National Parliament of Solomon Islands

Public Accounts Committee

Committee Report

Report on the 2020 Supplementary Appropriation Bill 2020

(No. 4 of 2020)

NP-Paper No. 14/2020
Presented on 31 August 2020
National Parliament Office
Committee Membership

The current members of the Public Accounts Committee (11th Parliament) are:
  Hon. Douglas Ete, MP, Chairman
  Hon. Matthew C. Wale, MP
  Hon. John D. Kuku, MP
  Hon. Lilly Maefai, MP
  Hon. Rick N. Houenipwela, MP
  Hon. John Maneniaru, MP

Secretary: Mr. Peter Lokay, Auditor General

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Chair's Foreword

REPORT OF THE PUBLIC ACCOUNTS COMMITTEE

Hon. Douglas Ete, MP

Mr. Speaker,

Pursuant to Standing Orders No. 69 (1) [e] and [g] of the National Parliament of Solomon Islands, it is an honour and pleasure for me Sir, to present the Report of the Public Accounts Committee of the Inquiry into the 2020 Supplementary Appropriation Bill 2020 (No. 4 of 2020) for laying before Parliament.

Honourable Douglas Ete, MP
Chairman
Public Accounts Committee

31 August, 2020.
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Executive Summary

The Public Accounts Committee (PAC) had completed its scrutiny of the 2020 Supplementary Appropriation Bill 2020 (No.4 of 2020) from the 5th to 11th August and 126 witnesses appeared before the Committee.

The Bill seeks to appropriate additional supplementary expenditure of $385,001,627 for the service of the year ending 31 December 2020 - through Supplementary Appropriations in accordance with section 51 of the Public Financial Management Act 2013 (PFM Act).

The Bill seeks to regularize Contingency Warrants of $8,550,000 and Advance Warrants of $376,451,627 under sections 58 and 60 of the PFM Act.

The Bill further seeks to supplement additional expenditure and expenditure already authorized by the Minister of Finance and Treasury under the provisions in the 2020 Appropriation Act 2019 through variations of funds within ministries and statutory heads as a result of the government’s preparedness and response to the COVID-19 pandemic.

The Committee views that most of the variations in appropriations made in the Bill are necessary for the government to prepare and respond to for the unforeseen and urgent threat posed by the COVID-19 pandemic. While the government’s urgent need to change the line item appropriations approved by Parliament is necessary and desirable, excessive switching of budgetary provisions between expenditure heads have caused difficulties for ministries and statutory bodies and further demonstrates a lack of budget discipline. The Committee calls on the need for the government through the Ministry of Finance and Treasury to have robust Contingency Reserve planning prior to each year’s budget to prevent drastic cuts on known programs of individual ministries and statutory bodies.

This report makes a total of twenty one (21) recommendations to the Solomon Islands Government:
Recommendation 1
That the Solomon Islands Electoral Office conduct the bye-elections for Central Honiara, North-East Guadalcanal and South Choiseul constituencies simultaneously this year, 2020.

Recommendation 2
That the Ministry of Public Service hold consultations with the Office of the Ombudsman on their organizational restructuring needs and develop a workable plan to attain the human resources capacity needed by the Office.

Recommendation 3
That the Ministry of Agriculture and Livestock Development be part of the Economic Stimulus Package Oversight Committee to oversee agricultural and livestock program designs and implementation under the stimulus package.

Recommendation 4
That the Ministry of Agriculture and Livestock Development redirect funds to agricultural and livestock projects that will yield revenue for the country such as that has been done in the past for cattle, rice, and other potential export products.

Recommendation 5
That the Ministry of Education and Human Resources Development develop a repatriation policy to guide the government so that all students studying overseas are treated fairly during the process of repatriation.

Recommendation 6
That the Ministry of Education and Human Resources Development undertakes an evaluation of the project to ensure the objectives are achieved, the targeted audiences are reached and the learning outcomes are fulfilled.
Recommendation 7
That the Ministry of Education and Human Resources Development must make funds available to develop wash facilities for those the schools that do not have proper wash facilities or with substandard wash facilities.

Recommendation 8
That the Ministry of Education and Human Resources Development put aside savings for the event of a potential outbreak of the virus that may significantly impact the ministry's financial capability to respond to the outbreak on its key ministerial programs.

Recommendation 9
That a multi-agency review is undertaken to determine the benefits or otherwise in the operations of Leeroy wharf to the government, economy and that the arrangement complies with international best practice.

Recommendation 10
That the Ministry of Finance and Treasury review the exemption arrangement for Coral Sea Casino and take appropriation action to dissolve the arrangement.

Recommendation 11
That the External Trade Division of the Ministry of Foreign Affairs and External Trade develop a robust framework that includes relevant government ministries and agencies to assist local exporters.

Recommendation 12
That the National Parliament Office to:
(a) Procure virtual equipment and system for the Chamber and for the Standing Select Committees of the National Parliament;
(b) Allocate a room and invest in a gym to cater for MPs physical and health wellbeing; and
(c) Fully administer the MPs Health Scheme.
Recommendation 13
That the government allocate adequate funding to the Ministry of Forestry and Research to implement its native forest regeneration policy.

Recommendation 14
That the Consumer Affairs and Price Control Division of the Ministry of Commerce, Industries, Labour and Immigration consider small businesses operating costs and impose a price limit that is reasonable for profit making.

Recommendation 15
That the government allocate around $7.3 million to the Ministry of Commerce, Industries, Labour and Immigration to upgrade and facilitate full operation of the border posts at the SI-PNG border within the current State of Public Emergency.

Recommendation 16
That the government through the Attorney Generals Chamber to develop an inter-agency legislation that addresses border security issues.

Recommendation 17
That the Ministry of Home Affairs develop a proper policy on dual citizenship to be reflected in the regulations so that only genuine and proper persons are granted citizenship.

Recommendation 18
That the Ministry of Home Affairs review and modernise the laws relating to HCC and assist HCC to develop a financial management ordinance; and
The Committee recommends the adoption of the MPGIS model for provinces for HCC.

Recommendation 19
That the ministry modernise the Act and regulations to properly regulate the gaming industry in Solomon Islands.
Recommendation 20
That the Ministry of Traditional Governance, Peace and Ecclesiastical Affairs establish a MOU with SICA and SIFGA to state the responsibilities of the churches and the state in matters of mutual interest between the parties.

Recommendation 21
That Ministry of Traditional Governance, Peace and Ecclesiastical Affairs develop a policy to provide annual grants direct to churches.
Chapter 1: Introduction

Overview

1.1 The 2020 Supplementary Appropriation Bill 2020 ("the Bill") examined by the Committee for this inquiry was tabled by the Minister of Finance and Treasury on 31st July 2020. The aim of the inquiry is to examine the additional supplementary expenditure of $385,001,627 for the service of the year ending 31 December 2020. The Committee considered evidence provided by each ministry and statutory body and sought advice from the Auditor General.

Inquiry Process

1.2 In accordance with its legislative mandate in section 69 of the Standing Orders of the National Parliament, the Committee resolved at its meeting on 3 August 2020 to commence an examination of the Bill from 5 to 11 August 2020. The full terms of reference are included in the Appendices of this report.

1.3 The inquiry process included inviting a written submission from government ministries and statutory bodies and holding public hearings.

1.4 The Committee examined 28 responsible agencies and received 39 submissions from these agencies. A list of submissions can be found at the Appendices of this report and copies of the submissions are available at the Committee Secretariat.

1.5 Transcripts of the hearing is will be made available at Hansard.

1.6 Minutes of the hearing can be found in the Appendices of this report.
Chapter 2 - Background Information

This chapter outlines the state of the economy as presented to the Committee by the Central Bank of Solomon Islands and the Ministry of Finance and Treasury.

2.1 The 2020 Supplementary Appropriation Bill 2020 (No.4 of 2020) seeks to appropriate $385,001,0627 for the service of the year ending 31 December 2020 - through Contingency Warrants and Advance Warrants in accordance with sections 58 and 60 of the Public Financial Management Act 2013.

The amounts being appropriated were as follows:

### Contingency Warrants

<table>
<thead>
<tr>
<th>Head</th>
<th>Ministry</th>
<th>Amount</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>270</td>
<td>Agriculture and Livestock</td>
<td>150,000</td>
<td>Allowances for the frontline Biosecurity Officers attending to incoming flights and ships during the emergency period in response to COVID-19 pandemic.</td>
</tr>
<tr>
<td>273</td>
<td>Finance and Treasury</td>
<td>150,000</td>
<td>Allowances for the frontline Customs Officers attending to incoming flights and ships during the emergency period in response to COVID-19 pandemic.</td>
</tr>
<tr>
<td>276</td>
<td>Health and Medical Services</td>
<td>6,040,000</td>
<td>Allowances for frontline health officers and urgent preparatory activities in responses to COVID-19 pandemic.</td>
</tr>
<tr>
<td>279</td>
<td>National Parliament</td>
<td>2,000,000</td>
<td>Outstanding bills for Members of Parliament Health Insurance services provided by Mustard Seed International.</td>
</tr>
<tr>
<td>288</td>
<td>Commerce Industries Labour and Immigration</td>
<td>150,000</td>
<td>Allowances for the frontline Immigration Officers attending to incoming flights and ships during the emergency period in response to COVID-19 pandemic.</td>
</tr>
<tr>
<td>289</td>
<td>Communication and Aviation</td>
<td>60,000</td>
<td>Urgent maintenance of office buildings in preparation and responses to COVID-19.</td>
</tr>
</tbody>
</table>

**TOTAL CW** 8,550,000
## Advance Warrants

<table>
<thead>
<tr>
<th>Head</th>
<th>Ministry</th>
<th>Amount</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Recurrent</td>
<td></td>
<td></td>
</tr>
<tr>
<td>273</td>
<td>Finance and Treasury</td>
<td>309,500,000</td>
<td>ADB grant, World Bank grant, Australian grant, New Zealand grant and SIG development bonds and treasury bills to upgrade SIG network, data centre and support to SIG Economic Stimulus Package to address negative impact of COVID-19.</td>
</tr>
<tr>
<td>373</td>
<td>Finance and Treasury</td>
<td>3,421,202</td>
<td>Australian grant to strengthen cyber security operations within Information Communication Technology Support Unit (ICTSU).</td>
</tr>
<tr>
<td>374</td>
<td>Foreign Affairs and External Trade</td>
<td>4,053,756</td>
<td>United Nations Office for Project Services (UNOPS) to enhance agriculture trade projects.</td>
</tr>
<tr>
<td>376</td>
<td>Health and Medical Services</td>
<td>37,384,204</td>
<td>Grants from Australia, New Zealand, Global Alliance for Vaccines and Immunizations (GAVI), and Republic of China to improve reproductive maternal and child health programmes, infrastructure, Seif Pies and St. John Ambulance. The support also catered for COVID-19 related expenses including quarantine and isolation facilities.</td>
</tr>
<tr>
<td>381</td>
<td>Prime Minister and Cabinet</td>
<td>7,591,606</td>
<td>Peoples Republic of China grant for COVID-19 specialised equipment, support to Cyclone Harold victims in West Guadalcanal and National Development Fund.</td>
</tr>
<tr>
<td>383</td>
<td>Police National Security and Correctional Services</td>
<td>5,865,251</td>
<td>DFAT support for Correctional Services infrastructure construction and maintenance.</td>
</tr>
<tr>
<td>390</td>
<td>Fisheries and Marine Resources</td>
<td>5,281,000</td>
<td>New Zealand support for phase 3 2020 – 2024 Mekem Strong Solomon Islands Fisheries (MSSIF) programme.</td>
</tr>
<tr>
<td></td>
<td>Total recurrent</td>
<td>373,097,019</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Development</td>
<td></td>
<td></td>
</tr>
<tr>
<td>481</td>
<td>Prime Minister and Cabinet</td>
<td>3,354,608</td>
<td>Papua New Guinea grant for the secure of land to relocate Solomon Islands Football Federation (SIFF) in preparation for Pacific Games 2023.</td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL ADVANCE WARRANTS</strong></td>
<td><strong>376,451,627</strong></td>
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Central Bank of Solomon Islands

State of the economy in 2020

2.2 Global Growth, according to IMF’s world economic outlook in June, for this year is projected at minus 4.9 percent as the pandemic has severely affected major global economies such as the US and even our nearest neighbours such as Australia.

2.3 CBSI’s latest preliminary growth forecast for 2020 suggests that our economy will fall by minus 3.9 percent. This is lower than its initial projections of up to minus 5 percent. The negative outlook is primarily due to the direct impact of COVID-19 on all aspects of our economy, particularly our tourism, transport, manufacturing, and construction sectors. Moderate falls are expected in forestry and fisheries this year. Nonetheless, the substantial assistance our donor partners have provided to our health sector has not only help us prepare for the pandemic, but also cushion the economy from further deterioration and help build out foreign reserve.

2.4 Solomon Islands economic conditions in the first six months of this year has already weakened as predicted. On the commodity front, the country’s preliminary production index declined by 32 percent to 75 points in the year to June. This was due to significant falls in logs, cocoa and fish. This more than offset a rise in copra and palm oil output.

2.5 Proxy employment indicators of active contributors from SINPF clearly show a 5 percent (2,709) fall in contributions between December 2019 and June 2020. This suggest the negative impact of COVID-19 pandemic on employment, families and the economy is unfortunately rising.

2.6 Inflation was relatively high in the first five months of this year with headline inflation rising to 7.2 percent in May, compared to 2.8 percent in December 2019. This largely reflects the supply side factors of domestic items particularly betel nuts and local
produced root crops and vegetables in the market. Meanwhile, core inflation dropped to 1.1 percent in May compared to 2.6 percent in December 2019. This is an indication the aggregate demand has been relatively low.

2.7 **On the fiscal front**, CBSI estimates show the fiscal position in the year to June had the deficit widen to $194 million from deficit of $120 million in the same period last year. This reflects the lower tax revenue collections as business activities weakened. This is despite the control over expenditures which saw purchase of goods and services declining. Moreover, grants from donors for COVID-19 related budget support has seen additional amount of around $90 million YTD June.

2.8 **Government’s debt position** remain stable. By June 2020, it stood at $1,222 million (12% of GDP which is a 13 percent increase from $1,074 million (11% of GDP) in December 2019. This reflects an increase in both external and domestic debt stock which relates to government’s COVID-19 bonds. Of the total $120 million bonds issued, $60 million was to SINPF, $40 million to Solomon Power and $20 million to Solomon Ports Authority.

Government Debt services in the year to June was $19.9 million ($16.6 million for principal and $3.3 million for interest). This compares to $25 million in June 2019 (of which $21 million was for principal repayment and $4 million for interest repayment.

2.9 **External sector** – reflecting the weaker domestic and global economic conditions, the country’s external sector is also more subdued. Preliminary total exports for year to June 2020 dropped by 7 percent to $1,889 million, compared to the same period last year reflecting weaker demand globally and supply disruption. Preliminary imports year to June 2020 also slowed down by 8 percent to $1,919 million reflecting weaker consumption and halt investments in the local economy. As a result in slowdown in both export and import, trade deficits year to June this year improved to $29 million deficit from $69 million deficit in the same period in 2019.
2.10 **Gross foreign reserves** meanwhile stood at $5.2 billion in June. This is a substantial increase of 12 percent compared to December 2019. Much of this was due to donor inflows for COVID-19 related support to the country. This is sufficient to cover 13 to 14 months of imports.

2.11 **Exchange rate** in the year to June 2020 has shown SBD depreciated by 0.9 percent to $8.31 per USD compared to $8.24 in December 2019. This is associated with stronger USD on global markets and weaker exports. Moreover, the SBD also weakened against the Australian dollar and strengthened against New Zealand dollar in June this year.

2.12 **Monetary conditions** – amidst subdued economic activities across the first six months up to June, monetary conditions weakened with money supply falling by 2 percent to $5,035 million against December 2019, driven by declines in narrow money (M1), savings and time deposit. This reflects the build-up in donor related net foreign assets and government deposits in the financial system.

2.13 **Private sector credits** at the end of June slightly dropped by 1 percent to $2,520 million. This partly reflects commercial banks’ relief packages to defer loan repayments in response to COVID-19 measures.

2.14 **The indicative interest rate margin** is around 10 percent (widened to 10.3 percent in May from 10 percent in December 2019). This mirrored an upward movement in the average weighted lending rates to 10.81 percent from 10.4 percent over the same period.

**Economic outlook for 2020 and the prospects for 2021**

2.15 **Growth forecast** for this year is minus 3.9 percent to the COVID-19 pandemic. Household consumptions, government spending, business investments, and exports are expected to be impacted with the containment measures of the Covid19 pandemic in the domestic and global economy.
2.16 **In 2021, global growth is more optimistic at 5.4 percent.** Likewise, growth in the Solomon Islands is projected to pick up around 2 percent in 2021 on the assumptions the economy recovers from the COVID-19. However, there is still some degree of uncertainty in this forecast particularly when this COVID-19 will be sufficiently contained.

2.17 **On a worst-case scenario,** where COVID-19 is present in the country and is not contained, real GDP growth will fall by as much as minus 8 percent in 2020 and a further minus 2 percent in 2021. This takes into account a considerable period of lockdown and as a result significant disruption to business activity and cost to health and human lives.

2.18 **The gross foreign reserves** are currently above comfortable levels and over the near term is anticipated to remain at appropriate levels of over 12 months of import cover. Donor funds including IMF’s Rapid Credit Facility and Rapid-Financing Instrument financing of US$28.5 million are major contributors, apart from export receipts from logging.

2.19 **With respect to the outlook for government finances,** the falling revenues (both from the decline in forestry revenues and taxes as firms are affected by COVID-19), and the expected expenditure commitments over the medium term will put government’s financial position under continued pressure.

2.20 **Despite the weaker monetary conditions observed across 2020,** key monetary aggregates are expected to pick up in 2021 and beyond, consistent with the economic growth forecasts.

2.21 **Meanwhile, the outlook for inflation this year** is expected to fall in the next six months of this year given fall in imported fuel and imported food prices and moderate prices in domestic items.

2.22 **However, there are some downside risks that could affect this preliminary macroeconomic forecast.** On the external side, risks would include the containment of the
COVID-19 around the world. While, domestic risks could slower than anticipated pick up in business activity from the current down fall this year.

Ministry of Finance and Treasury

SIG Financial Performance

The ministry provided the following statement of the government financial performance on the first six months of this year and the financial projections for the second six months to 31 December 2020.

2.23 **Solomon Islands faces an uncertain period.** The COVID-19 pandemic is confirmed to have a severe impact on the country's economy. The country now is confirmed to record an economic recession in 2020 with a significant decline in real GDP growth to negative 4.9 percent. The contraction in the economy is primarily owing to reductions in logging and fishing activities, significant negative growth in the tourism sector, delayed construction activity and weak aggregate demand fueling contractions in wholesale and retail trade, and manufacturing.

2.24 **Mid-year budget review projection** – The mid-year budget review projection recently completed by the ministry confirms the revenue shortfall for the year would be substantially greater than the 2020 revenue estimates. The revised revenue shortfall is expected to be around $450 million in 2020. This project is based on the current situation facing the country.

2.25 **SIG response to mid-year review projection** – In response to the expected slowdown in the economy and its impact on the government's cash flow and budget, the following fiscal consolidations are being implemented:

- Ceased all Public Service non-essential overseas travel for workshop and conferences;
- Evaluate all domestic workshops, conference and trainings;
• Suspend all SIG purchases of new computers and other electronics;
• Restrict interest rates for accommodation, transport hire, bills, and venue hire etc.;
• Suspend various micro grants categories, with exemption on grants to resource and productive sector; and
• Restrict on non-growth related exemptions.

2.26 Revenue measures - the following strategies are implemented in order to help support the budget:
• Continue with physical visits to business houses to demand payment and lodging of tax returns;
• Focus on high risk areas for audit within Customs and IRD;
• Work on retailing and wholesale business is progressing - with a number of shops in China Town area are being subject to audit. The result will set a benchmark for IRD in terms of risk management. This could register $10 million additional revenue;
• Management of large tax payers through implementation of Large Taxpayer Unit for on-time filing and payments plus avoiding accumulation of debts;
• Focus on intelligent and risks management. More examination has been carried out where there is potential revenue leakage in Port of entry;
• Focus on non-compliant large industries, loggers and importers; and
• Control on Non-Statutory Exemptions.

2.27 Fiscal update – SIG’s June Year-To-Date (YTD) fiscal result showed a deficit of $93.7 million. Total revenue collection for the period was $1,611.6 million, an under collection of $187.9 million. Collections for IRD was recorded at $808 million, down by $174 million against pro rata estimates. A CED YTD collection was $496.5 million up by $8.4 million against pro rata estimates. Other revenue was $307.4 million down by $22.2 million against pro rata budget.

2.28 Donor Support Revenue - Factoring the donor budget support revenue of $329.1 million and expenditure of $79.4 million overall result for June YTD was a surplus of $176.9 million.
2.29 **2020 SAB 2020** - The objective of this Bill is to regularize spending under contingency warrants and advance warrant under section 58 and 60 of the PFM Act and variations in appropriation. The Bill calls for an additional $385,001,627 which includes $8,550,000 million for Contingency Warrants and $376,451,627 for Advance Warrants for the services in the year ended December 31st 2020. The Variation in Appropriation does not increase the overall 2020 Appropriation Act 2019. The variations are movements within the 2020 Appropriation Act 2019 or a transfer of resources between ministries' expenditure heads.

2.30 The 2020 Supplementary Bill 2020 is an extraordinary bill. The Bill represents the government's fiscal commitments towards the strengthening our resilience and fiscal stability against the threat that COVID-19 poses to our health, livelihood and economic fronts. The government therefore conducted a whole of government reprioritization exercise and secured a total of $156 million savings to fund and implement SIG COVID-19 Preparedness and Response Plan. The approved savings were derived from the 50 percent reduction from all discretionary and non-essential line items in the recurrent budget and 15 percent reduction to all ministries development projects except for economic and productive sectors.

