



**National Parliament of Solomon Islands**

**Public Accounts Committee**

# Committee Report

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**Report on the 2022 Appropriation Bill 2022**  
(No. 1 of 2022)

**NP-Paper No. 14/2022**

**Presented on 18 April 2022**

**National Parliament Office**





## Committee Membership

The members of the **Public Accounts Committee** (11<sup>th</sup> 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**

**Hon. Alfred Efona, MP**

**Hon. Ethel Lency, MP**

**Hon. Commins Mewa, MP**

**Hon. Silas Vaqara Tausinga, MP**

**Secretary:** Mr David Dennis, Auditor General

### Secretariat

Mr. Heston Rence, Committee Clerk

### Contact details

Public Accounts Committee

National Parliament of Solomon Islands

P O Box G19

Honiara

Telephone: (677) 28520/24161

Email: ComSec@parliament.gov.sb

URL: [www.parliament.gov.sb](http://www.parliament.gov.sb)

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## Executive Summary

The Public Accounts Committee (PAC) had completed its examination of the 2022 Appropriation Bill 2022 (No. 1 of 2022) from the 1 to 11 April and 206 witnesses appeared before the Committee.

The Bill seeks to appropriate an expenditure of \$4,382,663,179 from the Consolidated Fund for the service of the financial year ending 31 December 2022.

The Bill also seeks to regularise the following:

**Government borrowing limits** - not exceeding in total of \$500,000,000 for the purposes of new borrowing from multilateral or bilateral development partners or domestic financial institutions for high priority infrastructure and development initiatives in line with the Government's development and debt policies as authorised by section 71(3) of the *Public Financial Management Act 2013* (PFM Act 2013).

**Treasury Bills** values issued under Government Loans and Securities Act (Cap.119) at the end of 2022 must not exceed the face value on issue at the beginning of 2022 by more than \$200,000,000 for the purposes of necessary borrowing to deal with exceptional circumstance like a major economic shock or a natural disaster as authorised by section 71(4) of the PFM Act 2013.

**Debt service account** – For section 69(2) of the *Public Financial Management Act 2013*, the Minister must set aside 7.57% of the Government's domestically sourced revenue earned in the financial year ending 31 December 2022, to be transferred into the debt service account for the purpose of discharging statutory debt.

**Advance warrants** – For section 60(2) of the *Public Financial Management Act 2013*, the total amount authorised by advance warrants issued by the Minister for the financial year ending 31 December 2022 must not at any one time, after deducting repayments and monies on deposit, exceed \$150,000,000.

**Contingency warrants** – The total sums authorised by contingency warrants issued by the Minister under section 58 of the *Public Financial Management Act 2013* for the financial year ending 31 December 2022 must not exceed \$20,000,000 and may only be used for the recurrent and development heads of expenditure specified in Schedule 1, Parts 1 and 3.

The Budget 2022 is built on from the 2021 budget but in the context of the civil unrest in November 2021 and the COVID-19 community transmission in January 2022, which have together reduced GDP growth projections to -4.5%. The theme for budget 2022 is, “**Building Our Resilience: Laying Strong Foundation for Growth**” which focuses on three key policy areas;

- (1) COVID 19 response to effectively control and manage COVID 19 transmission in Honiara and provinces;
- (2) Reconstruction of buildings destroyed during the recent civil unrest including support to affected businesses; and
- (3) Implementation of new economic initiatives to support economic recovery.

The Committee is cognisant of the need to aggressively address these three key areas through effective budget planning and execution and to lay the foundations for both growth and major events in 2023. Having heard the evidence from key stakeholders the Committee in its findings makes eighty-two recommendations to the Government.

#### **Recommendation 1**

#### **Head 1 Solomon Islands Electoral Office**

The Committee is concerned that the Solomon Island’s Electoral Office will not have sufficient budget to carry out the activities required of them under the Act in 2022 as confirmed by the Chief Electoral Officer. The Committee recommends that the Commission immediately engages with the Ministry of Finance to secure the additional funds and allow preparations to proceed in an orderly manner consistent with current law.

#### **Recommendation 2**

#### **Head 3 Ministry of Agriculture and Live Stock Development**

The Committee recommends the Ministry of Agriculture and Livestock Development undertake an updated study of the effects of the Giant African Snail has on farmers and the economy. The lack of budget available for the Giant African Snail is a concern especially for small scale farmers and a better understanding of the status quo is required to better inform decisions for further funding.

#### **Recommendation 3**

#### **Head 3 Ministry of Agriculture and Live Stock Development**

The Committee recommends that the Ministry of Agriculture and Livestock Development conduct a review of both the performance and required resourcing need of extension services in the country. Given the importance of this role in driving agricultural sector initiatives across the provinces, the Committee further recommends that the Ministry of Agriculture and Livestock Development collaborate with Ministry of Public Service and the Ministry of Provincial Government and Institutional Strengthening to address the identified resourcing need and implement effective performance monitoring.

#### **Recommendation 4**

#### **Head 3 Ministry of Agriculture and Live Stock Development**

The Committee recommends that the Ministry of Agriculture and Livestock Development fully equip all entry points including at the borders with proper biosecurity facilities and equipment.



**Recommendation 5                      Head 3 Ministry of Agriculture and Live Stock Development**

The Committee recommends that the Ministry of Agriculture and Livestock Development has no plans or activities for the preparation of South Pacific Games 2023. The Committee recommends that the Ministry of Agriculture and Livestock Development include planning for the sustenance needs of the SPG

**Recommendation 6                      Head 3 Ministry of Agriculture and Live Stock Development**

Given both volatile global markets and impacts of climate change, that the Ministry of Agriculture and Livestock Development immediately assess the state of food security for the country and develop a transparent response plan.

**Recommendation 7                      Head 3 Ministry of Agriculture and Live Stock Development**

The Committee recommends that the agriculture strategy be updated to capture the changing environment and set out the clear gaps in scale and infrastructure required to increase Ministry's contribution to the economic recovery needs in the country. This strategy should consider collaboration with other Ministries including Ministry of Provincial Government and Institutional Strengthening and Ministry of Infrastructure Development and address the need for a suitable research facility and required research in both crops, livestock and veterinary strategy for the country.

**Recommendation 8                      Head 4 The Office of the Auditor General**

The Committee recommends that the Office of the Auditor General in collaboration with the Ministry of Public Service establish an appropriate structure and scheme of service to attract and retain appropriately qualified professional staff.

**Recommendation 9                      Head 5 Ministry of Education and Human Resource Development**

The Committee recommends the Government redirect COVID-19 related funding towards rapid construction of WASH facilities and other key minimum health requirements in schools to allow education services to resume. The Committee reaffirms the Ministry's concern that the societal impacts longer term of the whole country missing school far outweighs the cost to meet minimum health standards in our schools.

**Recommendation 10                      Head 5 Ministry of Education and Human Resource Development**

The Committee recommends that any change in processes for scholarship awards should also involve all stakeholders for the relevant scholarship. In this case, the constituency scholarships should also involve the MP's and set out a timeframe for the new process to be effective.

The Committee recommends that scholarship awards are made well before the start of the academic year in January/February.

**Recommendation 11      Head 5 Ministry of Education and Human Resource Development**

The Committee recommends that Solomon Islands National University tighten their credit processes to improve their cash position. This should include a review of their debtors listing and commencement of recovery action.

**Recommendation 12      Head 5 Ministry of Education and Human Resource Development**

The Committee recommends that the Ministry of Education and Human Resources Development secure additional funding resources to support quality from home learning options and build teacher's capacity in ICT and use of virtual teaching methods.

**Recommendation 13      Head 6 Ministry of Finance and Treasury**

The Committee notes the efforts of Government to accelerate recovery of the economy. The Committee recommends that a growth policy be devised which includes the private sector as the engine room for recovery. This policy should also identify resource gaps that can assist in additional revenue collection like the customs forestry advisor and address these as a matter of priority.

**Recommendation 14      Head 6 Ministry of Finance and Treasury**

The Committee recommends the Government fast tracks relevant legislation to support broadening of the tax base and review of all tax and duty exemptions granted.

**Recommendation 15      Head 6 Ministry of Finance and Treasury**

The Committee recommends that the Office of the Auditor General undertakes an independent audit of the Economic Stimulus Package to assess the impact and verify the use of funds.

**Recommendation 16      Head 6 Ministry of Finance and Treasury**

The Committee noted that at the time of the hearing the Permanent Secretary of the Ministry of Finance and Treasury is still the Chairman of Development Bank of Solomon Islands (DBSI) as well as a Board member on Central Bank of Solomon Islands. Given the clear conflicts of interest, the Committee once again recommends that the Permanent Secretary immediately resign from DBSI. The Committee further recommends that to protect the independence of the DBSI board that the Attorney General and PM's Chief of Staff also resign their memberships.

**Recommendation 17      Head 6 Ministry of Finance and Treasury**

Given the significant commitment undertaken by Government, the Committee recommends that actual data on the economic benefits of the South Pacific Games 2023 including local employment numbers be reported in 2022 and 2023.

**Recommendation 18** **Head 6 Ministry of Finance and Treasury**

The Committee recommends that the Ministry of Finance and Treasury prioritises implementation of the D365 system in 2022 and provide all Ministries full transparency in reporting for 2021 and 2022 periods.

**Recommendation 19** **Head 6 Ministry of Finance and Treasury**

The Committee recommends that the budget setting process includes more effective cash flow forecasting to better manage all Ministries budget execution and transparent rebuilding of fiscal buffers.

**Recommendation 20** **Head 6 Ministry of Finance and Treasury**

The Committee recommends that the Ministry of Finance and Treasury in its submission of the Fiscal Budget Outcome report must comply with section 52 of the *Public Financial Management Act 2013*.

**Recommendation 21** **Head 6 Ministry of Finance and Treasury**

The Committee recommends that the Ministry of Finance and Treasury engage the Central Bank of Solomon Islands in future budget setting processes.

**Recommendation 22** **Head 7 Ministry of Foreign Affairs and External Trade**

The Committee recommends that the Ministry of Foreign Affairs and External Trade take a proactive approach to increase both the number of registered employers and the targeted number of workers for the labour mobility schemes.

**Recommendation 23** **Head 7 Ministry of Foreign Affairs and External Trade**

The Committee recommends that the Ministry of Foreign Affairs and External Trade collaborate with the Ministries of Immigration and the Ministry of Health to remove fees for passports, medical examination fees, police clearance fees and other impediments to facilitate easier access to the labour mobility schemes for our young people. Further, the Ministry should set up a one-stop office to process all matters for labour mobility processing.

**Recommendation 24** **Head 7 Ministry of Foreign Affairs and External Trade**

The Committee recommends that the Ministry of Foreign Affairs and External Trade lead the development of a remittance strategy for this scheme in collaboration with the relevant

financial institutions to maximise the level of remittances into the country. This strategy should include collaboration with Australian government to minimise remittance transfer fees, and also consider financial literacy training for outbound workers.

**Recommendation 25** **Head 9 Ministry of Health and Medical Services**

The Committee is concerned that the level of funding for the Ministry of Health and Medical Service development projects is not sufficient to meet the current COVID-19 management and containment needs. The Committee recommends that further development budget is allocated to the Ministry especially for the COVID-19 vaccination rollout.

**Recommendation 26** **Head 9 Ministry of Health and Medical Services**

The Committee recommends that the Ministry of Health and Medical Services produce a human resource training needs assessment and plan to cover epidemiology, virology, laboratory technicians and other relevant specialist's skill gaps currently present in the country Recruitment of Nurses.

**Recommendation 27** **Head 9 Ministry of Health and Medical Services**

The Committee noted the difficulties the Ministry of Health and Medical Service faced in both significant gaps in permanent staff and inefficient recruitment processes. The Committee also notes that recruitment and procurement are bottlenecks in the effectiveness of the Ministry of Health's response strategies, and urge all stakeholders to seek more efficient systems that do not undermine transparency and accountability.

The Committee is also concerned about the very late payment of COVID-19 allowances dating back to April of 2021, and sees no justification for such unreasonable delays.

The Committee recommends that the Ministry of Health and Medical Services collaborate with Ministry of Public Service to remove the current freeze on all medical staff needs during the current COVID-19 pandemic period.

**Recommendation 28** **Head 9 Ministry of Health and Medical Services**

The Committee recommends that the Ministry Health and Medical Service update its COVID-19 preparedness plans to incorporate lessons learnt from the recent community transmission outbreak and set out the necessary support to better address future waves of COVID-19 infections. This assessment should also consider adequacy of infrastructure needs including isolation centers to better inform future development plans.

**Recommendation 29** **Head 9 Ministry of Health and Medical Services**

The Committee recommends that the Government aggressively accelerates the COVID-19 vaccination rollout program to achieve 90% coverage in line with regional standards by the target date on July 2022.

**Recommendation 30** **Head 10 Ministry of Infrastructure Development**

The Committee notes the ongoing challenges in maintaining our roads throughout the country and recommends that an effective surveillance system be implemented by the Ministry of Infrastructure Development to monitor all roads in the country. Waiting until roads are in a terrible state of repair then waiving procurement processes under the guise of emergency is unjustifiable and leaves the government vulnerable to abuse.

**Recommendation 31** **Head 10 Ministry of Infrastructure Development**

The Committee recommends that the Ministry of Infrastructure Development liaises with the Ministry of Police, National Security and Correctional Services to engage inmates to undertake community work to clean drains and other road maintenance activities throughout Honiara and Provinces on a regular basis.

**Recommendation 32** **Head 10 Ministry of Infrastructure Development**

The Committee is concerned that the Ministry of the Infrastructure Development is waiving tender on the basis of emergency situation. The Committee disagrees with the Ministry's assessment given the road conditions did not just suddenly deteriorate and recommends that the Ministry immediately observe the proper procurement processes including tendering for the awarding of contracts. Longer term, the Committee encourages the Ministry to progress the policy to establish public works divisions in all Provinces so they can take on the responsibility for road and bridges maintenance.

**Recommendation 33** **Head 12 National Parliament Office**

The Committee recommends that the National Parliament Office secure additional budget for replacement of the Chamber air conditioning system and installation of the Chamber audio system to minimise any impact on parliament meetings.

**Recommendation 34** **Head 12 National Parliament Office**

The Committee recommends that the National Parliament Office consider investing in virtual capability for both the plenary and committee hearings to allow safe proceedings during the current and future COVID-19 outbreaks.

**Recommendation 35** **Head 13 Ministry of Forestry and Research**

The Committee recommends the Ministry of Forestry and Research should consider an incentive regime which rewards operators who support reforestation and processing of commercial timber. The Committee further recommends the Ministry update both the Act and regulations to facilitate this.

**Recommendation 36**

**Head 13 Ministry of Forestry and Research**

The Committee is concerned about the lack of monitoring of forest resources. The Committee recommends the Ministry of Forestry and Research to improve its monitoring and investigate the use of satellite imagery as a potential new form of monitoring. The Ministry should continue to liaise with the Ministry of Environment, Climate Change, Disaster Management and Meteorology for an opportunity to collaborate in monitoring solutions.

**Recommendation 37**

**Head 13 Ministry of Forestry and Research**

The Committee recognises the value of the research and beauty the botanical gardens provide to the Honiara township and recommends that the Ministry of Forestry and Research in collaboration with the Ministry of Home Affairs devise a policy which continues to protect and develop the botanical gardens.

**Recommendation 38**

**Head 14 Office of the Prime Minister and Cabinet**

The Committee recommends that current vacancies in the Solomon Islands Independent Commission against Corruption, which according to the Manpower establishment 2022 totals 6 vacancies out of the current 9 roles, be prioritised for immediate recruitment.

**Recommendation 39**

**Head 16 Ministry of Police, National Security and Correctional Services**

The Committee recommends that the Police Academy is affiliated with a suitable regional partner to help accelerate training and development needs including suitable specialist training and capacity planning required to reduce reliance on foreign forces for domestic security needs.

**Recommendation 40**

**Head 16 Ministry of Police, National Security and Correctional Services**

The Committee feels that the participation in regional peacekeeping missions will provide invaluable experience for our qualified Police force and help build our reputation amongst regional peers. The Committee recommends that the Ministry of Police, National Security and Correctional Services commence planning for re-engagement once borders are open and it is safe to do so.

**Recommendation 41**                      **Head 16 Ministry of Police, National Security and Correctional Services**

The Committee recommends that the Commissioner of Correctional Services implement an effective inmate community work scheme in 2022 for Honiara Township. The Committee requests that the Ministry of Police, National Security and Correctional Services liaise with the Ministry of Infrastructure and Development for regular cleaning of roads and drains in preparation for South Pacific Games 2023.

**Recommendation 42**                      **Head 17 Ministry of Provincial Government and Institutional Strengthening**

The Committee recommends increasing the Provincial Capacity Development Funds to \$100 million per annum for Provincial Governments capital development to increase infrastructure investment in the Provinces and help accelerate post COVID-19 recovery.

**Recommendation 43**                      **Head 17 Ministry of Provincial Government and Institutional Strengthening**

The Committee recommends Government to fast-track the review of the *Provincial Government Act 1997* and consider providing greater autonomy Provinces including revenue sharing to Provinces which demonstrate proper financial governance and capability.

**Recommendation 44**                      **Head 18 Ministry of Lands, Housing and Survey**

The Committee recommends that a budget allocation be made in 2022 for the acquisition of a new National Cemetery.

**Recommendation 45**                      **Head 19 Ministry of National Planning and Development Coordination**

The Committee recommends that the Ministry of National Planning and Development Coordination provide a report on tracking against the National Development Strategy at a regular cycle but no later than every three years. The neglect in this monitoring prevents accountability in delivering against these national targets.

**Recommendation 46**                      **Head 19 Ministry of National Planning and Development Coordination**

The Committee is concerned that recent research suggests countries like Solomon Islands will take five or more years to recover from global shocks like pandemics, which in turn will affect our planned graduation from Least Developed Country (LDC) status in 2024. The Committee recommends a review of the LDC graduation plans in collaboration with the Ministry of Foreign Affairs and External Trade.

**Recommendation 47****Head 19 Ministry of National Planning and Development Coordination**

The Committee recommends that the Ministry of National Planning and Development Coordination address its technical staffing capacity gaps and put emphasis on identifying good investment opportunities, improving project design quality submissions and monitoring from all Ministries. These same resources can also implement effective project preparation manuals as a matter of priority.

**Recommendation 48****Head 20 Ministry of Culture and Tourism**

The Committee queried the effectiveness of the DBSI scheme for tourism operators. The Committee recommends the Ministry of Culture and Tourism get regular updates and where possible joint site visits with DBSI and the Ministry to monitor performance of all successful applicants under this scheme. The reviews should commence immediately to ensure any learnings can be incorporated into current year grant schemes including if necessary cessation due to poor performance.

**Recommendation 49****Head 20 Ministry of Culture and Tourism**

The Committee noted that Solomon Islands is considered an expensive destination. The Committee recommends that Tourism Solomons work in collaboration with premium hotels, compliant operators and airlines towards ensuring that the Solomon Islands product is properly promoted and competitive ahead of the SPG 2023.

**Recommendation 50****Head 20 Ministry of Culture and Tourism**

The Committee recommends that the Ministry Culture and Tourism engage with the National Hosting Authority to seek funding support for all tourist sites and preparatory work required to showcase our country in 2023.

**Recommendation 51****Head 21 Ministry of Commerce, Industry, Labour and Immigration**

The Ministry of Commerce, Industries, Labour and Immigration consider waiving fees for labour mobility applicants and facilitate as much as possible the expansion of this scheme. The past year data indicated that close to \$72 million in remittances came from the labor mobility scheme. The economic benefits of this will far outweigh the loss of revenue of \$1000 fee for passports for labour mobility applicants.

**Recommendation 52****Head 21 Ministry of Commerce, Industry, Labour and Immigration**



The Committee recommends that additional budget is provided to the Ministry of Commerce, Industries, Labour and Immigration for the preparation of a national trade show during the South Pacific Games aimed at showcasing our local products and foreign investment opportunities.

**Recommendation 53** **Head 21 Ministry of Commerce, Industry, Labour and Immigration**

The Committee recommends the Ministry of Commerce, Industries, Labour and Immigration prepare a strategy to attract quality foreign investment in line with an updated foreign investment policy.

**Recommendation 54** **Head 21 Ministry of Commerce, Industry, Labour and Immigration**

The Committee recommends that the policy on Foreign Investment be concluded in 2022 to pave the way for critical amendments to the Foreign Investment Act.

**Recommendation 55** **Head 22 Ministry of Communication and Aviation**

The Committee sees rapid embracing of digital technology as a critical catalyst for economic growth and wellbeing. Affordable widespread data opens new possibilities in health, education and commerce. The Committee recommends that the Ministry of Communication and Aviation conduct a study to understand the impediments to operators in the local market to invest in high speed data capability at competitive rates. This study should also consider the Solomon Islands Cable Company entry into the retail market and the possibility of new entrants for data capability.

**Recommendation 56** **Head 23 Ministry of Fisheries and Marine Resources**

The Committee on hearing that the beche-de-mer stocks are over exploited recommends that the fishing season is closed and the Ministry of Fisheries and Marine Resources undertake a study on which species are at risk of being endangered and to extend a ban for seriously threatened species to allow them time to recover.

**Recommendation 57** **Head 23 Ministry of Fisheries and Marine Resources**

The Committee recommends undertaking a large scale sea cucumber hatchery project to examine possibility of commercial farming of various species of sea cucumber and prioritize using communities who are most impacted by the closure of beche-de-mer season.

**Recommendation 58** **Head 24 Ministry of Public Service**

The Committee recommends that the Ministry of Public Service undertake an independent audit of the Mamara project to determine if the Government is getting value for money before considering any further expansion of this Project. The Committee noted that the purchase price which the Government has already paid 90% for is a key driver of affordability in the proposed scheme.

**Recommendation 59**

**Head 24 Ministry of Public Service**

The Committee recommends that the Ministry of Public Service, in collaboration with the Ministry of Finance, conduct a study to ascertain appropriate levels of government rental scheme for public servants, taking into account wider economic impacts such as effect on housing loans.

**Recommendation 60**

**Head 24 Ministry of Public Service**

The Committee recommends that the Ministry of Public Service improve its recruitment process by advertising statutory positions six months before the contract of the incumbent lapses so that there is some transition if the incumbent does not retain the contract.

**Recommendation 61**

**Head 25 Ministry of Justice and Legal Affairs**

The Committee recommends that the Ministry of Justice and Legal Affairs collaborate with the Ministry of Public Service to increase the required establishment positions to address these capacity issues.

**Recommendation 62**

**Head 25 Ministry of Justice and Legal Affairs**

The Committee recommends that the Ministry of Justice and Legal Affairs take steps to make the registry at the Registrar General's office into a robust e-registry with sufficient controls to properly mitigate the Ministry's key risks and deliver efficient transparent service.

**Recommendation 63**

**Head 25 Ministry of Justice and Legal Affairs**

The Committee recommends that the Ministry of Justice and Legal Affairs amend the laws governing the registry system to impose statutory time limit on when a document is received for registration and when the Registrar General must register it and store it in the registry.

**Recommendation 64**

**Head 29 National Judiciary**

The Committee requested but did not receive all the required data on clearance rates for all courts and data on judgements delivered after three months. The Committee requests that the CEO of the National Judiciary prepare a report with the requested data and use this to monitor the performance of the National Judiciary. Further the Committee recommends that a study

be undertaken for the human resourcing and financing needs of the National Judiciary. This study should form part of the justification of the National Judiciary Autonomy Bill submission.

**Recommendation 65**

**Head 29 National Judiciary**

The Committee recommends that the National Judiciary establish a project to virtualise court proceedings across the country. This project should consider the infrastructure needs, the data challenges, the need for supporting laws, regulations and guidelines and required training to be able to effectively implement.

**Recommendation 66**

**Head 26 Ministry of Home Affairs**

The Committee recommends that the Ministry enforces the casino licence requirement of one licence for one location.

**Recommendation 67**

**Head 26 Ministry of Home Affairs**

The Committee recommends the Ministry of Home Affairs take tangible steps to implement competent Honiara City Council (HCC) staff and capacity development plans, amendments to the HCC legislation and implementation of the financial management ordinance in 2022.

**Recommendation 68**

**Head 26 Ministry of Home Affairs**

The Committee notes that the registry for births, deaths and marriages has been outstanding for some time. The Committee recommends that the Ministry of Home Affairs implement required legislative changes to fully implement this registry in 2022.

**Recommendation 69**

**Head 26 Ministry of Home Affairs**

The Committee notes the importance of Non-Government Organizations (NGOs) in delivering social accountability. The Committee recommends that the Ministry of Home Affairs develop a new NGO policy as a prelude towards a new NGO Bill in the future.

**Recommendation 70**

**Head 28 Ministry of Mines, Energy and Rural Electrification**

The Committee recommends that the Ministry of Mines, Energy and Rural Electrification pursue new or amend existing legislation to regulate the importation and usage of ozone friendly gases in Solomon Islands.

**Recommendation 71**

**Head 28 Ministry of Mines, Energy and Rural Electrification**

The Committee recommends that a study be undertaken to devise and implement an effective fuel security strategy for Solomon Islands.

**Recommendation 72**

**Head 28 Ministry of Mines, Energy and Rural Electrification**

The Committee recommends that an independent investigation be conducted into the award of the mining lease over customary land to Win Win Company. The Ministry of Mines, Energy and Rural Electrification should suspend the activities of the foreign company pending the outcome of this investigation.

**Recommendation 73**                      **Head 28 Ministry of Mines, Energy and Rural Electrification**

The Committee is concerned that the current practice of raw sewerage discharge into rivers like Mataniko, is unsafe for people living along the river and immediate steps are required to address this. The Committee is also concerned about the eleven additional raw sewerage outlets in Honiara. The Committee recommends that Solomon Water prioritise sewerage treatment plants in Honiara.

