, we must build them in land.

We talked and many of us have touched and rightly saw an important in those productive sectors here, a greater investment in tourism, greater investment in fisheries, are to perhaps front runners for some quick games, greater investment in agriculture, greater investment in forestry and so forth.

Those investments here will not be efficient and it will not be productive if issues on land reform are also in the mix, this is why it should be a top priority. It is really good that we pass the Financial Management Act, we strengthen the procurements processes, we look at how to train public servants and do all the good things. But they are not as important as land reform. Reform that empowers tribes, reform that gives certainty to investment, and reform that combines, that marries the traditional to the modern financial system. So that it liberates the resources for commercial development, and development that empowers tribes and our people.

All I walk along the road I felt very sorry because more and more of our people earn their livelihood by selling betel nuts at the road side. And I do not have anything against a person that freely and willingly

chooses to sell betel nut and cigarettes at the road sides. But I think a lot of are forced into that situation by lack of other opportunities.

It is the role of government to ensure that the economy is creating jobs. Employment creation is a very big thing yet the Minister did not mention how the government is looking at our unemployment and what it is going to do about or what it is beginning to do about it.

With the relative abundance of the resources we have some people who have a big forest on their land perhaps valuable minerals are also selling betel nuts at the road side. Do you think they would chose to do that instead of doing something more productive? I do not think so. They are forced by economic circumstances where we must pay school fees, pay private doctor for treatments and the services that you access where you need cash and of course to pay bride price and such obligations where we need money. So they resort to selling betel nut and cigarettes to help them make ends meet.

I think we must take much, much more seriously in the government's role to enable the economy to create jobs. There must be regular reporting by the Minister of Finance to Parliament on how many jobs are being created, where are they being created, are these jobs sustainable or are they just casuals or seasonal jobs. If we do this, then we will force the government's focus on this, government must always be looking for opportunities to create jobs. And therefore, the kind of reforms that must take place to enable the economy to create the jobs, we are quite losing sight of it because we do not report on these things.

So I think that it is one important aspect in the government reporting to Parliament and this why land reform is critical as the Deputy Prime Minister said yesterday. People should make their land available so that those things can go but people cannot just let their land available easily. First the people will need the sense of security before they can provide their land and this is because they know how the government deals with its lands and all the allegations of corruption in the ministry of lands on how lands are dealt with. Those are the things

that cause our tribes to stop their lands and this they are afraid of such problem and the level of distrust is much, much greater than their desire to see economic development to go in.

Hence, that should be our role as leaders to do the bridging on such distrust and begin this process of land reform that will enable the economy to create jobs that our people need. We think about economic growth what our member from Marovo tell us should come to the forefront. We should think about liquidity inside of the financial system and we think about the interest rates particularly on lending rates. Also we should look on employment as it is one of the economic growths and on inflation we should think carefully on the exchange rate, the balance of payments and foreign reserves. Also not forgetting the fiscal policy of the government, that is government tax and government expenditure and so I want to reaffirm what the member for Marovo talked about.

Initially before the budget reaches PAC and I heard about the proposed cuttings, I thought that it was going to be a constraint place or disciplined place in the government expenditure because there will be a reduction deliberate voluntary reduction in the government revenue by tax cuts. I just thought like this, we are now in a corner and so we cannot continue to postpone this question. Hence, we need to induce good sized corporate investments; good ethical investors and we need to induce them with incentives. I said so because two weeks ago I had breakfast with two investors who come and scout around a bit and they want to set up one sizeable manufacturing complex. They are attracted by our relatively cheap labour and so because of that they can bring in raw materials, manufacture them and then export. Hence, it will create jobs for us and bring in foreign cash and so it is not unreasonable for them to expect that we would welcome them. Instead we would run out of the door and say come in and do your invest. However, when they see the duty and tax at the wharf when the raw materials are dropped they just turn to Fiji and are now starting to set up this factory at Lautoka. We have lost potentially 300 or 400 jobs, but if we give them

some incentives in five or six years it has to stay and will grow and the balance of payment is impacted positively; some people will be able to have food on their tables at the end of the day, and so forth - the benefits that flow from these things.