2.31 Despite the unprecedented pressures, the government continues to protect and prioritized key essential services and government's priority economic growth initiative, which includes grants and other ministry operations or mandatory commitments are prioritized as well.

2.32 Therefore, the sole purpose of this Bill is to make funds available to strengthen our COVID-19 preparedness and response capabilities to protect the health and wellbeing of our people and ensure that our economy does not further deteriorated.

2.33 The implementation of the 2020 Budget will be challenging. With the measures taken, most government key policy priorities for 2020 including ministries planned activities will
be disrupted for a while, however, key essential services and ministries' operational expenditures will continue to be prioritized and ensure funding is available.

2.34 Despite the current fiscal situation, the government remain committed to maintain fiscal stability and discipline and ensure economic stimulus growth initiatives are utilized effectively to boost economic activities so that some short term yields can be realized.

2.35 Ministries are strongly reminded to review and revise their annual work plans and activities, only to prioritize urgent and important expenditures and not to commit the government into contractual commitment without securing funding and ensure to avoid rolling over arrears in 2021. We are in an unprecedented situation and not all ministries will be happy but we have to do this for our health and to protect the wellbeing of our people of Solomon Islands.

2.36 **Contingency Warrants** - the total sum authorized for Contingency Warrants provision issued by the Minister for Finance and Treasury is $20 million, for the 2020 financial year. The CW provision is budgeted for and is within the 2020 framework. The total sum of $8,550,000 was approved and expended through Contingency Warrant early this year. This is to cater for unforeseen and urgent expenditure pressures mainly in response against outbreak of COVID-19 pandemic. The expenditure pressures were not catered for in the original 2020 *Appropriation Act 2019* which includes the following:

- Highly contagious risk allowance for frontline officers, Biosecurity, Customs and Excise, Health and Immigration officers attending to incoming flights and ships during the emergency period, including urgent maintenance of office building at the airport under each responsible ministries.
- Addressing outstanding bills for Members of Parliament Health Insurance Services provided by Mastered Seed International Limited under National Parliament.
2.37 **Advance Warrants** - The total sum of $376,451,227 was approved and expedited through Advance Warrants funded by our Donor Partners to provide services on behalf of the government for the following expenditures, including:

- Upgrade of the SIC network and data centre and support towards the implementation of the SIG Economic Stimulus Package to address the negative impacts of the COVID-19 pandemic in our economy. Strengthening Cyber Security operation within the Information Communication Technology Support Unit under the Ministry of Finance and Treasury;

- Enhancing agriculture trade project by the United Nation Office for Project Services (UNOPS) under the Ministry of Foreign Affairs and External Trade;

- To improve reproductive maternal and child health programs, infrastructure works at NRH, ultrasound machines, mobile X-ray machines for health centers, architectural support and grants for SEIF PLES and St. John Ambulance. The budget support was also to fund provincial health COVID-19 response for the refurbishment of quarantine and isolation centers in the provinces, including the NRH under the Ministry of Health and Medical Services;

- Purchase of specialized equipment and consumables to test the COVID-19 in country, support for victims of Tropical Cyclone Harold for West Guadalcanal Constituency, and support for the National Development Fund under the Office of the Prime Minister and Cabinet;

- For Asset maintenance and housing constructions for correctional services under the Ministry of Police, National Security and Correctional Services;

- Support towards ongoing Mekem Strong Solomon Islands Fisheries (MSSIF) program Phase 3 under the Ministry of Fisheries and Marine Resources; and

- Securing land to relocate the Solomon Islands Football Federation (SIFF) in preparation for the Pacific Games 2023 funded by the Government of Papua New Guinea under Office of the Prime Minister and Cabinet.

2.38 **Variations in Appropriations** - The variations approved by the government require amendment to the 2020 Appropriation Act 2019. The variations reflects the government's commitment to address the COVID-19 crisis and other urgent and legitimate pressures.
2.39 The approved variations comes from a whole government reprioritization exercise. An efficiency savings worth $197 million was identified from the recurrent budget, 50 percent reduction on all discretionary and non-essential expenditures, and 15 percent reduction to all development projects except for the economic sectors.

2.40 The total sum of $156 million savings was re-allocated to ministries responsible for implementing the SIG COVID-19 preparedness and response sector plans, which includes the following sectors; livelihood, education, customs and excise, health, infrastructure, safety and security, immigration, fisheries, church support, protection, national coordination and camp management sectors under various responsible ministries.

2.41 In addition, the total sum of $40.9 million was reallocated to non-COVID-19 expenditures, which includes:

- Police expected shortfalls for fix cost such as fuel, staff annual leave fares, house rental, and maintenance of motor vehicles and office building under the Ministry of Police, National Security and Correctional Services;
- Maintenance work for new land test, road and bridges, SIMSA transformation to SIMA expenses, and motor vehicles needed to support SIG address COVID-19 under the Ministry of Infrastructure Development;
- Support required to drive government’s key fundamental and economic growth initiatives under the Office of the Prime Minister and Cabinet; and
- Reinstating of the amount that was reduced as part of the savings identified under the Ministry of Rural Development.

2.42 **Economic Stimulus Package (ESP)** - The government approved the Solomon Islands government Economic Stimulus Package with an aim to address the impact of COVID-19 pandemic on the local economy. The package focused on three main policy areas; (i) to ensure business continuity, (ii) prevent our economy from further deteriorating and (iii) immediately boost economic recovery to promote medium to long term growth. The ESP targets all levels of our economic activities to cushion the decline in the domestic aggregate
demand by incentivizing our farmers, fishermen, and businesses to continue to produce or employ people which will help to restore economic activity. The government has received overwhelming support from our development partners to address, not only health, but our economic crisis through implementation of the economic stimulus package.
Chapter 3 - Issues of Concern to the Committee

Central Bank of Solomon Islands

Issues of Concern

Matters raised by the Committee includes the following:

3.1 **Effects of long COVID-19 lockdown on the economy** – The Committee was concerned that a COVID-19 border lockdown beyond 12 months would severely affect the economy in terms of foreign reserves, supply and demand, savings, lending and the ability of donors to provide assistance.

3.2 The Bank\(^1\) confirmed that the import cover was 13 to 14 months ($5.2 billion) however a long term border lockdown would limit import and export therefore restrict trade. This would in turn deplete foreign reserve. The measures taken during the social unrest included the controlling of import payments in order to manage the foreign reserves. A similar type of measure could be taken if that stage was reached.

3.3 On the supply side inflation was driven by supply and not demand. A fiscal policy is needed to address the mismatch.

3.4 **Commercial banks credit** – The Committee was concerned that the impact of COVID-19 could impact the ability of individuals and companies to access new credit and repay existing loans. The commercial banks might be reluctant to provide new credits during the COVID-19 period.

3.5 The Bank was discussing with banks issues regarding loans and interest rates in view of the pandemic. Holiday packages of three months and six months were developed and

\(^1\) Dr Lake Forau. Governor, CBSI. Evidence on 5 August, 2020.
agreed with customers on a case by case basis. The scheme involved either holiday on principal repayment or interest repayment. The majority of clients went for the interest holiday. Most of those on the three months scheme have not asked for extension. The six months scheme will expire around November 2020 and is subject to discussion for extension at that time.

3.6 In terms of interest rates, the Bank has been dialoguing with the commercial banks in order to arrive at interest rates affordable to majority of Solomon Islands residents. It believes that interest rates would drop to single digit rates in five years. Interest rates were dependent on risks in country but rates have generally on downward trend. Interest rates for personal loans averaged at 13% while business loans have gone down to single digits rates even as low as 5%. It should be noted that borrowers would not be given the same rate for the same product as interest rates charged by banks were based on the risk rating of each individual. Some legal impediments also increased the risk factor in the country including: the length of time to register a charge (mortgage) over properties – at least two years and the legal process to do a foreclosure.

3.7 **Profitability of commercial banks** – The Committee was very concerned that commercial banks continued to make huge profits while businesses and individuals were struggling especially at this COVID-19 pandemic period. It seemed to the Committee that commercial banks were charging inappropriate categories of fees and high levels of banking fees. The high risk issue was used to drive the pricing structure of banking services in the country. The Committee felt that CBSI should do more in terms of monetary tools to regulate the pricing structure imposed on customers by the commercial banks.

3.8 The Bank acknowledged that the fees were too high so will work on the enabling environment to address the issue. It will implement a policy in two years and will endeavor to engage more with the community regarding banking services in the country.

3.9 **Non-performing loans** – The Committee enquired into the status loans from commercial banks in view of the impact of COVID-19 on the economy.
3.10 The Bank confirmed that the non-performing loans has increased from 8% prior to COVID-19 to 11% during the pandemic. The breakdown is in the table below as at 31/5/2020.

<table>
<thead>
<tr>
<th>Financial Institutions' Non-Performing Loans by Sector (SBD'000)</th>
<th>31/05/2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Nonperforming Loans &amp; advances in all Currency</strong></td>
<td>292,811</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>13,420</td>
</tr>
<tr>
<td>Agriculture</td>
<td>4,676</td>
</tr>
<tr>
<td>Forestry</td>
<td>9,253</td>
</tr>
<tr>
<td>Fishing</td>
<td>-</td>
</tr>
<tr>
<td>Mining &amp; Quarring</td>
<td>-</td>
</tr>
<tr>
<td>Construction</td>
<td>65,997</td>
</tr>
<tr>
<td>Distribution</td>
<td>53,486</td>
</tr>
<tr>
<td>Tourism</td>
<td>10,416</td>
</tr>
<tr>
<td>Transport</td>
<td>51,028</td>
</tr>
<tr>
<td>Telecommunication</td>
<td>-</td>
</tr>
<tr>
<td>Entertainment &amp; Catering</td>
<td>125</td>
</tr>
<tr>
<td>Central Government</td>
<td>-</td>
</tr>
<tr>
<td>Provincial Assemblies &amp; Local Governments</td>
<td>-</td>
</tr>
<tr>
<td>Statutory Corporations</td>
<td>-</td>
</tr>
<tr>
<td>Private financial Institutions</td>
<td>1</td>
</tr>
<tr>
<td>Professional Services</td>
<td>11,246</td>
</tr>
<tr>
<td>Personal</td>
<td>73,163</td>
</tr>
<tr>
<td>Non-resident</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Gross Loans</strong></td>
<td>2,559,806</td>
</tr>
</tbody>
</table>

| NPL to gross loans                                           | 11%        |

3.11 Economic impact of economic stimulus package (ESP) – The Bank confirmed that it has no data on the spending regarding the ESP. It will collect the data and do an analysis in order to determine the impact of the ESP on the economy. The Bank did include the ESP budget in its economic forecast which resulted in the economic growth of negative 3.9%, a reduction from an initial estimated negative growth of 5%.

3.12 The Bank was of the view that the stimulus package of $20 million to DBSI was too small to stimulate the economy. However, there could be some multiplier effect when lent out. A package of $50 million to $100 million would be more effective as the Solomon Islands economy is a consumption society. Given the borders are closed more effort should be
made to create domestic demand such as supporting local manufacturers and downstream processing.

3.13 Part of the COVID-19 bonds of $120 million would be used for Kirakira wharf and other infrastructure projects. This would in turn stimulate some sectors of the economy.

3.14 Fiscal position to year end - The Bank confirmed that it was comfortable with the fiscal position of the country to the yearend even though it was driven by donor funds. It must be supported by exports in order to be sustainable.

3.15 Donor funds inflow – The Bank confirmed that as at July 2020 a total of $845.8 million from donors came through the CBSI. The amount consisted of: IDA - $154.8 million, IBRD - $53.8 million, Australia - $123.8 million, ADB - $215.6 million, EU - $60.5 million and IMF - $237.4 million.

3.16 The IMF funding is for rapid support to balance of payment similar to the support provided in 2008. It is on standby and will be used as and when required. It will be repaid by CBSI.

Economic Stimulus Package Oversight Committee

Issues

3.17 Consultation - The Committee was very concerned with the level of consultation with the targeted sectors/industries prior to designing of the ESP

3.18 The oversight committee stated that they have engaged those productive sectors/ministries in their discussions. They have also received position papers from these targeted sectors or ministries and from those position papers developed the ESP.
3.19 **Procurement processes** - The Committee enquired into the procurement processes. The Committee was very concerned on timely release of funds and at the same time safeguard the process from political influence.

3.20 The oversight committee stated that a budget head was created for the ESP under the Ministry of Finance. The procurement process is still maintained but as soon as the approval process and documentation are done, funds are raised directly to the recipient or supplier. Costs above $100,000 are streamlined not to go through the normal tender process. Only bigger contractors like roads and bridges goes through the tender process.

3.21 **Infrastructure** - The Committee enquired into how the key infrastructures like ramp in Makira, wharf in Malu’u, Fiu Bridge in Malaita and Seghe domestic airport are chosen to be factored into the stimulus package.

3.22 The oversight committee informed the Committee that these projects were already designed and costed. They will greatly support social and economic activities within the areas mentioned. There are other projects that might have been designed under our development partners’ plans.

3.23 **Verification of application** - The Committee enquired into the verification process for verifying ESP applications since there are thousands of applicants.

3.24 The oversight committee stated that they are working very closely with constituency development officers for all the fifty constituency and agriculture officers to identify and verify applications.

3.25 **ESP successful recipients** - The Committee was very concerned on how many applicants will successfully receive the ESP since there is a poor level of awareness in the rural areas.

3.26 The oversight committee stated that applications will be considered based on the clarity of information provided. The ESP also admitted that rural dwellers have not been accorded with the expected level of awareness hence will greatly affect applicants.
Currently the ESP Oversight Committee is looking through the applications and these applications will be grouped into categories whereby recommendations will be made to the government.

3.27 **ESP support to constituencies** – The Committee enquired into the support to the 50 constituencies through infrastructure.

3.28 The Committee was informed that all constituencies had been allocated $600,000 for programmes and projects. All constituencies should submit their proposals for the ESP. A letter will be issued to each constituency once approval is given. Apart from the approval letter, an agreement will be signed by the constituency development officer with the recipients.

### 68 Solomon Islands Electoral Office

**Variation in appropriation**

<table>
<thead>
<tr>
<th>Subhead/item</th>
<th>Description</th>
<th>Original Estimates ($)</th>
<th>Supplementary Estimates ($)</th>
<th>Revised Estimates ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Various</td>
<td>SIEO - recurrent</td>
<td>8,597,798</td>
<td>-60,604</td>
<td>8,537,194</td>
</tr>
</tbody>
</table>

Funding transferred to support ministries responsible to implement the SIG COVID-19 Preparedness and Response Plan against the COVID-19 pandemic.

**Issues**

3.29 **Bye-election** - The Committee enquired into the timeline for the holding of the bye-elections for the three vacant constituencies. The Committee felt that the three bye-elections should be held simultaneously as soon as it is practicable this year.
3.30 The SIEO was committed to the holding of bye-elections for Central Honiara and Northeast Guadalcanal constituencies this year while South Choiseul was scheduled for 2021 due to funding consideration. COVID-19 pandemic has negatively impacted the plan to hold the bye-elections for the two constituencies mid this year. The SIEO was finalising the procedures for the elections based on COVID-19 rules and protocols.

3.31 The Committee is concerned about further delaying of the *bye-elections* and that it is imperative that all three *bye-elections* takes place this year because the three constituencies will urgently need Parliament representatives to help through the COVID-19 pandemic.

**Recommendation 1**

The Committee recommends that the Solomon Islands Electoral Office conduct the bye-elections for the three constituencies simultaneously this year, 2020.

3.32 **Voter registration**- The registration of voters’ process has changed and it will commence January each year and continue throughout the year on an annual basis. The SIEO was planning to establish offices in Western and Malaita to facilitate the process. The registration data will be published on the date Parliament dissolves.

69 **Office of the Ombudsman**

**Variation in appropriation**

<table>
<thead>
<tr>
<th>Subhead/Item</th>
<th>Description</th>
<th>Original Estimates ($)</th>
<th>Supplementary Estimates ($)</th>
<th>Revised Estimates ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Various</td>
<td>SIEO - recurrent</td>
<td>8,597,798</td>
<td>-60,604</td>
<td>8,537,194</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>8,597,798</td>
<td>-60,604</td>
<td>8,537,194</td>
</tr>
</tbody>
</table>

Public Accounts Committee Report: August 2020
Funding transferred to support ministries responsible to implement the SIG COVID-19 Preparedness and Response Plan against the COVID-19 pandemic.

**Issues**

The Office of the Ombudsman provided written submission to the committee.

3.33 **Lack of budgetary control** - The Office stated that the main reason for them to become a separate entity was to assume full responsibility to manage their annual budget without having to go through the SPM as it used to be until end of 2017. However, they do not have much control over their budget because the priority status they once enjoyed under the Head 281 is no more. For example, they state that additional funding for increasing of staff has been requested by the office since 2017 but have never materialized as their submission was ignored by both the PSs of the Ministry and Public and Ministry of Finance.

**Recommendation 2**

The Committee recommends that the Ministry of Public Service hold consultations with the Office of the Ombudsman on their organizational restructuring needs and develop a workable plan to attain the human resources capacity needed by the Office.

3.34 **Reduced budget** - The Office’s annual budget for other charges since it was given a separate head in 2018-2020 the annual budget for other charges has continued to decrease over those years. The biggest budget item reduction in the last two years since 2019-2020 is the budget item for outreach program to provinces. Since 2018, this budget item has reduced from $550,000 to only $63,698 in 2020 and this cut represents 88.42 percent reduction. This subhead was further reduced by $31,849 this year for the COVID-19 reprioritization leaving the Office with only a remainder of $31,849 for the remaining months to the end of this financial year. The Budget Unit viewed these conferences and workshops as one-off activities, thus, in 2019 they unilaterally decided to reduce this
budget item without any consultation with the Office of the Ombudsman. This cut has since affected the Office’s outreach programs. The Office was hoping that the budget cut would be reimbursed through the supplementary budget, but this is no longer the case.

3.35 Need for additional staff - The Office of the Ombudsman also raised the issue of the need for additional staff. The Office is in the business of dealing with people who are denied justice through bad administration decisions of the executive. The Office has been begging the MPS for the last three years for an increased budget so that it can increase its staff to properly exercise their powers and preform their function. However, the Office viewed the actions neglect of the MPS as a violation of section 11 (1) of the Ombudsman Act 2019.

70 Ministry of Agriculture and Livestock Development

Contingency warrant

<table>
<thead>
<tr>
<th>Subhead/item</th>
<th>Description</th>
<th>Original Estimates</th>
<th>Supplementary Estimates</th>
<th>Revised Estimates</th>
</tr>
</thead>
<tbody>
<tr>
<td>0335-0000-2351</td>
<td>Disaster Relief</td>
<td>0</td>
<td>150,000</td>
<td>150,000</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>0</td>
<td>150,000</td>
<td>150,000</td>
</tr>
</tbody>
</table>

This amount provides additional funds to cater for highly contagious disease risk allowances for the frontline Biosecurity Officers attending to incoming flights and ships during the emergency period in response to the Novel Coronavirus (COVID-19).

Issues

3.36 Consultation on economic stimulus package (ESP) – The ministry\(^2\) stated that they were not consulted properly on the ESP by MOFT and OPMC. There is an allocation in the ministry budget for ESP but the ministry was not involved in the consultation teams that went around the provinces.

3.37 The Committee is of the view that the consultation process and having the right technical expertise is important and needs both the ministry and the ESP Oversight Committee to work together.

3.38 The ministry stated there is a committee in place that has been carrying out assessments but not in terms of the implementation.

**Recommendation 3**

The Committee recommends that the Ministry of Agriculture and Livestock Development be part of the Economic Stimulus Package Oversight Committee to oversee agricultural and livestock program designs and implementation under the stimulus package.

3.39 **Food security** - The Committee was concerned that the border lockdown and restrictions due to the state of public emergency has put great strain on the ability of all stakeholders to sustain food security and livelihood. The Committee requested the ministry to explain the strategy and policy it has to facilitate and deal with food security.

3.40 The ministry considered food security as a priority during this COVID-19 period. It encouraged and promoted “supsup” garden planting in and around Honiara through the provision of tools and seeds. Support was provided to Sape farm and Varivao Holdings as the main suppliers of cassava stocks to give to subsistence farmers. However the 50% reduction in the development budget was a challenge for the ministry. The restrictions on international flights and shipping has affected the supply of chicks and feeds. The ministry was looking at involving in locally producing chicken feeds and chicken layers. There is a $6 million allocated for food security in the ESP.

3.41 **Giant African Snail** and **Coconut Rhinoceros Beetle CRB** - The Committee requested an update on the work by the ministry to eradicate the two pests.
3.42 The ministry stated that it was a tough battle to eradicate the two pests as they have spread across a wider area and has become a major issue. The strategy is containment and not eradication. MALD has developed a technique to address the issue across the country. MALD was working with subsistence farmers by providing advice and equipment to fight the pests.

3.43 **Food security** – The Committee was concerned that the border lockdown and restrictions due to the state of public emergency has put great strain on the ability of all stakeholders to sustain food security and livelihood. The committee requested the ministry to explain the strategy and policy it has to facilitate and deal with food security.

3.44 The ministry considered food security as a priority during this COVID-19 period. It encouraged and promoted “supsup” garden planting in and around Honiara through the provision of tools and seeds. Support was provided to Sape farm and Varivao Holdings as the main suppliers of cassava stocks to give to subsistence farmers. However, the 50% reduction in the development budget was a challenge for the ministry. The restrictions on international flights and shipping has affected the supply of chicks and feeds. The ministry was looking at involving in locally producing chicken fees and chicken layers. There is a $6 million allocated for food security in the ESP.

3.45 **Cocoa, coconut and noni** - The Committee was concerned that allocations for these crops were either low or the amount given to farmers were inadequate. Some farmers only received $7,000. These crops support the livelihood of most rural people.