**Recommendation 74**                      **Head 28 Ministry of Mines, Energy and Rural Electrification**

The Committee is concerned that the Tina Hydro Project may not be able to achieve its 2024 start date and sought an update on how they are tracking against key milestones. The Committee recommends that the Project prepares at least bi-annual written update for the Committee which will be requested during future Public Accounts Committee hearings.

**Recommendation 75**                      **Head 30 Ministry of Women, Youth, Children and Family Affairs**

The Committee recommends the Ministry of Women, Youth, Children and Family Affairs allocate adequate funding for safe houses and support services for victims of domestic and gender based violence in each Provinces.

**Recommendation 76**                      **Head 30 Ministry of Women, Youth, Children and Family Affairs**

The Committee recommends that the Ministry of Women, Youth, Children and Family Affairs in its revision of the Family Protection Act 2014 thoroughly consult with all stakeholders including the Development Service Exchange and relevant Non-Government Organizations before tabling the amendment bill in Parliament in 2022.

**Recommendation 77**                      **Head 31 Ministry of Rural Development**

The Committee recommends that the Ministry of Rural Development proactively engages with donor partners to determine the use of appropriated funds before the budget is tabled for appropriation.

**Recommendation 78**                      **Head 31 Ministry of Rural Development**



## Chapter 1: Introduction

This Chapter provides an introduction to the Inquiry including information on the Public Accounts Committee (PAC) and the inquiry process.

### Overview

- 1.1 The National Parliament is the independent law making arm of government to which the Executive is accountable to. The Parliament is also the only institution vested with the power to authorize the allocation of public monies through the Annual Appropriation or Supplementary Appropriation Acts. The Parliament also performs many of its oversight functions through its Standing Select Committees. The Public Accounts Committee (the “Committee”) is one of the committees and is given the power to examine the annual Draft Estimates budgets prior to their tabling before Parliament.
- 1.2 The 2022 Appropriation Bill 2022 (No.1 of 2022) was received by the Speaker and certified on Monday 21 March, 2022. The Committee began its deliberations immediately after it was referred to the Committee for examination, and held public hearings to examine the bill that seeks to appropriate \$4,382,663,179 for the service of the year ending 31 December, 2022.
- 1.3 The Committee considered evidence provided by the Central Bank of Solomon Islands (CBSI), all government ministries, constitutional offices, and CSOs/NGOs and sought advice from the Auditor General.
- 1.4 This Report outlines the findings of the Committee's examination of 2022 Draft Estimates (Budget) that comprises the Recurrent, Budget Support, and Development Estimates, the proposed recurrent Establishments Register, related documents supporting the formulation of the Estimates, and other written submissions submitted to the Committee.
- 1.5 The Committee thanks the Permanent Secretaries (PSs), Under-Secretaries (USs) and senior officials of various ministries who appeared virtually before the Committee and provided valuable information. The Committee is also very grateful to have CBSI who have responded kindly to the invitation to provide written submissions and attending the virtual public hearings. The Committee benefited immensely from the Office of the Auditor General, the Committee Secretariat and the National Parliamentary Budget Team through administrative, logistical, technical and analytical support. The Central Bank of

Solomon Islands (CBSI) and the Ministry of Finance and Treasury provided insight and projection of economic performance for 2021 and 2022.

### **Inquiry Process**

- 1.6 In accordance with its mandate under Standing Orders 69 of the National Parliament, the Committee resolved on its meeting on 22 March, 2022 to commence the examination of the Bill from 1 to 8 April, 2022. The Committee further resolved in its deliberative meeting on 8 April, 2022 to extend the hearings to 11 April, 2022 in order to complete hearings for all witnesses. The full terms of reference are included on the Appendices of this report.
- 1.7 The inquiry process included inviting ADB, World Bank, CBSI, CSOs and government ministries to make written submissions. Invitations for the virtual hearings were sent to the CBSI, government ministries and Statutory Bodies to appear before the Committee at a virtual public hearing on the Zoom platform.
- 1.8 The Committee examined 27 Government Ministries and received 62 written submissions, including those of the Office of the Auditor General, Office of the Ombudsman, Office of the Governor General, and the Development Exchange Service. A list of submissions can be found at the Appendices of this report and they are published on the Parliament website.
- 1.9 Transcripts of the hearings are available at Hansard.
- 1.10 Minutes of the hearing can be found in the Appendices of this report.

## Chapter 2 - Budget Overview

### Economic Outlook Summary for 2022

This chapter summarises the projected economic outlook as per the presentations by both the Ministry of Finance and Treasury and the Central Bank of Solomon Islands.

### Review of 2021 Economic Performance and Forecast for 2022

- 2.1 The global series of crises in both COVID19 and the Ukrainian war has caused economic fallout in all global economies through disruptions in production and global supply chains. This and Solomon Islands own recent civil unrest and COVID19 community transmission has significantly impacted the economy
- 2.2 Global growth rates have dropped to 5.9% growth 2021 with 2022 expected to be weaker. Supply disruptions and increased higher inflation rates will feature. China tightening of real estate and growth prospects likely to reduce global growth to 4.4% which may drop further to 3.4%. China own growth projected at 4.8% growth in 2023 however likely to be around 1.2% in 2022.
- 2.3 Ukrainian effects will slow global economy and lead to subdued growth across all sectors of the domestic economy. Employment rate down this year however manufacturing index is up 8% due to mining.
- 2.4 Logs and cocoa sectors are down with retail and wholesale also reduced. After the civil unrest in December, growth revised down to -0.6% in 2021 from previous growth projection. CBSI preliminary estimates of \$500m damage caused by the unrest. ADB more recent report estimates over \$700million damage. In 2022 community transmission heightens risk of further deterioration in growth for 2022.
- 2.5 Inflation stands at 2.5% at Dec 2021 due to fuel and food. Core inflation at 1.2%. Fiscal balance 5% of Gross Domestic Product (GDP) deficit which at Dec 2021 is 643mio deficit. Revenue reduced by 14% due to IRD reduction despite non tax increase. Current 2022 budget sees around 5% reduction in recurrent and development budget.
- 2.6 Debt stock increase by 30% with SIG bonds main contributing surplus at 411mio at Dec 2022. Current account \$712mio due to drop in trade and services. Gross foreign reserves high at 14 months cover which is an increase of 2% to 5.4bn dollars.
- 2.7 Money supply increase to 5.4 billion. Private sector dropped to 2.6 billion. Lending also decreased especially tourism and professional services sectors. Personal and manufacturing sectors lending increased.



- 2.8 Banks Interest rate margin decreased to 7.3% due to decrease in base lending rates. CBSI monetary policy remains accommodative and financial stability remains stable. If further lockdowns this year, the economy will likely contract to -7.3% worst case with no recovery for at least one year. This contraction is likely services led reduction however will be across both primary and secondary sectors also.
- 2.9 In 2023, growth will improve to -1.5% growth. The timeframe to rebuild Chinatown has not yet been advised and with the community transmission, the pandemic effects is elevated and uncertain.
- 2.10 If drastic reforms and earlier kick start of some infrastructure projects and no lockdown, will together help reduce expected contraction to only 4.3% in 2022. Two projects namely JICA and ADB earlier starts will help as well as early lifting of border closure will together accelerate the economic recovery.
- 2.11 Expected Inflation in 2022 will rise to 3% in mid-2022 and 3.2% end of Dec. Core inflation 3 to 4%. Oil prices increasing over USD100 per barrel with upward pressure given current global events.
- 2.12 The budget outlook sees the Government fiscal deficit projected at 900mio deficit. Continued erosion of fiscal buffers and increase in government borrowing are downside risks. The pandemic will make ability to withstand shocks harder.
- 2.13 CBSI points out need for a growth policy. The economic recovery must be private sector lead and needs more attention. Government needs to support private sector. SICCI has submitted list for cash flow support and other forms of help needed.
- 2.14 Strengthening revenue enhancing strategy to help recover and build cash buffers to withstand fiscal shocks. The tax regime is punitive and administratively cumbersome and needs to be overhauled. The proposed tax administration bill needs to be passed.
- 2.15 As most goods are imported, the Government should focus on a domestic strategy to support local manufacturing.
- 2.16 Initial assessment of jobs lost as a result of both the civil unrest and the community transmission is estimated at 1000 jobs for each event. Further assessment is required.
- 2.17 Economic Stimulus Package (ESP) impact also requires data and still waiting for the ESP assessment to happen. Some sectors like copra shows positive output impact. On commercial lending non-performing loans (NPL) financial indicators from 2019 to 2020 increase from 10.41 to 10.61%. CBSI policy response requested commercial banks to

support their customers facing financial hardships. In 2022 Banks were asked to reactivate this support.

- 2.18 South Pacific Games (SPG) we expect the initial build phase will have a positive impact on the economy. There is currently no data on many local jobs will be created during this project construction. Post 2023 is critical which requires an assessment of what will the facilities be used for. Will they generate additional income and at least self-generate funds for their own maintenance so no additional drain on public funds.
- 2.19 On debt, the sustainable limit is 35% of GDP. Government looking to increase this to 40%. Financing the deficit is from both external and domestic sources. Domestic likely bonds and Treasury Bills with increased caps to cater for increased deficit gap. The main issue is the affordability of servicing these debts and heavily dependent on a successful revenue raising strategy.
- 2.20 Part of the revenue strategy requires connecting our domestic economy which was disrupted by the COVID19 induced lockdowns. With international markets like China, if they focus more on their own domestic economies, the impact to Solomon Islands will be worse. We need to open our internal borders and support our own manufacturing economy to help in our economic recovery.
- 2.21 Agriculture sector remains a key growth sector. Copra and Kava show positive signs and potential for further growth. Log volumes in 2021 was 2.02million cubic metres exported down from 2020 2.3 million. This is projected at only 1.7million cubic metres in 2022 and an average price of USD106 per cubic metre.
- 2.22 Government has again in 2022 not engaged with CBSI in the formulation of the budget including expert advice on policy and economic projections. The committee is concerned that the Government is not getting the best advice and recommends improved efforts in engaging with the Central Bank in the budget formulation.

## Chapter 3 - Committee Deliberations

The Committee deliberations covers the 2022 Appropriation Bill 2022 (No.1 of 2022) and other relevant accompanying documents.

### Overview of 2022 Budget

The 2022 Appropriation Bill 2022 (No.1 of 2022) is required to appropriate monies for the services of the Government in 2022.

The amounts to be appropriated are as follows:

EXPENDITURES	AMOUNT (\$)
RECURRENT EXPENDITURE	2,901,027,492
BUDGET SUPPORT EXPENDITURE	610,713,430
DEVELOPMENT EXPENDITURE	870,922,257
<b>TOTAL APPROPRIATED EXPENDITURES</b>	<b>4,382,663,179</b>

**TOTAL APPROPRIATION FUNDING \$4,382,663,179**

**NOTE:** In addition to the amount authorised by this Act, a further \$128,634,494 is forecast to be expended through statutory charges on the Consolidated Fund, including \$98,919,973 to be expended on National Debt Repayments. These Statutory Appropriations are explained in the Financial Policy Objective and Strategies Statement (Budget Paper 1) and the Recurrent Estimates Document (Budget Paper 2) and are appropriated by existing legislation or the Constitution.

### GOVERNMENT BORROWING LIMITS

Column 1	Column 2	Column 3
Total borrowing limits	Permitted purposes	Sources
Face value of Treasury Bills on issues at the end of 2022 must not exceed the face value of Treasury Bills on issues at the beginning of 2022 by more than \$200,000,000	Purposes specified in section 71(4) of the <i>Public Financial Management Act 2013</i> (exceptional circumstances such as a major economic shock or natural disaster)	Treasury Bills issued under <i>Government Loans and Securities Act</i> (Cap. 119)
\$500,000,000	Purpose specified in section 71(3) <i>Public Financial Management Act 2013</i> (specifically \$500,000,000 for higher priority infrastructure and development initiatives)	Multilateral or bilateral development partners, domestic financial institutions

## SCHEDULE 1

(Section 3)

### PART 1 – RECURRENT EXPENDITURE

Head	Ministry	Expenditure Authorised (\$)
01	Solomon Islands Electoral Commission	20,484,984
02	Office of the Ombudsman	4,721,504
03	Ministry of Agriculture and Livestock Development	34,359,488
04	Office of the Auditor-General	9,013,203
05	Ministry of Education and Human Resources Development	1,076,297,654
06	Ministry of Finance and Treasury	139,757,860
07	Ministry of Foreign Affairs and External Trade	53,038,459
08	Office of the Governor-General	6,591,159
09	Ministry of Health and Medical Services	461,612,601
10	Ministry of Infrastructure Development	53,582,528
12	National Parliament of Solomon Islands	95,101,948
13	Ministry of Forestry and Research	23,675,487
14	Office of the Prime Minister and Cabinet	78,163,999
16	Ministry of Police, National Security and Correctional Services	285,131,490

17	Ministry of Provincial Government and Institutional Strengthening	103,716,875
18	Ministry of Lands, Housing and Survey	19,032,562
19	Ministry of National Planning and Development Coordination	5,917,723
20	Ministry of Culture and Tourism	25,675,334
21	Ministry of Commerce, Industries, Labour and Immigration	42,401,997
22	Ministry of Communication and Aviation	45,889,992
23	Ministry of Fisheries and Marine Resources	23,909,225
24	Ministry of Public Service	25,823,021
25	Ministry of Justice and Legal Affairs	39,399,774
26	Ministry of Home Affairs	14,602,542
27	Ministry of Traditional Governance, Peace and Ecclesiastical Affairs	26,220,512
28	Ministry of Mines, Energy and Rural Electrification	16,037,059
29	National Judiciary	23,658,418
30	Ministry of Women, Youth, Children and Family Affairs	10,351,696
31	Ministry of Rural Development	101,713,623
32	Ministry of Environment, Climate Change, Disaster Management and Meteorology	35,144,775

**TOTAL RECURRENT ESTIMATES****2,901,027,492****PART 2 – BUDGET SUPPORT EXPENDITURE**

<b>Head</b>	<b>Ministry</b>	<b>Expenditure Authorised (\$)</b>
03	Ministry of Agriculture and Livestock Development	24,258,500
05	Ministry of Education and Human Resources Development	103,400,000
06	Ministry of Finance and Treasury	190,387,445
07	Ministry of Foreign Affairs and External Trade	4,500,000
09	Ministry of Health and Medical Services	168,092,108
10	Ministry of Infrastructure Development	7,200,000
16	Ministry of Police, National Security and Correctional Services	35,898,315
23	Ministry of Fisheries and Marine Resources	32,000,000
24	Ministry of Public Service	510,575
26	Ministry of Home Affairs	760,403
28	Ministry of Mines, Energy and Rural Electrification	50,000
30	Ministry of Women, Youth, Children and Family Affairs	1,430,090
32	Ministry of Environment, Climate Change, Disaster Management and Meteorology	42,225,994

**TOTAL BUDGET SUPPORT ESTIMATES****610,713,430**

**PART 3 - DEVELOPMENT EXPENDITURE**

<b>Head</b>	<b>Ministry</b>	<b>Expenditure Authorised (\$)</b>
03	Ministry of Agriculture and Livestock Development	25,000,000
05	Ministry of Education and Human Resources Development	60,400,000
06	Ministry of Finance and Treasury	30,000,000
09	Ministry of Health and Medical Services	40,000,000
10	Ministry of Infrastructure Development	109,200,000
12	National Parliament of Solomon Islands	2,700,000
13	Ministry of Forestry and Research	10,636,000
14	Office of the Prime Minister and Cabinet	107,125,487
16	Ministry of Police, National Security and Correctional Services	21,630,000
17	Ministry of Provincial Government and Institutional Strengthening	40,000,000
18	Ministry of Lands, Housing and Survey	10,000,000
19	Ministry of National Planning and Development Coordination	1,500,000
20	Ministry of Culture and Tourism	10,000,000
21	Ministry of Commerce, Industries, Labour and Immigration	33,663,770
22	Ministry of Communication and Aviation	30,357,000
23	Ministry of Fisheries and Marine Resources	15,000,000
24	Ministry of Public Service	2,750,000
25	Ministry of Justice and Legal Affairs	3,000,000
26	Ministry of Home Affairs	12,000,000
27	Ministry of Traditional Governance, Peace and Ecclesiastical Affairs	2,500,000
28	Ministry of Mines, Energy and Rural Electrification	30,000,000
29	National Judiciary	5,000,000
31	Ministry of Rural Development	261,000,000
32	Ministry of Environment, Climate Change, Disaster Management and Meteorology	7,460,000
<b>TOTAL DEVELOPMENT ESTIMATES</b>		<b>870,922,257</b>

## Chapter 4 - Issues of Concern

### 01 Solomon Islands Electoral Office

#### Mission Statement

To provide Solomon Islands citizens with high quality, accessible, professional electoral services through the conduct of impartial and independent elections.<sup>1</sup>

#### 2022 Budget Summary

	2022 BUDGET ESTIMATES	2021 REVISED BUDGET	2021 ORIGINAL BUDGET	Actual 2020	Actual 2019
<b>Recurrent Budget</b>					
Income	0	0	0	0	0
Payroll	1,334,243	1,405,954	1,405,954	1,547,667	634,420
Other costs	19,505,657	4,505,657	4,505,657	6,818,763	49,583,200
<i>Net/Total</i>	<b>-\$ 20,839,900</b>	<b>-\$5,911,611</b>	<b>-\$ 5,911,611</b>	<b>-\$ 8,366,430</b>	<b>-\$ 50,217,620</b>

#### Issues of Concern

Matters raised by the Committee includes the following:

##### **Extension of Parliament from 4 years to 5 years**

- 3.1 The Committee enquired about whether the fundamental reform works under the Commission also includes extending the current Parliament's 4-year term to 5 years, which will require amendments to both the *Constitution* and the *Electoral Act 2018*.
- 3.2 The Commission told the Committee that the electoral reforms work under the Commission this year includes; amendment to the *Provincial Government Act 1997*, The *Honiara City Council Act 1999*, and the *Electoral Act 2018*. In regards to any amendments to the constitution to extend the life of the current Parliament to five years is beyond the mandate of the Commission. The Commission can only wait until the Government makes a decision on the matter. However, the Commission is still aligning its preparations to meet the timeline for the next NGE according to the current law.

##### **Budget bid cuts**

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<sup>1</sup> <http://www.siec.gov.sb/index.php/voter-education/about-us.html>

- 3.3 The Committee is aware of the Commission's planned activities for 2022 as outlined in their submission but is very concern that only 30% of the proposed budget for all activities will be allocated to them. Given this huge reduction in this year's budget bid the Committee is quite concerned that the Commission will not be able to deliver on their identified activities.
- 3.4 The Commission stated that the nature of the work of the Electoral Office is very time bound as required by law and so the budget allocation for this year is not adequate to meet all the activities planned for this year. However, the Commission will still prioritize the work on the HCC Act and the voters' registration updates for the Choiseul and the Western Provinces as well as conduct of elections for these two provinces immediately after the voter registration update. The Permanent Secretary for the Ministry of Finance has told the Commission to talk with the Ministry of Finance to allocate more funds to meet the other priority activities should the need arise during the year.

#### **NGE 2023 preparation**

- 3.5 The Committee is of the view that the updating of voters registrations or the electoral roll should be a continuous yearly activity of the Electoral Office to update the electoral roll each year. Given the budget bid cuts this year the Committee is very concerned about the preparation of the Office on updating the electoral roll and procurement of equipment and IT infrastructure for the Biometric Voter Registration (BVR) in anticipation of the National General Election next year.
- 3.6 The Commission stated that there are a number of activities to undertake in preparation for the NGE 2023 in terms of updating the electoral roll which will now take place around the third or fourth quarter of this fiscal year due to issue of getting funds on time.
- 3.7 In terms of the BVR equipment and infrastructure, the Commission stated that they already have the BVR software and kits but they now need to be updated as they require periodical updates. The vendor for the BVR software will be updating the software for the Electoral Office. However, work on this area is currently slow due to funding issue.

#### **Recommendation 1**

**The Committee is concerned that the Solomon Island's Electoral Office will not have sufficient budget to carry out the activities required of them under the Act in 2022 as confirmed by the Chief Electoral Officer. The Committee recommends that the Commission immediately engages with the Ministry of Finance to secure the additional funds and allow preparations to proceed in an orderly manner consistent with current law.**

#### **Merging of National and Provincial Elections dates**



- 3.8 The Committee enquired about the proposal by the Commission to hold both the Provincial Elections and National Elections together on the same date and is concerned why this is not the case for Western and Choiseul Provinces.
- 3.9 The Commission stated that in the recent past they conducted a national by-election with a provincial election. However, the main work on aligning provincial election dates with the NGE date is ongoing under the activity to amendment to the *Electoral Act 2018* where consultations will be held later for all the provinces and so this alignment of both provincial and national elections may not take place on next year's national general election.

#### **Out of constituency voting**

- 3.10 The Committee enquired whether the reform programs of the Commission is also considering amending the Electoral Act 2018 to allow for out of constituency voting to enable voters to vote outside from their constituencies.
- 3.11 The Commission stated that this is covered under the reform work on the electoral act but is highly likely to be applied in the NGE 2023 until consultations are done. The Commission initially planned to table the amendment electoral bill in Parliament this year but all the disruptions and issue of timely access to finances have hindered the Commission's consultation plans on the proposed amendment on the electoral act since last year. The only province that was consulted on is the Central Province. The Commission aims to continue with the consultation this year and potentially early next year.

#### **Ordinarily resident**

- 3.12 The Committee enquired whether the reforms to the electoral act will also redefine the term "Ordinarily resident" to stop cross border voting.
- 3.13 The Commission stated that this is covered under the reform work on the Electoral Act 2018.

#### **Electronic voting**

- 3.14 The Committee enquired about whether electronic voting is being considered by the Commission.
- 3.15 The Commission stated that it this is something to be looked at in the future.

## 02 Office of the Ombudsman

### Mission Statement

The Office of the Ombudsman's mission is to protect the interest of the Solomon Islands community by: assisting people to resolve complaints about government bodies; independently investigating and reporting on the actions and practices of government bodies; and fostering accountable, lawful, transparent and responsive administration in public offices.<sup>2</sup>

### 2022 Budget Summary

	2022 BUDGET ESTIMATES	2021 REVISED BUDGET	2021 ORIGINAL BUDGET	Actual 2020	Actual 2019	Actual 2018	Actual 2017
<b>Recurrent</b>							
Income	0	0	0	0	0	0	0
Payroll	2,195,624	1,874,871	1,874,871	1,921,571	1,348,824	1,652,551	1,851,394
Other Costs	2,913,104	2,959,784	2,959,784	1,193,359	1,395,915	1,225,279	942,013
<i>Net/Total</i>	<i>5,108,728</i>	<i>4,834,655</i>	<i>4,834,655</i>	<i>3,114,930</i>	<i>2,744,739</i>	<i>2,877,830</i>	<i>2,793,407</i>
<b>Expenditures Grand Total</b>	<b>5,108,728</b>	<b>4,834,655</b>	<b>4,834,655</b>	<b>3,114,930</b>	<b>2,744,739</b>	<b>2,877,830</b>	<b>2,793,407</b>

### Issues of Concern

Matters raised by the Committee includes the following:

The Ombudsman provided written submission to the PAC.

## 03 Ministry of Agriculture and Livestock Development

### Mission Statement

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<sup>2</sup><https://www.ombudsman.gov.sb/aboutus.html#:~:text=Mission,and%20practices%20of%20government%20bodies>

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To promote, improve and lead agriculture development in the Solomon Islands to a profitable and environmentally sustainable future, being the premier provider of information, research, extension, education, regulatory, and other services to improve the agriculture sector.<sup>3</sup>

## 2022 Budget Summary

	2022 BUDGET ESTIMATES	2021 REVISED BUDGET	2021 ORIGINAL BUDGET	Actual 2020	Actual 2019	Actual 2018	Actual 2017
<b>Recurrent Budget</b>							
Income	14,018,209	11,035,000	11,035,000	9,689,192	840,015	11,916,360	11,279,157
Payroll	16,951,582	14,598,322	14,598,322	15,410,589	9,950,421	14,596,863	14,752,446
Other Cost	17,407,906	17,407,906	17,407,906	25,294,695	16,574,980	16,460,413	16,333,522
<i>Net/Total</i>	<i>-\$ 20,341,279</i>	<i>-\$ 20,971,228</i>	<i>-\$ 20,971,228</i>	<i>-\$ 31,016,092</i>	<i>-\$ 25,685,386</i>	<i>-\$ 19,140,916</i>	<i>-\$ 19,806,811</i>
<b>Budget Support</b>							
Income	24,258,500	8,164,050	7,312,000	0	0	0	0
Payroll	617,000	1,426,000	1,426,000	0	0	0	0
Other Cost	23,641,500	6,738,050	5,886,000	0	0	0	0
<i>Net/Total</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<b>Development Budget</b>							
SIG	25,000,000	25,000,000	25,000,000	9,228,292	6,209,886	11,724,970	38,992,889
Donors							
<i>Net/Total</i>	<i>\$ 25,000,000</i>	<i>\$ 25,000,000</i>	<i>\$ 25,000,000</i>	<i>\$ 9,228,292</i>	<i>\$ 6,209,886</i>	<i>\$ 11,724,970</i>	<i>\$ 38,992,889</i>

## Issues of Concern

Matters raised by the Committee include the following:

### **Giant African Snail (GAS) and Coconut Rhinoceros Beetle (CRB)**

- 3.16 The Committee is concerned about the progress in the Ministry's efforts to eradicate these pests in the country. The Committee noted that one of the Ministry's plans for this year is to regulate pest and other invasive alien species either eradicate, contained or controlled. The expected output for this planned activity is to set up pheromone traps, procure chemical and equipment for field control.
- 3.17 The Ministry stated they had made progress in this area. It was observed in Honiara the population of the GAS have been drastically reduced compared to when it was introduced into the country because biosecurity introduced a biological control measure and management practices to farmers and those affected by the snail.

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<sup>3</sup> Solomon Islands Government, *2022 Financial Policy Objectives and Strategies, Budget Paper: Volume 1, 2022*, pp.