We must not too engross in our need to hold all these revenue and choked-off any opportunities and any potential for growth in our economy. It is possible that every person who chooses to have productive and paid employment in this country to have a job if we put our mind to it and if we have resolved and make sure of it. The importance here is that government expenditure must be cut because the matter of incentive to get good size investors to come in, I think we should not have any doubts in that. We must give incentives. Our taxation is on the high end of the spectrum throughout the region. We are one if not the most expensive destination in so far as taxation is concerned and taxation includes all the fees and duties that must be paid. And so we continue to complain that in the MSG Trade Agreement that you negotiate, we only receive products from Papua New Guinea and Fiji and we only export Taiyo.

We will continue to send Taiyo for the next hundred years if we do not address this situation. This is not an indictment on you or an accusation of you because you happen to be in government right now; it is certainly not an accusation of my dear brother, the Minister of Finance, it is something that all of us need to work on it because foreign direct investment is just a market. Every country in the world competes for foreign direct investment. It is a good thing to have foreign direct investment in order to create jobs and stabilise the economy. If we only narrow our minds to the government revenue, of course it will also broaden in the mid to long term the revenue base for the country. But why are we not doing anything about it? When are we going to do something about it? I did not sleep well last night.

I think there are people who should be in jobs right now but they are not in jobs and we do nothing to get them into jobs, we are unable to

get them into jobs because these things are standing in the way and some of these things are going to take time to resolve, like land reforms but let us make a start. Some of the other things, like taxation reform and rationalising the taxation regime are matters we could address almost immediately within government fiscal policy.

I think if we did that, if our resolve was that we are to bring government expenditure down and therefore it force this quality expenditure; the criteria that the minister talked about. If we bring down government expenditure, some of the things like sending text messages to officers to raise payments will not happen. We must focus on what is really important to make sure: 1. Government exist and runs. 2. That minimum basic but reasonable quality services are delivered to our people. We would make sure of those things; the peripherals, the accessories and the luxuries including overseas trips by the way – they get knocked by the way. Then we can go to our donors and say that we have a clear vision of how this country in forty years time will not be donor dependent. And they will see and say, yes, we have thought about it. But the tragictry we are taking and the path we are on right now; we will still remain donor dependent going into the next thirty or forty years.

Do we even want to become less perhaps not even donor dependent, does that feature in our thinking and in our policy formulation? Because if we do, these are some of the things should form the core of government economic policy. What is government economic policy because it is not really clear? We hear all the problems being pointed to, we hear all the different rates but we do not hear what the government is doing to jump the curve to a better one.

Mr Speaker, these things are not new, the Minister of Finance and the Prime Minister are well versed with it. The Prime Minister has got a first class masters degree and he has made us proud because he went to a number one University in Australia and then he got a first class master

degree in economics, so both of you must lead the government to do this because it is a must.

Every year that passes without a robust constructive debate about what the government intends to do with its economic policy but it in every year more people are getting out of school without prospect of ever getting a job. It is every year which education, hospitals and clinics will continue to be under funded. It is every year that preventable deaths will continue and the list goes on. So it is important that we take these issues more seriously than we have to date.

Sir, when looking at the budget for growth; how does that government thought of growth and reflecting it in the budget? I have seen some good things there; the Minister of Mines and Energy have touched on two main ones where the SIEA will get loans from the government and then the government gets loan from the World Bank is a good one. The Member of Parliament for Marovo has raised a valued point to manage it properly and avoiding the government to go back to the debt management strategy to cover for SIEA which could become a threat and a risk to future government budgets and expenditure levels. The other off course is the Tina Hydro and the speed with which this project comes on stream is a good thing because these are important growth initiatives; off course the undersea cable is also an important growth infrastructure. So the government is not lost in all of it but in the main, these are like to rare a star in the myriad of stars that the government is faced with, including the choices that government has made.