3.46 The ministry confirmed that there were allocations in the ministry’s budget to cater for coconut, cocoa and noni. The assistance is available to all constituencies. The amount given to a farmer was dependent on the nature of the farmer’s project proposal.

3.47 **Border security** - The Committee was concerned that there was a mismatch between the design of the ESP and border security. The Committee would like some details on the collaboration between MALD and other SIG agencies on COVID-19.
3.48 The ministry confirmed that a MALD team was deployed at the border to undertake security activities. The challenge for the biosecurity team is the lack of infrastructure at the border.

3.49 **Funding issues** - The ministry stated that their budget has been cut by 50% and because of this budget cut some projects that have been approved may not be implemented. They also stated that they are working to include schools under the Food Bank Initiative program. But because of the 50 percent budget cut it has impacted this plans and it seems that some of the projects that have already been approved will not be implemented. Furthermore, another $5 million from the current budget will be going into constituencies resulting in further reductions in their budget.

3.50 The Committee was concerned about the level of funding for small projects that does not yield much in terms of revenue for the country. Thus, the Committee is of the view that in this time of COVID-19 pandemic where resources have become scarce it would be best to redirect funds from smaller projects to those projects that will yield more in terms of the country’s revenue.

**Recommendation 4**

The Committee recommends that the Ministry of Agriculture and Livestock Development redirect funds to agricultural and livestock projects that will yield revenue for the country such as that has been done in the past for cattle, rice, and other potential export products.

3.51 **Border security** - The Border security - The Committee was concerned that there was a mismatch between the design of the ESP and border security. The Committee would like some details on the collaboration between MALD and other SIG agencies on COVID-19.

3.52 The ministry confirmed that a MALD team was deployed at the border to undertake security activities. The challenge for the biosecurity team is the lack of infrastructure at the border.
71 Office of the Auditor General

Variation in appropriation

<table>
<thead>
<tr>
<th>Subhead/Item</th>
<th>Description</th>
<th>Original Estimates ($)</th>
<th>Supplementary Estimates ($)</th>
<th>Revised Estimates ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Various</td>
<td>OAG - recurrent</td>
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<td>734,094</td>
<td>8,848,673</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>8,114,579</td>
<td>734,094</td>
<td>8,848,673</td>
</tr>
</tbody>
</table>

Budget revised and funding provided to cater for outstanding bills for the external audit contractors contracted by Office of the Auditor-General.

Issues

3.53 The Office of the Auditor General provided written submission to the Committee.

72 Ministry of Education and Human Resources Development

Variation in appropriation

<table>
<thead>
<tr>
<th>Subhead/Item</th>
<th>Description</th>
<th>Original Estimates ($)</th>
<th>Supplementary Estimates ($)</th>
<th>Revised Estimates ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Various</td>
<td>MEHRD - recurrent</td>
<td>1,201,230,400</td>
<td>20,268,781</td>
<td>1,221,497,181</td>
</tr>
<tr>
<td>Various</td>
<td>MEHRD - development</td>
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<td>-4,193,580</td>
<td>24,306,420</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>1,229,730,400</td>
<td>16,073,201</td>
<td>1,245,803,601</td>
</tr>
</tbody>
</table>

Budget revised and funding provided to cater for the implementation of the SIG COVID-19 preparedness and response plan allocation under education sector.
Issues

3.54 Level of COVID-19 assistance programme – The Committee was very concerned that the preparedness and response plan for schools was concentrated on the emergency zones of Honiara, Western and Choiseul and not the whole country. It was the view of the Committee that the impact of the pandemic affected the whole country therefore all schools throughout the country should be assisted.

3.55 The ministry\(^3\) stated that the strategy has given priority to schools in the emergency zone as those schools were the ones at high risk in the event of an outbreak. The strategy did provide coverage for the whole country but the first step was to address the requirements of those at immediate risk.

3.56 Repatriation programme - The Committee noted that the ministry has an allocation for repatriation but it was not clear if the amount was going to cover both local and overseas institutions. The Committee viewed the repatriation of students from overseas as a logistical problem due to the number of students studying in overseas institutions, the capacity of the quarantine facilities and the quarantine period of at least 14 days. This would make it inconvenient for continuing students. A better option would be to allow continuing students stay on at those institutions and only repatriate graduating students and those in high risk countries.

3.57 The ministry stated that they had a budget of $19.1 million for repatriation. The ministry repatriated graduated students from USP at the end of semester one. The package also included allowances not only for SIG sponsored students but self-sponsored as well all over the world. Only about $5 million is left from the repatriation budget so has to replenish this from other budget lines. However, the ministry already has the baseline budget to cater for student travel at the end of the year. With regards to the repatriation of students during the holiday period, stranded students and those in high risk countries

\(^3\) Dr Franco Rodie, Permanent Secretary, Ministry of Education and Human Resource. Evidence on 6 August 2020.
the ministry is collaborating with the oversight committee and health authorities to determine the best possible options to use.

**Recommendation 5**

The Committee recommends that the Ministry of Education and Human Resources Development develop a repatriation policy to guide the government so that all students studying overseas are treated fairly during the process of repatriation.

3.58 **Outreach programme** - The Committee acknowledged the initiative taken by the ministry to deliver another medium of learning to schools through SIBC, TV and online during this COVID-19 pandemic period. The Committee was concerned with the effectiveness of the various modes of delivery of the programmes.

3.59 The ministry confirmed that the programmes were delivered through radio and online but yet to be done through TV. The recording of the lessons are also available online. The initial response from the stakeholders were positive for the online mode but there were mixed reaction regarding the radio show. The radio programme was repeated during the evenings at 7.30 pm to enable a wider audience to take part.

**Recommendation 6**

The Committee recommends that the Ministry of Education and Human Resources Development undertakes an evaluation of the project to ensure the objectives are achieved, the targeted audiences are reached and the learning outcomes are fulfilled.

3.60 **Budget reduction** - The Committee noted with concern the reduction in the budget for SITESA and teachers travel. This would impact costs relating to scholarships including student allowances and teachers travel during the holiday period. Financing of teachers travel was an issue in previous years.
3.61 The ministry admitted that the cuts were initiated by the Ministry of Finance to meet the costs relating to COVID-19 preparedness and response plan. The ministry was in the process of identifying savings to meet the short fall. The SITESA budget reduction negatively impacted activities planned for six Rural Training Centres (RTC). The cut had no impact on the scholarship budget.

3.62 **SINU programmes** - The Committee raised serious concern over the ongoing disagreement between management and staff associations regarding the governance and operations of the university. The reduction of the university infrastructure budget and the suspension of classes were also challenges that affected the timely delivery of courses to students. However, the university must be congratulated for the progress made in its service delivery during these new normal times.

3.63 The ministry confirmed that it has worked with SINU and other stakeholders to resolve the issues effecting the relationship between the staff associations and the SINU council. The question of how to improve SINU so that it delivers high quality services to students and other stakeholders is an ongoing issue for the ministry and the government. The ministry has been making business cases to the government to provide more resources to the government but it is one of the competing priorities of SIG so requires long term solution.

3.64 **Schools sanitation facilities** – The Committee was concerned about proper education on personal hygiene such hand washing requirements for students so that students practice personal hygiene at all times particularly during the pandemic. Thus, building of proper wash facilities in schools is very important.

3.65 The ministry stated that in 2018 in collaboration with UNICEF a survey was conducted and found that only 40% of schools had proper wash facilities. A survey conducted in 2020 in Honiara for 86 schools indicated that more than 50% of schools did not have proper sanitation facilities. The ministry stated that they were looking into this issue and what is
needed is more emphasis and funding to be available for such projects. A ministerial budget of $5 million for wash facilities was not enough for 211 schools.

**Recommendation 7**

The Committee recommends that the Ministry of Education and Human Resources Development must make funds available to develop wash facilities for those the schools that do not have proper wash facilities or with substandard wash facilities.

3.66 The Schools COVID-19 preparedness - The Committee was concerned about the disproportionate prioritizing of certain schools with regards to COVID-19 preparedness and believed that preparedness should include every school around the country and not only for certain schools.

3.67 The ministry stated that schools in the emergency zones especially Honiara were prioritized but all schools in the country have been included in the Covid-19 education system response scenario planning and budget. The strategy prioritized the schools in the emergency zones because they are categorised as high risk. A standard operating procedures and drills were conducted in Honiara schools only.

3.68 Reduction in academic school year – In light of the budget cut, the Committee was concerned on how it has affected schooling days and contributed to teachers and student absenteeism. The ministry agreed that this is definitely an issue and students especially in grade one and two are affected because they are at the stage of reading and writing and if they do not attend classes for a long period of time it will most certainly affect their learning progress. The ministry also responded that the budget cut was made by the Cabinet. However, to reduce the impact on students, especially for examination classes, the ministry stated that students have been exempted from paying examination fees.

3.69 A strategy is also in place to deal with this so that classes such as form 6 and 7 must at least sit exams so that they have grades to apply for further studies. Overall, the ministry
is of the view that this is a major issue that will not only affect primary level students but tertiary level students and coming back to normal will prove difficult.

3.70 The Committee is of the view that budget for education should not have been cut and since COVID-19 has not yet entered the country it is best that schools continue to function as normal for the benefit of students. This should include building of more classroom to address social distancing issues and introduction of half-day classes. This is to ensure that regardless of COVID-19 children continue to receive their education.

3.71 The Committee further viewed that whatever funds the ministry has remaining should not be strictly used up because although planning for pre-COVID is important it is equally significant to keep some funds for when there is a possible outbreak of the virus because if that happens access to additional funds will prove difficult.

**Recommendation 8**

The Committee recommends that the Ministry of Education and Human Resources Development put aside savings for the event of a potential outbreak of the virus that may significantly impact the ministry's financial capability to respond to the outbreak on its key ministerial programs.

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### 73 Ministry of Finance and Treasury

**Contingency warrant**

<table>
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<tr>
<th>Subhead/Item</th>
<th>Description</th>
<th>Original Estimates ($)</th>
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<th>Revised Estimates ($)</th>
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Additional funds to cater for highly contagious disease risk allowances for the front line Customs and Excise Officers attending incoming flights and ships during the emergency period in response to the COVID-19.
**Advance warrants**

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<thead>
<tr>
<th>Subhead/Item</th>
<th>Description</th>
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Budget support from ADB, WB and DFAT plus SIG Domestic Bond and Treasury Bills to cater for the upgrade of SIG network and data centre and support towards the implementation of the SIG Economic Stimulus Package to address the negative impacts of the COVID-19 pandemic in our economy.

<table>
<thead>
<tr>
<th>Subhead/Item</th>
<th>Description</th>
<th>Original Estimates ($)</th>
<th>Supplementary Estimates ($)</th>
<th>Revised Estimates ($)</th>
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Budget support from DFAT towards strengthening Cyber Security operation of ICTSU.

**Variation in appropriation**

<table>
<thead>
<tr>
<th>Subhead/Item</th>
<th>Description</th>
<th>Original Estimates ($)</th>
<th>Supplementary Estimates ($)</th>
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Budget revised and funding provided to cater for customs frontline officers high contagious risk allowances, deployment at the PNG-SI Border and improving customs infrastructure at Noro and Shortland Islands in response to COVID-19 pandemic.

**Issues**

3.72 **Economic recession** – The Committee is concerned about the contraction of the local economy by 4.9% against the backdrop of the declining global economic growth that is going to immensely affect the economy of this country. The Committee sought clarity from the ministry as to how long this declining growth might last and how will the government ensure it collects its revenues.

3.73 The ministry admits that the situation is really uncertain and they cannot forecast how long the pandemic will last and how long it will continue to impact the economy. Their
biggest worry is when the virus gets into the country and the country goes into lockdown. This means trading activities have to be suspended, businesses will be closed, minimal movements which will affect IRD and Customs daily revenue collection. However, there are immediate expenditure control measures that the government is currently employing as well as reprioritizing of commitments for the 2020 budget. For the short to medium term revenue commitments the ministry can stabilize or maintain our revenue expectation. This involves initiatives of setting up of audit taskforce that can identify businesses and following them up to pay their due taxes. The ministry is also looking at other commitments in terms of bills, contractual obligations, scholarships, provincial grants, health grants etc.

3.74 According to the ministry, maintaining the economy from further deterioration at this time is an important task to tackle. This strategy that was first implemented under the ESP will help to support some of our businesses, and at the same time one of the focus of the ESP is on the productive sector, especially on exporting of some of our products that we always fall back to during crisis and of course we can support our farmers. The ministry has seen a lot of positive early outcomes from that support to ensure injection into the economy through that sector can happen.

3.75 As a highlighter, the component of the Economic Stimulus Package includes soft measures which can help to support businesses especially in relation to utilities commitments including ports charges and so forth. These are some areas that can help those in business and the productive sectors. Another area that will help in this Stimulus Package is engagement of local contractors and companies to help build infrastructures. That is also part of the strategy to inject cash into the economy. At this time period to identify new sources is important, but the priority is to support the current status of the economy where we can control expenditure, where we can get additional revenue and support existing economic operators such as farmers, industries through engagement or contracting to carry out certain projects.
3.76 The Committee commends the ministry in its attempts to minimize public expenditure and increase its revenue collection. However, the ministry should have done these things a long time ago.

3.77 **Leeroy wharf** – The Committee is concerned about the activities on the Leeroy wharf which it considers to be a place for leakage of government revenue and questions why Ports Authority has not done anything about it. The Committee is further concerned about the imports going through the wharf where there is no oversight from the regulatory authorities.

3.78 The ministry informed the Committee that Customs is not concerned about the Leeroy wharf as it has an IT system where every shipping company and agents, before their ships arrive, have to manually load into the Customs computer system the entire manifest so that Customs is aware of what is being shipped and reconciled in the IT system.

3.79 The other reason for Customs to allow vessels to use of the Leeroy wharf to discharge is that it provides a facilitation of trade. The ministry claimed that SIPA is not equipped to handle the types of cargoes in bulk that comes off Leeroy such as bulk cement. The cost to process goods through that wharf is cheaper, for example, it is roughly a million dollars in fees to SIPA if they unloaded at SIPA. Operators of the wharf are complying with Customs regulations.

**Recommendation 9**

The Committee recommends that a multi-agency review is undertaken to determine the benefits or otherwise in the operations of Leeroy wharf to the government, economy and that the arrangement complies with international best practice.

3.80 **DBSI** – The Committee is concerned that the disbursement of the $20 million ESP allocation to DBSI might target inappropriate borrowers. The stimulus funds must go to...
the right sectors, industries, and commerce who are affected by the economic contraction and not for new start-up applicants.

3.81 The ministry stated that DBSI is very important and must not be allowed to fall back into the previous experiences of the former DBSI. The DBSI Board’s role is to ensure that all funded projects are viable projects and projects that will contribute to economic growth.

3.82 Customs and Excise revenue measures – The Comptroller stated to the Committee that the Custom’s audit department has been closed down as they were not performing and were re-tasked into a dedicated task force to go after arrears. That task force has been concentrating particularly on logging and have identified a lot of money owed to the State in logging and to date Customs have collected $52 million in arrears from logging from that activity. The problem is whilst it is easy to identify, another thing is to try and get the money out of the bank accounts of the entity that has not been paying because their money are overseas or they get paid through a third person and it difficult recover the money. Therefore, most of these companies are put on a repayment plan. If they need help in terms of time, then Customs will give them that time and so the money is being repaid with penalties over a period of time to suit that company.

3.83 Customs is also looking at the ore extractors such as bauxite and other minerals. Some of those companies’ ships were stopped from sailing until they comply with directives. Customs will not let allow any shipment of ores from any ore extractors who have not repaid their arrears or who have not signed the repayment plan.

3.84 In relation to other revenue issues Customs only has a small unit and they are under staffed. However, the Ministry of Finance has addressed this issue and they are in the process of recruiting. The Comptroller is looking to recruit 30 people. So they can start to move into petroleum and excise areas such as brewery and tobacco because there are

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4 Ibid
arrears in those areas as well. They will also go after the market and chase what is difficult to find by demanding contracts from entities. The contract price as opposed to the declared price to determine if there is under valuation and transfer pricing. Customs is working closely with IRD to share intelligence and information. These are all initiatives that will increase revenue for SIG.

3.85 In relation to logging, in January, logging was down 3 percent against target. In February, it was up 38 percent, March it was up 38 percent, April was 60 percent below, then 23 percent up in May, 44 percent up in June, and down 18 percent on July. So it was going up and down and it is very difficult to predict what's going on. The overall year-to-date, logging is up 9 percent against projection. Customs is putting pressure on them and they are paying.

3.86 IRD revenue measures – The Commissioner⁶ informed the Committee that the 2020 Inland Revenue budget is around $2.048 billion. That is the amount they should be collecting this year. From that amount up to June 2020, they have collected around $800 million. That leaves them with around $174 million deficit. Because of the COVID-19, a lot of the country's revenue streams have been negative. The biggest deficit is on the goods tax component which is basically from imports coming into our country of around $100 million. All other revenue streams are negative but the IRD can manage them.

3.87 Due to the COVID-19, the government has put on the stimulus package and one of the stimulus package is tax relief. A number of administrative reliefs were recently given by the government. That affects the collection of revenue, especially in terms of arrears and provisional tax. Tax payers have difficulty paying due to cash flow difficulties so they tend to reduce their provisional tax payment. IRD allows taxpayers with arrears to pay in instalments but further extends their instalment arrangements so that they do not go out of business.

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3.88 Despite of COVID-19, IRD still impose a number of measures one of which is the 30 percent deduction from Treasury payments. So any tax payer that has a tax debt, the Treasury will deduct 30 percent on advice. And that 30 percent is standard but it can move up and down depending on the date of that particular tax payer. It is not only that IRD impose 30 percent to get revenue, it also allows those tax payers to come forward and make arrangements on how they will pay their tax.

3.89 IRD is focusing on where the big revenues are and that is what they are currently doing. In 2018 and 2019, around $300 million to $350 million tax dues were identified as a result of investigation. This actually targets all the big companies, logging included. Another area of investigation is overseas remittances without tax which is quite significant.

3.90 **Economic Stimulus Package** – The Committee is concerned that the ESP is not targeting the appropriate sectors in the economy that directly contribute to growth in the economy.

3.91 The ministry stated while other countries may have different components and strategies associated with stimulus packages, the one currently employed by the government is what the ministry is proposing to the government that it thinks will be useful in the Solomon Islands context. It is aimed to address a wide area of the economy right from the rural level up to the national level. The rural populace are the backbone of some of the key sectors such as agriculture, copra, cocoa and kava. The ESP is to support production from those activities. The significant portion of the package is directed towards - export commodities in; copra, cocoa; kava and timber. So while the fund is channelled to the rural areas, at the same time export is happening. We have seen a lot of activities in terms of trading in these commodities.

3.92 In stimulating the domestic demand, the ministry stated that cash is not really flowing into our economy because of this crisis. One way to ensure that people are holding cash is through some of the activities in the stimulus package. For example, people selling their products like copra, kava or timber would have cash in their hands that they can spend.
3.93 The ESP supports different levels of the value chain with different allocation for each area: exporters, buyers and producers at the rural level. The fund does not support those that plant new crops. It just supports those that wants to maintain equipment, for example air dryer for cocoa and copra or any tools they can use to increase their productions. There has to be a balance in the value chain so that the process of supply continues to come from the farmers’ level to the exporters to export. The ESP have different allocations under those different streams of value chains.

3.94 The Committee views that the ministry must properly inform the people of the country about the value chain as applied under the ESP so as not to mislead the public or the public being misled by other persons about the eligibility criteria of the ESP and how to apply for the package. The ministry must ensure that our finite resources goes exactly to the most productive in terms of returns, employment, and other social safety net.

3.95 **Advance Warrants** – The Committee enquired into the advance warrants in the 2020 SAB 2020. It would like to know whether the $150 million limit, set in section 6 of the 2020 Appropriations Act 2019, have been exhausted and the ministry is seeking a new advance warrant or that the new advance is to increase the limit set by the Act.

3.96 The Director7 of the Budget Unit stated that the 2020 advance warrants in the bill is to revise it from $150 million to $406 million, to include the COVID-19 ESP and all the donor funds we have received which is inside the system already. The Original $150 million is almost exhausted even without the COVID-19.

3.97 **Borrowing** – The Committee also enquired into Schedule 2 of the Act which sets the borrowing limits for Treasury Bills of $100 million and whether this COVID-19 bond fits under this $100 million in Schedule 2 of the Act.

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7 Mr. Coswal Nelson, Director of Budget Unit, Ministry of Finance and Treasury. Evidence on 5 August, 2020, p. 30.
3.98 The Director stated that out of the original $100 million in Treasury Bills the current available balance is $86 million.

3.99 Exemption – The Committee enquired into the reasons for giving Coral Sea Casino duty exemptions, what the exemption is for, and how long it has been in place and for how much longer will it remain.

3.100 The Chairman\(^8\) of the Exemption Committee for Non-Statutory Exemptions stated that since taking up the chair three months ago they have really tightened up screening on exemptions applications and that they have reduced the exemption limit from 100 percent down to 50 percent. So if a person is accepted for exemption they will be only allowed 50 percent. If they do not like it then they can appeal to the Minister.

3.101 The issue of Coral Sea Casino is difficult and it is too generous in the views of the new Chairman, especially when competitors in the same sector are not allowed the same exemptions. There are various actors in the industry who are not happy with the lack of level playing field and this issue is actually brought up by them on a regular basis. The Chairman has an action plan to address the issue and try to start bringing things back to a more level playing field for all stakeholders.

3.102 According to the Exemption Chairman, an exemption is given for one year at a time and then renewed. If the value of the exemption has not been reached, an extension will be given if the applicant provides justification for an extension. For Coral Sea Casino, the new Chair has no idea as to how or when they were given exemption. However, the value of the goods being imported is substantial. From Customs monitoring perspective, the exemption was written in such a way that it is very difficult for Customs to monitor what’s going on because it is a thick document. The value of the exemption was between $30 million and $40 million.