- 3.18 The Biosecurity has managed to eradicate GAS cases in areas due to early interventions using these new measures however the previous practice of providing free baits to farmers has stopped due to lack of funds. The cost to purchase these baits from private sector has also been too high for our local farmers.
- 3.19 For the whole of the country, the Ministry stated that they can manage the GAS situation and if cases are reported early then there is possibility for full eradication in those areas. The Ministry has the resources, technology and knowledge to deal with the situation.
- 3.20 In terms of CRB, the Director<sup>4</sup> stated that last year they have received funding of around \$24 million from New Zealand. This project was supposed to be completed by June this year but it is now extended to 2023 because of the COVID-19 situation

### **Recommendation 2**

**The Committee recommends the Ministry of Agriculture and Livestock Development undertake an updated study of the effects of the Giant African Snail has on farmers and the economy. The lack of budget available for the Giant African Snail is a concern especially for small scale farmers and a better understanding of the status quo is required to better inform decisions for further funding.**

### **Impact of the ESP on farm productions**

- 3.21 The Committee enquired whether the volume of agricultural production coming out from farms that are recipients of the Economic Stimulus Package have increased and how much of those productions are contributing to export and to domestic food security.
- 3.22 The Ministry made reference to the \$2.7 million ESP support to SAPE Farm for the cultivation of 40 hectares of cassava. The Committee heard that this support was for the cultivation of 40 hectares of cassava farm as a substitute for rice should the COVID-19 pandemic disrupts the importation of rice into the country. The ministry saw the opportunity to export cassava through Varivao Holding Ltd but there was an issue with pack house and so the Ministry went further with its assistance to SAPE Farm to build a pack house which was not completed last year because there were delays in receiving payments and some of the payments requested from Treasury did not go back to the ministry. However, the Ministry hopes to complete the pack house this year.
- 3.23 The Ministry stated that the some of the cassava exported by Varivao came from the SAPE Farm and other out growers that are registered with SAPE. So there is some export of cassava.

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<sup>4</sup> Same as above.

### **Agriculture Extension and Training**

- 3.24 The Committee is concerned that the manpower staffing for the agriculture extension division might be inadequate to meet all the agriculture and livestock programs planned under the 2022 budget to support local farmers throughout the country. The Committee wants to know the level of need for extension officers in the country and whether this division has adequate manpower resources to meet the country's need to support the important revitalization programs.
- 3.25 The Ministry stated that the issue of manpower for the agriculture extension had been raised in previous PAC budget hearings that the Ministry does not have enough staff on the ground to support and implement the Ministry's projects. At the moment, the ratio is one extension officer per 3000 to 4000 farmers. The ministry is not increasing its manpower in parallel with the increase in farmers so there is really a need to increase the number of extension officer. The PS further stated that there is also the lack of infrastructure and service support to extension officers to carry out their work in their respective areas.
- 3.26 The Ministry stated that the optimal number of extension officers the Ministry is looking at is 165 staff but currently there is less than 100 officers on the ground with 65 active field officers.

#### **Recommendation 3**

**The Committee recommends that the Ministry of Agriculture and Livestock Development conduct a review of both the performance and required resourcing need of extension services in the country. Given the importance of this role in driving agricultural sector initiatives across the provinces, the Committee further recommends that the Ministry of Agriculture and Livestock Development collaborate with Ministry of Public Service and the Ministry of Provincial Government and Institutional Strengthening to address the identified resourcing need and implement effective performance monitoring.**

### **Biosecurity facilities at the borders**

- 3.27 The Committee is concerned that the biosecurity capability at the country's borders are not strong enough. The borders are the entry points for the pests to enter into the country and therefore, the biosecurity division must have adequate facilities to detect and contain incursion threats at the borders.
- 3.28 The Ministry told the Committee that we have one incinerator at the Henderson Airport. They also encourage industries to have such facilities and as a result Ports have established an incinerator at the Ports area in Honiara. The Ministry still needs to equip the borders with the incinerators and other equipment necessary for border biosecurity operations.

#### **Recommendation 4**

**The Committee recommends that the Ministry of Agriculture and Livestock Development fully equip all entry points including at the borders with proper biosecurity facilities and equipment.**

### **Food Security**

- 3.29 The Committee expressed concern that the Ministry is not doing enough to guarantee the food security in the country and protect our agriculture resources from threats both in country and from abroad.

### **Food supplies for SPG2023**

- 3.30 With the upcoming SPG2023, the Committee is even concerned about the country's ability to meet the sustenance needs for all the athletes for the duration of the Games.

### **Recommendation 5**

**The Committee recommends that the Ministry of Agriculture and Livestock Development has no plans or activities for the preparation of South Pacific Games 2023. The Committee recommends that the Ministry of Agriculture and Livestock Development include planning for the sustenance needs of the SPG.**

- 3.31 The Ministry advised that they do have a policy on food security. There is a need to build awareness in the community to build resilience at the family level and to understand that our country is susceptible to global shocks like the current Ukraine war which will have impacts on supply chains and raise cost of import goods including food. We need all our communities to build their own food capacity and not rely on imports all the time especially with threats of increased cost of imported food.

### **Lack of research**

- 3.32 In addition to global shocks we know that climate change is also affecting us. We need to be prepared and invest in suitable research on climate change resilient crops.
- 3.33 The Ministry does not have any research facilities and is investigating Tenaru as a possible site for a research centre. For now, we operate through our farmers to test crops. We also lack a veterinary in country with new graduates not having an interest in this field. We are looking for overseas volunteers but also struggling to secure one. We hire private sector vets on a consultancy basis which is not sustainable.

### **Recommendation 6**

**Given both volatile global markets and impacts of climate change, that the Ministry of Agriculture and Livestock Development immediately assess the state of food security for the country and develop a transparent response plan.**

### **Underinvestment in Agriculture**

- 3.34 The Committee laments over the significant potential agriculture has for our country but does not have the requisite support to realize this potential.
- 3.35 The Ministry shared current strategy with chickens, pigs, and all livestock noting that budgets have been reduced significantly. Similarly, the model gardens and test dryers are being deployed across selected provinces for further research but also of small scale due to limited budget.

#### **Recommendation 7**

**The Committee recommends that the agriculture strategy be updated to capture the changing environment and set out the clear gaps in scale and infrastructure required to increase Ministry's contribution to the economic recovery needs in the country. This strategy should consider collaboration with other Ministries including Ministry of Provincial Government and Institutional Strengthening and Ministry of Infrastructure Development and address the need for a suitable research facility and required research in both crops, livestock and veterinary strategy for the country.**

## **04 Office of the Auditor General**

### **Mission Statement**

As a centre of excellence we enhance the strengthening of public sector accountability, transparency and integrity to the people of Solomon Islands through professional independent audit services and reports to our elected legislatures.<sup>5</sup>

### **2022 Budget Summary**

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<sup>5</sup> Solomon Islands Government, *2022 Financial Policy Objectives and Strategies, Budget Paper: Volume 1*, 2022, pp. 66.

	2022 BUDGET ESTIMATES	2021 REVISED BUDGET	2021 ORIGINAL BUDGET	Actual 2020	Actual 2019	Actual 2018	Actual 2017
<b>Recurrent Budget</b>							
Income	3,130,180	2,436,000	2,436,000	1,445,592	1,286,348	1,279,460	3,094,954
Payroll	3,914,368	2,442,101	2,442,101	2,303,525	1,734,460	2,480,614	2,488,277
Other costs	6,224,835	3,726,147	3,726,147	4,139,608	5,158,999	5,255,114	4,777,505
<i>Net/Total</i>	<i>-\$ 7,009,023</i>	<i>-\$ 3,732,248</i>	<i>-\$ 3,732,248</i>	<i>-\$4,997,541</i>	<i>\$ 6,893,459</i>	<i>\$ 7,735,727</i>	<i>\$ 7,265,782</i>
<b>Development Budget</b>							
SIG				0	754,573	0	908,897
Donor							
<i>Net/Total</i>				<i>\$ -</i>	<i>\$ 754,573</i>	<i>\$ -</i>	<i>\$ 908,897</i>

## Issues of Concern

Matters raised by the Committee include the following:

The OAG provided written submission to the PAC.

- 3.36 The Committee noted the significant gap in technical staff levels when compared to regional partners. Even a smaller country like Kiribati has more auditors in their OAG than Solomon Islands.

### Recommendation 8

The Committee recommends that the Office of the Auditor General in collaboration with the Ministry of Public Service establish an appropriate structure and scheme of service to attract and retain appropriately qualified professional staff.

## 05 Ministry of Education and Human Resources Development

### Mission Statement

To promote, develop and facilitate Education and Human Resources needs of the country within the framework of the government policies and priorities, as reflected in the Policy Statement (2019) of the Democratic Coalition Government for Change (DCGA), the National Development Strategy, 2016 -



2035, the National Education Action Plan (NEAP) 2021 - 2025 (finalised by June 2021) as well as the longer term Education Strategic Framework (ESF), 2016 – 2030.<sup>6</sup>

## 2022 Budget Summary

	2022 BUDGET ESTIMATES	2021 REVISED BUDGET	2021 ORIGINAL BUDGET	Actual 2020	Actual 2019	Actual 2018	Actual 2017
<b>Recurrent Budget</b>							
Income	30,810	5,634,330	56,330	233,140	3,214,719	3,434,405	3,403,500
Pavroll	565,175,669	555,762,529	555,762,529	606,559,922	363,039,726	513,680,964	458,626,532
Other costs	511,121,985	507,516,561	507,516,561	585,702,202	528,639,726	623,633,710	621,073,926
<i>Net/Total</i>	<i>-\$ 1,076,266,844</i>	<i>-\$ 1,057,644,760</i>	<i>-\$ 1,063,222,760</i>	<i>-\$ 1,192,028,984</i>	<i>-\$ 888,464,733</i>	<i>-\$ 1,133,880,269</i>	<i>-\$ 1,076,296,958</i>
<b>Budget Support</b>							
Income	103,400,000	124,169,236	64,155,851	39,044,199	31,093,689	78,874,529	57,930,125
Pavroll	0	0	0	1,348,733	857,875	1,172,677	1,475,158
Other costs	103,400,000	124,169,236	64,155,851	33,291,814	58,010,314	43,501,998	28,425,321
<i>Net/Total</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ 4,403,652</i>	<i>-\$ 27,774,500</i>	<i>\$ 34,199,854</i>	<i>\$ 28,029,646</i>
<b>Development Budget</b>							
SIG	60,400,000	34,750,000	34,750,000	21,735,740	53,452,674	44,841,979	61,325,652
Donor							
<i>Net/Total</i>	<i>\$ 60,400,000</i>	<i>\$ 34,750,000</i>	<i>\$ 34,750,000</i>	<i>\$ 21,735,740</i>	<i>\$ 53,452,674</i>	<i>\$ 44,841,979</i>	<i>\$ 61,325,652</i>

## Issues of Concern

Matters raised by the Committee include the following:

### Resumption of Schools

- 3.37 The Committee enquired about when school will resume and whether with four months of schooling missed, would the Ministry consider waiving school fees? The Committee is concerned that kids were being denied access to education and wanted to hear the Ministry's plan to address this.
- 3.38 The Ministry shared the school resumption plans pointing out that the current closure of schools is due to a health issue namely COVID-19. The Ministry has established pre-condition targets based on key health advice required for starting schools. This requires that the education system must be prepared to meet all the health standards expected. Standard operating procedures, protocols and wash facilities must be present in all schools. Pre-condition targets have just been approved by Cabinet. Once we have all data and evidence to inform our decision of the required

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<sup>6</sup> Solomon Islands Government, *2022 Financial Policy Objectives and Strategies, Budget Paper: Volume 1, 2022*, pp. 68-69.

steps to reopen schools. This is a health issue so if MHMS says it is safe then schools will open on their advice.

- 3.39 Many schools will not have the required wash facilities. A UNICEF report in 2019 indicated that number of schools that had a minimum of wash facilities which at that time, only 48% of schools met the minimum standards. In 2020 and 2021, the development budget was used to help build wash facilities, particularly in the emergency zones.
- 3.40 In Honiara, Save the Children and World Vision also helped some schools. The Ministry is aware that most of the rural schools will not meet the standards and hence fail the preconditions required for reopening.
- 3.41 The Ministry's focus is to not prolong the closure of schools and will support schools with the facilities. This challenge in lack of suitable wash facilities is overwhelming. We cannot fix this before opening schools and the Ministry will need to consider how to address this. The data from MHMS critical. In April, the Ministry will be conducting an assessment of reopening schools

#### **Recommendation 9**

**The Committee recommends the Government redirect COVID-19 related funding towards rapid construction of WASH facilities and other key minimum health requirements in schools to allow education services to resume. The Committee reaffirms the Ministry's concerned that the societal impacts longer term of the whole country missing school far outweighs the cost to meet minimum health standards in our schools.**

#### **Budget Execution rates**

- 3.42 The Committee observed that execution rates was low at 72% and enquired why this was the case?
- 3.43 The Ministry advised that last year donor budget was not fully expensed. The procurement process also was slow and development projects which were approved in April last year, take more than one year to build. On top of this, disruptions like civil unrest and this year's community transmission also impacted the Ministry's ability to spend.
- 3.44 The introduction of the new D365 system also was a challenges with little activity in October onwards which is badly affecting our rollouts. The procurement process is a problem and requires Ministry of Finance and Treasury (MoFT) to engage and support us.

#### **School Fees**

- 3.45 The Committee enquired on the level of school fees and the Ministry's plans to fund the education system without depriving access of education to our children. The Committee asks whether this is an area that donors could consider?

- 3.46 The Ministry advised that in 2021 they drafted indication of school fees for 2022. This process highlights the big disparity between public and private school range of fees and also the difference between urban and non-urban schools. The disparity in fee ranges between public and private gives an indication of how expensive it is to run a school and how much the Government subsidy is.
- 3.47 The implementation requires the new education bill to be passed. Under the new Bill, schools can request from Minister for new fees.
- 3.48 In relation to donors, DFAT in 2021 helped us to finance school grants because the Government cut primary school grants. In 2022 donors are not covering same costs but SIG still maintain same cuts from 2021. Boarding schools also have other operational costs which we support them through grants but each year costs are increasing so maintaining the larger secondary schools is becoming more difficult.
- 3.49 Each year MoFT is cutting our grants despite our Ministry increasing the budget. MoFT is making these changes without considering our submission.

#### **SITESA and scholarships**

- 3.50 The Committee enquired about SITESA and the issuance of the scholarship listing for 2022 including the constituency funds scholarship awardees.
- 3.51 The Ministry updated the Committee on the performance of SITESA which it is an autonomous statutory under its own Act. The scholarship process is administered by the National Scholarship Division (NSD) under the 2017 Act and is responsible to Parliament. The selection of committee which administers the scholarship awards is based on skills and contributions and draws from various Ministries including Planning, SINU, Public service and SITESA staff.
- 3.52 The scholarships final listing of applicants was approved by the scholarship committee on 10th March. Conditional offers should be going out in April including for constituency scholarships.
- 3.53 The timeline for scholarship offers this year was impacted by COVID community transmission in January. It is however only a temporary shift in timelines due to current circumstances. As for constituency scholarships, a new process and a new tool was developed to assess applicants based on merit. SITESA reviewed the applicants which meet the criteria and will forward successful applicants to Members of Parliament (MP's).

#### **Constituency Scholarships**

- 3.54 The Committee on hearing about the changed process regarding constituency scholarships were concerned that MP's were not involved or informed of this change in process.

- 3.55 The Ministry advised that the change in the process for constituency scholarships was based off the advice received from the Attorney General. The change however still takes into consideration other non-academic criteria such as the strength of the support letter which assesses need. The new tool assesses academic criteria and if the course applied for is not on the country training plan then the student will also not qualify. This training plan is set based off market studies in collaboration with SICCI, Ministry of Planning and Pacific Labor studies.

#### **Recommendation 10**

**The Committee recommends that any change in processes for scholarship awards should also involve all stakeholders for the relevant scholarship. In this case, the constituency scholarships should also involve the MP's and set out a timeframe for the new process to be effective.**

**The Committee recommends that scholarship awards are made well before the start of the academic year in January/February.**

#### **Solomon Islands National University (SINU)**

- 3.56 The Committee was interested in an update of SINU and its performance to date.
- 3.57 SINU updated the Committee on key development projects which are underway in Kukum campus for dormitories which will be used in the upcoming South Pacific Games (SPG). Futsal campus and Panatina clinic for SPG are also underway. These facilities will serve the community after SPG. The recurrent budget has no increase and the development budget increased to 60mio in 2022 for SPG related projects. Masterplan for development of SINU in place but lack of funding remains the key issue. These plans focus on student needs including a library, computer lab and office in one building so to maximize the use of land.
- 3.58 SINU advised however that operational and development budgets are not sufficient for planned activities. Total unpaid fees are \$89mio and remains SINU biggest issue. MP's are SINU's biggest debtors and are not paying school fees.

#### **Recommendation 11**

**The Committee recommends that Solomon Islands National University tighten their credit processes to improve their cash position. This should include a review of their debtors listing and commencement of recovery action.**

#### **Education priority areas**

- 3.59 The Committee noted from the DSE submission which highlighted that the Ministry consider an increase in schools grants to support development of resources for children to learn from home, and capacity building for teachers in changing their approach to ICT.

**Recommendation 12**

The Committee recommends that the Ministry of Education and Human Resources Development secure additional funding resources to support quality from home learning options and build teacher's capacity in ICT and use of virtual teaching methods.

**06 Ministry of Finance and Treasury/ 11 National Debt Servicing****Mission Statement**

Our mission is to provide leadership and good governance when advising and influencing Government policy choices relating to economic stability and growth, sound financial management that improves the lives of our people.<sup>7</sup>

**2022 Budget Summary**

	2022 BUDGET ESTIMATES	2021 REVISED BUDGET	2021 ORIGINAL BUDGET	Actual 2020	Actual 2019	Actual 2018	Actual 2017
<b>Recurrent Budget</b>							
Income	2,580,966,054	2,716,493,599	2,614,566,473	2,866,977,570	2,302,181,575	3,405,641,357	2,962,003,630
Payroll	41,428,322	35,014,572	35,014,572	33,745,466	34,237,242	26,008,651	27,792,484
Other Cost	98,329,538	209,485,358	107,558,232	319,739,392	119,411,578	101,703,981	80,213,185
<i>Net Total</i>	<b>\$ 2,441,208,194</b>	<b>\$ 2,471,993,669</b>	<b>\$ 2,471,993,669</b>	<b>\$ 2,513,492,712</b>	<b>\$ 2,148,532,755</b>	<b>\$ 3,277,928,725</b>	<b>\$ 2,853,997,961</b>
<b>Budget Support</b>							
Income	65,387,445	77,042,772	0	496,314,852	0	24,321,047	0
Payroll	0	1,487,166	0	5,381,519	594,062	3,265,385	1,499,243
Other Cost	190,387,445	75,555,606	0	10,835,439	7,304,929	6,469,515	4,978,516
<i>Net Total</i>	<b>-\$ 125,000,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 480,097,894</b>	<b>-\$ 7,898,991</b>	<b>\$ 14,586,147</b>	<b>-\$ 6,477,759</b>
<b>Development Budget</b>							
SIG	30,000,000	10,000,000	10,000,000	8,559,348	42,000,000	145,498,752	41,443,365
Donor	0	0	0	0	227,074,760	163,438,444	159,696,357
<i>Net Total</i>	<b>\$ 30,000,000</b>	<b>\$ 10,000,000</b>	<b>\$ 10,000,000</b>	<b>\$ 8,559,348</b>	<b>\$ 269,074,760</b>	<b>\$ 308,937,196</b>	<b>\$ 201,139,722</b>

<sup>7</sup> Solomon Islands Government, *2022 Financial Policy Objectives and Strategies, Budget Paper: Volume 1, 2022*, pp. 84.

<b>National Debt Servicing</b>	<b>2022 BUDGET ESTIMATES</b>	<b>2021 REVISED BUDGET</b>	<b>2021 ORIGINAL BUDGET</b>	<b>Actual 2020</b>
<b>Recurrent Budget</b>				
Income	0	0	0	172,483,723
Payroll	0	0	0	0
Other Costs	98,919,973	84,861,561	84,861,561	104,442,718
<i>Net/Total</i>	<b><i>-\$ 98,919,973</i></b>	<b><i>-\$ 84,861,561</i></b>	<b><i>-\$ 84,861,561</i></b>	<b><i>\$68,041,005</i></b>

### Issues of Concern

Matters raised during the public inquiry includes the following:

#### **The need for a revenue or growth policy**

- 3.60 The Committee was concerned that the Ministry's negative growth forecast of -4.5% was too conservative pointing out that CBSI had earlier predicted a contraction of -7%. The Central Bank had also pointed out the importance of a revenue or growth policy to be a key driver in helping the economy recover. As such the Committee wanted to know what revenue measures or growth policy the Ministry had planned given the economy was expected to contract by such a large extent.
- 3.61 The Ministry plan is for a quick turnaround focusing on domestic activity. In such a scenario the growth contraction will be less as trading comeback is anticipated to be quicker whereas CBSI projections were planning for further lockdowns and significant disruptions to the economy.
- 3.62 The Ministry has three priority areas being 1. COVID19 mitigation and management 2. reconstruction from unrest and 3. implement measures to support economic recovery and growth. There is 106mio split under each respective ministry for COVID19 response with essential services being prioritized for all payments.
- 3.63 A total of \$125mio has been budgeted for civil unrest rebuild. Current estimates are 162 businesses affected with at least 64 buildings requiring reconstruction. Funding support including non-monetary support is being considered and likely the Minister will advise the fiscal response during the budget's second reading in April.
- 3.64 The Ministry also sighted intentions to open borders by midyear and domestic activity especially in the areas related to the South Pacific Games (SPG) to lead the domestic economic recovery. The intention is also to accelerate re-engagement of large projects once borders are open using the SPG as the driver to ensure implementation. These include road, airport and construction projects

- 3.65 In terms of revenue SPG has already delivered in withholding taxes, PAYE and GST at least \$50mio paid in 2021. Duty however on all construction material is duty free and tax exempted. Customs and Excise expect revenue from trade facilitation for offloading at sufferance wharfs. No revenue is expected from construction materials.
- 3.66 The sectors respective growth contribution towards the projected -4.5% GDP contraction are: -1.3% reduction from agriculture, industry -3.9%, services -9.2% reduction when compared to 2021. The mining sector has only two licences so far in 2022, being Win Win Company and Province Mining Company.

### **Civil Unrest Impacts**

- 3.67 The Committee was interested in any assessment being done on the impact of the December civil unrest including estimated damage, revenue loss and expected time for reconstruction.
- 3.68 The Ministry advised that ADB had conducted an assessment of economic impacts which was estimated around \$700million No timeline for reconstruction had been set as guidelines were still being developed for cabinet approval. In April however Honiara High School which had recently had a bid waiver approved, should be commencing reconstruction in April.
- 3.69 In terms of revenue loss estimation of \$30mio for the period from November to December. For January and February Inland Revenue Division (IRD) collection is down approximately 43mio due to both civil unrest and COVID community transmission. The Commissioner however is optimistic that future quarters will see some improvements. Customs and duty effects will happen months after the December unrest and January COVID community transmission so revenue decrease anticipated later in 2022. In February however significant reductions already noted. In February 2021 customs was up 18% above budget. Current year to date is only 0.57% above target so approximately 18% down for same period last year.
- 3.70 Borders re-opening will certainly improve revenue collections however the Comptroller of customs is concerned over the current number of ships and volume of sea cargo. So for example February this year has 6 ships, whereas last year same period was 8 ships. In April we anticipate only 7 vessels but last year there were 14 vessels (excluding logging ships or fuel carriers).
- 3.71 The Ministry pointed out that shipping agents are pointing to a consolidation by shipping liners due also to global impacts which means more cargo per ship now so even though less ships, volume per ship is increased. Supply process however will still be impacted given the slow down so goods like fresh fruits will be impacted. Air cargo volumes remained low due to closed borders. Some freighters and charter flights have come in with goods but volume are small.

### **Logging slowdown will impact revenue**

- 3.72 The Committee was interested in the impacts in the logging sector including pricing.
- 3.73 The Ministry points out that logging has reduced significantly. Logging revenue dropped by 25% down in first 3 months this year. Log prices 2022 USD104 average FOB. Majority of drop attributed to COVID impacts given longer period of lockdowns and broader effects across the economy.
- 3.74 The Ministry also assures the Committee that the average calculated price which was drawn from reputable global market pricing websites, is also used in setting the determined value.
- 3.75 Customs revenue collection however is affected by species of log so if the team do not recognize the tree then it affects the amount of duty collected. The Comptroller requests a Technical Advisor forestry to assist in this area. There is also an opportunity to collect customs duty on logging monies held in trust accounts as a result of litigation and expects customs duty on these logging proceeds.

#### **Recommendation 13**

**The Committee notes the efforts of Government to accelerate recovery of the economy. The Committee recommends that a growth policy be devised which includes the private sector as the engine room for recovery. This policy should also identify resource gaps that can assist in additional revenue collection like the customs forestry advisor and address these as a matter of priority.**

#### **Recommendation 14**

**The Committee recommends the Government fast tracks relevant legislation to support broadening of the tax base and review of all tax and duty exemptions granted.**

#### **Economic Stimulus Package (ESP)**

- 3.76 The Committee notes the previous submissions on ESP and anticipated economic benefits and sought to get an update on this package.
- 3.77 The Permanent Secretary is expecting a report conducted by the ADB to be released in April.

#### **Recommendation 15**

**The Committee recommends that the Office of the Auditor General also undertakes an independent audit of the Economic Stimulus Package to assess the impact and verify the use of funds.**

#### **Job loss from Unrest and community transmission**



- 3.78 The Committee was concerned about the loss of jobs as a result of both the civil unrest and COVID-19 community transmission.
- 3.79 The Ministry points out that current data available is only to third quarter last year but estimates that 1000 jobs lost for each event.
- 3.80 The civil unrest however mainly affected wholesaler and retailers whereas COVID has wider industry effects like transport, primary sector, and secondary sector which are more prolonged and likely to be worse than the civil unrest impacts.
- 3.81 According to the CBSI Riot Impact Assessment November 2021 total loss in employment income was \$1million for the month of December 2021.