I think it is important the government revise it more; the budget is going to pass but in January the government sets a sub-committee of Cabinet and then revise the focus of the budget. We may complain that in 2013 the education budget has been over blown, even at those funding levels education is still under funded. Yet education is concerned with the number one resource of this country, the human resource and if we

want to re-dividence from that resource in the mid to long term adequate level of funding must go into that. But how can we put adequate funding level in education when we are only expecting SBD\$3billion plus in revenue? Do you think SBD\$3.5billion is enough? It is too small, and that is why we are having problems with resource allocation. If we realise it much more thought and greater sense of focus must go towards economic growth and fundamentals which we must address to ensure that we are at the forefront in economic growth.

Mr Speaker, I am quite worried and my worried is contained in the gospel passage that I have read earlier on. 2014 is an election year and that year is also a pressure, and we have shown that we react and respond to the loudest noises. Even if the government makes a decision and then a group of people surround a government ministry and make all sort of noise the government will eventually bow down to them. And an election year will bring election pressures. Perhaps those pressures will not manifest themselves in people standing around the treasury at the Ministry of Finance and demanding allowances. Rather those pressures will come through phone texts. Those pressures are there because you ministers in charge of funds that are part under your ministries; you will become under pressure coming from your own electorate, perhaps connections and your colleague ministers including their interests. Or under pressure to raise money for campaign during elections. This is a potential risk facing this budget, so it is important that discipline exercise by treasure is more vigilant and more alert than usual than any other year.

Some of the PS that came before the Public Accounts Committee said that sometimes they are directed. And we asked them whether this direction is in writing and formal, and they said they are in writing, but it is not in a letter, but as text. That is why I continue to refer to text. That if those texts end up being manifested in government expenditure, and

then obviously they have the potential to be not quality expenditure, and perhaps even outside of the focus of priority where the government has already set for itself.

I am looking at one of the growth initiative that is very important for tourism in particular is one the Munda. The work that happened at Munda; where the New Zealand has done for us; where we are so grateful for. It is like most of these other big projects; they are things that span more than one government, more than one House of Parliament. The run way was good, but then the \$20million allocated to complete terminal services and other things have been taken out and you have allocated that between shipping grant initiative and rural infrastructure, and when the Ministry of Infrastructure Development appeared before the Public Accounts Committee, they are not even aware of it. So obviously it was reprioritise at the Cabinet level. But I am worried that this is a potentially growth initiative in Munda, and a \$20million investment in it would be more than justified. And then we took it and reallocate it. Shipping is important, rural infrastructure is important, but those funding lines are vulnerable and susceptible to election pressure. They are susceptible to pressures that will not have the same kind of growth impetus, the same kind of growth catalyst that Munda would have on the whole. So again in this matter, I think the choice to do that is not the best one.

That is why I raise this matter of the election year bringing election pressures that may result in government expenditures not of the quality expenditure where the Minister of Finance continue to telling us. And if and when that happens, the parable of Lazarus that I have read will be true. Very few will eat about half the cake, and the rest of Solomon Island share the other half. I do not think any of you or any of us on this side want that situation. But the budget is faced with that risk. On that point it is one of the recommendations that the Public Accounts Committee has made. And it is a recurring thing.

The government does not come up with a well thought out risk analysis of the budget, like many other budgets before it. Yes, we hear that commodity prices world-wide started taper off. We heard the food prices have increase or decrease, or we heard that oil prices are increasing or decreasing. Yes we heard all of that, but we do not get a comprehensive look at what all the external and internal issues. And some of these issues that are peculiar relates specifically to us given our political context. So when we look at the budget, we have two or three scenarios to look at. If these things happened the budget will be unbalanced and if this does not happen then the budget will be like this. Parliament is not in any position to make that kind of judgment because we are not furnished with such information.

Hence that is the reason why the Public Accounts Committee raise that issue as it is very important. If there is or there was or perhaps on-going program working on reviewing the public expenditure right throughout all the ministries on a regular basis, it is becoming very clear. As the saying goes, where we put money is usually where our heart is and regardless of where our mouth is and we may that is and that are our priority but the real priority is where the government put its money. And so if there was regular, consistent review of public expenditure it would be abundantly and clear the disconnected or the gap between what we state to be priority and what is actual priority that is funded.