\(^8\) Mr. Jim Sutton. Evidence. p. 32.
3.103 The Commission of IRD states that the company applied for exemption under tourism and it started during the construction phase of the hotel and it was renewed every year. It was just renewed a few months ago for up to 2021.

3.104 The Permanent Secretary stated they have been constantly communicating the matter not only to their Minister but also up to the Office of the Prime Minister. The ministry have been discussing the options that they can provide to the Minister in order to lessen the complaints or even the revenue that is foregone on some of items from this exemption. The PS is not aware of any other similar exemptions that are ongoing.

3.105 The Committee alerts Parliament that it is very concerned about this revelation which reeks of corruption and advices the government through the Ministry of Finance and Treasury to put a stop to the Coral Sea Casino exemption. The Committee urge the PS to continue to unravel the case as it is not good for our country. The efforts of those who wants to fix it, and the credibility of those efforts, are mitigated or tarnished by these kinds of preferential treatment that is happening at the political level.

**Recommendation 10**

The Committee recommends that the Ministry of Finance and Treasury review the exemption arrangement for Coral Sea Casino and take appropriation action to dissolve the arrangement.

3.106 **National Development Fund** – The Committee enquired into the National Development Fund (NDF) established under the Office of the Prime Minister and Cabinet what its purpose is for.

3.107 The ministry stated that the NDF is a discretionary fund within the Office of the Prime Minister and support comes from PRC.
3.108 PRC funds received so far is around USD$800,000. They are being used for purchasing of specialized equipment for COVID-19 testing, support victims of Cyclone Harold in West Guadalcanal constituency and for the NDF. The breakdown of the USD$800,000 is NDF gets SDB$6 million and the rest is for purchase of equipment plus cyclone Harold’s relief is around $200,000.

3.109 The Committee views this NDF as money from foreign governments to keep the Prime Minister in office. That is how foreign governments influence the Prime Minister to keep him towing their foreign policy.

3.110 **PRC Funds** – The Committee enquired into the PRC funds and how does the system of payment of PRC fund works. Parliament approved $90 million of PRC funds this year.

3.111 According to the DAG\(^9\), the $90 million budgeted for this year is still not yet received. The PRC fund was money received last year, part of the $10 million leftover from last year. But the balance is carried forward so that is what the advance warrant is for, like the use of it is identified this year and so it is being appropriated. A joint bank account is maintained in BSP by SIG and PRC.

3.112 **Savings of $197 million** – The Committee enquired into the use of $197 million savings from variations in appropriation.

3.113 The ministry stated that of the $197 million in savings, $156 million goes towards COVID-19 related expenses. The other $40.9 million goes towards non-COVID-19 related expenses.

3.114 **MID’s vehicle testing** – The ministry informed the Committee that this is under the Ministry of Infrastructure and Development and it is to test vehicles. If we have this machine, we can gain revenue from it when vehicles are tested at the pool. It is a new

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machine that when plugged into a vehicle can scan all the insides of a vehicle like what’s done overseas. We are quite advanced now in having that machine. And the revenue part of it will be significant, and the machine is already here. The MID plans to build a proper warehouse at the now testing site for the machine to be installed there hopefully this year.

74 Ministry of Foreign Affairs and External Trade

Advance warrant

<table>
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<tr>
<th>Subhead/Item</th>
<th>Description</th>
<th>Original Estimates ($)</th>
<th>Supplementary Estimates ($)</th>
<th>Revised Estimates ($)</th>
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Budget Support from United Nations Office for Project Services (UNOPS) to enhance agriculture trade projects.

Variation in appropriation

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<tr>
<th>Subhead/Item</th>
<th>Description</th>
<th>Original Estimates ($)</th>
<th>Supplementary Estimates ($)</th>
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Funding transferred to support ministries responsible for the implementation of the SIG COVID-19 Preparedness and Response Plan against the COVID-19 pandemic.

Issues

3.115 Agriculture projects location – The Committee expressed concern on the ministry’s involvement in agricultural projects without the inclusion of the substantive ministry. The committee felt that the project could be located in the appropriate ministry.
3.116 The PS clarified that with ECAT the ministry only administers the funding. The core implementers involve a technical working group which includes the Ministry of Agriculture, Ministry of Commerce, National Health Laboratory and the Office of the Prime Minister.

3.117 **Support for exporters** – The Committee is concerned about the ministry’s lack of support for overseas trade and marketing for local exporters. There is a lack of focus or sense of direction by the government in supporting particular products for exports to overseas markets.

3.118 The Director\textsuperscript{10} of Trade informed the Committee that support to marketing of our products overseas is done through the Ministry of Commerce. The Ministry of Foreign Affairs only collaborate with the Ministry of Commerce in negotiating market access agreements like PACER Plus, tariff agreements etc.

3.119 **Quantity and quality of export products** – The Committee stressed the need for Solomon Islanders to concentrate on developing a particular product for mass production and export. It is discouraging for overseas buyers when their market demands are not met because the supply is low or not up to standard. Solomon Islanders need to concentrate on meeting market demands and be full time farmers rather than only involve in a commercial crop when the market price is favourable.

3.120 **Project selection** – The Committee queried the criteria used to determine project recipients of the UNOPS programme.

3.121 The PS explained that the selection is done through a tender process. The submissions went through an evaluation process by a technical group that included the Ministry of Agriculture and other line ministries. They assessed and made the recommendation to the tender board to award the tender to the successful applicants.

\textsuperscript{10} Mr. George Tuti, Director External Trade, MFAET. Evidence on 6 August 2020.
3.122 Politics discourages entrepreneurship – The Committee expressed concern on the political decisions that may hinder support to Solomon Islanders that have already establish markets for their products. An example was the lack of support from the ministry towards noni farming and noni products that had already established a niche market overseas. There is need to capitalize on existing established producers and support them to enhance their exports overseas.

3.123 The Committee views that there is a need for a robust framework that needs to be put together. A concerted effort approach must be done by the government with the political will to get the stakeholders such as the Ministry of Health for the phytosanitary approach, Ministry of Foreign Affairs for donor support, Ministry of Agriculture for officers on the ground to train and the Ministry of Commerce for the marketing and the trade aspect of it. Funds allocated towards this approached should be around $300 million to $1 billion.

Recommendation 11

The Committee recommends that the External Trade Division of the Ministry of Foreign Affairs and External Trade develop a robust framework that includes relevant government ministries and agencies to assist local exporters.

75 Office of the Governor General

Variation in appropriation

<table>
<thead>
<tr>
<th>Subhead/item</th>
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<th>Original Estimates ($)</th>
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<td>7,932,861</td>
<td>-1,073,896</td>
<td>6,858,965</td>
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Funding transferred to support ministries responsible for the implementation of the SIG COVID-19 preparedness and response plan against the COVID-19 pandemic.
Issues

The office of the Governor General provided written submission to the committee.

3.124 Variations in appropriation – The Committee noted from the submission that the Office of the Governor General expenditure are put on hold because of the variations in their 2020 expenditure priorities. This has led to a delay in payment of goods and services. The Committee also noted that the Private Secretary was not consulted by the MOFT in the variation process.

76 Ministry of Health and Medical Service

Contingency Warrant

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<th>Subhead/item</th>
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<th>Supplementary Estimates ($)</th>
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Additional funds to cater for highly contagious disease risk allowances for the front line health officers and urgent preparatory activities in response to Coronavirus (COVID-19).

Advance warrants

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<th>Subhead/item</th>
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<th>Supplementary Estimates ($)</th>
<th>Revised Estimates ($)</th>
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Budget Support from DFAT, Global Alliance for Vaccines and Immunizations (GAVI), MFAT and ROC to improve reproductive maternal and child health programs, fund capex works at NRH, ultrasound machines, mobile X-ray machines for health centres, architectural support and grants for SEIF PLES and St. John Ambulance. The budget support was also to fund for provincial health COVID-19 response for refurbishment of quarantine and isolation centres in provinces including NRH.

**Variation in appropriation**

<table>
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<tr>
<th>Subhead/Item</th>
<th>Description</th>
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<th>Supplementary Estimates ($)</th>
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<td><strong>13,439,484</strong></td>
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Budget revised and funding provided to cater for the implementation of the COVID-19 preparedness and response plan allocation under health sector.

**Issues**

3.125 **Economic Stimulus Package – The COVID-19 response** - The Committee noted that the ministry’s budget was cut by $9.6 million and the recurrent budget was increased by $37.4 million. The Committee enquired into the ability of the ministry to contain any outbreak of the virus in country based on the resource available to the ministry and the situation in PNG.

3.126 The ministry confirmed its concern with the situation in PNG with 114 cases. The fact that most of the cases happened amongst health workers, it posed a great concern to the ministry. Therefore in moving forward, the border now is the focus to shift resources there. For the health sector, there are five areas under consideration. The triage, the isolation, the quarantine station for health workers, the laboratory, the laundry and shower facility for our health workers.
3.127 Plans are in place to develop infrastructure at the border in Shortlands and to assess the requirements in Malaita Outer Islands. A budget of $28 million is already set aside for the infrastructure investment at the border. The other issue to look at is the storage capacity for our supplies. There are already additional PPEs coming from WHO including masks N95. The ministry is cooperating with other frontline agencies (police, customs, bio-security and immigration) at the border. The ministry was discussing with the Catholic Church on securing Nila for COVID-19 facilities.

3.128 Consultations were done with HCC to secure the multipurpose hall to make it an isolation facility for mild cases, use of Lawson Tama and Tulagi hospital is earmarked for COVID-19 response. Discussions with regional partners included consideration of makeshift hospitals and mobile health facilities. The ministry has developed a standard operating procedure of how to handle dead bodies.

3.129 The ministry has undertaken risk assessment on all persons that enter the country by isolating people based on 14 days and 21 days. Testing was done on entry and prior to the discharge from the quarantine facility. The test result is available 24 to 48 hours.

3.130 Resourcing for COVID-19 – The Committee is concerned that the ministry might not have the resources including human, financial and infrastructure to maintain a COVID-19 free state in the country. The Committee felt that the $28 million is not enough to cover all the basic requirements of the ministry to ensure COVID-19 is kept out of the country in collaboration with other agencies. The ministry must collaborate with PNG to ensure that the virus is contained within the PNG border.

3.131 The ministry has taken the initiative to have discussions with the PNG High Commission regarding the situation at the border. MFAET is facilitating a virtual meeting with PNG in order to develop an MOU.

3.132 On the resources front there is opportunity to upgrade infrastructures and extend services to the high risk areas. The ministry is developing an HR plan to complement the
infrastructure plan. A concept note on border set up plan on infrastructure, HR and finances indicated a funding gap of $18 million. The preparedness and response plan (PRP) had a budget of $115 million with $97 million funding secured.

3.133 Economic Stimulus Package – The ministry informed the Committee that further to the CW, they also received $26 million from the ESP. This government support will go towards infrastructure, equipments and other big ticket items.

3.134 Execution rate of Donor Partners – The Committee heard that the execution rate from our partners for provinces stands at 56% and for other budget support it stands at 42%.

3.135 Development Budget – The ministry stated that to date only $2,685,799 of the $30,741,900 appropriated for this year was spent which is a 9% execution rate. From the balance of $28 million, a further $9.6 million was reprioritized by the government for COVID-19 related purposes.

3.136 COVID-19 preparedness – The pandemic was an unforeseen circumstance and so it was not budgeted for this year. The ministry is operating on uncharted territory and is learning through the process as it implements its Preparedness and Response Plan (PRP). Standing Operating Procedures (SOPs) are continuously refreshed everyday with more than 80 SOPs in place, but given the various scenarios that have come to light, particularly the PNG’s case in the laboratory where most of the COVID-19 cases are laboratory workers it is unknown whether it is a breach of protocol or procedures, hence the call for the ministry to refresh the SOPs to ensure there are no gaps in breaching any of those protocols. Basically, they are learning from various scenarios both globally and in the region.

3.137 The ministry’s optimum budget for the current PRP was developed in February of this year where they budgeted for $115 million. Later it was revised in June to $97 million by both SIG and donors. The remainder of $18,517,000 constitutes the funding gap.
3.138 Discussions for vaccination of this virus was held with UNICEF and WHO to be part of the initial discussion to be eligible for the vaccine on the virus. GAVI who is the global immunization platform is organizing this and it would be the entry point for the discussion for the vaccine. In recent discussions on eligibility, Solomon Islands is eligible for the vaccine, but the discussion is yet to be done at the regional level with our partners – the World Health Organization and UNICEF.

3.139 COVID-19 outbreak containment – The Committee is concerned about the $9.6 million reduction in the development budget and enquired into the ministry’s non-residential building capacity and capability to contain the threat if there is a positive case or if there is an outbreak of the virus in the country.

3.140 The ministry raised the issue of storage capacity for supplies, especially with the single biggest consignment of PPEs (mask and N95) provided by WHO coming to Honiara and the provinces, especially the borders. There is a need for storage capacity.

3.141 In terms of any case that may arise, the ministry has consulted with Honiara City Council (HCC) to secure the Multipurpose Hall and an assessment was undertaken to assess the Hall to make it as an isolation facility for mild cases.

3.142 For severe cases, the ministry is also considering makeshift hospitals, and discussions has been done with Ausmart earlier this year to have a fully-fledged mobile health facility at Ausmart. Furthermore, because given the huge capacity that requires additional space, the ministry may also hold discussions about using Lawson Tama to set up Type 1 hospital, similar to what was used during the measles outbreak in Samoa, and that will require half the size of Lawson Tama to set up. Right now the focus is on the Western border, and they also are jointly cooperating with front line agencies such the Police, Customs, Bio-Security and Immigration.
3.143 As for the morgue, the NRH have developed a Standard Operating Procedure (SOP) of how to handle dead bodies. The SOP covers the triage, the isolation ward and handling of dead bodies by pathologists from the time of death to the morgue and burial.

3.144 However, the fact is that our current health facilities are deteriorating and aging over the last 30 years. The ministry is taking this opportunity the use COVID-19 to improve our health infrastructures in the provinces. Most of our health facilities needs to be expanded for services because of the increase in population and health services as well.

3.145 In terms of COVID-19 human resources capacity and planning, the ministry wants to ensure our infrastructure plans aligns with the HR capacity. This means that what the ministry is building they will also ensure they have the right people to be doing those services. The ministry has a concept note already in place to look at the border step-up plan in terms of HR, infrastructure and even finances which will be brought to the Cabinet.

3.146 In terms of finance, the ministry is underspending on activities by $18 million and that is yet to be mobilized for big ticket items including incinerators, 20 feet containers and other specialized equipments. That is the current funding gap and if the need arises they will call for mobilization of additional resources.

3.147 COVID-19 testing capability – The ministry stated they have put measures in place such as pre-departure requirements and the quarantine requirements that we have now, and that we also have the testing capability.

3.148 Measures are in place for pre-departure and quarantine coupled with testing capability. Risk assessments are made for anyone entering the country where it is required of them to answer pre-departure questions and to go through screening to determine their level of risk. From those risk assessments they can determine the testing regime which and determine where that person will go for quarantine. Spot on test can be carried out at the airport for those suspected of having it or displaying any sick symptoms upon arrival. The capability to test is within 24 to 48 hours for any person who is red flagged from their
travel history. The ministry is confident that with the current modalities applied they have the capability to screen, test, isolate, treat, and contain any suspected case.

3.149 Western border situation – The ministry had an initial discussion with the PNG High Commissioner to start a collaboration process going. The ministry shared their concern of wanting to know what is happening on the other side of the border. It wants to ensure there is information sharing in terms of reporting and surveillance on our side of our border and on theirs. Thus, a virtual meeting is being proposed for both the ministries of health and medical services of Papua New Guinea and Solomon Islands. That should give the ministry flexibility to move forward with the aim to have a MOU in place as to what would be the responsibility of Papua New Guinea’s Ministry of Health and what would be our ministry’s responsibility. The ministry is hoping for the Ministry of Foreign Affairs to fast track the virtual meeting soon to finds ways for collaboration and conducting joint operations.

3.150 In light of the threat posed at the Western border, the Permanent Secretary stated that the Health sector is taking an infrastructure investment approach for Shortland and there are five areas of interest they are now working on which are; triage, isolation ward, quarantine station, laboratory, and laundry and shower facility for health workers. A budget of $28 million is already set aside for the infrastructure investment at the border. This money is already secured under DFAT and MFAT.

3.151 The ministry stated that they note the urgency for sea ambulance transportation as a priority to carry out laboratory testing between Shortland and Gizo. They are looking at options on how to procure it.

3.152 The ministry noted that communication in Shortland is also an issue and so they have taken it into account in terms of budgeting for radio communications with Shortland and Choiseul.
77 Ministry of Infrastructure Development

Variation in appropriation

<table>
<thead>
<tr>
<th>Subhead/Item</th>
<th>Description</th>
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<th>Supplementary Estimates ($)</th>
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Budget revised and funding provided to cater for the implementation of the COVID-19 preparedness and response plan allocation under Infrastructure sector, preparation on new test lane, SIMSA transformation to SIMA and motor vehicles.

Issues

3.153 Procurement process for quarantine facilities – The Committee enquired into the type of procurement process used in the renovation of various quarantine facilities for returning national.

3.154 The ministry stated that, given the urgency of the situation at that time an instruction was given directly by the Oversight Committee for the ministry to expedite procurement under the SOPE regulations, waived the normal tendering process and awarded the contracts to selected existing contractors to do the work. The ministry intends to request an audit to ascertain the allegations of collusion in the awarding of the contracts.

3.155 Signed contractual obligations - The Committee enquired into the ongoing issues with regards to signed contractual obligations and the overlapping of contract over many financial years.

3.156 The ministry stated that the majority of civil works contracts are covered under the National Transport Fund (NTF). Fortunately, there is enough fund allocated under the NTF for existing contractors. The ministry further explained that for now there will be no
new contracts under the NTF because its commitments has already reached the budgeted amount. The ministry development budget was cut so scaled down to next year. CTB approved additional $3 million contract for COVID-19 facilities but there was no funding.

3.157 Evaluation of project costs - The Committee enquired on the process evaluating and costing of projects before awarding contracts to contractors.

3.158 The ministry confirmed that the usual practice was: plan the project, quantity surveyors did assessment, and produce bill of quantity with costs based market rates. However, based on past tendering experiences, some costing were higher than the ministry’s expectations or the ministry might have underestimated the rates. Therefore, to mitigate such inconsistency, the ministry basically came up with base rates for different types of work to avoid such misunderstanding. This will apply also for the road works to have standard unit rates.

3.159 Economic Stimulus Package - The Committee enquired into the ESP allocated for infrastructure projects. The Committee noted that Makira, Malaita, and Western Province have been identified as infrastructure project under the ESP.

3.160 The ministry confirmed that most of the selected infrastructure projects were actually planned but due to financing obstacles and the NTF has been fully committed with the fund allocated to it. In consultation with the Ministry of Finance these pending projects will be funded through the economic stimulus package.

3.161 SIPA and Leeroy wharf - The Committee enquired into the high costs for offloading on SIPA whereas Leeroy wharf is cheaper as claimed by Customs. The committee was concerned that the decommissioning of 6 or 7 domestic wharves has created congestion and increased cost of operation at the domestic jetties incurred by local ship operators and passengers.
3.162 The ministry stated that the freighting cost is under the new SIMA authority. This is one area the ministry is working to improve on the commercial side of things for both international and domestic shipping freights and to impose regulation to safeguard its operations.

3.163 The ministry also stated that the Ports Authority has not submitted to them any of its plans to develop the domestic jetties. However, the ministry confirmed that some jetties needs to be upgraded.

3.164 The ministry’s stated that the SIMA and Customs have communicated on the operations of Leeroy wharf for security purposes and it has to comply with ISPS rather than the commercial side of it. In terms of efficiency, the international wharf has improved a lot.

3.165 **Road reserves** - The Committee enquired into the status of the road reserve for the development of the Fisheries to Henderson road.

3.166 The ministry confirmed safeguard and environment study already done. The boundaries of the road already identified and owners would be compensated for structures but not the land. The ministry still needs to have further consultations before producing a final report to JICA. Design work in progress. Budget needs to go to Parliament of Japan to table the report by September this year 2020.

3.167 **COVID-19 repatriation** - The Committee enquired into the payment for COVID-19 repatriation charters (ship hiring) on March and April this year.

3.168 The ministry informed the Committee that the total bill for chartering ships was $17 million for the total charters around Solomon Islands. To date the ministry have paid out 90% of the amount and still pending for three boat owners - due to tax obligation issues to sort out.
3.169 **SIMA board of enquiry report** – The Committee raised concern over the delay in the release of the report into the sea tragedy during cyclone Harold.

3.170 The ministry was unable to confirm when the report would be released.

3.171 **NRH car park** - The Committee enquired into the status of the work on the NRH car park.

3.172 The car park was funded by ministry and was completed in June and the ministry has handed it over to the NRH. NRH will determine when the car park will open for use.

### National Parliament

**Contingency warrant**

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Additional funds to cater for outstanding bills for Members of Parliament Health Insurance services provided by Mustard Seed International.

**Variation in appropriation**

<table>
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<tr>
<th>Subhead/item</th>
<th>Description</th>
<th>Original Estimates ($)</th>
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Budget revised and funding transferred to support ministries responsible for the implementation of the SIG COVID-19 preparedness and response plan against the COVID-19 pandemic.

Issues

3.173 Lack of consultation on revised budget - The Committee was informed that NPO was not thoroughly consulted on the reduction of its budget estimates. The Committee is mindful of the government’s need for reprioritization of funds for the pandemic. However, there is need for consultations on the reductions so that there is agreement on which subheads to reduce and priority operational costs are not affected.

3.174 Executive Gov’t not recognizing Parliamentary supervisory oversight role - The Committee is concerned about the significant reduction in NPOs budget. It is concerned about the very small allocation of annual budgets to the Office of the Leader of Opposition and Independent and the administration of Parliament including the committees. This is clearly one of the ways how the executive government is using Parliament as rubber stamp, by starving it of resources to play its supervisory oversight role.