#### **DFAT Budget Support**

- 3.82 The Committee notes \$130mio budget support provided by DFAT and sort to understand how this fund was used.
- 3.83 The Ministry stated that monies for budget support were used to pay for salaries of front liners and public service staff engaged in COVID operations. It is also available for essential spend under development needs. \$10million will be used to pay arrears from camp management operations once internal audit has verified the arrears.

#### **Development Bank of Solomon Islands (DBSI) Chairmanship**

- 3.84 The Committee once again raised the same query from a previous PAC hearing about the appointment of the Permanent Secretary (PS) of the Ministry of Finance and Treasury (MoFT) to both the CBSI and DBSI. The Committee once again stresses that the PS cannot be on both the regulator and the regulated and should immediately resign.
- 3.85 The Ministry confirmed that the DBSI Chairman role has been advertised and a DBSI board meeting is scheduled in April to determine the next Chairman.

#### **Recommendation 16**

**The Committee noted that at the time of the hearing the Permanent Secretary of the Ministry of Finance and Treasury is still the Chairman of Development Bank of Solomon Islands (DBSI) as well as a Board member on Central Bank of Solomon Islands. Given the clear conflicts of interest, the Committee once again recommends that the Permanent Secretary immediately resign from DBSI. The Committee further recommends that to protect the independence of the DBSI board that the Attorney General and PM's Chief of Staff also resign their memberships.**

#### **South Pacific Games (SPG) expected impact**

- 3.86 The Committee noted that the Government considers the South Pacific Games as the key economic driver for the country. The Committee is interested in the Ministry's view of what expected economic impacts of the SPG are expected to bring.
- 3.87 The PS noted that they would normally carry out business consultations but COVID community transmission has affected this. He expects that the economic reform unit will prioritise collation of data on SPG. It is expected that there will be positive effects in especially the construction sector including a boost in local employment.
- 3.88 The Government contributed to the National Hosting Authority \$98mio this year, last year was \$198mio and all funds transferred to National Hosting Authority. The Ministry is expecting the final commitment next year.

#### **Recommendation 17**

**Given the significant commitment undertaken by Government, the Committee recommends that actual data on the economic benefits of the South Pacific Games 2023 including local employment numbers be reported in 2022 and 2023.**

#### **Cash Reserves**

- 3.89 The Committee points out previous recommendations to address concerns on level of cash reserves for the country and the amount of outstanding payments.
- 3.90 The acting Accountant General pointed out that Government cash is held in several bank accounts with a combined total of \$495mio in all accounts. Given 300mio is about three months cover, the current position is above the benchmark. When compared to same period last year, cash reserves in 2021 were \$402mio. So this year position has improved with all of the \$495mio available for spending.
- 3.91 On payment of COVID-19 allowances, these were only paid when submitted. The Ministry stated that data on arrears will be provided in writing. A total of \$28.2mio was paid last year. A lot of cancelled payments were also made last year. House rentals up to date and construction within the interim budget is also paid up.
- 3.92 The budget execution for 2021 is 93%. As last year's budget was a deficit, implementation was affected by funding. If funding is delayed, then execution is impacted.
- 3.93 The introduction of the Ministry's new financial system also affected execution and slowed outcomes.
- 3.94 The Ministry expects that execution in 2022 will be a challenge. The need to raise cash and new revenue measures is essential to be able to deliver on budget execution. The plan is to build cash reserves as part of fiscal strategy.

**Recommendation 18**

**The Committee recommends that the Ministry of Finance and Treasury prioritises implementation of the D365 system in 2022 and provide all Ministries full transparency in reporting for 2021 and 2022 periods.**

**Recommendation 19**

**The Committee recommends that the budget setting process includes more effective cash flow forecasting to better manage all Ministries budget execution and transparent rebuilding of fiscal buffers.**

**Fiscal Budget Outcome (FBO) report 2021**

- 3.95 The Committee noted that the FBO 2020 was delivered late outside of prescribed time period set out in the PFM Act. The Committee also noted that last year's budget process had a lot of issues with many Ministries not aware of their budgets. The Committee is interested in what changes the Ministry has done or planned to avoid this happening again?
- 3.96 The Ministry acknowledged that the FBO 2020 was delivered late and will ensure that does not happen this year. As for the budget process this year baseline was sent to all Ministries to provide feedback last year. All FC's and PS should be aware. In finalising the 2022 budget it was again sent to all Ministries for inputs. Development budget requires ongoing consultation and expect this will improve in future budget rounds.

**Recommendation 20**

**The Committee recommends that the Ministry of Finance and Treasury in its submission of the Fiscal Budget Outcome report must comply with section 52 of the *Public Financial Management Act 2013*.**

**Mamara Project**

- 3.97 The Committee was interested in the Mamara Project and the amount paid and whether this was included in this year's budget.
- 3.98 The PS responded that the Mamara project was appropriated under an advance warrant funded by a domestic bond raised last year. To date the developer has been paid just over \$30mio with a remaining \$3mio.left. The payments are based on milestones achieved. Any further details including prices of each houses need to check with Ministry of Public Service and Ministry of Commerce, Industry, Labour and Investment.

**Collaboration with CBSI**

- 3.99 CBSI during its earlier submission pointed out that this year, like last year, Governor was not engaged in any dialogue on the budget 2022. The Committee points out that the CBSI mandate is to provide good policy advice to the Government and questions why the Governor has again been left out?
- 3.100 The Ministry Macroeconomic team does engage with the CBSI however the Ministry prefers its own modelling. There are discussions with the Governor on strategy and likely discussions on potential market operations.
- 3.101 The committee is concerned that the Government is not getting the best advice and recommends improved efforts in engaging with the Central Bank in the budget formulation.

#### **Recommendation 21**

**The Committee recommends that the Ministry of Finance and Treasury engage the Central Bank of Solomon Islands in future budget setting processes.**

## **07 Ministry of Foreign Affairs and External Trade**

### **Mission Statement**

To manage and oversee the conduct of Solomon Islands interests in both its bilateral and multilateral relations, including ensuring the country's sovereignty, territorial integrity, security and interests as a member of the international community a maintained, enhanced and protected for the benefit of its citizens.<sup>8</sup>

### **2022 Budget Summary**

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<sup>8</sup> Solomon Islands Government, *2021 Financial Policy Objectives and Strategies, Budget Paper: Volume 1*, 2021, pp. 95. Viewed on <https://solomons.gov.sb/wp-content/uploads/2021/05/2021-Financial-Policy-Objectives-and-Strategies.Volume-1.pdf>

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	2022 BUDGET ESTIMATES	2021 REVISED BUDGET	2021 ORIGINAL BUDGET	Actual 2020	Actual 2019	Actual 2018	Actual 2017
<b>Recurrent Budget</b>							
Income	0	0	0	0	0	0	0
Payroll	6,571,736	6,239,795	6,239,795	5,669,559	4,498,613	6,348,374	5,956,922
Other Cost	46,466,723	47,166,675	47,166,675	39,137,193	45,787,534	41,137,445	39,119,931
<i>Net/Total</i>	<i>-\$ 53,038,459</i>	<i>-\$ 53,406,470</i>	<i>-\$ 53,406,470</i>	<i>-\$ 44,806,752</i>	<i>-\$ 50,286,147</i>	<i>-\$ 47,485,819</i>	<i>-\$ 45,076,853</i>
<b>Budget Support</b>							
Income	4,500,000	7,784,929	7,000,000	0	224,213	7,072,675	558,580
Payroll	558,788	504,459	504,459	398,552	104,690	422,327	290,167
Other Cost	3,941,212	3,780,470	2,995,541	1,664,612	544,637	3,410,324	2,315,187
<i>Net/Total</i>	<i>\$ -</i>	<i>\$ 3,500,000</i>	<i>\$ 3,500,000</i>	<i>-\$ 2,063,164</i>	<i>-\$ 425,114</i>	<i>\$ 3,240,024</i>	<i>-\$ 2,046,774</i>

## Issues of Concern

Matters raised by the Committee include the following:

### Labour mobility

- 3.102 The Committee is concerned with the labour mobility scheme and is of the view that the current number for the seasonal workers is too low compared to the high level of youth unemployment in the country and the high demand for workers in Australia.
- 3.103 The Committee is also concerned with the long and expensive process required for the labour mobility scheme. The Committee stated that the process is inefficient and expensive especially for unemployed young people. For example, the medical check itself is set at around \$1500 dollars and if other expenses such as passport and passport photos are added to that amount it would be much more expensive, causing stress and at times unaffordable expense for young people.
- 3.104 The Ministry acknowledged that the demand for labour is high in Australia however, the number of workers sent are those that have met the requirement for the registered employers. Thus, the Ministry will look into increasing the number of registered employers and from there the number of workers can also be increased.
- 3.105 The Ministry also stated that currently the labour mobility is focused on farms outside from the main cities of Australia. Solomon Islands is also competing with other Pacific Island countries in the region as well in terms of sending workers to Australia and New Zealand.
- 3.106 Furthermore, it is the employers that select the workers for example, if 100 applications are sent to them they might only take on board 40 workers. Often at the times workers selected have a specific skill needed by the employers. There are courses such as through Australia-Pacific Technical College (APTC) which interested persons could consider to increase their chances in being selected for this scheme.

- 3.107 In terms of the process being expensive and insufficient, the Ministry has stated that it is working with the ministry of Health to reduce such costs to make the process more efficient for those applying for the labour mobility scheme. One way it plans to achieve that is to subsidize flights for labour mobility workers.
- 3.108 The Committee is also concerned with some reports stating that some of our workers in Australia have experienced major deductions from agents and these deductions are too much for the workers.

#### **Recommendation 22**

**The Committee recommends that the Ministry of Foreign Affairs and External Trade take a proactive approach to increase both the number of registered employers and the targeted number of workers for the labour mobility schemes.**

#### **Recommendation 23**

**The Committee recommends that the Ministry of Foreign Affairs and External Trade collaborate with the Ministries of Immigration and the Ministry of Health to remove fees for passports, medical examination fees, police clearance fees and other impediments to facilitate easier access to the labour mobility schemes for our young people. Further, the Ministry should set up a one-stop office to process all matters for labour mobility processing.**

#### **Recommendation 24**

**The Committee recommends that the Ministry of Foreign Affairs and External Trade lead the development of a remittance strategy for this scheme in collaboration with the relevant financial institutions to maximise the level of remittances into the country. This strategy should include collaboration with Australian government to minimise remittance transfer fees, and also consider financial literacy training for outbound workers.**

#### **Peace Corps**

- 3.109 The Committee is concerned with the delay in bringing in the Peace Corps and enquired when they are expected to return.
- 3.110 The Ministry stated that it is working with the US and an agreement is still in discussion.

#### **International scholarships**

- 3.111 The Committee raised the question on international scholarships for Solomon Islands.

3.112 The Ministry stated that there are number of scholarships which the Ministry is keeping track of and working closely with the Ministry of Education on this.

#### **Least developed country (LDC) graduation**

3.113 The Committee is concerned with the delay in the timing for the country's graduation to LDC. Thus, the Committee questions whether this delay is good or bad for the country.

3.114 The Ministry stated that Solomon Islands is scheduled to graduate in 2024 however will need to reassess with the relevant Ministries whether Solomon Islands is still eligible for graduation given the effects of COVID and civil unrest.

## **08 Office of the Governor General**

### **Mission Statement**

The Office of the Governor-General supports the Governor-General in his role as Her Majesty's Representative in the Solomon Islands as stipulated under Section 30 of the Solomon Islands National Constitution.<sup>9</sup>

### **2022 Budget Summary**

	<b>2022 BUDGET ESTIMATES</b>	<b>2021 REVISED BUDGET</b>	<b>2021 ORIGINAL BUDGET</b>	<b>Actual 2020</b>	<b>Actual 2019</b>	<b>Actual 2018</b>	<b>Actual 2017</b>
<b>Recurrent Budget</b>							
Income	0	0	0	1,150			
Payroll	2,333,505	1,934,262	1,934,262	1,996,907	2,177,505	1,623,881	2,178,410
Other Cost	4,957,332	3,032,321	3,032,321	4,897,126	7,888,185	6,412,759	5,886,462
<i>Net/Total</i>	<b>-\$ 7,290,837</b>	<b>-\$ 4,966,583</b>	<b>-\$ 4,966,583</b>	<b>-\$ 6,892,883</b>	<b>-\$ 10,065,690</b>	<b>-\$ 8,036,640</b>	<b>-\$ 8,064,872</b>

### **Issues of Concern**

Matters raised by the Committee include the following:

<sup>9</sup> Solomon Islands Government, *2022 Financial Policy Objectives and Strategies, Budget Paper: Volume 1*, 2022, pp.

The Office of the Governor General provided written submission to the Committee.

## 09 Ministry of Health and Medical Service

### Mission Statement

To lead and shape the Solomon Islands health system in service to the government and the people to deliver quality health service, reduce sickness, prevent the loss of young lives and relieve suffering; its part in improving every citizen's health status. This will be done through:

- Proactive stewardship of the sector with a focus on Primary Health Care (PHC) and Healthy Islands efforts via active community empowerment and development;
- Building partnerships with communities, churches and other sectors (like agriculture, education, labour, transport, infrastructure, etc.);
- The sector will also plan and manage health improvements with a focus on reducing the determinants of disease and illness including improving disease management and provision of quality healthcare service;
- Workforce management, training and improved primary, secondary and tertiary infrastructure developments aligning itself to the Role Delineation Policy Framework of the ministry.<sup>10</sup>

### 2022 Budget Summary

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<sup>10</sup> Solomon Islands Government, *2022 Financial Policy Objectives and Strategies, Budget Paper: Volume 1, 2022*, pp.



	2022 BUDGET ESTIMATES	2021 REVISED BUDGET	2021 ORIGINAL BUDGET	Actual 2020	Actual 2019	Actual 2018	Actual 2017
<b>Recurrent Budget</b>							
Income	995,729	670,000	670,000	560,944	376,090	577,799	542,205
Payroll	278,812,550	253,539,981	253,539,981	252,183,652	171,607,217	219,553,189	207,530,939
Other Costs	182,800,051	174,100,051	174,100,051	203,110,150	153,414,228	148,129,472	139,836,496
<i>Net/Total</i>	<i>-\$ 460,616,872</i>	<i>-\$ 426,970,032</i>	<i>-\$ 426,970,032</i>	<i>-\$454,732,858</i>	<i>-\$324,645,355</i>	<i>-\$ 367,104,862</i>	<i>-\$ 346,825,230</i>
<b>Budget Support</b>							
Income	168,092,107	218,493,978	157,709,165	159,120,425	70,866,712	135,647,744	89,363,900
Payroll	0	0	0	2,229,025	891,252	2,513,209	65,920
Other Costs	168,092,108	218,493,978	157,709,165	98,387,852	73,994,076	70,967,295	80,910,176
<i>Net/Total</i>	<i>-\$ 1</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ 58,503,548</i>	<i>-\$ 4,018,616</i>	<i>\$ 62,167,240</i>	<i>\$ 8,387,804</i>
<b>Development Budget</b>							
SIG	40,000,000	44,800,000	44,800,000	10,476,038	12,733,621	19,017,099	8,541,880
Donor							
<i>Net/Total</i>	<i>\$ 40,000,000</i>	<i>\$ 44,800,000</i>	<i>\$ 44,800,000</i>	<i>\$ 10,476,038</i>	<i>\$ 12,733,621</i>	<i>\$ 19,017,099</i>	<i>\$ 8,541,880</i>

## Issues of Concern

Matters raised by the Committee include the following:

### Budget implementation

- 3.115 The Committee is concerned about budget execution especially in its development budget. The planned capital program is significant and should already be underway. How can these major projects be completed in the planned periods?
- 3.116 The Ministry commented that it has challenges in the execution of its budget. In terms of the development budget the ministry wishes to see the completion of the ongoing development projects. As original bid was not approved, the Ministry is also liaising with donors on some new projects. The Ministry bid for \$90m but only \$40m was approved for the ongoing projects. Included in this amount is \$2m for the rollout of the COVID-19 vaccination program.

### Recommendation 25

**The Committee is concerned that the level of funding for the Ministry of Health and Medical Service development projects is not sufficient to meet the current COVID-19 management and containment needs. The Committee recommends that further development budget is allocated to the Ministry especially for the COVID-19 vaccination rollout.**

### Primary Health Care Projects

- 3.117 The Committee probed further into the 11 key projects listed under development estimates to determine whether these are new developments or are ongoing projects carried forward from previous periods.
- 3.118 The Ministry clarifies that of the Primary Health Care most of the new projects are the rural health clinics. For Manuopo Area Health Clinic it is 75% completed, new staff house for closed clinic in Tegano is 40% completed, new staff house in Oneghuga in Central Province and Namuga staff house. Takwa awaiting for the payment of construction and for Tukutaunga some more work need

to be done on scoping and design and awaiting construction. Wagina AHC1 it's for scoping and design, and Konide AHC1 for scoping and design and the other remaining 5 are the new projects. The Ministry is bundling the design of the health facilities for all area health center clinics level 1. The new projects will probably come after completion of the ongoing/old projects.

### **COVID-19 Community Transmission**

- 3.119 The Committee enquired on the matter of index case of COVID-19 community transmission and if the location has been identified of the first transmission in Solomon Island.
- 3.120 The Ministry expressed some challenges faced in trying to identify the index case. During the outbreak in January the Ministry noted that there were other vessels that came before MV. Akwa which means the suspecting index case came before that. This has been a challenge for the Ministry. Information was also received from the law enforcement agencies on the illegal crossing of border in Malaita outer islands.

### **COVID-19 Infected patient in the First wave**

- 3.121 The Committee need clarification on the 50% people were infected on the peak of first wave of COVID-19, is there capacity for the Ministry to do anti-body testing to know the level of infection.
- 3.122 The Ministry clarifies on the 50% population infected first of all the genomic sequencing, the Ministry and NRH molecular lab send samples on a weekly basis to the Doherty Institute in Melbourne who provide genomic sequencing testing for the country. To date all samples are confirmed as the Delta variant of COVID-19. The only presence of Omicron variant comes from international visitors who are in quarantine. Prior to the discharge of these visitors, the Ministry ensures that all requirements of their standard operating procedures are met before allowing discharge.
- 3.123 In terms of the possible Omicron presence in the community, the Ministry has noted from the epidemiologist, the issue of how fast the infection spread noting the very low levels of vaccination in country. It is possible that the low level of vaccination and poor adherence to health regulations contributed to the rapid spread of the virus.

### **Epidemiology**

- 3.124 The Committee enquired on the projection of public health going forward in terms of resource allocation for Honiara and the Provinces.
- 3.125 The Ministry stated, the current trend is decreasing in terms number of case detected on a daily basis and weekly basis. Similarly, the trend in larger Provinces are decreasing however new cases are still emerging from contact tracing. In terms of resource allocation, a lot of focus required on contact tracing and risk related communication to communities to adhere to COVID-19 protective measures.

- 3.126 The Ministry noted that a second wave of COVID-19 infection is possible and will likely follow a similar pattern to the current COVID-19 transmission. The Ministry maintains strict and rigid requirements for all international visitors and continues to work very closely with other agencies to prevent future infections from reaching our shores.

#### **Recommendation 26**

**The Committee recommends that the Ministry of Health and Medical Services produce a human resource training needs assessment and plan to cover epidemiology, virology, laboratory technicians and other relevant specialist's skill gaps currently present in the country Recruitment of Nurses.**

- 3.127 The Committee is concerned about the high level of nurse vacancies and the number of additional nurses that were recruited as part of the COVID-19 response team. The Committee also noted that some of the nurses appear to be students who lacked experience but were placed in unsupervised positions.
- 3.128 According to the Ministry, the new Nurse Aids, Registered nurses and Doctors formed the COVID-19 bundle care package which consist of doctors, nurses, junior staff (supporting staff) and paramedics. The COVID-19 bundle care components comprised of facilities and treatments used plus which staff are engaged. One bundle consists of two doctors, several nurses, 2-8 paramedics and junior staff who all have to undergo a very strict level of training. This same COVID-19 bundle will also be allocated to all Provinces.
- 3.129 The Ministry informed the Committee that due to the slow processing of normal recruitments, the Ministry resolved to surge recruit newly registered nurses as casual workers. Newly graduated nurses are required to work under supervision. A total of 320 casual recruitments including nurses and doctors, lab technician and risk community officers was undertaken.
- 3.130 Of the 200 nurses recruited, 60 were deployed at the National Referral Hospital, 50 at Honiara city council, 40 for swabbing and contact tracing and over 50 spread across the Provinces.
- 3.131 The Ministry has to ensure that normal services continue to be delivered as well which is why new recruitments were done. The Ministry has now been able to convert 110 workers to permanent positions. Permanent Secretary of Ministry of Health also confirmed twelve additional nurses recruited from Vanuatu. In June Ministry will make another submission to Public services.

#### **No job no job policy**

- 3.132 The Committee enquired whether the no job, no job policy impacted the Ministry.
- 3.133 The Ministry confirmed that they had a very high vaccination rate with only 1% of total workforce unvaccinated or a total of 23 staff including two doctors.

### Level of Need

- 3.134 The Committee questioned that a \$130mio was donated by DFAT to support nurses, doctors, front liners to their remunerations and whether the number of recruitment meets their demand on the level of need of nurse in Honiara and the Provinces and what is the gap?
- 3.135 The Ministry need 500 more nurses. It also needs doctors. We only have 30 area health centers and will need to build more facilities to accommodate increased staffing too. In terms of payments of their allowances this was slow. We have recently recruited an allowance monitoring officer so this should improve.

### Recommendation 27

**The Committee noted the difficulties the Ministry of Health and Medical Service faced in both significant gaps in permanent staff and inefficient recruitment processes. The Committee also notes that recruitment and procurement are bottlenecks in the effectiveness of the Ministry of Health's response strategies, and urge all stakeholders to seek more efficient systems that do not undermine transparency and accountability.**

**The Committee is also concerned about the very late payment of COVID-19 allowances dating back to April of 2021, and sees no justification for such unreasonable delays.**

**The Committee recommends that the Ministry of Health and Medical Services collaborate with Ministry of Public Service to remove the current freeze on all medical staff needs during the current COVID-19 pandemic period.**

### Trend of Malaria, Dengue, NCD and TB

- 3.136 The Committee questioned on the impact of COVID-19 on other health services and the support provided for other diseases.
- 3.137 Most of the health facilities for TB were re-oriented for COVID-19 response as an isolation ward. The Ministry is not neglecting the TB patients and do have a plan in place to manage them. For dengue and malaria, during the outbreak of COVID-19, it was affected but management continued under vector borne diseases division whilst NCD was under NRH.

### Inconsistency in Swabbing

- 3.138 The Committee queried why there appear to be inconsistent swabbing requirements for movements in and out of an emergency zone. For example for movements out from Poha or Lungga) they do not require swabbing whereas if you are departing on a ship you must be swabbed?

3.139 The Ministry explained that vessels leave 3 times a week and require swabbing before travelling. This procedure applies for both international and domestic ports. Definitely if the patient is positive, the vessel will also have to be quarantined.

#### **Preparedness for second wave, Omicron and its threat**

3.140 The Committee expressed concern on the Ministry's preparedness for a second and subsequent waves of COVID-19 infection.

3.141 The Ministry responded by insisting that it will maintain strict controls at all entry ports and continue to work closely with other stakeholders such as law enforcement agencies to manage any threats to the country. The Ministry acknowledges it needs to improve on their preparedness too.

3.142 International partners continue to provide support including UK EMT medical teams and WHO teams deployed out in the Provinces, as well as equipment received from Australia, New Zealand, WHO and China. There are also ongoing discussions on construction of isolation facilities at the border too.

#### **Recommendation 28**

**The Committee recommends that the Ministry Health and Medical Service update its COVID-19 preparedness plans to incorporate lessons learnt from the recent community transmission outbreak and set out the necessary support to better address future waves of COVID-19 infections. This assessment should also consider adequacy of infrastructure needs including isolation centers to better inform future development plans.**

#### **Vaccination Roll out**

3.143 The Ministry confirmed on fully vaccinated population was 50%, 1<sup>st</sup> dose vaccination about 65% nationally. The Ministry is working very hard to meet its target. Currently vaccination target is 70%. The national target was 90% but there is a process that we need to balance the economy on the COVID-19 restriction and that 70% coverage will be sufficient to reopen the border. Permanent Secretary confirm first booster dose was 12,534 people and for second dose, 7,000 for ages 12-18. The COVID-19 technical working group is working on recommendations to vaccinate 5-11 years old. The second booster usually will give out after 4 months. Budget is a concern for the Ministry in order to expedite fully and to continue its operations to the Provinces. The Ministry thinks it's important to take into consideration at this time the selected Provinces due to man power. The new Johnson and Johnson single does vaccine will provide potential cost savings for rural vaccination programs.

#### **Recommendation 29**

**The Committee recommends that the Government aggressively accelerates the COVID-19 vaccination rollout program to achieve 90% coverage in line with regional standards by the target date on July 2022.**

#### **CT scan**

3.144 The Committee enquired on the capital works as to the current status of the CT scan. The Ministry confirmed right now installing the CT scan machine by the Seimens team. The whole of April installation works will continue and some trials to follow. The operation of the service will depend on the department.

#### **Preparation of the NRH for the upcoming games**

3.145 Committee questioned the Ministry's preparation of the NRH and health services for the upcoming South Pacific Games.

3.146 The Ministry has yet to connect with PMO to address this. The NRH continues with general improvements but still requires budget for maintenance work such as repainting, re-flooring, redevelopment and renovations of several wards.