When we do so we will then say that these are the corrective actions or steps that we must take in order to achieve these greater objectives of creating employments or getting our people to have an honest day of work and be able to put food on the table. So that we can say that because of that we can cut some expenditure and at the same time reduce the tax. The time is ripe and old for us to take these initiatives on; I do not think that anyone of us will disagree of course when you say distribute allocations between constituencies or between ministries. There may be some who will like more or if they did not get

anything we will all want the cake to be bigger and so the only way for it to be bigger is that the economy has to be bigger so that it gives revenue base for the government to grow bigger.

When I think about all these things I just thought of one good song should goes along with it. This song is like this, “de-de –develop, de-de-develop... “And our boys used to sing that song. And so we talked about these things, we meet about these things and we talked about development. But our people seems to continue with the signing because they never see the fruit of it and so do they have to wait for another generation to see that fruit? This song is questioning us the leaders especially about our seriousness to allow that development to touch the life of our people.

Moreover, economic growth centres are important as Afio had done its ground breaking already and so it is an important policy, the concept is a good one but much more needs to be harness to it. I think it is important that some further thinking or perhaps a further White Paper because not White Paper was produced on this very important key policy; that a White Paper is brought to Parliament for us to debate and see how and what direction this policy take into the future after the last three years and the level of fund government allocated to this policy. And we look at the constraints or issues that stand in the way that cause this policy not to move beyond ground breakings. It is important that we look into this to avoid listening to the same thing all the time and maybe the next thing we will hear is still ground breaking but nothing happens.

We are looking forward to elections next year and I was listening to the Prime Minister and the Member for East Choiseul yesterday and others who have spoken and then I reflect on what the Deputy Prime Minister Prime Minister said about the electoral reform under your leadership of course, a chairman of the Electoral Commission. We must, for the betterment of this country, for a brighter future for this country; that it is just a nice rhetorical political statement we make but that it has

a potential of it becoming reality. Make sure our electoral has the representational legitimacy and it solicits, obtains and secure high quality representation.

I always said that the number one resource of any country is its human resources and strategic in that number one resource is leadership. If we do not get the leadership right then the level of the choices we make, the policies we formulate and the investments we choose in government fiscal policy also reflect the level of debate. So it points squarely on the need for electoral reform and an electoral system that solicits and secures high quality representation so that there is an honest, constructive and informed debate on all pertinent and key issues that country faces and an informed appraisal of our history and the choices we have made and how that could inform us better as we go into the future.

In the light of that view, it is important that all of us commit to achieving that to making sure that Parliament is maintained at a level of quality that our people have expected and where the needs in our society requires. And also as I have alluded to previously we are competing with Papua New Guinea, Fiji, Vanuatu, Australia, New Zealand and all countries in the region. If we make the right choices, we make the best inform choices that are possible; those are ideal situation but if we make those ideal best choices if we put us at the forefront of exploiting the benefits that come with making the right choices.

Sir, I know that the Minister of Finance has been under immense pressure in making some of the choices because it is not by himself but government decisions. However, those pressures I think would be much less if there was consensus and informed consensus; there was an informed general agreement in direction the country should have taken. Now there is no clear sense of direction as to where the country is going. All of us are talking now and again but there is no clearly articulated sense of direction in which the country should have taken and that has

been agreed to by everyone especially those of you who are on the government side.

And in that situation we are condemned to a situation where we continue to oil or maintain the same machine. We are not looking to see on how we will move to something that is brand new and that does not need to be maintained. And it points to where I have started on the issues in which the government is going to address.

I do not mean to talk on this budget because I have heard that all the things which my colleagues have stated have highlighted many of the issues, but then I received a text from one of my constituent and he asked me on why I am sitting down quiet. The person texting said that people from Langalanga do not elect people who go to Parliament and sit down quietly in that House. Thus, I decided to stand up and share some of my thoughts and especially with my *Hatsoa* so that it reduces.