3.175 Virtual Parliament – The Clerk informed the Committee that there is ongoing amendments to the Standing Orders to include provisions for a virtual Parliament, particularly due to the situation brought about by the effects of COVID-19 pandemic. Currently, the NPO is working with UNDP to procure a virtual system. It needs to source equipment overseas and to decide on whether to invest in a full out virtual system or do phases starting with committees before a virtual parliament chamber arrangement. The Committee recommends that the virtual equipment should be procured holistically to cover both the Chamber and the committees.

3.176 Health scheme – the Committee enquired into the process regarding access to the health scheme for Members of Parliament.
3.177 The Clerk confirmed that the CW was for outstanding bills annually of $3 million, only $1 million was in the budget. All health matters for members are under the scheme. An administration office was setup in Parliament to administer the scheme. It is a pilot scheme for three years. The final approval to access the fund is still with the Prime Minister.

Recommendation 12
The Committee recommends that the National Parliament Office to:
(a) Procure virtual equipment and system for the Chamber and for the Standing Select Committees of the National Parliament;
(b) Allocate a room and invest in a gym to cater for MPs physical and health wellbeing; and
(c) Fully administer the MPs Health Scheme.

80 Ministry of Forestry and Research

Variation in appropriation

<table>
<thead>
<tr>
<th>Subhead/Item</th>
<th>Description</th>
<th>Original Estimates ($)</th>
<th>Supplementary Estimates ($)</th>
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Funding transferred to support ministries responsible for the implementation of the SIG COVID 19 preparedness and response plan against the COVID-19 pandemic.

Issues

3.178 Impact of reduced budget on surveillance and compliance – The Committee is concerned about the impacts that the reduction of the budget might have on the ministry’s monitoring and compliance strategies on the logging industry.
3.179 The ministry\textsuperscript{11} informed the Committee that the budget for monitoring had not been touched. However, they already face challenges with monitoring before COVID-19 due to the fact that most logging operations are operating in very remote islands. The ministry does not have the capacity and resources to monitor. Under the COVID-19 pandemic the ministry made a bid for another $2 million in the stimulus package to support the monitoring.

3.180 \textbf{Forestry downstream processing} – The current Economic Stimulus Package also target the forestry sector in downstream processing. The Committee queried the ministry’s position on downstream processing.

3.181 The ministry informed the Committee that most of its activities are focused on economic activities that are generating revenue and also the rehabilitation of forest resources. The ministry has a policy to support downstream processing where they have around $10 million budget to support equipment, training and freight subsidy. They have also budgeted around $600,000 for freight subsidy to stimulate the sawn timber market locally and overseas.

3.182 Additionally, the ministry’s current data indicated that sawn timber export has gradually increased. There is high demand for the country’s unique hard wood. The ministry is working with the Solomon Islands Timber Processing and Export Association (SITPEA) to regulate them so that timbers they export are of high quality. This is to protect the country’s hard wood brand name. The SITPEA had submitted a regulation to the ministry to be aligned with the country’s timber regulations. The ministry supports the Association through certification and legality assurance to enter niche and high price markets of sawn timber.

\textsuperscript{11} Dr Vaeno Vigulu, Permanent Secretary. Ministry of Forestry and Research. Evidence on 7 August 2020.
3.183 **Sawn Timber quota** – The Committee is concerned about the country’s inconsistency in fulfilling its quota on sawn timber exports.

3.184 The ministry informed the Committee that previously the quota was set at 20 percent. Now it had been reduced to 8 percent through a Cabinet decision. The reduction is due to most of the logging concession areas are small, and difficulty to establish saw mills on disputed land due to security reasons. Currently, the country is still struggling to fulfil its 8 percent sawn timber quota.

3.185 The ministry has also established a sustainable logging policy. The government’s intention in the policy is to reduce round log exports. This should have happened last year but through discussion with the Economic Reform Unit of the Ministry of Finance and Treasury (MOFT), it was postponed to this year. According to the MOFT report, by July this year the country had produced and exported 1.4 million cubic meters of round logs. The ministry’s target for this year is around 1.9 million cubic meters, therefore the country is left with around 500,000 million cubic meters of round log for the remaining five months of this year.

3.186 The ministry has also drafted a forestry downstream processing and value adding policy. This policy reflects the ministry’s intention to reduce round log exports and increase downstream processing and value adding. The ministry had received funding assistance and expert support from its initial discussions with the FAO\(^\text{12}\). They have also visited most of the logging companies and encourage them to transition to downstream processing.

3.187 The Committee was informed by the MOFT\(^\text{13}\) that round log export had gone up by 38% in the last couple of months. The Committee therefore encouraged the Ministry of Forestry and Research to be firm on keeping the export of round logs at 1.9 million cubic meters for this year.

\(^{12}\) Food and Agricultural Organization.
\(^{13}\) When the Ministry appeared before the Committee on 5 August 2020.
3.188 **Solomon Islands Timber Processing and Export Association (SITPEA)** – The Committee is concerned about monopolizing the forestry sector and encourage the ministry to train local people on exporting of sawn timber.

3.189 The ministry clarified that there are two organisations in the forestry sector, the Solomon Islands Forest Association (SFA) comprised of foreign logging companies and the SITPEA comprised of indigenous and citizens of Solomon Islands. The ministry’s policy is downstream processing and sawn milling of timbers should be for Solomon Islanders. The PS explained that resource owners become part of SITPEA through the Value Added Timber Association (VATA). VATA is a member of SITPEA and all resource owners are members of VATA if they are affiliated with VATA. There are fourteen (14) members; they are Wesley Timbers, Pacific Timbers, Top Timber, VATA and others. The Ministry intends to only allow this group to engage in downstream processing of the country’s hard wood.

3.190 **Small holder or out grower plantations** – The Committee enquired about the process for obtaining plantation licenses.

3.191 They were informed that most of the country’s small holder or out grower forestry plantations have matured and ready to be harvested and exported. There is a cabinet paper for plantation regulation, license and fees with the Office of the Prime Minister. Once the plantation regulation and licensing are gazetted all plantation owners can apply to the Commissioner of Forests for a license to harvest their trees. He explained there are two licenses; a plantation license and a non-timber products license.

3.192 The PS further clarified that the New Georgia Timber Corporation who has vast timber plantations on New Georgia Island in the Western Province is governed by their own Act of Parliament. All other small holder or out grower plantations are governed under the Forestry and Timber Utilisation Act and so the new plantation regulation and licensing will apply to them.
3.193 **Native forest regeneration policy** – The Committee understands that reforestation takes quite a long time for trees to mature and enquired into the ministry’s position on the native forest regeneration policy.

3.194 According to the ministry, Solomon Islands location is best for the tree planting business. We have a good environment to plant trees. Some species that take 60, 80 to 100 years to mature in Asian countries can only take 10 years to mature here. The disadvantages are, in terms of biodiversity, food and natural habitat for our native birds, insects and animals are also lost or altered because of the plantation. Also the planting of initial principle species of trees is risky because once the market changes the trees may not be marketable resulting in waste of money, resources and the struggle and stress to find new markets.

3.195 The ministry still has the native regeneration program in place. However, only once, about two years ago, was the ministry provided with a budget for almost $2 million to implement the program. Up to this year nothing was provided in the ministry’s budget to fund the policy. The PS emphasized that funds should be provided to rehabilitate and redevelop our forests that had been logged. Those forests should be maintained and developed to continue to support the country’s economy. It is a resource where most of our resource owners and rural dwellers depend on to obtain money. With the thirty or so commercial species in our native forests, reforestation will have them ready again in the next ten years. Unlike plantation forests we only have one single species that can be ready in the next ten or so years.

**Recommendation 13**

The Committee recommends that the government allocate adequate funding to the Ministry of Forestry and Research to implement its native forest regeneration policy.
81 Office of the Prime Minister and Cabinet

Advance warrants

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<th>Subhead/item</th>
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Budget Support from PRC to cater for the purchase of specialized equipment and consumables to test the COVID-19 in country, support to Tropical Cyclone Harold victims of West Guadalcanal Constituency and support to National Development Fund. Budget support from PNG to secure land to relocate Solomon Islands Football Federation (SIFF) in preparation for the South Pacific Games 2023.

Variation in appropriation

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Budget revised and funding provided to cater for activities tasked to drive economic growth projects, continuous security and to ensure major SIG projects are on attended.

Issues

3.196 ESP grants for MPs – The Committee was concerned that government MPs have received $600,000 each under the economic stimulus package but not the MPs from the Opposition and Independent side. Members of Parliament have been signing forms for people who
wanted to access those funds. The teams that went to the provinces doing consultations have been raising false hope for rural people.

3.197 The SPM confirmed that the allocation was for all MPs and the ESP committee is chaired by PS Finance.

3.198 Western border - The Office stated during the inquiry that the biggest concern right now is not the international airports and international ports but the biggest concern now is the western border. Therefore, they are currently stepping up efforts to try and get more control.

3.199 There was also concern with the western pacific border which is the Philippines where there is an increasing number of cases which has reached 6000 to date.

3.200 There was also concern regarding the 340 students from Solomon Islands currently still in the Philippines and the need to repatriate them. The OPMC stated that the challenge now is to ensure that when they are repatriated not only are they safe but those of us here in the country are also safe from them. The Committee agrees that border security is a major issue for Solomon Islands today and states that other Ministries have mentioned that two major issues they currently faced with are infrastructure and logistics.

3.201 The Committee noted that the threat at the Western border will require mobilization of resources to that part of the country and enquired into the manpower needs of the situation down at that border. This is light of the revelation by the Ministry of Health whose plans for the Western border only takes into account what resources they have left, while the Immigration office talked about outsourcing. However, it is still unclear to the Committee about the level of resources needed to protect our Western border.

3.202 The OPMC stated that the focus right now is on building facilities for people coming in but the Ministry of Police is looking into building houses for staffs’ stationed there as well.
3.203 **Repatriation programs** - The Committee is content with the various steps that will be taken before repatriation of citizens and expert’s. However, the Committee is concerned about what will actually happen on ground. The Committee requested more information on the statistics of repatriation of citizens and experts coming in to ensure that Parliament is well informed.

3.204 The OPMC stated that the Prime Minister has asked the Oversight Committee for a report and this report will be tabled in Parliament. However, with regards to repatriation it is not China that wants the flights to go. This flight is for purposely for repatriation, and if the flight can fit in experts then the flight will also bring them over. The OPMC also stated that currently they are working with the Philippines government to see if planes can go over for repatriation and they are also working with WHO to assist with the testing before coming over.

3.205 **Economic Stimulus Package (ESP)** - The issue of the Economic Stimulus Package was raised by the Committee and the various concerned raised about the stimulus package include:

a) **$600,000 payout to all government members** - The Committee expressed concern regarding many of the government members having received $600,000 under the ESP for their constituencies while the opposition and independent members did not know about this and why they were not given such amount. Furthermore, the Committee also expressed concern regarding the endorsement of the stimulus package. Initially, they were told that members did not need to endorse it for constituents but later on constituents came back and stated that their members needed to endorse their applications. Thus, the Committee is of the view that there was a misinformation or there was no clear information given regarding the stimulus package. For those members who are in caucus they have such information but for other members and the general public there is no clear direction or information given regarding the stimulus package.
b) **Misinformation about the ESP** - The Committee was concerned that awareness teams that are going out to the provinces are raising false expectation and giving high hopes to communities visited. Looking at the criteria for this stimulus package the Committee is of the view that it will result in a misfire because 90 percent (90%) of the applications, it seems, will not meet the criteria for the stimulus package. Thus, the Committee views that the publicity of the stimulus package that is going around is politically hyped up and not about passing on the right information needed. Furthermore, the Committee is concerned that the package is not well focused, for example, endorsement forms signed by members have been sold and not taken seriously.

c) **The stimulus package is not well targeted** - The Committee was concerned that the areas under the stimulus package is not well targeted.

3.206 In response to the above sub-issues, the OPMC stated that the main purposes of the stimulus package was to make sure the economy does not come to a standstill. One of the areas the package is directed towards is the assisting of businesses in Honiara and in the Provinces. Assistance provided include rental or discounts from SIEA on electricity tariffs, Ports not charging shipping fees etc. The other part of the stimulus package is the establishment of DBSI to help startup of small businesses. The third part of the stimulus package goes to the MP’s and is targeted to constituencies. However, all together the OPMC stated that the whole budget for the economic stimulus package is not adequate to address all the needs that this country has. At the end, whatever money that is put into the stimulus package is still small compared what is actually needed to move the country forward economically.

3.207 The Committee acknowledged the clear response from the OPMC and reiterates that this should have been the same response from other ministries when asked this same question. Thus, the Committee views that the problem is with those at the ground level carrying out the projects. There is mismanagement and misinformation of the projects because there is no clear information provided to the public and the majority of the people are in the dark on the actual target areas of the ESP.
3.208 Although the Committee would like to see the successful implementation of the ESP, it is of the view that the current implementation of the ESP will not be successful because the majority of these funds are given to business owners and not to those who actually produce the products. For example, there have been cases where successful applicants who do not know how to plant had to return to the provinces to seek advice from the actual farmers. Thus, the Committee believes that provinces that farm certain agricultural products should be supported in this stimulus package. The Committee suggests that the ESP Oversight Committee look into this and make some much needed improvements.

3.209 The OPMC stated that it will carry out an audit report of the ESP. Currently, there are some good evidence to suggest that the ESP is working well. What has been witnessed so far is that the production of coconut and cocoa has hit the roofs which is a promising outcome from the stimulus package. For kava, the resources are slowly being focused on the farmers as well. Investments have also been put into noni and will put Solomon Islands on the competition around the world. In terms of cassava, the SAPE farm is about to start export to Australia. The exciting bit is that the package is targeting all 75 of our regional rural training centers especially schools such as Tenaru and Betikama. Furthermore, there are talks on a second stimulus package but for the moment the focus is on the first one so that there is learning and there can be improvements if there is a second stimulus package.

3.210 **Manpower to build 2023 games sports facilities** - The Committee was concerned regarding the building of the pacific games sports facilities. It has been China’s way of bringing in all workers for such projects from China thus, leaving very little opportunities for employing local workers.

3.211 The OPMO stated that although China uses China’s building codes it will be realigned with the Australian building codes to ensure that more local workers are employed during the building of the projects. Also, as part of the negotiations the OPMC will be negotiating for locals to be placed in higher positions such as supervisor as well and not only on ground labor.
3.212 **High telecommunication cost** - The Committee was concerned about the high telecommunication costs in the country and that the completion of the undersea cable project was supposed to solve this issue. However, the Committee is not sure if this project is currently operational as the cost of telecommunication still remains very costly.

3.213 **Cyclone Harold victims** - The Committee was concerned about the Taimareho tragedy in the wake of cyclone Harold and that a package should also be allocated to families of the victims because their death is a consequence of COVID-19 policy prior to cyclone Harold. Therefore, since this is cyclone Harold’s tragedy victims of the tragedy should be assisted. The OPMC stated that currently one investigation has been completed and the other might be completed in two weeks’ time. After the completion of these investigations they look into how the victims of the cyclone Harold tragedy can be assisted.

3.214 **Inflation** - The Committee is concerned with the impact of the negative inflation resulting in the escalation of public expenditure. The Committee urges the economic advisers of the OPMC to carefully monitor the inflation and try to keep it balanced. Currently we are going over $5 billion or around $4.8 billion dollars in terms of public expenditure for one fiscal year, and thus, it must be monitored closely.

### Advance warrant

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<tr>
<th>Subhead/Item</th>
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<th>Original Estimates ($)</th>
<th>Supplementary Estimates ($)</th>
<th>Revised Estimates ($)</th>
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Budget Support from DFAT to cater for the maintenance of asset and housing construction for correctional services.

**Variation in appropriation**

<table>
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<tr>
<th>Subhead/Item</th>
<th>Description</th>
<th>Original Estimates ($)</th>
<th>Supplementary Estimates ($)</th>
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Budget revised and funding provided to cater for the implementation of the COVID-19 preparedness and response plan allocation under safety and security sector and also other expenditures for annual leave fares, house rental, motor vehicle maintenance, maintenance of non-residential buildings and infrastructure expenditures.

**Issues**

3.215 **Ministry’s budget bid** - The Committee enquired about the budget bid for the ministry on the total supplementary budget submission for the rest of the year and how much of that total submission was for the police force alone. The Committee understands that the amount is not enough for the police mobility work on the situations at the border. The Committee added that the amount is grossly underfunded.

3.216 The ministry\(^{14}\) confirmed that the lump amount is $46.8 million for both agencies (correctional & police) and police alone is $38.6 million including border deployment. In terms of budgeting, the supplementary amount given will be challenging to operate with. However, the ministry will come up with mitigating measures to try and re-prioritized to ensure front-liner duties are not disturbed given this limited fund.

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3.217 **Human Resource** – The Committee enquired into the status of manpower deployed to the Western border. The Police Commissioner\(^{15}\) confirmed that the total number of personnel that actually deployed at the border was 61 officers.

3.218 **Border preparedness** – The Committee enquired into the implementation of the ministry’s COVID-19 PRP in terms of the various infrastructures, facilities, equipment and human resources that would be needed by police at the border. The Committee understands that there are gaps with the implementation of the PRP at the border.

3.219 The ministry\(^{16}\) confirmed that police are doing really well at the border given the existing infrastructures on the ground. The three main stations at the border are: Harapa, Kulitana and Kariki. Moreover, deployment of staff started in 2018 and increased over time, depending on the Intel assessment. Hence, manpower will correspond proportionately with the level of risk.

3.220 **Basic infrastructure** – The Committee was concerned about infrastructures such as boreholes and wharfs at the border.

3.221 The ministry stated that they are looking at more infrastructure at designated locations to advance police presence closer to the red line. Also working on plans to replace water pumps and the three current generator sets at the border to power multiple boreholes and the police stations. Currently our border base is way back and we need to advance our presence at the forefronts of our islands along the border and there are designated sites that are identified to be strategic locations in terms of security. Therefore, infrastructure is greatly needed to advance the presence of police close to the red line. It’s quite expensive for police to stay at the back and launch its operations and therefore, it is better for them to run the operations from the border. They have worked on some plans to look at the type of infrastructure that they might need to advance the observation post from the front.

\(^{15}\) Mr. Mostyn MangaI, Police Commissioner, Royal Solomon Islands Police Force Evidence on 6 August, 2020.

3.222 The ministry also understands that the current infrastructures at the border is purposely for the police with the existing police stations down at the border located at Kulitanai, Harapa. Whilst Kariki is a new station that was recently set up, including Mono and Taro as well. Those are existing facilities the police has. With the currently deployment it needs additional infrastructures and it urgently need more infrastructure to accommodate the number of staff at the border to support the police deployed over there. Tents are being used to support accommodation but there is a need for few more permanent accommodation.

3.223 Mobility resources - In terms of mobility resources, the ministry have a total of 12 boats - three speed craft which includes one stubby craft and two aluminum long boats powered by twin 150 horse power and by a single 150 horse power respectively. The rest (9 boats) are banana boats with 40 and 60 horsepower engines. There are plans for donors to provide two additional 9.2 meters aluminum long boats with double 150 horse power engines to increase the capability of officers at the border with also additional infrastructure for Harapa, Kariki, Kulitanai, Taro and Mono.

3.224 The posts at the border are normal police posts to deal with crime but in terms of border and national security, the ministry is looking at increasing assets for officers down at the border.

3.225 At the moment the ministry believes that there is sufficient capacity at the border but will still need improvement on its capability. The ministry is currently looking at improving its capability because the existing infrastructures cannot cater for the increased number of staff at the moment. The ministry basically have implementation gaps but is working with the donor partners to try and mitigate those gaps by providing additional resources and infrastructures. The ministry is doing its best to keep the illegal crossing at the border.

3.226 The Committee emphasized on the urgency and magnitude of this situation which needs to be addressed quickly.
3.227 The Police Commissioner stated that one of the gaps is for other agencies such as customs, health and others to work with the Police and assist in terms of the quarantine. Hence the ministry request the presence of key agencies at the border.

3.228 **RSIPF budget** - The Committee was concerned about the limited funding allocation for police and border officers.

3.229 The ministry informed Committee that in terms of its budget and its supplementary it will be challenging for them to operate with but the ministry will come up with its own mitigating measures to try and reprioritize according to what they have to ensure front-liner duties are not be disturbed given this limited fund.

3.230 **Police sea ambulance boats** – The Committee was concerned that the police boats are mainly for policing work and does not cater for transporting any COVID-19 cases because it might pose health risks to boat operators. The ministry stated that it is one of the most critical needs at the border and perhaps the other front-line ministries can step in to assist. The Commissioner admits that those boats currently in use at border are designed for policing operations and are not designed for protecting health of officers or boat operators. The design of the boats are for different purposes and not conducive to deal with any COVID-19 positive cases.

3.231 **Foreign vessels** - The ministry stated that they are currently trying to address zero tolerance on the issue of capability with the maritime and to strengthen police capability as well.

3.232 **Communication equipment** – The Committee noted the poor communication equipment and technology at the border. The committee was very concerned about this.

3.233 The ministry stated that communication is supported by radio and it recently sent two sets of radio to boost up the capability of communication at Harappa and Kariki. Furthermore, Kulitanai will have its own radio and it will cater to cover that area. A satellite disc was
set up and officers down there now have access to the internet accessible through Wi-Fi and is much better than internet in Honiara. This is how the ministry is prioritizing the needs and importance on improving of communication down at the border.

3.234 **Drones** – The Committee enquired into the usage of drones to monitor intelligence coming across on daily basis. The ministry confirmed that there is a total of 6 drones, supported by donors, and is awaiting instructors to come over and instruct our drone operators.

3.235 **Sea Uniforms/weather** – The Committee was concerned that police should be provided with proper sea uniform. The ministry is working on a uniform design for the Police Response Team and the front-line officers who are actually in the operation. They only have this gazetted sky blue uniform. Other uniforms were approved by the Commissioner but were not gazetted but were approved just for training purposes. Hence, ministry is looking at a suitable uniform that is conducive for border operations, and purposely for rural operations.