## **10 Ministry of Infrastructure Development**

### **Mission Statement**

To provide, regulate and maintain services that support an integrated, efficient, safe and affordable transport system to enable all Solomon Islanders to participate and benefit in economic and social activities that sustains equality, unity and prosperity for the nation.<sup>11</sup>

### **2022 Budget Summary**

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<sup>11</sup> Solomon Islands Government, *2022 Financial Policy Objectives and Strategies, Budget Paper: Volume 1, 2022*, pp. 134.

	2022 BUDGET ESTIMATES	2021 REVISED BUDGET	2021 ORIGINAL BUDGET	Actual 2020	Actual 2019	Actual 2018	Actual 2017
<b>Recurrent Budget</b>							
Income	7,183,610	18,069,654	18,069,654	19,069,654	14,065,883	19,294,868	13,533,382
Payroll	8,570,412	9,852,400	9,852,400	10,282,855	7,017,452	9,698,656	9,186,308
Other Costs	45,012,116	45,012,115	45,012,115	53,270,403	57,155,028	50,853,493	51,694,199
<i>Net/Total</i>	<i>-\$ 46,398,918</i>	<i>-\$ 36,794,861</i>	<i>-\$ 36,794,861</i>	<i>-\$ 44,483,604</i>	<i>-\$ 50,106,597</i>	<i>-\$ 41,257,281</i>	<i>-\$ 47,347,125</i>
<b>Budget Support</b>							
Income	7,200,000	7,582,822	0	0	0	0	0
Payroll	0	0	0	0	0	0	0
Other Costs	7,200,000	7,582,822	0	3,967,409	0	0	0
<i>Net/Total</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>-\$ 3,967,409</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>
<b>Development Budget</b>							
SIG	109,200,000	100,000,000	100,000,000	43,716,144	61,105,579	166,107,479	296,995,736
Donor							
<i>Net/Total</i>	<i>\$109,200,000</i>	<i>\$ 100,000,000</i>	<i>\$ 100,000,000</i>	<i>\$ 43,716,144</i>	<i>\$ 61,105,579</i>	<i>\$ 166,107,479</i>	<i>\$ 296,995,736</i>

## Issues of Concern

Matters raised by the Committee includes the following:

### **Kukum High Way Project Phase 2**

- 3.147 The Committee queried the current status of the project. What has been done so far and whether the west side main road of Honiara city is also included in the project.
- 3.148 The Ministry responded that work on the road from Henderson airport to the city had already started. The Ministry anticipated the project should be completed before the 2023 SP Games. Also the financial component (proposals) with ADB had been opened for the Honiara municipal HQ to white river road.

### **Flooding and drainage problem along the Honiara main road**

- 3.149 The Committee is concerned that flooding and drainage problem along the Kukum highway is an ongoing problem despite the upgrade road work done, particular mentioned is the SDA Kukum roundabout area and the entrance to the Jehovah's witnesses Kingdom Hall. The Committee enquired whether the Ministry's engineers had asses the problem in order to find a longer term solution to the drainage problem from Burns creek to Pacific casino area
- 3.150 The Ministry responded that the attitude of the public in careless waste disposal contributed to this problem. People's attitude of throwing rubbish in the drainages cause debris to block the drainage during rainy days in the Kukum area. The Ministry further commented that the building at the Kingdom Hall entrance is built illegally on top of a drainage causing debris blockage.
- 3.151 The PS informed the Committee that the Ministry had awarded contracts for road maintenance and there are existing contractors to clean the drainages. He mentioned that the Ministry is engaging a contractor to do a feasibility study to construct the Kukum backroad for use when

there is problem with the main road. He stressed that the illegal building at the entrance to the Kingdom Hall should be removed.

#### **Recommendation 30**

**The Committee notes the ongoing challenges in maintaining our roads throughout the country and recommends that an effective surveillance system be implemented by the Ministry of Infrastructure Development to monitor all roads in the country. Waiting until roads are in a terrible state of repair then waiving procurement processes under the guise of emergency is unjustifiable and leaves the government vulnerable to abuse.**

#### **Recommendation 31**

**The Committee recommends that the Ministry of Infrastructure Development liaises with the Ministry of Police, National Security and Correctional Services to engage inmates to undertake community work to clean drains and other road maintenance activities throughout Honiara and Provinces on a regular basis.**

#### **SIRRAP Project in the Malaita Province**

3.152 The Committee required an update on the current status of the World Bank road rehabilitation project in Malaita Province.

3.153 The Ministry's Director Civil Engineering update the Committee on the SIRRAP Project as follows;

- The arrangement is; Aviation component is under the Ministry of Communication & Aviation, then road and bridges under the MID,
- In Malaita contracts were already awarded for three bridges along the north road. One contract was awarded to an international company. COVID-19 restrictions has interrupted planned work schedules,
- Fiu Bridge: The project had been changed to cater for designing only. Evaluation has already been done and tender for financial proposals already opened, awaiting World Bank approval for implementation,
- East Malaita road: this is packaged into five components including climate resilience to withstand the effects of climate change, and
- 10 East Malaita wooden bridges had been awarded contracts.

#### **Waiver of tender for 2021 Project allocations in Malaita Province**



- 3.154 The Committee is concerned that there is a lot of waiver on the tender process in the awarding of contracts to MP's companies. This is causing monopoly on the contracts. When tenders are waived and recipients are key people in the Gov't they had the potential to undermine their integrity, their Ministries and the Government more broadly. That their contracts are awarded because of their political standing as oppose to competitiveness and transparent decision making.
- 3.155 The Ministry stated that they used waiver to intervene in situations where it is urgently needed to fix the deteriorating condition of the road for public use. It is Government policy to utilize machines already on the ground to fix constituency roads in order to lessen costs. So constituency machines were available to be used.
- 3.156 The Ministry is also looking at the policy of creating Public Works Departments (PWD's) in the provinces to look after provincial roads as well as act as agents of the Ministry in the provinces.

### **Recommendation 32**

**The Committee is concerned that the Ministry of the Infrastructure Development is waiving tender on the basis of emergency situation. The Committee disagrees with the Ministry's assessment given the road conditions did not just suddenly deteriorate and recommends that the Ministry immediately observe the proper procurement processes including tendering for the awarding of contracts. Longer term, the Committee encourages the Ministry to progress the policy to establish public works divisions in all Provinces so they can take on the responsibility for road and bridges maintenance.**

### **Development Budget allocation for wharf construction**

- 3.157 The Committee is concerned about the budget allocations for the 2022 wharf construction.
- 3.158 The PS responded stating that the contracts for the Tulagi and Chea wharf had been awarded last year, but due to COVID restrictions it will be built this year.

### **National Transport Fund (NTF)**

- 3.159 The Committee sought clarification on the transition of the NTF. Whether the NTF will be closed and no longer needed. The fund is set up by an Act of Parliament and so members also query whether the Act is going to be repealed.
- 3.160 The Ministry clarified that the SIG still contributes towards the NTF, but donor support had ceased. The Government is currently seeking new donor funding support.

### **Support to local ship builders**

- 3.161 The Committee expressed concern on the lack of Government support towards local ship builders. This issue had been raised with the Ministry numerous times.

3.162 The Ministry admitted their failure to meet with Langalanga boat builders last year due to rioting in Honiara. The Ministry clarified that they need to assess their boats in order to be eligible for Government support. The Ministry informed the Committee that each year they make budget allocation for this support.

## 12 National Parliament/ 15 Pensions and Gratuities

### Mission Statement

To ensure that Parliament exercises its legislative, oversight, representation and outreach duties effectively and that Parliament remains the main forum for national political debate and democracy.<sup>12</sup>

### 2022 Budget Summary

	2022 BUDGET ESTIMATES	2021 REVISED BUDGET	2021 ORIGINAL BUDGET	Actual 2020	Actual 2019	Actual 2018	Actual 2017
<b>Recurrent</b>							
Income	0	0	0	6,300	0	9,600	0
Payroll	47,563,704	42,368,217	42,368,217	41,928,482	25,155,861	53,191,133	39,980,829
Other Costs	48,598,320	51,331,567	48,598,320	47,124,339	45,594,627	53,943,609	53,704,062
<i>Net/Total</i>	<i>-\$ 96,162,024</i>	<i>-\$ 93,699,784</i>	<i>-\$ 90,966,537</i>	<i>-\$ 89,046,521</i>	<i>-\$ 70,750,488</i>	<i>-\$107,125,142</i>	<i>-\$ 93,684,891</i>
<b>Development Budget</b>							
SIG	2,700,000	1,500,000	1,500,000	0	571,295	754,636	1,985,863
Donor							
<i>Net/Total</i>	<i>\$ 2,700,000</i>	<i>\$ 1,500,000</i>	<i>\$ 1,500,000</i>	<i>\$ -</i>	<i>\$ 571,295</i>	<i>\$ 754,636</i>	<i>\$ 1,985,863</i>

Pensions and Gratuities	2022 BUDGET ESTIMATES	2021 REVISED BUDGET	2021 ORIGINAL BUDGET	Actual 2020	Actual 2019	Actual 2018	Actual 2017
<b>Recurrent Budget</b>							
Income	0	0	0	0			
Payroll	16,063,442	16,105,600	16,105,600	15,975,236	15,933,772	12,948,837	13,745,516
Other costs	0	0	0	0	0	0	0
<i>Net/Total</i>	<i>-\$ 16,063,442</i>	<i>-\$ 16,105,600</i>	<i>-\$ 16,105,600</i>	<i>-\$ 15,975,236</i>	<i>-\$ 15,933,772</i>	<i>-\$ 12,948,837</i>	<i>-\$ 13,745,516</i>

<sup>12</sup> Solomon Islands Government, *2022 Financial Policy Objectives and Strategies, Budget Paper: Volume 1, 2022*, pp. 137.

## Issues of Concern

Matters raised by the Committee include the following:

### Parliamentary Budget and Activities

- 3.163 The Committee is very much concerned that the Parliament's budget allocation for this year is being slashed, and with all the issues in the chamber sound system there is insufficient budget available to address this in 2022.
- 3.164 The Office responded that there is no budget allocation for the Chamber sound system in the 2022 budget. They reiterated that they have applied for a contingency warrant last year to obtain funds to procure the equipment for the chamber system which was approved but was never utilized due to COVID-19 related issues of bringing overseas expert to fix the sound system. Currently they have all the equipment in country but not the experts to come and install them due to transport difficulties during COVID-19. A contractor was tasked to do an assessment of the building and do a cost analysis on it for the admin, this report will help the office to apply for CW for its repair and maintenance.

### Contingency Warrant

- 3.165 An additional contingency warrant will be applied for the Office air-condition system and another for the parliamentary generator set. Contractors were told to do assessment on the condition of the air con and provide cost of the repair and maintenance. The air condition system was used for three decades and out of the four units working two are currently not functioning and Parliament noted difficulties of procuring parts as parts were not available on the shelves.

### Recommendation 33

**The Committee recommends that the National Parliament Office secure additional budget for replacement of the Chamber air conditioning system and installation of the Chamber audio system to minimise any impact on parliament meetings.**

### ICT and Network Issues

- 3.166 The committee asked the office to provide views on the ICT<sup>13</sup> and network issues currently faced, the office advised as it is a new development not only in the committees but in situations which staff members would have to work from home would incur additional costs, and how parliament

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<sup>13</sup> Information Communication Technology

will plan for its virtual meetings in the future. At the moment the parliament needs to explore more on the areas of ICT and networking to identify areas of improvement.

#### **Recommendation 34**

**The Committee recommends that the National Parliament Office consider investing in virtual capability for both the plenary and committee hearings to allow safe proceedings during the current and future COVID-19 outbreaks.**

#### **Budgetary Support to Parliament**

- 3.167 The Committee alerts Parliament that the Parliament is not supported well in terms of its budget for the Committees, civic education, and many of its activities were not supported fully in terms of finances. The legislative role that the Parliament play is vital to the people it represents. Therefore, the scrutiny role must be funded properly. Whilst the Office budget had major cuts, the Committee was advised that it was the result on previous contingency warrants that have been applied but not used and was deducted from its budget

#### **MPs' Health Scheme**

- 3.168 The Committee is very much concerned about the current MPs' health scheme that was offered to the parliamentarians. It is of the view that this scheme is not favourable and is disappointing to Members of Parliament, and how Parliament could review this health scheme for its Members.
- 3.169 The Office advised that the current health scheme is under the Parliamentary Entitlement Commission and the Office does not have not much say on this matter and they can only advise the Parliamentary Entitlement Commission on what has transpired.

#### **Parliamentary Autonomy**

- 3.170 The Committee asked the Office with hope that the Clerk and his team to look at the Parliamentary Autonomy again and make attempts to send a proposal to the Prime Minister's office. The Clerk advice that Parliamentary Autonomy is one of the goals in its strategic plan, and they have to take stock of what has been successfully achieved in the past and what has not worked. It is intended that a leadership group will be set up for the activity to spearhead it. The Clerk reiterates the major challenge is the political will to drive the work forward. The details on how and what parliament wants to achieve is already in place.

## 13 Ministry of Forestry and Research

### Mission Statement

To promote, utilize, conserve, and manage the forest resources for the continuing benefit to the people of Solomon Islands, stakeholders and the environment.<sup>14</sup>

### 2022 Budget Summary

	2022 BUDGET ESTIMATES	2021 REVISED BUDGET	2021 ORIGINAL BUDGET	Actual 2020	Actual 2019	Actual 2018	Actual 2017
<b>Recurrent Budget</b>							
Income	1,669,046	1,474,328	1,474,326	3,015,760	6,321,298	4,400,900	3,148,150
Payroll	11,386,740	11,701,448	11,701,448	9,921,124	11,601,472	9,237,821	9,645,332
Other Costs	12,288,747	12,288,747	12,288,747	8,762,726	14,247,732	10,942,226	11,164,475
<i>Net/Total</i>	<b>-\$ 22,006,441</b>	<b>-\$ 22,515,867</b>	<b>-\$ 22,515,869</b>	<b>-\$ 15,668,090</b>	<b>-\$ 19,527,906</b>	<b>-\$15,779,147</b>	<b>-\$ 17,661,657</b>
<b>Development Budget</b>							
SIG	10,636,000	10,636,000	10,636,000	13,350,337	1,175,625	2,953,583	12,146,914
Donor							
<i>Net/Total</i>	<b>\$ 10,636,000</b>	<b>\$ 10,636,000</b>	<b>\$ 10,636,000</b>	<b>\$ 13,350,337</b>	<b>\$ 1,175,625</b>	<b>\$ 2,953,583</b>	<b>\$ 12,146,914</b>

### Issues of Concern

Matters of concern raised by the Committee includes the following:

#### Logging Licences

- 3.171 The Committee queried how many new logging licenses were issued in past twelve months and if the Ministry can confirm that production levels are expected to decline in 2022 and why.
- 3.172 The Ministry stated that a total of 144 licenses currently issued with only about 40 to 50 are active. This has been attributed to COVID-19 impacts. Total exports will change with 2019 at a total of export 2.2mio cubic meters round logs, 2020 2.4mio cubic meters for export and in 2021 2.1mio cubic meters export. Given our new sustainability policy we expect in 2022 that log exports will drop to 1.9 cubic million. In time the logs will drop to \$1.3mio to achieve sustainability.
- 3.173 In terms of license management in 2020 valid licenses totaled 322. In 2021 301 licenses of which 17 licenses were suspended. Of these 17, 7 licenses had notice to be cancelled issued and 10 licenses were lifted.
- 3.174 In terms of logging stocks in country current forest cover is 90% of land. Of this, 22% is accessible for logging. 16% is protected which includes above 400m. Currently 17% of the 22% has been

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<sup>14</sup> Solomon Islands Government, *2022 Financial Policy Objectives and Strategies, Budget Paper: Volume 1, 2022*, pp. 140.

logged with only 5% virgin commercial forest remaining. Most logging now operating on secondary forest or regrowth. The Ministry's goal is to get the regrowth shorter so the country can benefit from this renewable resource.

### **Reforestation**

- 3.175 The Committee sought an update on reforestation work and especially on the local hardwood species.
- 3.176 The Ministry confirmed that work on reforestation is tracking well with plans to legislate this requirement in the new forestry Bill targeting November 2022. Currently 20 hectares of local species is ongoing. Current trials show approximately 100% increase in tree height with proper intervention. Commercial trees allow regrowth in much less time. This however needs government to support local landowners to manage own regrowth. We can farm commercial timber.

### **Recommendation 35**

**The Committee recommends the Ministry of Forestry and Research should consider an incentive regime which rewards operators who support reforestation and processing of commercial timber. The Committee further recommends the Ministry update both the Act and regulations to facilitate this.**

### **Logging above the 400 meter above sea level**

- 3.177 The Committee referred to previous discussions on the regulation which prevents logging above the 400m above sea level mark and sought an update.
- 3.178 This September 2020 regulation does give the Ministry power over customary land so logging is happening above 400m. The Ministry is looking to exempt operators where the landowners have permitted logging. The challenge also is it is difficult to identify which logs are from above 400m.
- 3.179 Currently the budget for surveillance is insufficient. JICA has helped provide suitable software for monitoring forestry activities in the past. We are also investigating what FFA use to see if it can be adapted for forestry. At this stage the Ministry does not do much monitoring.

### **Recommendation 36**

**The Committee is concerned about the lack of monitoring of forest resources. The Committee recommends the Ministry of Forestry and Research to improve its monitoring and investigate the use of satellite imagery as a potential new form of monitoring. The Ministry should continue to liaise with the Ministry of Environment, Climate Change, Disaster Management and Meteorology for an opportunity to collaborate in monitoring solutions.**

### **Botanical Gardens**

- 3.180 The Committee enquired about the state of the botanical gardens and the Ministry's plans in 2022.
- 3.181 The botanical gardens are still an important area in the heart of Honiara. The challenges remain people continuing to build into the botanical land boundaries. The Ministry of Home Affairs has a cabinet paper for guidelines on the Botanical Gardens and the extent of protection we should continue to observe.

#### **Recommendation 37**

**The Committee recognises the value of the research and beauty the botanical gardens provide to the Honiara township and recommends that the Ministry of Forestry and Research in collaboration with the Ministry of Home Affairs devise a policy which continues to protect and develop the botanical gardens.**

## **14 Office of the Prime Minister and Cabinet**

### **Vision Statement**

To be an effective office providing exemplary Leadership and Coordination in the administration of Government affairs and deliver high quality advice to the Prime Minister and Cabinet.<sup>15</sup>

### ***2022 Budget Summary***

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<sup>15</sup> Solomon Islands Government, *2022 Financial Policy Objectives and Strategies, Budget Paper: Volume 1, 2022*, pp. 147.

	2022 BUDGET ESTIMATES	2021 REVISED BUDGET	2021 ORIGINAL BUDGET	Actual 2020	Actual 2019	Actual 2018	Actual 2017
<b>Recurrent Budget</b>							
Income	9,044	77,069	77,069	2,600	24,000	73,250	51,250
Pavroll	38,014,659	36,914,980	36,914,980	33,920,075	20,309,509	36,137,003	39,212,597
Other costs	40,872,110	41,326,379	41,326,379	41,185,957	49,305,481	129,986,185	74,129,544
<i>Net/Total</i>	<i>-\$ 78,877,725</i>	<i>-\$ 78,164,290</i>	<i>-\$ 78,164,290</i>	<i>-\$75,103,432</i>	<i>-\$ 69,590,990</i>	<i>-\$ 166,049,938</i>	<i>-\$ 113,290,891</i>
<b>Budget Support</b>							
Income	0	0	0	1,643,385	0	9,959,936	0
Pavroll	0	0	0	0	0	0	0
Other costs	0	0	0	18,250,244	0	12,997,195	16,278,350
<i>Net/Total</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>-\$16,606,859</i>	<i>\$ -</i>	<i>-\$ 3,037,259</i>	<i>-\$ 16,278,350</i>
<b>Development Budget</b>							
SIG	107,125,487	201,400,000	201,400,000	11,626,857	20,812,050	6,727,413	8,490,939
Donor							
<i>Net/Total</i>	<i>\$107,125,487</i>	<i>\$201,400,000</i>	<i>\$201,400,000</i>	<i>\$ 11,626,857</i>	<i>\$ 20,812,050</i>	<i>\$ 6,727,413</i>	<i>\$ 8,490,939</i>

## Issues of Concern

Matters raised by the Committee includes the following:

### Speaker and PM's official residence

- 3.182 The Committee is concerned that the Ministry's plan to develop the Speaker's official residence is left out in Ministry's budget for 2022.
- 3.183 The Ministry stated that the construction of the Speaker's official residence is one of the top priority of the Ministry together with the PM and CJ's official residences.

### OPMC's CDB infrastructure development plan

- 3.184 The Committee is concerned about the Ministry's concept plan to improve all the Ministries infrastructure development programs within the Central Business District (CBD).
- 3.185 The Ministry stated that they are working together with the Commissioner of Lands on the concept plan to develop government Ministries buildings in the CBD. There are two parts to the plan and first part of the concept is for the construction of a three or four storey building to accommodate both the OPMC and the Ministry of foreign affairs. The Ministry has started the scoping working on this already and have secured support for design and building. The second part is for the whole CBD development program where a reviewed concept has already been forwarded to the Commissioner of Lands to relook at the need to building a few high rise buildings with landscaping designs within the CBD to accommodate all government ministries which are expected to change the skyline view of the CBD.

### 2022 reduced budget for PG2023



- 3.186 The Committee is concerned about the reduction to the 2022 budget allocation for the Pacific Games 2023 (PG2023) and how this will impact on the progress of constructing the facilities for the PG2023.
- 3.187 The Ministry stated that the reduction was due to the fact that last year the Ministry was allocated \$198mio while this year's allocation is only \$100 million. This reflects the 40% decrease in this year's allocation. Additionally, this means that for next year the Ministry will need \$140mio because the Ministry is running behind by almost \$30mio which will be added to the \$110mio for next year's budget to meet the government's commitment. The Ministry is looking for additional funds from donors to reduce the burden on government for things such as water supply, sewage system, and road drainage which is estimated at \$60mio. MID is having difficulty securing the money so the NHA is working with them to try and make sure that resources are mobilized to MID, Solomon Power, and Solomon Water to make sure the needs are met before the PG2023.

#### **PG2023 athletes' village**

- 3.188 The Committee is concerned about construction and timely completion of the athletes' village for the Solomon Islands athletes at Tenaru and for other Pacific countries athletes on earmarked locations, particularly at SINU and what security measures will be in place to address SINU's Management concern for the security of athletes given the near proximity of squatter settlements behind the SINU campus.
- 3.189 The Ministry stated that for Team Solomon the focus is still on Tenaru. Basically, there is donor support to refurbish all the earmarked schools for the PG2023 including Tenaru, KGVI, SINU campuses at Panatina, Ranadi and Kukum, St Nicholas, and if need be the St John School. The Ministry has also negotiated a new PG2023 village complex at SINU which will contribute to the SINU's infrastructure and that includes three four storey buildings that will have 216 rooms that can accommodate 900 athletes which will then be handed over to SINU as a legacy from the PG2023. Work is in progress. SINU Management is expected to address security issues.

#### **SIICAC staffing**

- 3.190 The Committee is concerned about the adequate staffing of the Solomon Islands Independent Commission Against Corruption (SIICAC) under the OPMC in order for it to be fully functioning in its mandate.
- 3.191 The Ministry informed the Committee that the Ministry is looking to recruit between 25 to 30 staff for the three divisions to fully staff the SICAC. The Ministry is seeking to waver the position freeze within the public service where several of those will be going to the SICAC office. There is also some work with UNDP and Japan to bring in some external experts to work with our local experts

#### **Recommendation 38**

**The Committee recommends that current vacancies in the Solomon Islands Independent Commission against Corruption, which according to the Manpower establishment 2022 totals 6 vacancies out of the current 9 roles, be prioritised for immediate recruitment.**

#### **COVID-19 vaccination roll out**

- 3.192 The Committee is very concerned about the roll out program of the vaccination program and how it can be improved to achieve the country's vaccination target. The Committee views that the current vaccination roll out is not very effective.
- 3.193 The Ministry stated that they are speaking with the Ministry of health to change the modality of how they are doing the vaccination program. The Ministry found out that the current model used by the Ministry of health by dispatching teams to go out to the provinces to conduct the vaccination program is very expensive. Prior to the community transmission of COVID-19 in the country the Government had spent more than \$20 million for vaccination roll out in the provinces and many people were reluctant to take the vaccine then. Now with the community transmission more people are willing to get vaccinated and so the strategy being discussed now is to increase the outreach program and to roll out Sinopharm and AstraZeneca vaccines in clinics by nurses. The Pfizer vaccine will be difficult to roll out in clinics but can be done in schools. The country has also received the single dose Johnson & Johnson vaccine as well which is suitable for people located in very isolated areas. The Ministry is looking to achieve a 68% to 70% vaccination coverage by the end of April this year.

## **16 Ministry of Police, National Security and Correctional Services**

### **Mission Statement**

As an agency of the Executive government the ministry's mission is to ensure that trusted policy advice is rendered to the Executive; and that the ministry exercises its duties of policy implementation, coordination and monitoring by effective management and fiscal administration.<sup>16</sup>

### **2022 Budget Summary**

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<sup>16</sup> Solomon Islands Government, *2022 Financial Policy Objectives and Strategies, Budget Paper: Volume 1, 2022*, pp. 162.