Sir, I think the focus of our ministries needs to be clarified more. I would like to give an example on the Ministry of Lands. The focus of the Ministry of Lands seems to me to be allocating and reallocating, forfeit and resume and then reallocate land which government has 10percent or 20percent of. There is another 80percent of land out there which is the ministry is not concern of or it did not have any other thoughts about that land. It only cares about the 10percent or 20percent on the land which the government has owned and even in that 10percent or 20percent is where we say many accusations comes from. When the government has priority projects the Ministry of Lands also prioritise itself to look into those things. So that is what I mean by Ministries to look carefully on what is strategic; of all the things which the ministry is going to work on, which of them is most strategic? If ministries were much more strategic then I think the good things which the government said it is going to do will be more realistic for us to achieve at the end of the term of a House.

We could use the Ministry of Fisheries as an example, and in this I must give due credit; my dear brother the Minister for East Makira in the

leadership that he has provided at the PNA. We have lamented the fact that forestry is going down and we seem to know what we want to do about but we lament that as a fact. And then we say that fisheries are going to replace it, yet, there are a number of choices in fisheries that Government has made. But the most strategic of those choices are not made with the same sense of urgency and same kind of strength of resolve that this thing has to be done. Therefore we put the resources required to do it, we build that capacity of the ministry to do what is required to be done so that it pace us on that level. We make that kind of concessions and incentives from the taxation side that would enable the growth to happen in that area.

The strategic of the all the choices that are before us, the strategic ones we must make first and then followed by those that can yield some fairly immediate gains and consolidate the base of our economy and broaden it to help the government in the mid to long term.

Sir, I do not want to talk much, but I think you must reduce overseas trips so that we all enjoy our Christmas holiday. For overseas trips the size of the delegation is a treat facing the budget- the level of services at the National Referral Hospital, Kilufi and Atiofi are suffering yet the sizes of the delegations going is too large. I know that overseas trips are used as opportunity to calm people. But Ministers you must think wisely that Prime Minister must not allow you just because he wants to calm you but rather stay and do your job to avoid unnecessary incurring of expenditures.

Sir, I wish you a Merry Christmas on the Sine Die but I would like to say that perhaps we look forward with hope to the enactment and enforcement of the Financial Management Act because when it will come into force next year we hope not to be in this situation again. Because the Act is fairly specific about timelines and compliance requirements for the way that; (1) the budget is formulated and (2) is

presented to Parliament, and the process in between. And so I hope that this will be the last budget that PAC has complained that it was not given the ample time it thinks it needs, and that we in Parliament will be given more time to digest the myriad of information contained inside the budget documents.

Sir, a budget is not an easy thing to read and the books are thicker than the Bible, yet we are required to do it justice. We should read the whole thing and really understand it, and if we do not understand to ask the right questions to the officials so that we fully understand so that we know the choices that have been made in these documents. So that when we pass it, we enact it into law; we have willingly and freely, and knowingly made the choice with the government. At best we are just going on assumptions. I could not read all the documents. And the bits that I have read, I have a lot of questions that could not be asked in the format with PAC because there is not enough time. And so I look forward with great hope that in the implementation of the Public Financial Management Act, we would be accorded that respect.

Sir, the other aspect of reporting to Parliament is to do with government accounts. We have come and going towards the election, audited accounts of the government have seemed to elude us. Also the Public Financial Management Act gives me great hope that we will look at the actual accounts of the government so that we see the budget policy and fiscal policy of the government and look at the actual, and can make some judgments based on that set of information.

Sir, with regards to the Public Accounts Committee although it is not inside the recommendations of the report that comes to Parliament we continue to lament the fact that the Public Expenditure Committee is not working. We believe that its' role is clear as it is important to our Parliamentary democracy and the oversight role that Parliament should exercise over the Executive Government. In the last meeting Mr Speaker Sir, you made a personal assurance that you will deal with this matter.

But to date the situation does not change and that Committee continues to be asleep and not taking its work seriously.

So I just want to flag it with your office to see what can be done; if it is a matter of the terms of reference to be sorted or a matter of further appointment of members that these matters are addressed so that this very, very important Committee can get up on its feet and discharge its function and responsibilities to Parliament and to the country.

With these few remarks I want to thank you and support this bill.

Parliament is suspended for 15minutes