3.236 **Procurement process** – The Committee was concerned on the procurement process of equipment and infrastructures at the border. The ministry informed the Committee of the national disaster funding account has a budget to meet national priorities at the border. In terms of other equipment, the ministry is reviewing its current capacity, looking at the movement of its operations and trying to see how best staff can maintain operation at the border. It is also looking at the strategic locations and still negotiating with communities and people in Shortland. It is also discussing with donor partners to assist with equipment in terms of drones, the two new boats and other equipment.

3.237 **Regulating police allowances** - The Committee enquired into the issue regulating claims for border allowances on this COVID-19 which may be similar to the Bougainville crisis for former police officers that is yet to be resolved. It could be an issue in the future if no proper regulations are put in place to regulate claims for border allowances in times of security threats at the border.
3.238 The ministry confirmed that officers that are deployed to the border are subject to existing allowances under the Police Act, Regulations and General Orders. The PRT are entitled to a specialized skills allowance as per regulations in recognition of their advanced skills training and the duties undertaken as armed officers. Officers can only claim what they are currently entitled to under existing regulations and orders. The ministry is in discussion regarding long term border allowance arrangements and is committed to developing a future professional scheme of service for the RSIPF. Meanwhile, the ministry is also reviewing the salary structure of the RSIPF and CSSI. The border allowance issue also affects customs, immigration, biosecurity and other public officers serving at the border.

3.239 **Allowances** – The Committee was concerned that front liners allowances should not be taxed. Rather, allowance should be increased to support them in their work and family. The ministry is currently working on the border allowance apart from their normal allowances and salary. Allowance should be approved and paid upfront such as PFF in the past and should not be taxed. The current allowance structure is inadequate and unreasonable and the ministry is currently in the process of formalizing separate border active allowances that should be formalized soon and it is a separate allowance apart from the allowance that they currently receive and it will be subject to tax. PRT officers apart from Taro and Gizo officers formed part of the team that received $1,000 and hard touring allowance for $250/fortnight and PRT officers received $4033 apart from COVID-19 and hard touring of $150.

3.240 **Ongoing relationships with Autonomous Bougainville and PNG police** – The Committee enquired on the relationship between Autonomous Bougainville, PNG and Solomon Islands. The ministry does have an existing MOU with PNG and there is a connection and communication but response is poor. There is a network called transnational crime unit with ongoing sharing intel place between PNG and the problem is that it is only direct to PNG and not Bougainville. Hence, there is room for improvement in the future.
3.241 The Committee enquired into whether there is an international border law to turn back boats and not to shelter them in our quarantine sites. The ministry confirmed that there is an ongoing relationships with Autonomous Bougainville, PNG and Solomon Islands. Moreover, the ministry is liaising with their immigration. Anyone who is crossing illegally will be sent them back and they will be charged on the other side. Hence, the ministry is covering both sides of the border because Bougainville and PNG do not have the resources.

3.242 **Illegal entrance of yacht in Honiara** - The Committee enquire'd into the sailing ship (Mexico/Norfolk/New Caledonia/Honiara) that illegally entered to our shore that was involved in drug smuggling. The ministry confirmed that the boat was tested for carrying drugs and delayed for further queries from Immigration. The ministry has the capability to board the boat and police have tested for drugs and the result was positive. The boat was searched prior to deportation and the three sailors have been arrested by Australian Federal Police when they left the country.

3.243 **Inmates’ preparedness for COVID-19** - The Committee enquired into the preparedness for prisoners.

3.244 The ministry has plans for all correctional centers across the country and that plan is more on preparedness for the COVID-19. The plan is the Contingency Emergency Management Plan, and the other one is the ICRS COVID-19 checklist for prisons. The ministry also have CS-COVID-19 operation order which is linked to isolation plan. The ministry also have the CSSI – COVID-19 SOPE which links with the Ministry of Health and the Honiara City Council to the provinces and with provincial government and provincial centers. Correctional continues to give key messages to inmates throughout the country, and also trainings based on basic good hygiene practices. Rove also has another quarantine center. When a person is remanded or convicted, that person has to go into 14 days quarantine, and after the 14 days they are checked and if that person is okay then they will be put into the cell blocks.
84 Ministry of Provincial Government and Institutional Strengthening

Variation in appropriation

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<th>Subhead/item</th>
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<th>Supplementary Estimates ($)</th>
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Budget revised and funding transferred to support ministries responsible for the implementation of the SIG COVID-19 preparedness and response plan against the COVID-19 pandemic.

Issues

3.245 Threat to suspend Malaita Province – The Committee enquired into the threat made by the national government to suspend Malaita Province and the confiscating of the PPEs.

3.246 The ministry confirmed that no submission was made to suspend Malaita Province. The ministry did discuss some issues of concern with the province. The matters were based on the provisions of the Provincial Government Act. The situation has since cooled down. The ministry also confirmed that they were not aware of the issue with the PPEs and that the PPEs were outside their mandate.

3.247 Legislative reforms – The ministry stated that the provincial government act review and the revenue sharing scheme were two policies of the current government. The programme were delayed due to the 4 changes in ministers during the year. The draft PGA bill is with the ministry pending drafting arrangement while revenue sharing bill was endorsed by Cabinet.
85 Ministry of Lands, Housing and Survey

Variation in appropriation

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<th>Subhead/Item</th>
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Budget revised and funding transferred to support ministries responsible for the implementation of the SiG COVID-19 preparedness and response plan against the COVID-19 pandemic.

Issues

3.248 Levers land – The Committee acknowledged the action taken by the ministry to address the Levers land issue which has been ongoing for a very long time in the country. The Committee requested confirmation if the decision was final and that the ministry has retrieved land for airport expansion and roads.

3.249 The ministry has taken steps in retrieving the Levers lands. The ministry is also aware that Levers will appeal the decision. Regarding the lands at the airport and for the roads, the PS for MCA and MID would be in a good position to answer any queries. Currently the ministry is working on a coastal lands policy for the country.
86 Ministry of National Planning and Development Coordination

Variation in appropriation

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<th>Subhead/item</th>
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Total: 6,305,983 -657,941 5,648,042

Budget revised and funding transferred to support ministries responsible for the implementation of the SIG COVID-19 preparedness and response plan against the COVID-19 pandemic.

Issues

3.250 Economic stimulus package – The Committee enquired into the input of MNDC into the formulation of the ESP. The Committee was of the view that a target ESP was required to stimulate growth in the economy.

3.251 The ministry confirmed that they were part of the committee and provided advice on project design, preparation monitoring and evaluation. The ministry’s Under Secretary is a member of the technical committee that evaluates all proposals before they are forwarded to ESP committee for approval for funding. The ministry will undertake a monitoring and evaluation exercise to determine the success rate of the ESP. A second ESP will depend on how well the current one has been administered.

3.252 Ministry programme – The Committee enquired into the status of the MCC threshold programme and the LDC graduation.

3.253 The ministry confirmed that they have scaled down on operations and travel restrictions has affected TAs work with the ministry.
3.254 The MCC program is progressing well with diagnostic program done. Two concept development – land management and tourism sector program were initially discussed and formulated. It will be put to Cabinet for approval and the target date for signing is October 2020 and implementation in 2021. The ministry is in the process of appointing a project manager.

3.255 With regards to the LDC graduation, two assessments were done in 2014 and 2018. GNI and HAI were meet but economic venerability was not meet. The impact of COVID-19 is an issue to decide on the way forward.

87 Ministry of Culture and Tourism

Variation in appropriation

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<th>Subhead/item</th>
<th>Description</th>
<th>Original Estimates ($)</th>
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Budget revised and funding transferred to support ministries responsible for the implementation of the SIG COVID-19 preparedness and response plan against the COVID-19 pandemic.

Issues

3.256 COVID-19 impact on tourism – The Committee stressed that whilst SIG is encouraging internal tourism, how the ministry is going to stimulate people to travel. The Committee also enquired into the long term effect of the virus to the industry.
3.257 Until such a time that international flights are resumed then it will still take time for the industry to bounce back anytime soon. Currently, the industry is already facing tough challenges due to the cancelling of international flights. It is anticipated that the industry will bounce back to the 2019 level in 2025.

3.258 Currently the industry is already hardly hit and many operators are affected. To apply for SIG assistance, tourism operators must provide information that shows that they are in operation and are affected by the covid19 issue.

88 Ministry of Commerce, Industries, Labour and Immigration

Contingency warrant

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<th>Subhead/item</th>
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Additional funds to cater for highly contagious disease risk allowances for the front line Immigration Officers attending to incoming flights and ships during the emergency period in response to the Novel Coronavirus (COVID-19).

Variation in appropriation

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<th>Subhead/item</th>
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<th>Original Estimates ($)</th>
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Public Accounts Committee Report: August 2020
Budget revised and funding provided to cater for frontline Immigration officers highly contagious risk allowances exposing to incoming flights and ships in response to COVID-19.

**Issues**

3.259 **Consultations on the revised budget** – The Committee enquired into the level of consultations done with the ministry for the reduction of its budget.

3.260 The ministry stated that the Ministry of Finance did not formally meet with them to discuss the reduction of the 2020 budget estimates. All consultations were through phone calls and emails.

3.261 **Progress of development projects** – The Committee enquired about the progress of major development projects under the ministry.

3.262 According to the ministry all development projects were not affected in the reductions and are progressing except for the Suava EGC project where consultations with the Ministry of Development Planning and Aid Coordination have identified that work progress will be slow due to late land acquisition and the need for backfilling of the site. So its allocation was diverted to other essentials services division within the Ministry. The project will continue next year.

3.263 **Reservation of businesses for Solomon Islanders** – The Committee enquired about the new list of reserve businesses for Solomon Islanders.

3.264 The ministry stated that Cabinet had approved another eight types of businesses to be reserved for Solomon Islanders. The list had been increased from 14 to 22 reserved businesses. The list has been vetted and ready to be gazetted.
3.265 **Mamara, Tasifarongo and Mawo land development project** – The Committee is concerned about the slow progress of the Mamara, Tasifarongo and Mawo land development project.

3.266 The Committee heard that this project was initiated through an Act of Parliament since 1995. The Act designated the Ministry of Commerce as secretariat to the Council for the project. Currently, the ministry is the interim secretariat through the Permanent Secretary. The PS had delegated this task to the Foreign Investment Division because it deals with a project site that may attract FDI. The developer holds the FTE to the land and is still carrying out its concept plan. The driver for the development is tourism, but the developer started with a revised plan for the building of residential houses targeting public servants. The Cabinet paper for the revised development plan had already been approved. The concept is for those meeting the criteria and affordability to purchase these homes through an open market.

3.267 The Environmental Impact Study (EIS) has not been done on the project site in accordance with the Environmental Act. So the ministry is liaising with the Ministry of Environment to do the environmental assessment. The developer had been advised to halt operations for a while whilst the EIS is carried out.

3.268 **Marketing and Export Promotion Division** – The Committee was concerned about the possibility of overlapping of functions performed by the ministry’s Marketing and Export Promotion Division and the External Trade Division of the Ministry of Foreign Affairs and External Trade (MFAET).

3.269 The PS explained that the External Trade Division of MFAET used to be with the Ministry of Commerce and their role is to look at trade agreements. The Marketing and Export Promotion Division’s role is to support local businesses find markets for their products overseas. Both divisions are working closely together. The ministry admitted that there is a need to relook at these two divisions to pool them together under one arrangement.
3.270 The Committee was concerned about the level of support that the ministry gives to Solomon Islanders to market, promote and export their products, particularly with Kava. The concern was that a lot of the kava buyers are based in Honiara which quite far from the producers.

3.271 The ministry is working on a concept to support the kava industry. The ministry does not provide funding support to producers but only for exporters. However, through the Economic Stimulus Package (ESP), funding is available for farmers to access. Currently, there are three exporters that the ministry supports. They are; Sol-Kava Exporters, Kubonitu Holdings and Varivao. The ministry had already assisted Kubonitu Holdings establishment at Henderson by purchasing some of their equipment for them.

3.272 The Committee is also concerned about the ministry’s policy regarding supporting middle men as buyers. The concern was whether the ministry will encourage individuals, groups or community as middle men buyers that can benefit from the farmers.

3.273 The ministry will support already established buyers, communities or associations such as those in Santa Cruz, for example, where there are already established associations which farmers are affiliated to. The ministry’s intention is to develop a supply chain that the exporters don’t need to go down to the farmers but the buyers purchase from individual farmers and sell bulk to exporters in Honiara.

3.274 **Business and Corporate Division** – The Committee enquired about the incentives which the Business and Corporate Division provided to local businesses and entrepreneurs under the ESP.

3.275 The Division’s development budget has budget support for Small Medium Enterprises (SME) and the private sector. The division is liaising and working closely with the Solomon Islands Small Business Enterprises Council (SISBEC) and the Solomon Islands Chamber of Commerce and Industries (SICCI) in delivering small training. The ministry’s policy and objective under the SME is to establish business development services centres around the country at the constituency level.
3.276 **Foreign Investment Division** – The Committee enquired into the incentives that are available under the Foreign Investment Division of the ministry to attract and facilitate foreign investors into the country.

3.277 The PS admitted that the Division tries to promote foreign investment but there are a lot of challenges. There is need for a collaborative effort from other government agencies to reduce the cost of doing business in the country. They are currently engaging in the special economic zones concept and are working on a Bill to facilitate this. The Bill will provide the incentives to attract foreign investors.

3.278 **Consumer Affairs and Price Control Division** – The Committee was also concerned about the gazetted price control imposed by the Consumer Affairs and Price Control Division. Some of the prices are too low for local shop and canteen operators to make a profit out of. High operating costs such as wages, transport, electricity and telekom contributes to low business turnover.

3.279 The Committee was further concerned whether the price for Telekom services are under the control of the division. If Telekom is not under the Price Control Division, then how can they be brought under the control of the Division?

3.280 The PS informed the Committee that the telecommunication prices are not in the regulation price list so the Division will look into it.

3.281 The Committee views that the Division needs to impose and monitor the prices telecommunication service providers and wholesalers provide so that they give reasonable prices to the public and support local businesses.

3.282 **Support for local businesses** – The Committee enquired about the kind of support the ministry is offering to businesses in the country during this time. This was raised in light
of CBSI’s observation that the international trade, both exports and imports will be negatively impacted by the pandemic.

3.283 The ministry stated that at the moment their focus is on the SME. Their intention was to encourage locals to engage in business activities that do export as well as import substitute. They also have to work along with other agencies in the productive sectors such as the Ministry of Agriculture and Livestock to take the lead in the agricultural subsectors. They work with Agriculture in terms of downstream processing to produce products for external trade and to substitute the country’s imports. Also, the ministry’s plans was to work on the industrial commercial estates concept, where they intend to build hubs or Economic Rural Centre’s to utilize the country’s resources in addressing exports and import substitute activities. According to the PS, the ministry wants to see these happening but acknowledged that there are a lot of challenges and issues that comes with it.

3.284 **Border control and designated ports of entry** – The Committee was concerned about the lack of facilities at designated ports of entry at the country’ borders, particularly at the SI-PNG border.

3.285 According to the ministry, prior to the pandemic there were no immigration officers stationed at the border, but were sent down on deployment basis with the exception of Taro in the Choiseul Province where an officer is stationed there. The ministry has a five year plan to build, provide resources and man the country’s borders, particularly at the Shortland. The strategy is to ensure these border posts have facilities available and young officers stationed in them.

3.286 The biggest constrain and challenge is funding. The ministry had already submitted its budget requirements to the COVID-19 Oversight Committee, the office of the Prime Minister and the Ministry of Finance. The tentative budget breakdown includes staff accommodation infrastructure components which is about $2.1 million and for other services which is about $1.1 million totalling to $3.2 million. Also, other costs for boats,
OBM, fuel and freight totalled up to $4.1million. So in total, the Immigration Division needs about $7.3 million to construct and operate the border posts.

3.287 Legislation to regulate the country’s borders – The Committee views there is a need for a stand-alone legislation to regulate the country’s border security.

3.288 The PS explained that there are legislations under the country’s immigration and labour laws which can be applied during the current pandemic. The Deputy Director\(^\text{17}\) for the Immigration Division explained that the national border security is an integrated approach which consists of the Police, Biosecurity, Customs and other law enforcement agencies. The Immigration and the Customs divisions have a MOU to work against organised transnational crime which is an emerging security threat in the Pacific region. Recently, under this MOU, they deported three foreigners who entered the country illegally.

3.289 The Deputy Director further informed the Committee that the challenge they have with border security in terms of illegal entry is that investigations involves inter-agency investigation, where the Customs have its own Act, the Police have its own powers and also the Immigration Division have its own powers under the immigration legislations. He emphasised that there is need to enhance capacity and competence of the law enforcement agencies that deals with the national border security. This need tougher legislations, logistic and technology that will support the country’s officers Manning the borders.

**Recommendation 14**

The Committee recommends that the Consumer Affairs and Price Control Division of the Ministry of Commerce, Industries, Labour and Immigration consider small businesses operating costs and impose a price limit that is reasonable for profit making.

\(^{17}\) Mr. Christopher Akosawa, Deputy Director, Immigration Division, MCILI, Oral evidence, 6 August 2020.
Recommendation 15

The Committee recommends that the government allocate around $7.3 million to the Ministry of Commerce, Industries, Labour and Immigration to upgrade and facilitate full operation of the border posts at the SI-PNG border within the current State of Public Emergency.

Recommendation 16

The Committee recommends that the government through the Attorney Generals Chamber to develop an inter-agency legislation that addresses border security issues.

89 Ministry of Communication and Aviation

Contingency warrant

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<thead>
<tr>
<th>Subhead/item</th>
<th>Description</th>
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<th>Supplementary Estimates ($)</th>
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Additional funds to cater for urgent maintenance of office buildings in preparation and response to Coronavirus (COVID-19).

Variation in appropriation

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<th>Subhead/item</th>
<th>Description</th>
<th>Original Estimates ($)</th>
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</table>
Budget revised and funding transferred to support ministries responsible for the implementation of the SIG COVID-19 preparedness and response plan against the COVID-19 pandemic.

**Issues**

3.290 **Undersea cable** – The Committee was very concerned with the high cost of and the slow internet services even though the cable was already here at the beginning of the year.

3.291 The ministry confirmed that there were two issues of connectivity: existing contracts with satellite companies by the service providers and speed technology at each location due to standard of equipment (bandwidth). Most of the equipment used by the providers are old and need to be upgraded which is an investment decision of the service provide. The ministry is developing a project feasibility study to install 200 4G towers across the country at an estimated cost of US$45 million. These will be leased to the telecom companies which will reduce charges and increase connectivity.

3.292 **Regulator** - The Committee was concerned that the regulator TCSI is failing its duty to protect the customers and users of telecommunication services in the country.

3.293 The ministry admitted that there were issues with the regulator. The ministry reviewed the *Telecommunication Act in 2018* as the Act was written for mature markets and not a market like Solomon Islands. The revised law will make it easier for the government to work with the regulator to address issues now encountered.

3.294 **CAASI building** – The ministry confirmed that the building was burnt to the ground and all manual records, equipment and facilities were lost. The authority did recover digital records from clients to rebuild its records. The police were investigating the fire.

3.295 **Solomon airlines** – The Committee was concerned with the airworthiness of the aircraft fleet of the company and the high cost of fares.
3.296 The ministry confirmed that the airline is operating an aging but very reliable fleet of aircrafts. They were review and maintained on an annual basis and each aircraft was certified annually. The airfare reflect monopoly and another company would provide competition thereby reduce cost of fare. The challenge is to seal all airports so that an investor can be attracted to invest in country.

3.297 **Airport company** – The ministry confirmed that the company is expected to be operational before the end of the year. Finance is already available to start operation and transition staff from the ministry to the new company. The CEO is unable to come to the country due to the border closure.

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**90 Ministry of Fisheries and Marine Resources**

**Advance warrant**

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<th>Subhead/Item</th>
<th>Description</th>
<th>Original Estimates ($)</th>
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Budget Support funded by New Zealand Government through the Ministry of Foreign Affairs and Trade (MFAT) towards Mekem Strong Solomon Islands Fisheries (MSSIF) program Phase 3, 2020-2024.
Variation in appropriation

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<th>Subhead/item</th>
<th>Description</th>
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<th>Supplementary Estimates ($)</th>
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<td><strong>21,491,930</strong></td>
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Budget revised and funding provided to cater for frontline fisheries compliance officers highly contagious risk allowances exposing to fishing boats in response to COVID-19.

Issues

3.298 **Tuna stock** – The Committee enquired into tuna stock moving south and that NFD catch was 15% less than prior years.

3.299 The ministry stated that it was a reflection of weather so tuna moved east whole of last year and moved west end of 2019 and beginning of 2020. Impact of climate change is dictating the movement of tuna. Regional Countries through FFA agreed to work together to address the impact of climate change. Countries from the east are benefiting from the climate issue. PNA countries agreed to maintain VDS allocation at the same level.

3.300 **Bina harbor MOU and project office** – The ministry confirmed that an MOU was signed with Malaita Province specifying the responsibilities of the two parties. The ministry is responsible for technical matters relating to the project while the province is responsible for landowners issues and awareness.

3.301 There was no budget for the construction of a project office in Auki so maintain the office in Honiara. The ministry will bid for the Auki office in 2021.
3.302 **Tilapia farming project** – The ministry stated that the project is in three phase. Phase one involved the completion of office building and pond. Phase two includes fencing, power, water outdoor ponds and quarantine facilities. The third phase is the importation and rollout of the fish, marketing of the product locally and overseas. The fish is the Nile tilapia from Egypt and Philippines. They grow very fast and resistant to disease.

3.303 Funding is provided by New Zealand.

3.304 **Constituency fisheries centre** – The ministry confirmed that new CFC projects are suspended and will only concentrate on completing four outstanding ones. The priority is the Bina Harbour project and the tilapia project.