	2022 BUDGET ESTIMATES	2021 REVISED BUDGET	2021 ORIGINAL BUDGET	Actual 2020	Actual 2019	Actual 2018	Actual 2017
<b>Recurrent Budget</b>							
Income	1,249,060	703,333	703,333	585,590	759,628	649,300	581,880
Payroll	144,185,735	138,725,902	138,725,902	140,502,045	82,184,810	118,955,557	114,315,875
Other costs	140,945,755	127,683,704	127,683,704	149,824,910	143,483,710	154,323,291	139,812,040
<i>Net/Total</i>	<i>-\$ 283,882,430</i>	<i>-\$265,706,273</i>	<i>-\$ 265,706,273</i>	<i>-\$289,741,365</i>	<i>-\$142,724,082</i>	<i>-\$272,629,548</i>	<i>-\$ 253,546,035</i>
<b>Budget Support</b>							
Income	35,898,315	36,075,947	9,842,885	0	0	0	0
Payroll	0	0	0	0	0	0	0
Other cost	35,898,315	36,075,947	9,842,885	20,656,896	0	0	0
<i>Net/Total</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>-\$ 20,656,896</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>
<b>Development budget</b>							
SIG	21,630,000	11,750,000	10,000,000	3,290,711	5,860,539	11,436,603	13,030,071
Donor							
<i>Net/Total</i>	<i>\$ 21,630,000</i>	<i>\$ 11,750,000</i>	<i>\$ 10,000,000</i>	<i>\$ 3,290,711</i>	<i>\$ 5,860,539</i>	<i>\$ 11,436,603</i>	<i>\$ 13,030,071</i>

## Issues of Concern

Matters raised by the Committee includes the following:

### Shipment of Firearms

- 3.194 The Committee referred to a recent shipment of replica firearms. This shipment was on board a logging vessel and offloaded on a private wharf. The Committee is concerned that the Police is not using official channels which risks raising suspicion in the community.
- 3.195 The Commissioner pointed out that as these are replica guns and not a real weapons, the shipping arrangements were done by the supplier and customs. Only one shipment of replica weapons and no real weapons on the manifest.

### Police Intelligence

- 3.196 The Committee referred to the December riots and questioned if the Police, with the benefit of hindsight, had properly assessed the intelligence failure and taken steps to further build capacity in country.
- 3.197 The Ministry stated that they are looking at a paced approach for capability build for intelligence unit and use of guns which is already built into our training budget. Assessment shows that intelligence capability plan required. The Police do have a strategy to build intelligence capacity with plans to conduct training abroad once borders open in July. The Ministry's current plan includes working with the US Intelligence Bureau

### Police Mobility

- 3.198 The Committee was interested in the current state of Police mobility for land, sea and air.
- 3.199 The Ministry stated that on mobility each department do require specialist resourcing needs. All mobility funding now returned to the Ministry from MID. In 2022, The Ministry expects 6 vehicles

from donors and 9 locally for a total of 15 vehicles coming. Total mobility up to 75% but will require an additional 25% for the national general elections and the South Pacific Games. Sea mobility capability is 80% from target. Patrols in East, North and West.

### **New Police Bases**

- 3.200 The Committee notes plans for a new patrol base and new Police station and sought to get a further update on the Ministry's building plans in 2022.
- 3.201 In 2022, the Ministry has earmarked Noro and Maka for new Police stations. Priority will be Maka with Noro being subject to donor funds. The Western border patrol outpost is also in progress with COVID impacting original timelines. Construction is expected to start in Q3 this year. The design is 30% done. This project is funded by Australia and a construction company has been identified. The 2022 development budget is to cover the purchase of land in the western border. For eastern border a new donor has been identified and will likely be different from western border approach. No timeframe for eastern border has been set yet

### **Police Staff Housing and Administration**

- 3.202 According to the Ministry, currently they have 397 staff houses. The Government housing scheme has 600 staff. They have a big gap of staff who are seeking assistance. The Ministry's new policy in June should address some of these needs. This new scheme aims to build new apartments to ensure Police are in one location. For security purposes we need core police in central area and not renting all over town.
- 3.203 Part of DCGA focus is on a Police academy which needs to be affiliated to regional partners and is still being work through. The recent unrest highlighted a lot more work on our training and capacity needs to be done.
- 3.204 In relation to work to move trained Police officers out of administration into front line work, a review has commenced to civilise the admin and policy cadre including other relevant areas necessary for civilian expertise. Part of this review is to re-align some qualified officers to frontline policing. It is a big work and will be gradually implemented in phases.

### **Recommendation 39**

**The Committee recommends that the Police Academy is affiliated with a suitable regional partner to help accelerate training and development needs including suitable specialist training and capacity planning required to reduce reliance on foreign forces for domestic security needs.**

- 3.205 The Committee queried whether Police still engage in peacekeeping deployments.
- 3.206 For Police peacekeeping we do have a pool of officers who are qualified. Due to COVID this program has stalled; will look at maybe in 2023.

**Recommendation 40**

**The Committee feels that the participation in regional peacekeeping missions will provide invaluable experience for our qualified Police force and help build our reputation amongst regional peers. The Committee recommends that the Ministry of Police, National Security and Correctional Services commence planning for re-engagement once borders are open and it is safe to do so.**

**Correctional Services**

- 3.207 The Committee requested an update on correctional facility current capacity and future plans.
- 3.208 Current capacity is 600 beds throughout the country. Currently building a new isolation center. Whilst the capacity is enough, increased usage above capacity will require that detainees on terms less than six months will be allowed early release.
- 3.209 The Committee queried when inmates can be released on community work.
- 3.210 The Commissioner suggested that this may be possible for Honiara in fourth quarter this year. For Provinces there is already community engagement.

**Recommendation 41**

**The Committee recommends that the Commissioner of Correctional Services implement an effective inmate community work scheme in 2022 for Honiara Township. The Committee requests that the Ministry of Police, National Security and Correctional Services liaise with the Ministry of Infrastructure and Development for regular cleaning of roads and drains in preparation for South Pacific Games 2023.**

## **17 Ministry of Provincial Government and Institutional Strengthening**

### **Mission Statement**

To strengthen the Provincial Government system, MPGIS will;

- work towards an appropriate balance between the responsibilities of Provincial Government, the resources available to Provincial Governments, and the capacity of provincial Governments,

- support the decentralization process through a systemic and feasible delegation/devolution of functions, mandates and budget thus bringing decision-making and services closer to its citizens,
- ensure the necessary accountability, transparency and participation mechanisms, and
- Resettlement Planning and Management Schemes.<sup>17</sup>

## 2022 Budget Summary

	2022 BUDGET ESTIMATES	2021 REVISED BUDGET	2021 ORIGINAL BUDGET	Actual 2020	Actual 2019	Actual 2018	Actual 2017
<b>Recurrent Budget</b>							
Income	0	0	0	50	20,750	5,250	2,400
Payroll	28,457,374	25,624,241	25,624,241	25,747,553	15,015,293	27,105,920	20,550,223
Other costs	75,259,501	75,576,467	75,576,467	86,209,109	92,681,676	91,006,568	84,333,810
<i>Net/Total</i>	<i>-\$103,716,875</i>	<i>-\$101,200,708</i>	<i>-\$101,200,708</i>	<i>-\$ 111,956,612</i>	<i>-\$ 107,676,219</i>	<i>-\$ 118,107,238</i>	<i>-\$ 104,881,633</i>
<b>Development Budget</b>							
SIG	40,000,000	31,500,000	31,500,000	13,296,775	40,000,000	10,000,000	57,500,000
Donor							
<i>Net/Total</i>	<i>\$ 40,000,000</i>	<i>\$ 31,500,000</i>	<i>\$ 31,500,000</i>	<i>\$ 13,296,775</i>	<i>\$ 40,000,000</i>	<i>\$ 10,000,000</i>	<i>\$ 57,500,000</i>

## Issues of Concern

Matters raised by the Committee includes the following:

### Provincial Government Capacity

- 3.211 The Committee was happy with the work done by the Provincial Government and the systematic and thorough approach it took on capacity development. The Committee further encouraged the Ministry to build increased capability and infrastructure in each Province towards realizing the Governments policy to decentralize Government and provide increased autonomy to our Provincial Governments.
- 3.212 The Ministry stated that the PSPG program is designed for capacity building in the Provinces focusing on effective financial management and good governance. The Ministry informed the committee on challenges, for instance new induction programs required when new policies are implemented by National Government.

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<sup>17</sup> Solomon Islands Government, *2022 Financial Policy Objectives and Strategies, Budget Paper: Volume 1, 2022*, pp.

3.213 In regards to decentralization requires work on the current Provincial Government Act. The Ministry is planning for at least two consultations prior to the planned review.

#### **PCDF**

3.214 The Committee registered their disappointment on the budget allocation of \$40m and if the Ministry could confirm the \$120m that was promised to support PCDF.

3.215 According to the Permanent Secretary, the government has been very supportive in this budget even in the past years to date<sup>18</sup>. The PS also highlights that though traditional donors (EU & RAMSI) assistance in 2012-2013 to the PGSP program had stopped, the government support continued to date.

3.216 The Ministry also informed committee of the donor's interest to come back and assist. This Ministry bid for PCDF was for \$60m however, PCDF approved is \$40m. Due to Budget constraints, the Ministry is also faced with challenges on the availability of qualified staff.

#### **Recommendation 42**

**The Committee recommends increasing the Provincial Capacity Development Funds to \$100 million per annum for Provincial Governments capital development to increase infrastructure investment in the Provinces and help accelerate post COVID-19 recovery.**

#### **Recommendation 43**

**The Committee recommends Government to fast-track the review of the *Provincial Government Act 1997* and consider providing greater autonomy Provinces including revenue sharing to Provinces which demonstrate proper financial governance and capability.**

#### **Donor type and level of funding**

3.217 The Committee enquire on the type of donors and the level of funding

3.218 Currently a lot of programs are underway. The Ministry recently concluded negotiations for the World Bank funded integrated economic development and community resilient project which is about of SBD \$195m equivalent or USD\$23.56m<sup>19</sup>. This particular package has a loan component

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<sup>18</sup> Stanley Pirione, PS, MPGIS, PAC virtual evidence, 7 April 2022

<sup>19</sup> Momodou Sawaneh, CTA, MPGIS, PAC virtual evidence, 7 April 2022

of USD\$6m which is provided to the National Government that will be paid for over 40 years at a low interest rate<sup>20</sup>.

- 3.219 Out of this SBD\$195m, the Ministry confirms that \$86m will be for PCDF programs aimed at economic activities, infrastructure and resilience projects including isolation and quarantine centers at the Provincial level.
- 3.220 The PCDF operations manual is currently being reviewed in response to the cabinet conclusion so currently the investment menu for PCDF is being reviewed in line with government aspirations<sup>21</sup>.
- 3.221 \$54m will go to support ward development committees, building capacity and social accountability. A total of 172 officers will be recruited to support the ward development committees under the participatory planning framework, which is the blue print adopted by MPGIS and issued by the Minister responsible for MPGIS<sup>22</sup>.
- 3.222 Climate change is also another area of focus. A climate change officer and an environment officer will be recruited in each of the provinces. The Ministry also informed the committee of its plans with the Engineering divisions of the provinces which will also be strengthened. Plans are to complete recruitment of 18 qualified engineers with each province having 2 engineers ready to support.
- 3.223 Another program that is almost ready to be signed is the EU funded Euro\$8m for water and sanitation projects which will be implemented by MPGIS in coordination with the Ministry of Health and Ministry and Ministry of education and human resources development. There are also plans for project funded by UNCDF in 2023.
- 3.224 Climate change (LOCAL facility) and MFAT also engaging for 2023. All of this has been made possible due to the national government confidence in MPGIS programs.

### **Litigation**

- 3.225 The Committee enquire on the issue faced by past unpaid contracts. The Committee was interested on the total value of these claims and requested further information.

### **Revenue Sharing Scheme**

- 3.226 The Committee questioned as to whether this scheme already tabled and why the Ministry seeks for re-tabling.

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<sup>20</sup> Ibid

<sup>21</sup> Ibid

<sup>22</sup> Momodou Sawaneh, CTA, MPGIS, PAC virtual evidence, 7 April 2022



3.227 The Ministry confirm that it was approved by the government. The government requested for further assessment to ensure Provinces have the capacity to manage greater amount of money and responsibility.

#### **Collaboration with MPS**

3.228 The Committee was interested in an update on whether Provinces can employ direct employees.

3.229 The Ministry stated that its specialists; procurement, planning, accounting and engineering staff, are all locals on performance based contracts. These staff have higher output then public service engaged staff. The Ministry will liaise with MPS to negotiate on how best all of its core staff can be move onto a contract basis.

## **18 Ministry of Lands, Housing and Survey**

### **Mission Statement**

To ensure that the Solomon Islands Government is supported by a Professional team and efficient land management system that contributes to social stability, economic growth and sustainable environment.<sup>23</sup>

### **2022 Budget Summary**

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<sup>23</sup> Solomon Islands Government, *2022 Financial Policy Objectives and Strategies, Budget Paper: Volume 1, 2022*, pp. 176.

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	2022 BUDGET ESTIMATES	2021 REVISED BUDGET	2021 ORIGINAL BUDGET	Actual 2020	Actual 2019	Actual 2018	Actual 2017
<b>Recurrent</b>							
Income	11,914,321	10,263,172	10,263,172	13,856,039	5,244,283	7,423,716	8,682,779
Payroll	7,900,026	7,692,034	7,692,034	7,406,467	4,660,995	6,025,654	6,016,756
Other Costs	11,132,536	11,132,536	11,132,536	8,746,911	9,285,148	10,361,254	11,174,196
<i>Net/Total</i>	<i>-\$ 7,118,241</i>	<i>-\$ 8,561,398</i>	<i>-\$ 8,561,398</i>	<i>-\$ 2,297,339</i>	<i>-\$ 8,701,860</i>	<i>-\$ 8,963,192</i>	<i>-\$ 8,508,173</i>
<b>Development Budget</b>							
SIG	10,000,000	10,000,000	10,000,000	2,091,154	1,800,213	10,426,672	18,184,206
Donor							
<i>Net/Total</i>	<i>\$ 10,000,000</i>	<i>\$ 10,000,000</i>	<i>\$ 10,000,000</i>	<i>\$ 2,091,154</i>	<i>\$ 1,800,213</i>	<i>\$ 10,426,672</i>	<i>\$ 18,184,206</i>

### Issues of Concern

Matters of concern raised by the Committee include the following:

#### Resumption of Land for development purposes

- 3.230 The Committee commented on the various land resumption that the Commissioner of Lands has been working on and requested the Ministry to provide an update.
- 3.231 The Ministry stated in relation to the Levers Land the Commissioner acting on a cabinet decision has put out notices for both forfeiture and compulsory acquisitions. Levers have challenged both and case is ongoing. The Government is also in discussion with Levers.
- 3.232 In relation to Henderson, resumption based on national interest in also ongoing.

#### New National Cemetery and National Referral Hospital (NRH)

- 3.233 The Committee sought an update on both the new national cemetery and the already identified National Referral Hospital.
- 3.234 The Ministry of Home affairs has made the request for the cemetery and is waiting to hear if cabinet has approved the new cemetery site.
- 3.235 In relation to the NRH the land behind Gilbert Camp has already been transferred to Government. Some legal challenges claiming original ownership with other groups disputing amongst themselves. Disputes are required to be sorted before settlement. Dispute is not against Government.

#### Recommendation 44

**The Committee recommends that a budget allocation be made in 2022 for the acquisition of a new National Cemetery.**

## 19 Ministry of National Planning and Development Coordination

### Mission Statement

Enhance economic and social well-being of the people of Solomon Islands through maximum participation in economic development and by fostering co-operation between National, Provincial Government and Communities and between development partners in order to maximize utilization of development resources to the benefit of the people of Solomon Islands.<sup>24</sup>

### 2022 Budget Summary

	2022 BUDGET ESTIMATES	2021 REVISED BUDGET	2021 ORIGINAL BUDGET	Actual 2020	Actual 2019	Actual 2018	Actual 2017
<b>Recurrent Budget</b>							
Income	0	0	0	0	0	0	0
Payroll	3,355,497	2,695,155	2,695,155	2,579,718	1,785,136	2,429,182	2,636,777
Other costs	2,562,226	2,562,226	2,562,226	2,035,824	3,141,020	3,671,604	3,581,464
<i>Net/Total</i>	<i>-\$ 5,917,723</i>	<i>-\$5,257,381</i>	<i>-\$ 5,257,381</i>	<i>-\$ 4,615,542</i>	<i>-\$ 4,926,156</i>	<i>-\$6,100,786</i>	<i>-\$ 6,218,241</i>
<b>Development Budget</b>							
SIG	1,500,000	8,400,000	8,400,000	0	20,109,570	3,779,843	14,686,408
Donor							
<i>Net/Total</i>	<i>\$ 1,500,000</i>	<i>\$ 8,400,000</i>	<i>\$ 8,400,000</i>	<i>\$ -</i>	<i>\$ 20,109,570</i>	<i>\$3,779,843</i>	<i>\$ 14,686,408</i>

### Issues of concern

Matters of concern raised by the Committee includes the following:

#### Development budget

- 3.236 The Committee queried the breakdown of 2021 development budget and its level of implementation.
- 3.237 The Ministry stated that the 2021 development budget funded a total of 64 development programs, inclusive of the PRC support of the CDF under the Ministry of Rural Development. A total of \$938 million dollars was appropriated for the 2021 development budget, the programs funded under this budget include 60 on-going programs and 4 new programs.

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<sup>24</sup> Solomon Islands Government, *2022 Financial Policy Objectives and Strategies, Budget Paper: Volume 1, 2022*, pp. 184.

- 3.238 The execution rate at the end of the third quarter of 2021 was only 48.1%. This was a decrease of 7.8% compared to the 2020 execution rate for the development budget in the same quarter.

### **The National Development Strategy (NDS) performance report**

- 3.239 The Committee is concerned with how often this report is done. The Committee is of the view that this is a useful tool to see how the development budget over the years has been tracking against the NDS. It is also concerned that there is expenditure but it does not match the outcome.
- 3.240 The Ministry stated that the last update of tracking against NDS was produced in 2017.
- 3.241 The Committee is concerned that the last NDS report was in 2017 and questioned whether there are other procedural reporting and when they should be available.
- 3.242 The Ministry stated that the NDS is a broad document and is at an Apex outcome level. At the development budget outcome level, the Ministry has not been able to track in past two years due to lack of staffing capacity.
- 3.243 The Committee is concerned that the Ministry needs a half way point to do the analysis. There is the fear that large amount of money has being expended and but the outcome does not match the expenditure.
- 3.244 It is also of the view that there is need for proper regular expenditure review to be done by ministries. This would be a useful tool to tie to the outcome which are anticipated for the NDS.

### **Recommendation 45**

**The Committee recommends that the Ministry of National Planning and Development Coordination provide a report on tracking against the National Development Strategy at a regular cycle but no later than every three years. The neglect in this monitoring prevents accountability in delivering against these national targets.**

### **Cash flow**

- 3.245 The Committee is concerned with the issue of cash flow in the country and how it affects the implementation rate of projects under the development budget.
- 3.246 The Ministry stated that in order to address the issue of cash flow project submission are required to include a procurement plan and expected expenditures. Expected expenditures are compiled over a period of time before it is given to the Ministry of Finance, therefore, giving the Ministry of Finance ample time to prepare the funds required.

### **LDC Graduation**

- 3.247 The Committee enquired about Solomon Islands graduation from the Least Development Country (LDC) status.
- 3.248 The Ministry stated that Solomon Islands is earmarked to graduate in 2024. Preparations have begun since 2019 to formulate a smooth transition strategy. However, the COVID-19 pandemic has resulted in it being put aside but has been gradually being picked up again.
- 3.249 The Ministry expressed concern regarding the implications of COVID-19 on the LDC indicators such as per capita income, human asset index and economic vulnerability index.

**Recommendation 46**

**The Committee is concerned that recent research suggests countries like Solomon Islands will take five or more years to recover from global shocks like pandemics, which in turn will affect our planned graduation from Least Developed Country (LDC) status in 2024. The Committee recommends a review of the LDC graduation plans in collaboration with the Ministry of Foreign Affairs and External Trade.**

**Lack of project proposal design**

- 3.250 The Committee is concerned with the need for the project designs to enable quality project design proposals.
- 3.251 The Ministry stated that this has been an on-going issue. The Ministry has been working on improving the work plan to provide ministries with clear project proposal guidelines. It will also include issues such budgeting by implementing agencies and Ministries and cost benefit analysis.

**Recommendation 47**

**The Committee recommends that the Ministry of National Planning and Development Coordination address its technical staffing capacity gaps and put emphasis on identifying good investment opportunities, improving project design quality submissions and monitoring from all Ministries. These same resources can also implement effective project preparation manuals as a matter of priority.**

## 20 Ministry of Culture and Tourism

### Mission Statement

The Mission of the Ministry is to increase the impact of tourism on economic growth in the Solomon Islands by developing a dynamic, sustainable and private sector driven industry. The ministry is aware of the fact that sustainable tourism development must be sensitive to the unique cultural and environmental legacy of the nation. It must also empower local communities and bring economic benefits to rural populations by creating jobs and reducing poverty. The Ministry is also responsible for the protection, nurturing and promotion of the Solomon Islands' unique and diverse cultural heritage.<sup>25</sup>

### 2022 Budget Summary

	2022 BUDGET ESTIMATES	2021 REVISED BUDGET	2021 ORIGINAL BUDGET	Actual 2020	Actual 2019	Actual 2018	Actual 2017
<b>Recurrent Budget</b>							
Income	322,116	125,655	125,655	125,655	145,160	167,470	207,450
Pavroll	3,463,700	3,021,989	3,021,989	3,145,230	2,249,022	3,212,552	3,271,788
Other cost	22,211,634	22,211,634	22,211,634	15,228,948	20,664,266	23,672,239	14,394,681
<i>Net/Total</i>	<i>-\$25,353,218</i>	<i>-\$ 25,107,968</i>	<i>-\$ 25,107,968</i>	<i>-\$ 18,248,523</i>	<i>-\$22,768,128</i>	<i>-\$26,717,321</i>	<i>-\$ 17,459,019</i>
<b>Development Budget</b>							
SIG	10,000,000	10,000,000	10,000,000	1,204,870	3,729,692	8,503,621	14,934,146
Donor							
<i>Net/Total</i>	<i>\$ 10,000,000</i>	<i>\$ 10,000,000</i>	<i>\$ 10,000,000</i>	<i>\$ 1,204,870</i>	<i>\$ 3,729,692</i>	<i>\$ 8,503,621</i>	<i>\$ 14,934,146</i>

### Issues of Concern

Matters of concern raised by the Committee includes the following:

#### DBSI scheme

- 3.252 The Committee was interested to know more about the DBSI scheme, how much was allocated and how successful the scheme has been.
- 3.253 The DBSI grant was a total of \$2mio with \$1.5mio utilized in 2021. The program if effective will continue. This assessment will be conducted over time.

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<sup>25</sup> Solomon Islands Government, *2022 Financial Policy Objectives and Strategies, Budget Paper: Volume 1, 2022*, pp. 186.

**Recommendation 48**

The Committee queried the effectiveness of the DBSI scheme for tourism operators. The Committee recommends the Ministry of Culture and Tourism get regular updates and where possible joint site visits with DBSI and the Ministry to monitor performance of all successful applicants under this scheme. The reviews should commence immediately to ensure any learnings can be incorporated into current year grant schemes including if necessary cessation due to poor performance.

**Border Reopening plans**

- 3.254 The Committee is aware of the planned border reopening in July 2022 and wanted to hear of the Ministry's plans to safely re-engage the tourism sector.
- 3.255 The Border reopening framework plan was developed by border reopening committee. This was done in collaboration with MHMS putting safety for operator and community paramount.
- 3.256 Standard operating procedures being developed for operators with hotels reopening in a phased manner. Hotel facilities will likely still be used for isolation. Community awareness plans also ready to deploy.

**Tourism Solomons**

- 3.257 The Committee considered the \$5mio grant too small for the bureaus work and queried whether there were other sources of income.
- 3.258 Tourism Solomons normal annual budget is \$15mio budget of which \$10mio is raised through bed levies and \$5mio from grants. When the borders closed as a result of COVID, bed levies dropped to \$2.5mio and only grant applied. Budget 50% drop. to about \$7.5mio which was adequate for domestic only activities.
- 3.259 If it includes international sector, then the budget will not be sufficient. At this stage the Ministry is looking to the 2023 budget for a staged re-engagement approach.
- 3.260 Australia and New Zealand are key source markets. Previously 28,900 total annual arrivals with 60% from Australia. Other markets in Europe are currently online marketing only. Lead bookings for dive operators rolled over from 2021 from North America and some other long haul markets but focus remains on Australia and New Zealand.
- 3.261 In terms of pricing Solomon Islands remains an expensive destination compared to Vanuatu and Fiji. This is partly due to lack of scale with not enough volume inbound which means pressure to keep high pricing. Other high costs include the cost of electricity and air fares.

**Recommendation 49**

**The Committee noted that Solomon Islands is considered an expensive destination. The Committee recommends that Tourism Solomons work in collaboration with premium hotels, compliant operators and airlines towards ensuring that the Solomon Islands product is properly promoted and competitive ahead of the SPG 2023.**

#### **South Pacific Games (SPG)**

- 3.262 The Committee sees a big opportunity for the Ministry to show case our country's natural beauty in a properly planned and safe manner during the SPG in 2023. The Committee is interested to hear about the Ministry planning ahead of the games event.
- 3.263 The Ministry had commenced some landscaping work in 2021 for the art gallery however no further budget allocated in 2022.