3.305 The ministry is working with stakeholders to facilitate fishing projects under the economic stimulus package.

3.306 **Albacore fisheries** – The longline fisheries offloading is done in Honiara and Noro and exported through containers.

3.307 **Transshipment** – Transshipment is done in Honiara due to the suspension of observers. Protocols in place including 21 days at sea for vessels before arriving in port.

### 91 Ministry of Public Service

**Variation in appropriation**

<table>
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<tr>
<th>Subhead/Item</th>
<th>Description</th>
<th>Original Estimates ($)</th>
<th>Supplementary Estimates ($)</th>
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<td>28,443,519</td>
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Public Accounts Committee Report: August 2020
Budget revised and funding provided to cater for frontline fisheries compliance officers highly contagious risk allowances exposing to fishing boats in response to COVID-19.

**Issues**

3.308 **Frontline workers** – the committee enquired into the sufficiency of the number of workers dealing with the pandemic preparedness.

3.309 The ministry confirmed that only the camp management team required additional human resources and staff were redeployed to meet the required staffing level. Other agencies have adequate staff. The ministry is waiting for individual agencies to submit their needs for consideration. Ministries are encourages to do shift work and pay the relevant allowances when appropriate. The PS of MPS is in the oversight committee.

3.310 **Emergency leave** – The ministry informed the committee that the emergency leave was given when the public service scaled down in March 2020. Only those on essential services continued to work. Those on leave were on 50% of their salary. It has since been reinstated to normal salary. 90% of the public service resumed duty while 10% are still on leave.

3.311 **Long service benefit** – The Committee raised concern that retired public servants are still waiting for their LSB. The government should be using part of the ESP to settle these long overdue claims.

3.312 The ministry confirmed that they have recently settled 138 backlog claims valued at $9 million. Entitlements for those retired officers who passed on while waiting for payments will be channeled through the administrator of deceased estates.

3.313 The ministries have budgeted for their staff LSB going forward in order to avoid future backlog of payments. The budget is no longer centralized for since 2019.
3.314 **Public service restructure** – The committee enquired into the status of the contracts for undersecretaries and directors.

3.315 The contracts for undersecretaries were finalized and 33 have signed their performance contracts. Eight are yet to sign their contracts. The title has changed to Deputy Secretary. Savings in the payroll has been utilized to fund additional costs relating to the contracts. They will be in contract for 18 months and the positions will be advertised thereafter for appointment for three years. The next group to restructure are the directors and statutory positions. The last will be those on L12/13.

3.316 **Public service absenteeism** - The Committee was concerned with the problem absenteeism in the public service and this could be worse during the COVID-19 period.

3.317 The ministry admitted that lack of data has made monitoring very difficult. Some ministries have used electronic systems to monitor staff attendance while others still use manual systems.

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**Ministry of Justice and Legal Affairs / National Judiciary**

**Variation in appropriation**

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<tr>
<th>Subhead/item</th>
<th>Description</th>
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<th>Supplementary Estimates ($)</th>
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**National Judiciary**

**Variation in appropriation**

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<td><strong>32,478,325</strong></td>
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Budget revised and funding transferred to support ministries responsible for the implementation of the SIG COVID-19 preparedness and response plan against the COVID-19 pandemic.

Issues

3.318 **Case management** – The ministry confirmed that there were backlog of cases in the High Court due to the periodization of the election petitions. There are backlogs in cases in the magistrates but the posting of magistrates to the provinces has provided some positive impact.

3.319 **Legislative reform** – The following legislations are in the work program of the ministry: Land tribunal bill – withdrawn for further consultation, Legal practitioner bill, Juvenile bill and Sorcerer bill. The Legal Policy Unit is responsible but the Legal Adviser’s contract has lapsed therefore need to recruit. The Sorcerer bill is with the Law Reform Commission which is without a Chairman.

93 Ministry of Home Affairs

*Variation in appropriation*

<table>
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<tr>
<th>Subhead/item</th>
<th>Description</th>
<th>Original Estimates ($)</th>
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<td>-2,765,895</td>
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</table>
Budget revised and funding transferred to support ministries responsible for the implementation of the SIG COVID-19 preparedness and response plan against the COVID-19 pandemic.

**Issues**

3.320 **Dual citizenship** – The Committee enquired into the implementation of the dual citizenship provisions of the Citizenship Act 2018. The Committee was concerned that applicants with criminal convictions can easily abuse the process to acquire citizenship through descendant or other means especially if the criminal conviction of a person has been erased from the records of a country where the conviction took place.

3.321 The ministry confirmed that the regulations were done in 2019 and the application forms were included. The commission met 10 times already to deliberate on applications and approved some applications but yet to issue certificates. Those with criminal convictions will be refused. One of the criteria is to award citizenship to genuine investors. There is no guideline on descendants so needs develop the guidelines to be included in the regulations.

**Recommendation 17**

The Committee recommends that the Ministry of Home Affairs develop a proper policy on dual citizenship to be reflected in the regulations so that only genuine and proper persons are granted citizenship.

3.322 **Honiara city council** - The committee is very concerned that maladministration and governance issues have been issues with the HCC for a long time. There was no clear demarcation of responsibilities for each level from the ministry to the councillors and management of HCC. The adoption of the MPGIS model for provinces could be adopted
to address the governance issues in the council. The ministry has not been proactive in its oversight role of the council.

3.323 The ministry stated that the following legislation need to be modernised to address the governance issues in the council: HCC Act 1999 and Local Government Act. The council has no financial management ordinance therefore uses the national government financial regulations. There is no clear line of responsibilities between councillors and administration which resulted in too much political interference. The senior officials in the administration were appointed by the council rather than the ministry through the Public Service Commission creating issues of independences.

**Recommendation 18**
The Committee recommends that the Ministry of Home Affairs review and modernise the laws relating to HCC and assist HCC to develop a financial management ordinance; and The Committee recommends the adoption of the MPGIS model for provinces for HCC.

3.324 **Gaming licences** – The Committee noted that only two gaming licensees were allow to operate in Honiara city boundary. The Committee was concerned that this is not the case as operators are operating in more than two locations in the city. The law is also anti-competition as it restricts others from acquiring gaming licenses.

3.325 The ministry confirmed that the maximum licenses allowable under law is two locations in Honiara. The Minister has the power to grant a “license” under the two main licenses which is not a separate licence but part of the two licences. There is a mismatch between the Act and the regulations.

**Recommendation 19**
The Committee recommends that the ministry modernise the Act and regulations to properly regulate the gaming industry in Solomon Islands.
94 Ministry of Traditional Governance, Peace and Ecclesiastical Affairs

Variation in appropriation

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<tr>
<th>Subhead/Item</th>
<th>Description</th>
<th>Original Estimates ($)</th>
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Budget revised and funding provided to support Churches in response to COVID-19.

Issues

3.326 Grant to churches – The Committee acknowledged the ministry and the government for assisting the churches to address the threats posed by the virus pandemic. However it was concerned that there was no standing annual grant to churches from the government especially for the SICA and SIFGA.

3.327 The ministry stated that it would work on a policy for the consideration of the government.

Recommendation 20

The Committee recommends that Ministry of Traditional Governance, Peace and Ecclesiastical Affairs establish a MOU with SICA and SIFGA to state the responsibilities of the churches and the state in matters of mutual interest between the parties.

Recommendation 21

The Committee recommends that Ministry of Traditional Governance, Peace and Ecclesiastical Affairs develop a policy to provide annual grants direct to churches.
Ministry of Mines, Energy and Rural electrification

Variation in appropriation

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<tr>
<th>Subhead/item</th>
<th>Description</th>
<th>Original Estimates ($)</th>
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Budget revised and funding transferred to support ministries responsible for the implementation of the SIG COVID-19 preparedness and response plan against the COVID-19 pandemic.

Issues

3.328 Gold ridge mine – The Committee noted previously that the mine made an US $850 million financing arrangement but another study stated AUD $150 million in order to resume production. The committee was concerned that there could be less processing in country resulting in minimal benefit to the economy.

3.329 Gold ridge mine submitted a feasibility study after the dead of settlement in 2018 which stated AUD $100 million to restart the mine and a life time of 13 years. The government has approved the report and for operations to resume.

3.330 The mine is in the process of removing illegal miners from the mine sight to enable them undertake minor activities while waiting for technical people who are still in China due to the border closure.
3.331 The government hired an Australian contractor to review the study and it recommended the production of concentrates only in order for the mine to be economic and not to produce gold bars. There are two ore type oxide and sulphite and recovery is very low so to increase recovery China Railway will undertake bleaching. The COVID-19 has delayed the operations of the mine.

3.332 **San Jorge mine** – Since Axiom has no business licence so the ministry was unable to grant an export permit for them to export. FID has cancelled the registration of Axiom but the mining lease is still in place pending the resolution of a case in the High Court.

3.333 **Wagina mine** – Solomon bauxite was grant a development consent by the government to development the mine. The landowners appealed the consent to the Environment Committee who accepted the appeal. The miner has appeal to the minister which is pending.

3.334 **Winwin mine** - The mining lease is at Turarana and the miner is undertaking alluvial mining. The mining company has just concluded mining agreement, land acquisition and given an export permit but yet to export. The company has some issues with the tax office.

3.335 **Rennell mining** – The mining has reduced due to COVID-19 to one shipment a month. The company is building a furnace to dry the ore to reduce most content before export. The new price of US$30 per dry metric tonne approved by the minister, the previous price was less than US$20 per tonne.

3.336 **Mine prospects** – The ministry has fast tracked three mining prospects licenses to try and bring them to production as soon as possible. One in Rennell, one nickel project in Isabel and one nickel project in Choiseul.

3.337 **Rural electrification** - The ministry stated that in the past their budget for project was large but now they only have but of $4 million for Tina hydro. They will complete a mini hydro project and then move to solar projects in future.
3.338 **Fuel depot** – The Committee was concerned with the risk posed by the fuel depots being located in the centre of Honiara. The recent explosion in Beirut serves as a reminder.

3.339 The relocation was a long time project of the ministry since 1995. The ministry identified land at Lunga was disturbed by the tension. Markworth has land in Lunga and SPO has land in Ranadi but not the shoreline therefore unable to discharge the products from seas to land and vice versa.

3.340 **Electricity tariff** – The Committee noted that the world price on oil has gone negative but the price of electricity in Honiara is still high. It could be that SIEA was not passing on the price reduction to customers or they could be profiting from the tariff to mask inefficiency in their operations.

3.341 The ministry confirmed that fuel price is regulated by price control regulations but the ministry is not part of that process. The two fuel companies ship their fuel from Singapore separately so shipping costs could be a factor. The electricity tariff automatic fuel adjustment formula was changed in 2016 and is subject to change after five years. The review is now in process and the ministry would like to change the term to 3 years.

3.342 **Goetech lab** - The ministry has procured some equipment while others were affect by flight delays. The ministry is using portable lab equipment to test smaller samples and samples requiring proper labs were sent to Australia for verification.

3.343 **Tina hydro** – The ministry stated that Tina hydro is progressing well and on track for completion by September 2024. The environment management plan report was delay.
97 Ministry of Women, Youth, Children and Family Affairs

Variation in appropriation

<table>
<thead>
<tr>
<th>Subhead/item</th>
<th>Description</th>
<th>Original Estimates ($)</th>
<th>Supplementary Estimates</th>
<th>Revised Estimates ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Various</td>
<td>MWYCA - recurrent</td>
<td>11,287,418</td>
<td>739,624</td>
<td>12,027,042</td>
</tr>
<tr>
<td>Various</td>
<td>MWYCA - development</td>
<td>3,000,000</td>
<td>-450,000</td>
<td>2,550,000</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>14,287,418</td>
<td>289,624</td>
<td>14,577,042</td>
</tr>
</tbody>
</table>

Budget revised and funding provided to cater for the implementation of the COVID-19 preparedness and response plan allocation under protection sector.

Issues

3.344 COVID-19 preparedness and response plan - The ministry did no provide funding directly to individuals or entities but work with NGO, advocacy groups, provinces and other stakeholders to disseminate their preparedness and response plan. The activities include awareness, advocacy, counselling and technical assistance.

3.345 Domestic violence – The Committee enquired into the availability of data on domestic violence and the mitigating measures taken by the ministry to reduce gender based violence.

3.346 The ministry stated that a gender based violence committee is dealing with domestic violence and the collection of data on gender based violence. Safenet referral network and family support centre provided support to victims. A hotline caters for victims’ calls. Text messaging co-supported by partners provides victims awareness and is sent to all SIMs, broadcast and print medium.
3.347 The team experienced increase in calls from victims during the months of April and May 2020. The calls ranged from 150 to 200 which doubles the previous period. The province where data was available was Malaita which recorded 39 cases in 2020 while 19 cases were reported in 2019. The ministry will provide monthly data in future.

3.348 Development project – The Committee noted that the budget for the development project was reduced by $2.5 million and enquired into its status.

3.349 The ministry has redirected its focus to the recurrent budget to support youth at work within the National Congress. This is part of the ministry’s strategy to provide employment to youths.

3.350 Youth database – The database was created with the assistance of ICTSU and it has been populated with data progressively. The next step is to make the database available online and secure for use by stakeholders.

98 Ministry of Rural Development

Variation in appropriation

<table>
<thead>
<tr>
<th>Subhead/Item</th>
<th>Description</th>
<th>Original Estimates ($)</th>
<th>Supplementary Estimates ($)</th>
<th>Revised Estimates ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Various</td>
<td>MRD - recurrent</td>
<td>18,554,058</td>
<td>-589,594</td>
<td>17,964,464</td>
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<tr>
<td>Various</td>
<td>MRD - development</td>
<td>240,000,000</td>
<td>0</td>
<td>240,000,000</td>
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<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>258,554,058</strong></td>
<td><strong>-589,594</strong></td>
<td><strong>257,964,464</strong></td>
</tr>
</tbody>
</table>

Budget revised and funding transferred to support ministries responsible for the implementation of the SIG COVID-19 preparedness and response plan against the COVID-19 pandemic. Funding for development budget reinstated.

Issues
3.351 **PRC allocation** – The Committee requested an update on the status of all funding acquittals and the cause of the delay in the funding from PRC.

3.352 The ministry confirmed that the acquittal for all 50 constituencies were submitted including the three constituencies with no members. The ministry has requested to manage the funding for the three constituencies from within the ministry. The ministry submitted a request to MPS to reappoint the constituency officers that were disqualified when the MP were disqualified to administer the funds with the supervision of the ministry.

3.353 The Committee raised concern that this arrangement might create bias during the upcoming bye-election. But the ministry was of the view that internal controls were already in place to prevent such issue.

3.354 The process for the access of the PRC fund is still the same where the ministry will submit funding request to PRC and PRC will provide funding in two tranches. The procurement process is the same and is managed by the ministry. The ministry is not aware of the PRC funded national development fund, only aware of the component allocated to the ministry.

3.355 **Economic stimulus package** – The ministry has no clear understanding of how the ESP will be managed and monitored. They intend to discuss with MOFT the mechanism governing the ESP.
Ministry of Environment, Climate Change, Disaster Management and Meteorology

Variation in appropriation

<table>
<thead>
<tr>
<th>Subhead/item</th>
<th>Description</th>
<th>Original Estimates ($)</th>
<th>Supplementary Estimates ($)</th>
<th>Revised Estimates ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Various</td>
<td>MECCDMM - recurrent</td>
<td>31,358,556</td>
<td>32,513,327</td>
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<td>Various</td>
<td>MECCDMM - development</td>
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<td></td>
<td>39,318,556</td>
<td>31,343,992</td>
<td>70,662,548</td>
</tr>
</tbody>
</table>

Budget revised and funding provided to cater for the implementation of the COVID-19 preparedness and response plan allocated to Emergency Coordination and Camp Management.

Issues

3.356 Resourcing for COVID-19 preparedness – The Committee enquired into the adequacy of resources to enable the ministry to prepare and respond to the pandemic.

3.357 The ministry confirmed that funding was allocated but the timely access to funding was the issue for them. With regards to human resource the ministry was working with MPS to second staff from other ministries and the Red Cross. The camp facilities is managed by the Under Secretary for Home Affairs. It is a learning process for the ministry and continue to improve as they progress.

3.358 The quarantine facilities in the Western are work in progress with Noro Lodge been upgraded while the Nusatupe facility is work in progress. Nila station has been identified as a facility at the border and costing for its upgrade has been done but upgrading is yet to be done.
3.359 **Border security** – The Committee was very concerned with the confirmation that one positive case has been detected in Bougainville. This posed a great threat of transmission at the border area.

3.360 The ministry confirmed that there is heighten alert at the border through the provincial disaster committees. There is still a lot to be done as the border is very large but different agencies are collaborating. There is intention to extend the emergency zone to the border area and the oversight committee is working on the strategy. The ministry is conducting awareness and communicating with stakeholders regarding the threat at the border.

3.361 **Climate change programme** - The ministry confirmed that the pandemic has affect their work program on climate change so only implement ongoing projects and projects that can be done. The border closure has impact negatively the implementation of some projects.

END OF REPORT
Appendices

Terms of Reference

Pursuant to its mandate under the Standing Orders the terms of reference of the Committee in this instance is to:

(a) establish the causes of any excesses over authorised expenditure and to make recommendations to Parliament on any appropriate measures to cater for such excesses of expenditure;

(b) summon any public officer to give information on any explanation, or to produce any records or documents which the Committee may require in the performance of its duties;

(c) summon and examine the Accounting Officers and Technical staff of Ministries and Departments and require the production of background information and explanation in relation to Draft Estimates;

(d) report to Parliament in such a way that the report may inform Members prior to the Parliamentary debate thereon of the background to the Draft Estimates draw attention to those matters which the Committee feels should be the subject for such Parliamentary debate; and

(e) make such recommendations as the Committee sees fit and subsequently receive comments and reports on such recommendations from the Government.
Committee Functions

The Committee is established under Standing Order 69; an Order made pursuant to the Constitution\(^{18}\) and has the functions, together with the necessary powers to discharge such,

(a) examine the accounts prescribed by Section 77 of the Public Financial Management Act 2013, together with the report of the Auditor General thereon, and to report the results of such examination to Parliament;

(b) establish the causes of any excesses over authorised expenditure and to make recommendations to Parliament on any appropriate measures to cater for such excesses of expenditure;

(c) examine such other accounts laid before Parliament as the Committee may think fit, together with any auditor’s report thereon and to report the results of such examination to Parliament;

(d) summon any public officer to give information on any explanation, or to produce any records or documents which the Committee may require in the performance of its duties;

(e) consider in detail the Draft Estimates prepared by the Government in support of the Annual Appropriation Bill;

(f) summon and examine the Accounting Officers and Technical staff of Ministries and Departments and require the production of background information and explanation in relation to Draft Estimates;

(g) report to Parliament in such a way that the report may inform Members prior to the Parliamentary debate thereon of the background to the Draft Estimates draw attention to those matters which the Committee feels should be the subject for such Parliamentary debate; and

(h) make such recommendations as the Committee sees fit and subsequently receive comments and reports on such recommendations from the Government.

\(^{18}\) Section 62, Constitution of Solomon Islands 1978.
Minutes of Proceedings

Committee Hearing No: 1/2020

DAY 1

5th August 2020, Conference II, National Parliament, 9:50 am

1. Members Present
   Hon. Douglas Ete, MP - Chairman
   Hon. Matthew Wale, MP
   Hon. Lilly Maefai, MP
   Hon. John Maneniaru, MP
   Hon. Rick Hou, MP

2. Apologies
   None

3. Secretariat
   Mr. Cordney Wale, Secretary
   Mrs. Esther Turanga, Hansard Officer
   Mr Richard, IT Officer
   Mr Philemon Loe, Media Officer

4. Prayer
   Nil.
5. Welcome/ Opening remarks

The Chairperson welcomed members of the Committee, officials from the Committee Secretariat and witnesses.

6. Inquiry into 2020 Supplementary Appropriation Bill 2020

Witnesses, the public and media were present.

The Chairperson made the opening statement and informed the witnesses of the Parliamentary privileges.

The following witnesses were examined;

Central Bank of Solomon Islands:
   a) Mr. Luke Forau, Governor
   b) Mr. Donald Kiriau, Chief Manager Economics

The witnesses made their opening presentation before the Committee.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

The hearing suspended at 10:51 am

The hearing resumed at 11:10 am

Witness No. 2: Ministry of Finance and Treasury

Witnesses, the public and media were present.

The Chairperson made the opening statement and informed the witnesses of the Parliamentary privileges.

The following witnesses were examined;

Ministry of Finance and Treasury:
   a) Mckinnie Dentana, Permanent Secretary
b) Mr. Coswal Nelson, Director Budget

c) Douglas Sade, Deputy Accounting General

d) Jim Sufton, Custom Comptroller

e) Joseph Dokekawa, Commissioner Inland Revenue Division

f) Eric Saleoa, Deputy Commissioner Inland Revenue Division

The witnesses made their opening presentation before the Committee.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

The hearing suspended at 1:00 pm

The hearing resumed at 2:50 pm

**Witness No. 2: Ministry of Health and Medical Services**

Witnesses, the public and media were present.

The Chairperson made the opening statement and informed the witnesses of the Parliamentary privileges.

The following witnesses were examined;

Ministry of Health and Medical Services

a) Pauline Mcneil, Permanent Secretary

b) Vivian Yu, Finance Advisor

c) Fakaia Louisa, Manager Policy and Planning Division

d) Gregory Jiliini, Under Secretary, Health Care

e) Ivan Ghemu, Director of Policy and Planning

f) Lazarus Neko, Deputy Director Corporate Services

g) John Hue, Medical Superintendent, Supervising CEO NRH

h) Nemia Bainivalu, Under Secretary, Health Improvement

The witnesses made their opening presentation before the Committee.
The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

7. **Adjournment**

Closing prayer said by Hon.