#### **Recommendation 50**

**The Committee recommends that the Ministry Culture and Tourism engage with the National Hosting Authority to seek funding support for all tourist sites and preparatory work required to showcase our country in 2023.**

## **21 Ministry of Commerce, Industries, Labour and Immigration**

### **Mission Statement**

The primary purpose and objectives of the ministry is to provide an effective and efficient delivery of services that will enhance, promote and generate growth within the private sector thus creating a vibrant and progressive economy. It is the business of the Ministry to provide Business Services where they are needed and access to financing Solomon Islanders to actively participate and engage in Small and Medium Enterprises. To continuously review its institutional arrangement with a view to build a better, flexible labour market that favours private sector growth ensuring real growth is achieved through the creation of increased business opportunities, creation of employment opportunity,



improved product development, equitable participation by both foreigners and local investments, efficient legal and administrative process and the acceleration of technology and industry.<sup>26</sup>

### 2022 Budget Summary

	2022 BUDGET ESTIMATES	2021 REVISED BUDGET	2021 ORIGINAL BUDGET	Actual 2020	Actual 2019	Actual 2018	Actual 2017
<b>Recurent Budget</b>							
Income	31,127,315	34,145,500	34,145,500	25,174,534	28,329,525	32,466,583	33,883,565
Payroll	12,991,125	12,933,910	12,933,910	11,811,761	7,957,956	11,292,166	12,119,330
Other costs	29,410,872	29,410,872	29,410,872	22,265,055	27,644,319	26,432,368	24,907,611
<i>Net/Total</i>	<i>-\$11,274,682</i>	<i>-\$ 8,199,282</i>	<i>-\$ 8,199,282</i>	<i>-\$8,902,282</i>	<i>-\$ 7,272,750</i>	<i>-\$5,257,951</i>	<i>-\$ 3,143,376</i>
<b>Development Budget</b>							
SIG	33,663,770	25,000,000	25,000,000	5,247,031	6,533,959	6,233,937	5,058,025
Donor							
<i>Net/Total</i>	<i>\$33,663,770</i>	<i>\$ 25,000,000</i>	<i>\$ 25,000,000</i>	<i>\$ 5,247,031</i>	<i>\$ 6,533,959</i>	<i>\$6,233,937</i>	<i>\$ 5,058,025</i>

### Issues of Concern

Matters of concern raised by the Committee includes the following:

#### Passport fees for Labour Mobility

- 3.264 The Committee raised a question on the policy objectives to remove all impediments to recruiting young people which requires policy decision to waiver passport fees.
- 3.265 According to the Ministry, passport fees are revenue to the government through selling of passport and it cost \$1000 per book equivalent to \$200AUD. This is the identity document of the country and the Ministry is not comfortable with waiving any passport fees or to consider reducing its price. The Ministry noted and will discuss the matter with other government agencies for further policy decision. Immigration act is currently under review according to PS.

#### Recommendation 51

**The Ministry of Commerce, Industries, Labour and Immigration consider waiving fees for labour mobility applicants and facilitate as much as possible the expansion of this scheme. The past year data indicated that close to \$72 million in remittances came from the labor mobility scheme. The**

<sup>26</sup> Solomon Islands Government, 2022 *Financial Policy Objectives and Strategies, Budget Paper: Volume 1*, 2022, pp.

**economic benefits of this will far outweigh the loss of revenue of \$1000 fee for passports for labour mobility applicants.**

### **SME Program**

- 3.266 The Committee request update on the funds given to DBSI on the Scheme and its allocations for this year.
- 3.267 The Ministry stated that the MSE credit line was launch with DBSI in September 2021. Up until the end of last month the Ministry approved 18 loans for a total value of \$5.1m. Actual loan disbursed totaled \$4.3m.
- 3.268 Internal guarantee provided under the credit line is \$700,025 and total funds utilize up until the end of last month was \$4.78m. By sectors the Bank supported Timber mill and export, Telecommunication firms, cocoa firms, retailing sector, piggery, tailoring, vehicle dealers, transport and construction.

### **Mamara development**

- 3.269 The Committee understand the original agreement is for Tourism and golf course and now developer is developing for social housing.
- 3.270 The original agreement focuses on tourism development according to the Mamara act<sup>27</sup>. This act covers 3 portion of lands; the Mamara, Tasivarongo and Mavo. The Mamara act established a council “the Mamara council” and works along the investors and the developers to look at the plans and along the way few changes have happened.
- 3.271 The recent one is for the provision of housing for Public servants and it was approved by the council.

### **Mamara Houses**

- 3.272 The Committee is interested in further details on the current Mamara housing project and houses government planned to acquire and its value.
- 3.273 On the Mamara housing is just on phase one on Mamara key project activities. There is a plan to build houses for public services and the public. With the first 50 houses, there is an agreement on “sale and purchase agreement” for the 50 houses. No further houses agreed at this stage. A plan for the developer to continue building its houses still in place. For now, the government only agreed to purchase this under the sales and purchase agreement last year. The total cost of these houses is around \$34m with payment split into 3 phases. Phase one upon signing and 40% of the total amount

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<sup>27</sup> Riley Mesepitu, PS, MCILI, Hearing evidence, 6<sup>th</sup> April 2022

was released last year. Second phase 50% based on the transfer of the title which the Ministry of Land are dealing with. Perpetual estate is owned by the government.

3.274 The project is part of the new policy for public service housing scheme and based on their individual entitlement.

### **Foreign Investment**

3.275 The Committee noted that foreign investment is important and the need for a new policy to attract the right quality of foreign investment and not one where foreigners concentrate on retail sector only. Similarly, a new policy on dual citizenship and marriages needs to be updated to manage reserve businesses.

3.276 For example, the shares of investor particularly foreigners using local names but retain all the benefits should be regulated. If foreigner want to use married spouse, then must have both listed on company register to ensure bank accounts are also in joint names.

### **South Pacific Games (SPG)**

3.277 The Committee enquired as to the economic impact of the Pacific Games

3.278 The Ministry is a member of the SPG sub-committee under PMO and anticipates positive economic benefits from the SPG. The Ministry is planning to host a national trade show in the upcoming Pacific Game. This is not reflected in the current budget. The budget might come in the second half of the year. The other positive impact is to promote potential investment area in Solomon Islands.

### **Recommendation 52**

**The Committee recommends that additional budget is provided to the Ministry of Commerce, Industries, Labour and Immigration for the preparation of a national trade show during the South Pacific Games aimed at showcasing our local products and foreign investment opportunities.**

### **Recommendation 53**

**The Committee recommends the Ministry of Commerce, Industries, Labour and Immigration prepare a strategy to attract quality foreign investment in line with an updated foreign investment policy.**

### **Downstream program**

3.279 The Committee enquire accessibility and eligibility of funding to young people.

3.280 The Ministry liaises with YECSI who are responsible in developing the young entrepreneurs. Last year 18% of the development program was utilize by youths through kava incentives. This needs to

continue to have a good relationship with the YECISI. Addition to that, a number of youths in the country are really serious about entrepreneurship and this is the ongoing program.

3.281 The commercial divisions deal with this and they have their guidelines and process.

### **Legislation**

3.282 The Committee question on timeframe to deal with legislation on the foreign investment act.

3.283 The Ministry says, it is critical to address this in the policy level before go to the actual amendment. Currently the Ministry is working on the policy.

### **Recommendation 54**

**The Committee recommends that the policy on Foreign Investment be concluded in 2022 to pave the way for critical amendments to the Foreign Investment Act.**

## **22 Ministry of Communication and Aviation**

### **Mission Statement**

The Ministry aims to rehabilitate and upgrade all Civil Aviation infrastructures and facilities throughout the country and provide efficient, effective and reliable Communication and Civil Aviation Services that are timely, accurate, safe and secure while meeting all regulatory requirements.<sup>28</sup>

### **2022 Budget Summary**

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<sup>28</sup> Solomon Islands Government, *2022 Financial Policy Objectives and Strategies, Budget Paper: Volume 1, 2022*, pp. 201.

	2022 BUDGET ESTIMATES	2021 REVISED BUDGET	2021 ORIGINAL BUDGET	Actual 2020	Actual 2019	Actual 2018	Actual 2017
<b>Recurrent Budget</b>							
Income	594,353	16,454,850	16,454,850	4,896,139	12,810,844	6,887,461	7,575,518
Payroll	13,396,212	12,656,785	12,656,785	12,167,294	7,947,868	10,795,143	11,409,184
Other Costs	32,493,780	32,493,780	32,493,780	23,053,642	27,259,503	36,679,059	29,587,641
<i>Net/Total</i>	<i>-\$ 45,295,639</i>	<i>-\$ 28,695,715</i>	<i>-\$ 28,695,715</i>	<i>-\$ 30,324,797</i>	<i>-\$ 22,396,527</i>	<i>-\$ 40,586,741</i>	<i>-\$ 33,421,307</i>
<b>Development Budget</b>							
SIG	30,357,000	24,803,000	24,803,000	14,413,775	5,011,840	16,959,725	22,193,809
Donor							
<i>Net/Total</i>	<i>\$ 30,357,000</i>	<i>\$ 24,803,000</i>	<i>\$ 24,803,000</i>	<i>\$ 14,413,775</i>	<i>\$ 5,011,840</i>	<i>\$ 16,959,725</i>	<i>\$ 22,193,809</i>

## Issues of Concern

Matters of concern raised by the Committee includes the following:

### Poor and costly internet service from the Submarine Cable

- 3.284 The Committee expressed concern on the poor quality and costly internet service despite the completion of the submarine cable. They commented there seems to be a disconnect from the gains we get from the submarine cable. The Committee asked what steps have the regulator and the Government taken to address the problem.
- 3.285 The Ministry explained that this issue involves two matters, coverage and technology. With coverage, only in Honiara, Auki and Gizo have the 4G system whilst the rest of the country still use 3G and 2G. In some places the reception is bad because of black spots due to the coverage radius is overshadowed by mountains, and high terrains
- 3.286 The Ministry clarified that the undersea cable use the broadband system using a big pipe, whilst most of the equipment of current operators use the satellite network which uses a small pipe. The operators are upgrading their system but work had been slow due to financial capabilities and the technology involved. The Ministry expressed its concern on the slowness of the operators in harnessing the submarine cable. Also according to the PS, the satellite system will still remain to be used in locations where the submarine cable cannot be connected.

### Recommendation 55

The Committee sees rapid embracing of digital technology as a critical catalyst for economic growth and wellbeing. Affordable widespread data opens new possibilities in health, education and commerce. The Committee recommends that the Ministry of Communication and Aviation conduct a study to understand the impediments to operators in the local market to invest in high speed data capability at competitive rates. This study should also consider the Solomon Islands Cable Company entry into the retail market and the possibility of new entrants for data capability.

### **Ownership of telecommunication towers**

- 3.287 The Committee sought clarification on the ownership of the new 161 telecommunications towers the Gov't is going to build. Is the ownership going to be with the independent regulator or another new SOE company to be formed and what is the status of the establishment of the corporate structure to host and own the infrastructure?
- 3.288 The Ministry informed the Committee that the Gov't had embarked on a Solomon Islands Broadband infrastructure project to fast track the submarine cable. According to the PS, so far communities had indicated their support for this project during consultations in 45 sites. The Ministry still have 95 sites to assess, however COVID-19 restrictions had slowed progress on these assessments. The Ministry is looking at 161 sites and aiming to build a good number of them before the 2023 SP Games. The Ministry informed the Committee that these are 3G/4G towers which will improve public access to e-commerce, e-health and e-education.
- 3.289 In terms of ownership of the towers, the Ministry will establish a new SOE to own the towers. Operators will lease or rent the use of the towers. This will allow sharing of the infrastructure which is intended to reduce costs and allow competition. The Gov't will build the towers owned by the SOE and they will lease the use of the towers

### **Telecommunication (Amendment) Act**

- 3.290 The Committee sought clarification on the proposed amendment to the Telecommunications Act. They queried what the proposed amendments were.
- 3.291 The Ministry responded that it is reviewing the Telecommunications Act to update it in the areas that supports the developments they are rolling out.

### **Status of the Solomon Airlines**

- 3.292 The Committee queried what the Ministry is doing in terms of looking at the mid-term support for the Airline to come out of the tough situation, and to support it becoming profitable again in the mid to long term.
- 3.293 The Ministry commented that the airline industry globally is close to being decimated by the COVID travel restrictions, however many airlines are now slowly getting back to operations but will take a while to become profitable again. Solomon Airlines being a small airline and the ongoing travel restrictions due to COVID, means airline operations will unlikely be profitable in the short term. So there needs to be some steps taken to ensure Solomon Airlines remain in operation.
- 3.294 The Ministry also agrees with the sentiments raised by Committee. They expressed that not only the Solomon Airlines is experiencing the financial recession but the Ministry is also experiencing

a 90% reduction in revenue collected from fly overs in the country's airspace also. Now it is slowly picking up due to ease of travel restrictions in other countries.

- 3.295 The Ministry further informed the Committee that the World Bank, Solomon Islands Road & Aviation Project had assisted the Airline in its restructuring. They have look at the Airline strategy, finances, make recommendations and conducting workshops to see how it can better operate into the future. An analysis had also been carried with the Airline to gauge how it can sustain itself post COVID. The report is bleak and the Ministry had provided the necessary assistance so that the Airline can sustain itself. The Ministry stressed that the Airline is struggling and the Ministry is foregoing around \$20 million in revenue from them. The regulator and the Ministry of Finance are doing the same
- 3.296 The Ministry also advised that they are looking at acquiring two new Provincial airports in 2022 and address land issues in Henderson and Munda.

## **23 Ministry of Fisheries and Marine Resources**

### **Mission Statement**

The Ministry of Fisheries and Marine Resources (MFMR) leads the challenge to sustainably manage and develop the nation's offshore and coastal fisheries, is active in promoting Community Based Resource Management, and aims to contribute to the sustainable management of the region's offshore marine resources.

The MFMR strives to provide an effective and efficient service to all stakeholders, promote government inter-agency cooperation and act as the focal point for national capacity building, research and development within the sector.<sup>29</sup>

### **2022 Budget Summary**

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<sup>29</sup> Solomon Islands Government, *2022 Financial Policy Objectives and Strategies, Budget Paper: Volume 1*, 2022, pp. 207.

	2022 BUDGET ESTIMATES	2021 REVISED BUDGET	2021 ORIGINAL BUDGET	Actual 2020	Actual 2019	Actual 2018	Actual 2017
<b>Recurrent Budget</b>							
Income	306,094,762	290,314,000	290,314,000	318,047,192	324,213,430	377,282,836	356,707,763
Payroll	10,821,717	8,879,436	8,879,436	9,076,537	5,712,393	6,433,774	6,115,476
Other Costs	13,087,508	13,087,508	13,087,508	15,190,046	10,405,482	11,414,267	15,164,008
<i>Net/Total</i>	<b>\$ 282,185,537</b>	<b>\$ 268,347,056</b>	<b>\$ 268,347,056</b>	<b>\$ 293,780,609</b>	<b>\$308,095,555</b>	<b>\$ 359,434,795</b>	<b>\$ 335,428,279</b>
<b>Budget Support</b>							
Income	32,000,000	15,387,591	14,648,743	14,425,023	4,512,891	6,546,038	5,977,682
Payroll	529,143	559,163	559,163	420,807	347,392	865,705	801,551
Other Costs	31,470,857	20,934,582	14,089,580.00	7,009,740	4,176,739	5,166,601	4,984,296
<i>Net/Total</i>	<b>\$ -</b>	<b>-\$ 6,106,154</b>	<b>\$ -</b>	<b>\$ 6,994,476</b>	<b>-\$ 11,240</b>	<b>\$ 513,732</b>	<b>\$ 191,835</b>
<b>Development Budget</b>							
SIG	15,000,000	15,000,000	15,000,000	4,628,396	2,222,942	3,994,797	16,762,824
Donor							
<i>Net/Total</i>	<b>\$ 15,000,000</b>	<b>\$ 15,000,000</b>	<b>\$ 15,000,000</b>	<b>\$ 4,628,396</b>	<b>\$ 2,222,942</b>	<b>\$ 3,994,797</b>	<b>\$ 16,762,824</b>

## Issues of Concern

Matters of concern raised by the Committee includes the following:

### Revenue and Payroll changes

- 3.297 The Committee observed a 15% decline in recurrent revenue from previous year whilst at the same time an increase in payroll. Can the Ministry provide further details?
- 3.298 The Ministry pointed out that revenue reduction was due to reduction in fish catch. The Tuna stocks are impacted by climate change and cycles. SPC is undertaking further research to better understand the impacts of climate change on fish stocks.
- 3.299 The increase in payroll is due to increased technical staff who will support improvements in the future.

### Bina Harbour

- 3.300 The Committee sought an update on the Bina Project
- 3.301 The Ministry stated that the development budget last year started in May so Bina activities delayed. A current court case is underway with a result expected on April 11<sup>th</sup>. Water site visits have been completed and a technical report completed. On the Harbor, one liaison officer has been recruited.
- 3.302 On the Bina construction the project has a 5 year timeline with construction expected to start in 2024. This is subject to water and other key requirements in place. Water source is critical
- 3.303 The Bina harbor office will be up and running by July 2022. Most geotech and other technical activities to define what the infrastructure costs are, will be done by this office. Project size is USD140mio funding likely through IFC. The other key requirement is to be able to secure 35,000 tonnes annually of fish stock to make this project feasible



3.304 Noro is currently under \$30,000 tonnes per year. Project projections is for six purse seiner vessels who will need to fish outside of Solomon Waters like in Vanuatu or further North to make this viable.

#### **Beche-de-mer**

3.305 The Committee was interested in data on beche-de-mer and whether the current harvesting is sustainable.

3.306 The Ministry stated that the beche-de-mer sustainability is managed by open and closing season. At present the data shows a decline in stock for all species both in numbers and in size. The high value species are most affected and now low value species are also being targeted

3.307 All indication shows that beche-de-mer is now over exploited. The fishery season is still open but needs to close and communities need to also engage. For this to be effective

#### **Recommendation 56**

**The Committee on hearing that the beche-de-mer stocks are over exploited recommends that the fishing season is closed and the Ministry of Fisheries and Marine Resources undertake a study on which species are at risk of being endangered and to extend a ban for seriously threatened species to allow them time to recover.**

3.308 The Committee was interested in the viability for sea cucumber farming and the work the Ministry had undertaken in this area

3.309 The Ministry confirmed that the sea cucumber hatchery is going to plan and is being renewed for another year. This project is support by Japan. In 2022 hatcheries will be placed out in open reefs. Past tests indicate that survival rates has been good. The Project may close this year and the Ministry will continue themselves and look to transfer these skills to our communities

#### **Recommendation 57**

**The Committee recommends undertaking a large scale sea cucumber hatchery project to examine possibility of commercial farming of various species of sea cucumber and prioritize using communities who are most impacted by the closure of beche-de-mer season.**

#### **South Pacific Games preparedness**

3.310 The Committee requested an update from the Ministry on both their level of engagement and preparedness for the SPG.

3.311 The Ministry confirms they have been asked to prepare plans to help feed SPG visitors. Plans are underway from fishing ground to storage and consumption. Their livelihood support is

ongoing and working on food supplies. The COVID related funds used now for COVID will also help prepare us for SPG 2023

## 24 Ministry of Public Service

### Mission Statement

The Ministry of Public Service is the employer body for Solomon Islands public officers. It is the Secretariat for the Public Service Commission, the Judicial and Legal Services Commission and the Police and Prison Service Commission. The Ministry oversees the regulation of condition of service for public officers, deals with manpower requirements of Ministries and has an important role in coordinating training and development activities across the whole of the public service. Also the Ministry is responsible for the public service reforms and quality management that foster and enhance a knowledge workforce that is effective and responsive to the needs of the State and the people of the Solomon Islands.<sup>30</sup>

### 2022 Budget Summary

	2022 BUDGET ESTIMATES	2021 REVISED BUDGET	2021 ORIGINAL BUDGET	Actual 2020	Actual 2019	Actual 2018	Actual 2017
<b>Recurrent Budget</b>							
Income	0	0	0	0	39,000	106,385	20,150
Payroll	17,694,649	17,505,360	17,505,360	17,604,015	17,308,014	14,489,604	15,984,625
Other costs	8,512,308	8,678,215	8,678,215	8,953,307	13,345,841	12,082,148	11,412,258
<i>Net/Total</i>	<i>-\$ 26,206,957</i>	<i>-\$ 26,183,575</i>	<i>-\$ 26,183,575</i>	<i>-\$26,557,322</i>	<i>-\$ 30,614,855</i>	<i>-\$ 26,465,367</i>	<i>-\$ 27,376,733</i>
<b>Development Budget</b>							
SIG	2,750,000	0	0	0	0	2,961,666	2,981,940
Donor							
<i>Net/Total</i>	<i>\$ 2,750,000</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ 2,961,666</i>	<i>\$ 2,981,940</i>

### Issues of Concern

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<sup>30</sup> Solomon Islands Government, *2022 Financial Policy Objectives and Strategies, Budget Paper: Volume 1, 2022*, pp. 215.

Matters of concern raised by the Committee includes the following:

### **Public Service Housing Assistance (PSHA)**

- 3.312 The Committee noted that Public Service Housing Assistance (PSHA) is one of the Ministry's projected commitments for this year 2022. The Committee is very concerned about whether assessments on the level of properties public service officers are renting and whether wider assessments are done on the property markets, especially on the effect this might have on the public servants.
- 3.313 The Ministry<sup>31</sup> stated that they have done small assessments on the rental market rates and because of that with the Ministry's proposals they will put to government options to consider. The Ministry will get the rental rates that are prevailing in the market and have that as one of the options for the government to consider.

### **Mamara Housing Scheme**

- 3.314 The Committee noted that the new housing scheme is linked with the Mamara housing scheme with regards to the fifty houses owned by the government and also it is offering expensive houses to be funded out of public service housing allowances. The Committee sought clarification on how the scheme is going to work practically if public servants are to move in. The Committee questioned the Ministry who is going to provide the loan, is it the Mamara companies or whether the government will arrange its finance and the new rental scheme will go towards the mortgage repayment.
- 3.315 The Ministry informed the Committee that once the PSHA is endorsed, public servants who wish to own a house under the Mamara housing scheme will repay the amount of money to the government since the government has already made upfront payments to the developers. A public servant who is willing to purchase these houses can use their rental under the PSHA to reimburse the government.

### **Recommendation 58**

**The Committee recommends that the Ministry of Public Service undertake an independent audit of the Mamara project to determine if the Government is getting value for money before considering any further expansion of this Project. The Committee noted that the purchase price which the Government has already paid 90% for is a key driver of affordability in the proposed scheme.**

### **Timeframe for loan repayment**

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<sup>31</sup> Mr Nego Sisiolo, Permanent Secretary, Ministry of Public Service, *Evidence* on 7 April 2022. Zoom recording.

- 3.316 The Committee enquired into the timeframe that it will take a public servant to repay the total cost of the Mamara-government-owned houses.
- 3.317 The Ministry informed the Committee that it will take a minimum of fifteen years to repay the loan per house those in level 10 and above only will be able to afford and repay within this time frame.

#### **Recommendation 59**

**The Committee recommends that the Ministry of Public Service, in collaboration with the Ministry of Finance, conduct a study to ascertain appropriate levels of government rental scheme for public servants, taking into account wider economic impacts such as effect on housing loans.**

#### **Cost of Living**

- 3.318 The Committee noted that the cost of living is one of the major pressure on our economy and all workers including the public servants. We are living in very tough economic times but also because of the COVID-19 and the state of public emergency regulations, public sector unions are barred from advocating for their welfare issues. Therefore, the Committee was very concerned about to what extent, cost of living considerations have been taken into the Ministry's calculations for the 2022 budget. And also to whether there have been some discussions with SIPEU and possibly with other public sector unions to look into genuine issues and if there is any capacity on the part of the government to meet some of them.
- 3.319 The Ministry stated that they are sensitising the fact that this will hit hard on public officers. For this reason, the Ministry is imposing strict control measures on vacancy positions. By undertaking good auditing and control of the vacancy positions, the Ministry believes that they will make good savings. It is from these savings that the Ministry will be looking at proposing the cost of living adjustments (COLA) for the public servants.

#### **Annual Leave Adjustments**

- 3.320 The Committee noted that there have been some adjustments done to the annual leave days for all public servants by reducing their annual leave days. The Committee asked the Ministry to clarify whether these are calendar days or working days. And also whether they are within the law in terms of the Labour Act.
- 3.321 The Ministry stated that the annual leave days are calendar days. The Ministry was in consultation with the Commissioner of Labour regarding the legality of the reduction in leave adjustments. The Ministry was informed that the laws and regulations are outdated and require a review.

#### **Delay in Recruitment Process**

- 3.322 The Committee stated that there is a tendency in the public service concerning recruitment. The Committee expressed their concern about the delay in recruitment processes. This has affected the performance of some of the important government agencies. The Office of the Auditor General is a prime example whereby it took so long to advertise the position. This same problem was also faced by the Commissioner of Police and the Office of the Public Prosecution.
- 3.323 The Ministry noted the Committee's comments regarding the delays in the recruitment process, especially concerning the Office of the Auditor-General. Some various reasons and processes have contributed to the delay, however, the Ministry assured the Committee they will improve on this going forward.

#### **Recommendation 60**

**The Committee recommends that the Ministry of Public Service improve its recruitment process by advertising statutory positions six months before the contract of the incumbent lapses so that there is some transition if the incumbent does not retain the contract.**

#### **Contract Arrangements for Senior Positions within Public Service**

- 3.324 The Committee enquired into the positions within the public service that are now on performance contracts and whether this policy has been implemented already.
- 3.325 The Ministry informed the Committee that implementation of the contractual arrangements for public servants and senior management officers had started in late 2019. This has started with the undersecretary positions to now deputy secretaries. The Ministry is also looking at further extending these contract arrangements or policy for other senior positions within public service especially directors and other statutory positions. This will also apply to provincial government senior positions.

#### **Early retirement policy program**

- 3.326 The Committee enquired into the activities that will be carried out under the development budget. The Committee asked the Ministry to clarify what activities will be done with the \$2.7mio.
- 3.327 The Ministry informed the Committee that the \$2.7m under the development budget will be paid to 50 retired officers this year. The early retirement program will run for three years and therefore 50 officers each year. The ERESA (Early Retirement Economic Stimulus Assistance) is \$55,000 for each retiree, therefore multiplying \$55,000 by 50 officers each year, will give you \$2.7mio.

#### **Long Service Benefit**

- 3.328 The Committee was concerned with the long service benefit (LSB) payment for public servants. The Committee noted that there have been some long-standing arrears for several years in regards to payments that were due to long and dedicated public servants.

3.329 The Ministry informed the Committee that a total of 370 applicants for LSB were processed last year of which only six (6) backlog cases were deferred for this year.