The hearing adjourned at 4:17 pm

**Minutes of Proceedings**

**Committee Hearing No: 2/2020**

**DAY 2**

6th August 2020, Conference II, National Parliament, 9:36 am

1. **Members Present**
   - Hon. Douglas Ete, MP- Chairman
   - Hon. Matthew Wale, MP
   - Hon. John Maneniaru, MP
   - Hon. Rick Houenipwela, MP
   - Hon. John Dean Kuku, MP

2. **Apologies**
   - Hon. Lilly Maefai, MP

3. **Secretariat**
   - Mr. Wilson Anii, Committee Secretary
   - Mr. Heston Rene, Committee Secretary
   - Ms. Cordney Wale, Committee Secretary
   - Ms. Theresa Nori, Hansard Officer
   - Mr Richard Allen, IT Officer
   - Mr Philemon Loe, Media Officer
4. **Prayer**

   The Auditor General said the opening prayer.

5. **Welcome/ Opening remarks**

   The Chairperson welcomed members of the Committee, officials from the Committee Secretariat and witnesses.

6. **Inquiry into 2020 Supplementary Appropriation Bill 2020**

   Witnesses, the public and media were present.

   The Chairperson made the opening statement and informed the witnesses of the Parliamentary privileges.

   The following witnesses were examined:

   **Ministry of Commerce Industries, Labour & Immigration:**
   
   c) Mr. Riley Mesepitu, Permanent Secretary
   
   d) Mr. Jerold Masi, Financial Controller
   
   e) Mr. Jacob Gala, Director Industries
   
   f) Mr. Christopher Akosawa, Deputy Director Immigration
   
   g) Mr. Hansel Manufro, Human Resource Manager

   The witnesses made their opening presentation before the Committee.

   The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

   The hearing suspended at 10: 51 am

   The hearing proper resumed at 10:55 am.

   The following witnesses were examined;

   **National Parliament Office:**
a) Mr. David Kusilifu, Clerk to Parliament
b) Mr. Jefferson Hallu, Deputy Clerk to Parliament
c) Mr. Lloyd Bera, Financial Controller
d) Mrs. Joycelyn Kilua, Human Resources Manager
e) Ms. Lynette Neleta, Chief Accounting Officer

Witnesses, the public and media were present.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

The hearing suspended at 11:19 am

The hearing proper resumed at 11:20 am.

The Chairperson made the opening statement and informed the witnesses of the Parliamentary privileges.

The following witnesses were examined;

**Ministry of Foreign Affairs and External Trade**

a) Mr. Collin Beck, Permanent Secretary
b) Ms. Loise Daga, Financial Controller
c) Mr. Cornelius Walegere, Deputy Secretary of MFAET
d) Mr. George Tuti, Director of Trade

The witnesses made their opening presentation before the Committee.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

The hearing suspended at 12:03 pm

The hearing resumed at 2:16 pm.
The Chairperson made the opening statement and informed the witnesses of the Parliamentary privileges.

The following witnesses were examined;

**Office of the Prime Minister and Cabinet**

a) Dr Jimmy Rodgers, Secretary to Prime Minister

b) Pelion Buare, Financial Controller

The witnesses made their opening presentation before the Committee.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

Witnesses, the public and media were present.

The Chairperson made the opening statement and informed the witnesses of the Parliamentary privileges.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

The hearing suspended at 3:40 pm

The hearing resumed at 3:45 pm

The Chairperson made the opening statement and informed the witnesses of the Parliamentary privileges.

The following witnesses were examined;

**Ministry of Police and National Security and Correctional Services**

a) Ms. Karen Calokale, Permanent Secretary

b) Ms. Julia Twumasi, Financial Controller

c) Ms. Nourah Ajaj, RSIPF Advisor

d) Ms. Alice Saeni, Chief Accountant (Police)
e) Ms. Martha. Alabae, Director Finance (ag)
f) Mr. Francis Kini, Deputy Commissioner Administration
g) Mr. Gabriel Manelusi, Commissioner of Correctional Services.
h) Mr. Luke Cheki, Under Secretary Corporate Service (ag)
i) Mr. Mostyn Mangau, Commissioner of Police

The witnesses made their opening presentation before the Committee.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.
Witnesses, the public and media were present.

The Chairperson made the opening statement and informed the witnesses of the Parliamentary privileges.

7. **Adjournment**
Closing prayer said by Hon. Lilly Maefai

The hearing adjourned at 5:40 pm

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**Minutes of Proceedings**

**Committee Hearing No: 3/2020**

**DAY 3**

7\(^{th}\) August 2020, Conference II, National Parliament, 9:38 am

1. **Members Present**
   Hon. Douglas Ete, MP- Chairman
   Hon. Matthew Wale, MP
   Hon. John Maneniaru, MP
   Hon. Rick Houeniwpela, MP
   Hon. John Dean Kuku, MP

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Public Accounts Committee Report: August 2020
2. **Apologies**
   Hon. Lilly Maefai, MP

3. **Secretariat**
   Mr. Heston Rence, Committee Secretary
   Ms. Cordney Wale, Committee Secretary
   Ms. Theresa Nori, Hansard Officer
   Ms. Sherilyn Ragoso, Hansard Officer
   Mr Richard Allen, IT Officer
   Mr Philemon Loe, Media Officer

4. **Prayer**
   The PS for Ministry of Education and Education and Human Resources said the opening prayer.

5. **Welcome/ Opening remarks**
   The Chairperson welcomed members of the Committee, officials from the Committee Secretariat and witnesses.

6. **Inquiry into 2020 Supplementary Appropriation Bill 2020**

   Witnesses, the public and media were present.

   The Chairperson made the opening statement and informed the witnesses of the Parliamentary privileges.

   The following witnesses were examined;

   **Ministry of Education and Human Resources Development:**
   h) Dr Franco Rodie, Permanent Secretary
   i) Mr. Joe M Ririma, Under Secretary Corporate Services
   j) Ms. Linda Wate, Under Secretary (Ag) teaching & learning
   k) Ms. Serah Piturara, Chief Planning Officer (Asset Management Unit)
   l) Ms. Merrylyn Kodoleke, Director Finance
m) Mr. Mathias Kutai, Under Secretary (Ag) Education and School Services

The witnesses made their opening presentation before the Committee.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

The hearing suspended at 11:05 am

The hearing proper resumed at 11:16 am.

The following witnesses were examined;

Ministry of Forestry and Research:
   f) Dr Vaeno Vigulu, Permanent Secretary
   g) Mr. Wilfred Atomea, Under Secretary Administration
   h) Mr. Jacob Kinai, Chief Legal Officer
   i) Ms. Beverly Maezama, Financial Controller
   j) Mr. Bradford Theonomi, Communication Officer

Witnesses, the public and media were present.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

The hearing suspended at 11:55 am

The hearing proper resumed at 2:03 pm.

The Chairperson made the opening statement and informed the witnesses of the Parliamentary privileges.

The following witnesses were examined;

Ministry of Agriculture and Livestock
   a) Ms. Ethel Francis, Permanent Secretary
b) Mr. Michael Ho’ota, Under Secretary (Technical)

c) Mr. Francis Tsortsia, Director Bio Security

d) Andrew Melanolu, Director Extension (sup)

e) Barney Keoa, Director Livestock Division

f) Paul Greg, Financial Controller

The witnesses made their opening presentation before the Committee.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

The hearing suspended at 2:56 pm

The hearing resumed at 3:01 pm.

The Chairperson made the opening statement and informed the witnesses of the Parliamentary privileges.

The following witnesses were examined;

Ministry of Lands, Housing and Survey

a) Stanley Waleantisia, Permanent Secretary

The witnesses made their opening presentation before the Committee.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

Witnesses, the public and media were present.

The Chairperson made the opening statement and informed the witnesses of the Parliamentary privileges.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.
The hearing suspended at 3:17 pm

The hearing resumed at 3:20 pm.

The Chairperson made the opening statement and informed the witnesses of the Parliamentary privileges.

The following witnesses were examined;

**Ministry of Culture and Tourism**

a) Andrew Nihopara, Permanent Secretary  
b) Moses Tepai, Deputy Secretary  
c) Joseph Namau, Financial Controller (Ag)  
d) Barry Siworo, Director Tourism  
e) Josefa Tuamon, CEO Tourism Solomons

The witnesses made their opening presentation before the Committee.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

Witnesses, the public and media were present.

The Chairperson made the opening statement and informed the witnesses of the Parliamentary privileges.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

7. **Adjournment**

Closing prayer said by Hon. No closing prayer

The hearing adjourned at 3:37 pm
Minutes of Proceedings
Committee Hearing No: 4/2020

Day 4

8th August 2020, Conference II, National Parliament, 9:38 am

1. Members Present
   Hon. Matthew Wale, MP (Chairman, Ag)
   Hon. John Maneniaru, MP
   Hon. Rick Houeniwpele, MP
   Hon. John Dean Kuku, MP
   Hon. Lilly Maefai, MP

2. Apologies
   Hon. Douglas Ete, MP- Chairman

3. Secretariat
   Gregory Fineanganofo, Director Committees
   Ms. Cordney Wale, Committee Secretary
   Salome Pilumate, Committee Secretary
   Wilson Orisi, Committee Secretary
   Ms. Theresa Nori, Hansard Officer
   Mr Richard Allen, IT Officer
   Mr Alfred Dola, Media Officer

4. Prayer
   The MP for West Are ‘are, Hon. John Maneniaru said the opening prayer

5. Welcome/ Opening remarks
   The Chairperson welcomed members of the Committee, officials from the Committee Secretariat and witnesses.

6. Inquiry into 2020 Supplementary Appropriation Bill 2020
Witnesses, the public and media were present.

The Chairperson made the opening statement and informed the witnesses of the Parliamentary privileges.

The following witnesses were examined;

**Ministry of Public Service:**
- n) Mr. Jude Devesi, Permanent Secretary (Supervising)
- o) Mr. David Suirara, Deputy Secretary for Work Force Management
- p) Mr Cornelius Tariga, Assistant Secretary for Human Resource Management and Information System
- q) Mr Andrew Idutee, Financial Controller
- r) Ms. Dorris Sukaria, HRM

The witnesses made their opening presentation before the Committee.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

The hearing suspended at 10:04 am

The hearing proper resumed at 10:08 am.

The following witnesses were examined;

**Ministry of Provincial Government and Institutional Strengthening:**
- k) Stanley D. Pirione, Permanent Secretary
- l) Momodou Sawaneh, Project Manager Advisor
- m) Lindina Kopana, Financial Controller

Witnesses, the public and media were present.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.
The hearing suspended at 10:49 am

The hearing proper resumed at 10:51 pm.

The Chairperson made the opening statement and informed the witnesses of the Parliamentary privileges.

The following witnesses were examined;

**Ministry of Communication and Aviation**

a) Mr. Moses Virivolomo, Permanent Secretary  
b) Mr. Trevor Veo, Director Aviation Policy  
c) Mr. Brian Halisonau, Director Civil Aviation  
d) Mr. Alwin Danitofea, Director Communication

The witnesses made their opening presentation before the Committee.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

The hearing suspended at 12:05 pm

The hearing resumed at 12:08 pm.

The Chairperson made the opening statement and informed the witnesses of the Parliamentary privileges.

The following witnesses were examined;

**Ministry of Fisheries and Marine Resources**

a) Mr. Christain Ramofafia, Permanent Secretary  
b) Mr. Alick Misibini, Financial Controller  
c) Ms. Rosalie Masu, Deputy Secretary Technical (Ag)  
d) Ms. Lisa Sugumanu, Assistant Secretary Project Management  
e) Ms. Silvester Diake, Chief Fisheries Officer Agriculture Division  
f) Mr. Edward Honiwela, Director Fisheries
g) Mr. Julius Aihunu, officer responsible for Bina Harbour Implementation Projects

The witnesses made their opening presentation before the Committee.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

Witnesses, the public and media were present.

The Chairperson made the opening statement and informed the witnesses of the Parliamentary privileges.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

The hearing suspended at 1:04 pm

The hearing resumed at 2:18 pm.

The Chairperson made the opening statement and informed the witnesses of the Parliamentary privileges.

The following witnesses were examined;

**Ministry of Justice and Legal Affairs**

f) Dr. Paul Mae, Permanent Secretary

g) Mr. Chris Saul Koako, Financial Controller

h) Mr. Andrew Houli, Deputy Secretary

The witnesses made their opening presentation before the Committee.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

Witnesses, the public and media were present.
The Chairperson made the opening statement and informed the witnesses of the Parliamentary privileges.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

The Hearing suspended at 2:36 pm.

The Hearing proper resumed at 2:38 pm.

The Chairperson made the opening statement and informed the witnesses of the Parliamentary privileges.

The following witnesses were examined:

Ministry of Traditional Governance, Peace and Ecclesiastical Affairs
a) Mr. Peter Mae, Permanent Secretary
b) Mr. Gregory Rofeta, Deputy Secretary Corporate Service
c) Mr. Aldrick Sese, Financial Controller
d) Ms. Emily Kupenga, Deputy Secretary Policy

The witnesses made their opening presentation before the Committee.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

Witnesses, the public and media were present.

The Chairperson made the opening statement and informed the witnesses of the Parliamentary privileges.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

7. Adjournment
Closing prayer: Hon. Lilly Maefai

The hearing adjourned at 3:05 pm

Minutes of Proceedings
Committee Hearing No: 5/2020

Day 5

10th August 2020, Conference II, National Parliament, 9:32 am

1. Members Present
   Hon. Douglas Ete, MP- Chairman
   Hon. Matthew Wale, MP
   Hon. John Maneniaru, MP
   Hon. Rick Houeniwpela, MP
   Hon. John Dean Kuku, MP
   Hon. Lilly Maefai, MP

2. Apologies

3. Secretariat
   Ms. Ivy Iruha’a, Committee Secretary
   Ms. Salome Pilumate, Committee Secretary
   Ms. Cordney Wale, Committee Secretary
   Ms. Theresa Nori, Hansard Officer
   Ms. Sherilyn Ragoso, Hansard Officer
   Mr. Sunjay Dhari, ICT Officer
   Mr Philemon Loe, Media Officer

4. Prayer
   The MP for West Are’are, Hon. John Maneniaru said the opening prayer
5. **Welcome/ Opening remarks**

The Chairperson welcomed members of the Committee, officials from the Committee Secretariat and witnesses.

6. **Inquiry into 2020 Supplementary Appropriation Bill 2020**

Witnesses, the public and media were present.

The Chairperson made the opening statement and informed the witnesses of the Parliamentary privileges.

The following witnesses were examined;

**Ministry of Rural Development:**

  s) Mr. Allan Daonga- Permanent Secretary  
  t) Mr. Dick Anasimae- Financial Controller  
  u) Mr. Hugo Hebala-Under Secretary Technical

The witnesses made their opening presentation before the Committee.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

The hearing suspended at 10: 10 am

The hearing proper resumed at 10:12 am.

The following witnesses were examined;

**Ministry of Environment, Climate Change, Disaster Management and Meteorology:**

  1. Mr. Melchor Mataki- Permanent Secretary  
  2. Mr. Chanel Iroi- Deputy Secretary  
  3. Mr. Jacob Akao- Financial Controller

Witnesses, the public and media were present.
The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

The hearing suspended at 11: 07 am.

The hearing proper resumed at 11: 10 am.

The Chairperson made the opening statement and informed the witnesses of the Parliamentary privileges.

The following witnesses were examined;

**Ministry of Women, Youth, and Children Affairs**

1. Mr. Dr Cedric Alependava Permanent Secretary
2. Mr. Aron Pitaqe- Deputy Secretary
3. Mr. Eddie Aife- Human Resource Manager
4. Mr. Malcolm Mataifo- Financial Controller (Ag)
5. Ms. Hezilyn Lang- Supervising Director Rapid Research Planning Division
6. Ms. Lorretta Ta’ake- Supervising Children Development Division
7. Ms. Vaela Ngoi- Supervising Director Women’s Development Division

The witnesses made their opening presentation before the Committee.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

The hearing suspended at 11: 42 am

The hearing resumed at 1.48 pm.

The Chairperson made the opening statement and informed the witnesses of the Parliamentary privileges.

The following witnesses were examined;

**Ministry of Mines, Energy and Rural Electrification**
a) Mr. Chris Vehe- Permanent Secretary
b) Mr. Daniel Rove- Deputy Secretary
c) Mr. Lawrence Balawi- CDG
d) Mr. Fred Caning- Deputy Project Manager Tina Hydro
e) Mr. John Korinihona- Director Energy
f) Mr. Nicholas Bliki- Director of Mines
g) Mr. Duffy Ako- Financial Controller

The witnesses made their opening presentation before the Committee.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

Witnesses, the public and media were present.

The Chairperson made the opening statement and informed the witnesses of the Parliamentary privileges.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

The hearing suspended at 2.46 pm

The hearing resumed at 2.50 pm.

The Chairperson made the opening statement and informed the witnesses of the Parliamentary privileges.

The following witnesses were examined;

**Ministry of Home Affairs**

a) Mr. Jeffery Sade Deve- Permanent Secretary
b) Mr. Freddie I Ota’au- Under Secretary Corporate & Special Duties
c) Mr. Selison Fasi, Director Sports
d) Mr. Rence Sore- City Clerk  
e) Mr. Roderick Kidoe- Civil Registrar  
f) Mr. William Misibini- Director Civil Affairs Division  
g) Mr. Noel Kinika- Human Resource Manager  
h) Mr. Patrick Dulekana- Financial Controller (Supervising)  
i) Mr. Anthony Makamo – Games and Lottery Board Member

The witnesses made their opening presentation before the Committee.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

Witnesses, the public and media were present.

The Chairperson made the opening statement and informed the witnesses of the Parliamentary privileges.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

The Hearing suspended at 3.47 pm.

The Hearing proper resumed at 3:56 pm.

The Chairperson made the opening statement and informed the witnesses of the Parliamentary privileges.

The following witnesses were examined;

**Solomon Islands Electoral Office**

e) Mrs. Jane Waetara, Chief Electoral Officer  
f) Mr. Fredrick Bosoboe, Director Operations  
g) Mr. Mose Saitala, Former CEO and Electoral Reform Advisor  
h) Mr. Ruben Rongomea, Finance Controller

The witnesses made their opening presentation before the Committee.
The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

Witnesses, the public and media were present.

The Chairperson made the opening statement and informed the witnesses of the Parliamentary privileges.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

The Hearing suspended at 4.11 pm.

The Hearing proper resumed at 4:15pm.

The Chairperson made the opening statement and informed the witnesses of the Parliamentary privileges.

The following witnesses were examined;

Ministry of Infrastructure Development

a) Mr. Jimmy Nuake
b) Mr. Paul Nee

The witnesses made their opening presentation before the Committee.

The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

Witnesses, the public and media were present.

The Chairperson made the opening statement and informed the witnesses of the Parliamentary privileges.
The Committee questioned the witnesses based on evidences presented. Discussion ensued. Evidence concluded and witnesses withdrew.

7. **Adjournment**

Closing prayer: no closing prayer

The hearing adjourned at 5:09 pm
Documents Tabled during the Hearings

Submission #1 CBSI - State of the Economy 2020
Submission #2 MOFT - PS Finance Talking Points
Submission #3 CBSI - Financial Institutions Non-Performing Loans by Sector
Submission #4 CBSI – Donor Inflows through CBSI reserves (SBD)
Submission #5 MCILI – Divisional Updates January – July 2020
Submission #6 OPMC – Notes on OPMC Presentation to the PAC on 2020SAB 2020
Submission #7 MNPSC – Brief Summary of 2020 Development Budget and 2021-2025 MTDP Preparation
Submission #8 MNPSC – Half Yearly Ministry Updates
Submission #9 MEHRD – An Overview of MEHRD’s 2020 Supplementary Appropriation Bill 2020 for Public Accounts Committee
Submission #10 MEHRD – COVID-’19 Education System Response Scenerio Planning
Submission #11 MPGIS – Public Accounts Committee Hearing Preparatory Notes
Submission #12 MPGIS – Table for Horizontal Revenue Sharing Allocation
Submission #13 MCILI – Foreign Investment (Amendment) Regulations 2020
Submission #14 SIEC – Election Budget Variance
Submission #15 MID – SIMSA, Redundancy Exercise and Repatriation Budget
Submission #16 MID – MARINE DIVISION, Annual Establishment and Manpower Actuals and Probable LDSB Estimates
Submission #17 MID – COVID WORKS 2020
Submission #18 MID – Summary of SIG Repatriation Charters – Outstanding Bills
Submission #19 MID – 1 JULY 2019 UNIFIED SALARY STRUCTURE
Submission #20 MID – Manpower September 6 2019
Submission #21 MECDMM – COVID-19 NDC EXPENDITURE SUMMARY AS AT 26TH JULY 2020
Submission #22 NPO – Additional Explanation on NPO – PAC Generic Template
Submission #23 OOO – Office of the Ombudsman’s 2020 Budget: Head 269
Submission List

1. MCILI, PAC Generic Template 2020 SAB 2020
2. MRD, PAC Generic Template 2020 SAB 2020
3. NPO, PAC Generic Template 2020 SAB 2020
4. MNPSCS, PAC Generic Template 2020 SAB 2020
5. MEHRD, PAC Generic Template 2020 SAB 2020
6. MECDMM, PAC Generic Template 2020 SAB 2020
7. OAG, PAC Generic Template 2020 SAB 2020
8. MCA, PAC Generic Template 2020 SAB 2020
9. OGG, PAC Generic Template 2020 SAB 2020
10. MFR, PAC Generic Template 2020 SAB 2020
11. MCT, PAC Generic Template 2020 SAB 2020
12. MCA, PAC Generic Template 2020 SAB 2020
13. MJLA, PAC Generic Template 2020 SAB 2020
14. MWYCFA, PAC Generic Template 2020 SAB 2020
15. MHA, PAC Generic Template 2020 SAB 2020
16. MID, PAC Generic Template 2020 SAB 2020