### **No job no job Policy**

3.330 The Committee enquired into the no job no job policy. The Committee asked the Ministry to clarify how the savings from this policy will be used.

3.331 The Ministry informed the Committee that the savings will be used to increase public servants' salaries and also use the saving to help in the new rental scheme.

## **25 Ministry of Justice and Legal Affairs**

### **Mission Statement**

We will deliver transparent, accountable and effective justice services which protect the fundamental rights and freedom of all people in the Solomon Islands.<sup>32</sup>

### **2022 Budget Summary**

	<b>2022 BUDGET ESTIMATES</b>	<b>2021 REVISED BUDGET</b>	<b>2021 ORIGINAL BUDGET</b>	<b>Actual 2020</b>	<b>Actual 2019</b>	<b>Actual 2018</b>	<b>Actual 2017</b>
<b>Recurrent Budget</b>							
Income	1,294,526	1,252,500	1,252,500	1,050,704	760,195	1,297,661	884,586
Pavroll	19,059,700	15,869,532	15,869,532	15,224,632	9,656,423	12,201,188	12,703,864
Other costs	21,804,022	17,568,721	17,568,721	15,269,945	18,137,911	18,547,725	18,148,512
<i>Net/Total</i>	<i>-\$ 39,569,196</i>	<i>-\$ 32,185,753</i>	<i>-\$ 32,185,753</i>	<i>-\$ 29,443,873</i>	<i>-\$ 27,034,139</i>	<i>-\$ 29,451,252</i>	<i>-\$ 29,967,790</i>
<b>Budget Support</b>							
Income	0	0	0	0	0	51,000	311,528
Pavroll	0	0	0	0	0	0	166,448
Other costs	0	0	0	0	0	331,387	2,970,080
<i>Net/Total</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>-\$ 280,387</i>	<i>-\$ 2,825,000</i>
<b>Development Budget</b>							
SIG	3,000,000	1,000,000	1,000,000	708,392	941,801	969,344	4,670,951
Donor							
<i>Net/Total</i>	<i>\$ 3,000,000</i>	<i>\$ 1,000,000</i>	<i>\$ 1,000,000</i>	<i>\$ 708,392</i>	<i>\$ 941,801</i>	<i>\$ 969,344</i>	<i>\$ 4,670,951</i>

<sup>32</sup> Solomon Islands Government, *2022 Financial Policy Objectives and Strategies, Budget Paper: Volume 1, 2022*, pp. 222.

## Issues of Concern

Matters of concern raised by the Committee includes the following:

### **Increase in NPF employer's contribution**

- 3.332 The Committee enquired into the significant increase in the NPF employer's contribution this year by \$2mio.
- 3.333 The Ministry informed the Committee that they are not aware of the increase for the NPF's employer's contribution. The Ministry sought advice from the Ministry of Public Service regarding the matter and was told that the \$2mio was supposed to go to other subheads. Once the budget is passed the \$2mio will be reassigned to the other subheads to cater for other positions in the payroll charges.

### **Increase in Office Rent**

- 3.334 The Committee enquired into the increase of \$1.3m for office rent. The Committee asked the Ministry to explain what is driving this increase in regards to office rent.
- 3.335 The Ministry stated that the increase of \$1.3m will cater for ODDP's office rent due to its relocation from their previous location to a new office. Therefore, the increase will provide for the additional rental incurred by the ODDP's new office space.

### **Financial Autonomy**

- 3.336 The Committee enquired into the status of the Financial Autonomy for the judicial sector.
- 3.337 The Ministry informed the Committee that they have submitted a white paper to cabinet last year and was endorsed by cabinet. Currently, the National Judiciary is working on policy instructions to it which will lead to draft policy paper. The only drawback that the Ministry is facing in regards to this matter is that there is no lead person, hence the Ministry is having discussion with the Justice Sector Program for support with an advisor to take the lead in this proposed bill.

### **Government Lawyers Association's Claims**

- 3.338 The Committee enquired into the status of the Government Lawyers Association (GLA) claims and whether this claims are factored in the 2022 Budget.
- 3.339 The Ministry informed the Committee that unfortunately the financial package required to implement this is not factored in the 2022 budget. The Ministry stated that this has been an ongoing issue however, a MOU is in process of being finalized by all parties. The Ministry was in discussions with the president of the GLA and recently they have agreed to all the terms of the MOU. The Ministry has instructed the Ministry of public service and representatives from the

Budget Office to convene and look at the MOU, mainly the figures. The Ministry will work closely with MOFT and if possible factor it through a Supplementary Budget for 2022.

### **Development Budget**

- 3.340 The Committee noted that \$3mio has been allocated for the development budget it will be used for the Justice Precinct redesign plan and other repairs and maintenance. The Committee was concerned that this should be under the recurrent budget seeing that part of the development budget refers to maintenance.
- 3.341 The Ministry stated that the \$3mio will be spent on three main projects: renovation and expansion of the current Registrar Generals Office, Justice Precinct redesign plans and completion of final phases of the Kirakira PSO/ODPP office. The priority one is the design for the Justice Precinct which costs \$5m hence they will be working in phases. \$1mio will be allocated for redesign and the remaining \$2mio will be used for the other two above mention projects.

### **Registrar Generals Office**

- 3.342 The Committee was very concerned with the way in which files and documents are manually stored and managed within the office. All registration should be stored electronic so that archiving issues are manageable and also for security purposes. Additionally, the inefficiency of the registry has affected the securitization of documents especially banks and those who are lending money. There have been complaints regarding delay in having mortgages and charges being registered. Also some mortgages that ought to have been registered have dragged out for too long and caused frustration to lending institutions.

### **Adequate manpower resources for ODPP**

- 3.343 The Committee is concerned that the resourcing needs of the office of the director of public prosecutions (ODPP) has not been considered in the 2022 budget. This lack in capacity results in delays in prosecuting trials, which leads to increase in crime, public loss of confidence in the criminal justice system and general inability to perform constitutional mandate.

### **Recommendation 61**

**The Committee recommends that the Ministry of Justice and Legal Affairs collaborate with the Ministry of Public Service to increase the required establishment positions to address these capacity issues.**

- 3.344 The Ministry stated that they are currently undertaking a project under the justice program where all land registrations are now being digitised into a program. They have a team that is now working on it. The Ministry has not gone public with the e-registry but will do so once the work is completed. The Ministry also acknowledged the Committee for pointing out the abuse that is



going on within the Registrar Generals Office and stated that this a policy matter for the Ministry to address and will deal with it administratively.

#### **Recommendation 62**

**The Committee recommends that the Ministry of Justice and Legal Affairs take steps to make the registry at the Registrar General's office into a robust e-registry with sufficient controls to properly mitigate the Ministry's key risks and deliver efficient transparent service.**

#### **Recommendation 63**

**The Committee recommends that the Ministry of Justice and Legal Affairs amend the laws governing the registry system to impose statutory time limit on when a document is received for registration and when the Registrar General must register it and store it in the registry.**

## **29 National Judiciary**

### **Mission Statement**

To deliver justice that is visible, tangible and accessible to all.<sup>33</sup>

### **2022 Budget Summary**

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<sup>33</sup> Solomon Islands Government, *2022 Financial Policy Objectives and Strategies, Budget Paper: Volume 1, 2022*, pp. 244.

	2022 BUDGET ESTIMATES	2021 REVISED BUDGET	2021 ORIGINAL BUDGET	Actual 2020	Actual 2019	Actual 2018	Actual 2017
<b>Recurrent Budget</b>							
Income	529,158	611,000	611,000	1,758,231	4,178,805	3,613,267	2,008,634
Pavroll	18,364,499	17,615,220	17,615,220	17,471,549	10,444,146	13,466,650	12,545,363
Other costs	12,746,450	10,168,888	10,168,888	13,866,310	13,769,617	14,000,205	11,441,309
<i>Net/Total</i>	<i>-\$ 30,581,791</i>	<i>-\$ 27,173,108</i>	<i>-\$27,173,108</i>	<i>-\$ 29,579,627</i>	<i>-\$ 20,034,958</i>	<i>-\$ 23,853,588</i>	<i>-\$ 21,978,038</i>
<b>Budget Support</b>							
Income	0	0	0	0	0	0	0
Pavroll	0	0	0	0	0	0	132,338
Other costs	0	0	0	0	0	193,969	904,151
<i>Net/Total</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>-\$ 193,969</i>	<i>-\$ 1,036,489</i>
<b>Development Budget</b>							
SIG	5,000,000	5,000,000	5,000,000	0	169,315	204,953	104,224
Donor							
<i>Net/Total</i>	<i>\$ 5,000,000</i>	<i>\$ 5,000,000</i>	<i>\$ 5,000,000</i>	<i>\$ -</i>	<i>\$ 169,315</i>	<i>\$ 204,953</i>	<i>\$ 104,224</i>

### Issues of Concern

Matters of concern raised by the Committee includes the following:

#### Back log of Cases

- 3.345 The Committees commended the Magistrates Court for dealing with all their cases resulting in a high percentage of clearance rate.

#### Alternative Dispute Resolution (ADR)

- 3.346 The Committee enquired about the ADR mechanisms as an activity of the National Judiciary. Members are interested to hear how far along it is, because it will help to alleviate unnecessary cases that end up in courts which could be settled through ADR process.
- 3.347 The CEO informed the Committee that the Chairman of the ADR Committee updated her saying documents are at the editing stage. However Instead of going for a legislation, the ADR Committee is reviewing the Civil Procedures Rules (CPR) to see if it can cater for it within the rules. The documents are;

- An amended CPR,
- ADR rules related to accreditation, and
- Practice standards

- 3.348 The CEO further informed the Committee that documents are at the editing stage which should be completed by July 2022 and be brought before the ADR Committee.

#### Clearance of cases in the High Court

- 3.349 The Committee is very concerned that the High Court officials did not supply the statistics and data of their activities like those produced by the Magistrates Court. Members urged the CEO of the High Court to be active and produce them. The Committee needs to know cases filed, cases cleared.
- 3.350 The Committee notes that Judges of the High Court are experiencing health problems. Members enquire if there is a rule that Judges should deliver judgements on their cases within 3 months. If that is the case it would be useful to know how many decisions now are still pending beyond the 3 months. It would be useful to know the productivity of the High Court in dispensing matters before it.
- 3.351 The CEO<sup>34</sup> of the High Court informed the Committee that they will supply to the Committee the data for the High Court, Court of Appeal and the Local Court.

#### **Recommendation 64**

**The Committee requested but did not receive all the required data on clearance rates for all courts and data on judgements delivered after three months. The Committee requests that the CEO of the National Judiciary prepare a report with the requested data and use this to monitor the performance of the National Judiciary. Further the Committee recommends that a study be undertaken for the human resourcing and financing needs of the National Judiciary. This study should form part of the justification of the National Judiciary Autonomy Bill submission.**

#### **Advocacy for the Budget**

- 3.352 The Committee expressed their extreme disappointment in the advocacy for the budget. It seems to be ignored and a neglected arm of the Government. From the pleas of the Chief Magistrate some of these needs are either not advocated enough or maybe the advocacy is there but those at the Cabinet or budget office don't listen to those bids.
- 3.353 The is concerned that we have to find a way to ensure the courts are resourced to do what they must do and our communities can sense that justice is being administered throughout all of our Islands. It seems to be a recurring thing. Last year the Chief Magistrate made the same plea but it is still continuing. Perhaps there is need for another approach. Perhaps it point to the Autonomy Bill and the Bill has to deal with the resourcing question.

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<sup>34</sup> Mrs. Lynette Tora, submission, 8 April 2022

3.354 The CEO informed the Committee that they are looking for a consultant to assist progressing the National Judiciary Autonomy Bill. Funding is a problem and they are seeking assistance from the Ministry of Justice and Legal Affairs, donors and the Government.

### **Court Infrastructure and Local Court Proceedings in Provincial Centres**

3.355 The Committee expressed concern on the cost of conducting Local Courts in the Provincial Centres. It is costly for court parties to travel and stay for months in Provincial Centres. Members suggested bringing the court proceedings close to where the parties are living in the villages or communities so that costs can be minimised. Members asked, are there plans to address such situation.

3.356 The LCC commented that they always have plans to decentralize disposing of cases but insufficient Budget caused them to hold cases in central locations (Provincial Centers).

3.357 The Ministry is trying as much as possible to build Court facilities with the small budget they have. With the \$3mio allocation last year the Ministry try to build the Atori and Seghe Court Houses. Due to the slowness of the procurement process it is carried forward to this year. With the \$5mio they have in this year's budget they are planning to look at renovation and building court houses like in Malu'u. With the new Justice program in June they are including some of these programs.

3.358 The Chief Magistrate also commented that some of the court buildings used today are those built during the colonial times and are in deteriorating conditions. She agrees with the PS that the Ministry is working towards the construction of court houses in the Provinces. She stated that whilst waiting for that the Magistrate Courts in the Provinces continue hearing cases in any available space they can find including under the trees. She expressed that if they wait for the court houses to be built they will not do any work. For example, in Atori during a court circuit they cannot use the court house because of heavy rain. They then used the Police station and whenever there is leakage from the roof they move the furniture's and continue with the proceedings. The Chief Magistrates stressed that this is a matter for the PS, the CEO and the Ministry of Infrastructure to deal with. It is quite difficult for us to wait for them to build a court before we can hear cases. She acknowledged the funding issue for courts infrastructure but it's about time this matter is taken care of.

### **Local Courts**

3.359 The Local Courts Coordinator informed the Committee on the following 2021 data and information:

- 459 cases on top of back log cases
- Budget of almost \$500,000 for court circuits,

- carry out six court circuits and disposed of 55 cases,
- A case can take three days hearing with the cost of \$10,000
- 459 cases costing \$10,000 each is around \$4m in total which will require 40 – 50 court circuits for local courts in the country, and
- Local Courts budget throughout the years keep decreasing which is a challenge.

### **Virtual Courts Platform**

- 3.360 The Committee asked the witnesses whether there is thought of the use of virtual court platform. They enquire whether this will save costs. Has there been any analysis done to find its implications and effectiveness. Is this the trend we want to embark on?
- 3.361 The Ministry stated that going virtual is a new thing due to COVID-19. The Ministry have insufficient Budget to procure equipment for going virtual. The Ministry is greatly supported by stakeholders assisting them to procure equipment to set up at the Magistrates Court, the High Court, Auki & Gizo Magistrates Courts, Pub Sol Office and the DPP through the support of the Justice Program and DFAT. Challenge they have is with internet connectivity. Unable to use in rural areas if reception is bad. Need to work together with the Ministry of Communication and Aviation in terms of improving the internet connectivity.
- 3.362 The Chief Magistrate supported the Ministry's response and commented, there have to be some legislative amendments citing s76 of the Criminal Procedure Code requiring a Magistrate to sign a charge before it can be presented and registered. The country only has five registries in the country, so if a Province don't have a Magistrates the charge will be taken to be signed in Honiara. Also the cost of data for parties in rural areas may not affordable. The Chief Magistrates also expressed the need for guidelines to govern the operations of the virtual platform like recordings.
- 3.363 The CEO informed the committee that through the virtual Court of Appeal with overseas Judges total costs are reduced.

### **Recommendation 65**

**The Committee recommends that the National Judiciary establish a project to virtualise court proceedings across the country. This project should consider the infrastructure needs, the data challenges, the need for supporting laws, regulations and guidelines and required training to be able to effectively implement.**

## 26 Ministry of Home Affairs

### Mission Statement

Empower people to shape stable political future for our country, this builds on ethical leadership, decent governance and professionalism, hence to recognise our diverse traditional cultures, values and pride of our people and Government with robust relationships with stakeholders equally.<sup>35</sup>

### 2022 Budget Summary

	2022 BUDGET ESTIMATES	2021 REVISED BUDGET	2021 ORIGINAL BUDGET	Actual 2020	Actual 2019	Actual 2018	Actual 2017
<b>Recurrent Budget</b>							
Income	6,587,325	6,626,252	6,626,252	5,179,770	5,382,681	3,901,812	4,420,061
Payroll	2,707,898	2,306,224	2,306,224	2,080,303	1,396,630	2,433,048	2,412,449
Other costs	11,894,644	12,081,508	12,081,508	8,665,126	11,201,912	66,773,873	24,569,105
<i>Net/Total</i>	<b>-\$ 8,015,217</b>	<b>-\$ 7,761,480</b>	<b>-\$7,761,480</b>	<b>-\$5,565,659</b>	<b>-\$ 7,215,861</b>	<b>-\$ 65,305,109</b>	<b>-\$ 22,561,493</b>
<b>Support Budget</b>							
Income	760,403	6,284,966	724,270	0			
Payroll	0	0	0	0			
Other costs	760,403	6,284,966	724,270	223,045			
<i>Net/Total</i>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-\$ 223,045</b>			
<b>Development Budget</b>							
SIG	12,000,000	5,500,000	5,500,000	0	0	0	0
Donor							
<i>Net/Total</i>	<b>\$12,000,000</b>	<b>\$ 5,500,000</b>	<b>\$5,500,000</b>	<b>0</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

### Issues of Concern

Matters of concern raised by the Committee includes the following:

#### Lottery and Gaming Act reforms

- 3.364 The Committee is concerned about required reforms of the Lottery Act. This industry is susceptible to bribery and corruption and would like to hear from the Ministry why it has taken so long to implement the required reforms.
- 3.365 In terms of the casino, the ministry is currently reviewing the Lottery and Gaming act. The Ministry held a consultation and now working on the act to be amended to ensure it is more effective and efficient. Currently, the ministry reaches the stage of the methodology on how to go

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<sup>35</sup> Solomon Islands Government, *2022 Financial Policy Objectives and Strategies, Budget Paper: Volume 1, 2022*, pp. 230.

about this exercise. Now there is a task force that formed and the ministry is engaging the consultant to do the review.

- 3.366 The Committee questioned the policy rationale of the review.
- 3.367 The ministry advised that directives has been given for the ministry to review the Lottery Act and address any loop holes in that industry.

### **Casino License**

- 3.368 The Committee are concerned that the casino license requirement for one license for one location is not being followed.
- 3.369 The Ministry advised that in terms of license, references are also made to the current regulations. The principal structuring of the legislations has its own penalty and that the overarching purpose is to raise revenue.

### **Recommendation 66**

**The Committee recommends that the Ministry enforces the casino licence requirement of one licence for one location.**

### **Consultation of the Lottery and game act**

- 3.370 In terms for the Lottery and Gaming Act, the Committee want to know whether the review will consult stakeholders or internally?
- 3.371 HCC has been struggling with the effect of COVID-19 and the riot which made it not possible to proceed. The normal consultation process for all Bills will apply.

### **Revenue Stream**

- 3.372 Main objectives is to raise funds the Ministry to provide revenue stream to that sector and other revenues on that Lottery and Game Sector for the last 3 years and last year.
- 3.373 In terms of revenue for two operators Coral Sea and Supreme club. Currently taken from the 5% gaming tax for last year collect the revenue of 4.6mio. The Ministry will provide other revenue collection in written submission.

### **HCC Reforms**

- 3.374 The Committee is interested in an update on the reforms required of the Honiara City Council.
- 3.375 The Ministry actually appeared before the HCC, and amongst all recommendations one is the capacity and institutional strengthening of HCC and also reforms on the amendment of HCC legislation of 1999 and finalizing the HCC Financial Management Ordinances to regulate HCC funds.

- 3.376 In terms of HCC reforms, the City clerk and Deputy Secretary Technical will have an audience with the representatives from the New Zealand High Commission office, Thursday 12<sup>th</sup> April at 10am. This is to look at supporting each other to strengthen the capacity in terms of development of the financial management audit. Going forward, this is a key piece of ordinance for the revenue strengthening and the management of HCC capacity development. This dialogue is to support HCC development and delivery of its services in the city.
- 3.377 The Ministry says, the timeline can be affected and certain things in place like the extension of the SOPE will impede on the delivery of services for both recurrent and development activities.

#### **Recommendation 67**

**The Committee recommends the Ministry of Home Affairs take tangible steps to implement competent Honiara City Council (HCC) staff and capacity development plans, amendments to the HCC legislation and implementation of the financial management ordinance in 2022.**

#### **Citizenship**

- 3.378 Committee ask if the Ministry can give data to the Committee on how many new citizenship has been granted, how many for dual citizenship and also source country of new citizenship and whether the residential criteria for Citizenship is satisfied.
- 3.379 In terms of statistics, for 2020, the Ministry has 56 successful applicants granted application out of the 101. The new applicants are from; Australia, Philippines, Malaysia, Fiji, China and Nigeria. In the process of the citizenship the Ministry have to liaise with Immigration in which they have to verify the timeframe of applicant to meet minimum requirement of 5-10 years. If the confirmation received from the Immigration, then applications will then be forwarded to citizenship commission to deliberate on. These applications are for dual citizenship. The other act that was implemented before the dual citizenship received no applications.
- 3.380 For this year the Ministry yet to commence it's meetings. Last year the Ministry have certain challenges that cabinet halt to amend few acts but finally gives ok that citizen commission must continue with pending applications and the Ministry will continue this year after the budget is passed.

#### **Sports Infrastructure**

- 3.381 The Committee raise a question on Sporting Programs for Provincial games, National Secondary sporting games, and the Solomon games. In the template it states from Q1-Q4. The Committee assumes these programs could happen in Q3/ Q4 for the school games. The Committee feels that the best time is during the June holidays. Is the Ministry really serious on the timeframe?



- 3.382 The COVID-19 pandemic and restrictions has been a challenge that comes with other protocols both in Honiara and the Provinces. It's very difficult to plan for the school games when we do not know when the school will be back in session. The impact on the use of accommodation will becomes problematic in the context if schools continue in a catch up mode to ensure students and their learning program are not disrupted.
- 3.383 Second issue is for the fitness level and obviously it is not good to have students competing when they are not properly fit as this might lead to injury. The board of NSC is meeting this Thursday and this is one of the issue will be discussed if possible for the Provincial games or possible Solomon games as well.

#### **Readiness to assume custodianship of SPG Facilities**

- 3.384 Committee raise a concern of capability to take custodian to the facilities after the SP Game 2023. Assuming at the end of the pacific game next year, most of the facilities will be handed to the Sport council. How is the Ministry preparing to take custodianship of these significant sports facilities?
- 3.385 One of the priority now is the legacy plans. There is a plan that has been looked at so that after the game those facilities will continue to maintain it and how it will be utilize to earn revenue. With regards to capacity building of NSC and at the moment trying to launch a sport policy and trying to factor the implementation part.
- 3.386 Advertisement of various posts have been in place and looking forward to few more in the near future. These roles will be mentored by volunteers from Australia and New Zealand.
- 3.387 The Ministry also recently advertised for a director for facilities who will be looking at the commercial aspects of running and maintaining the facilities. Introducing policies in terms of level of charges to be in place and as well as to make sure the Ministry have the required financial reporting system in place for both income and expenditure. The value of sports facilities being put in place is at least SBD\$1billion and so it's very important to make sure it is maintained in the best interest of the community.
- 3.388 As per the PG 2023 Act, facilities under the purview of NHA and any funds spent by government in terms of infrastructures and facilities is under the purview of NSC as provided for under the Act. The Ministry needs to coordinate plans with NHA.

#### **Registration of birth, marriage and death**

- 3.389 The Committee want to know if the registry on births, marriages and death registration is fully implemented.

- 3.390 The Ministry advised they are in final stages with review of legislation now also progressing. The bill is in the process to go to Parliament by the end of the year. Actually the Ministry have an MOU with MHMS to supply information to the Ministry.
- 3.391 Currently, latest one of last year registered 22,480 applicants in total. Babies under 5 years also updated. The Ministry also encountered problem of the late registration of birth details.
- 3.392 The Ministry set up data bases in all Provinces and as well outside from Honiara main office.

#### **Recommendation 68**

**The Committee notes that the registry for births, deaths and marriages has been outstanding for some time. The Committee recommends that the Ministry of Home Affairs implement required legislative changes to fully implement this registry in 2022.**

#### **Non-Government Organisations (NGO) Bill**

- 3.393 The Committee noted a concern from the DSE submission, which highlighted the need to table the NGO Bill. The concern was that this Bill would not be tabled in Parliament by the government. The proposed bill will need to go through consultation with NGOs and relevant stakeholders taking into consideration existing legislations and lessons learnt from other countries. The submission further stated that: "A temporary Memorandum of Understanding (MOU) should be developed in consultation with the NGOs in the absence of a NGO policy to ensure NGO work is seriously captured in the work or planning of the government. Ministry of Home Affairs to lead this in collaboration with NGOs".

#### **Recommendation 69**

**The Committee notes the importance of Non-Government Organizations (NGOs) in delivering social accountability. The Committee recommends that the Ministry of Home Affairs develop a new NGO policy as a prelude towards a new NGO Bill in the future.**

## **27 Ministry of Traditional Governance, Peace and Ecclesiastical Affairs**

### **Mission Statement**

Promote and foster national unity and sustainable peace through reconciliation, healing and reintegration of individuals, communities, and sector through strengthened multi-stakeholder partnership in peacebuilding throughout Solomon Islands.<sup>36</sup>

## 2022 Budget Summary

	2022 BUDGET ESTIMATES	2021 REVISED BUDGET	2021 ORIGINAL BUDGET	Actual 2020	Actual 2019	Actual 2018	Actual 2017
<b>Recurrent Budget</b>							
Income	0	0	0	0	0	0	0
Payroll	4,006,857	3,725,025	3,725,025	4,154,085	2,456,061	3,131,402	3,253,017
Other costs	22,213,655	22,181,946	22,181,946	24,699,771	10,437,037	12,510,802	11,038,785
<i>Net/Total</i>	<i>-\$ 26,220,512</i>	<i>-\$ 25,906,971</i>	<i>-\$ 25,906,971</i>	<i>-\$ 28,853,856</i>	<i>-\$ 12,893,098</i>	<i>-\$ 15,642,204</i>	<i>-\$ 14,291,802</i>
<b>Development budget</b>							
SIG	2,500,000	1,000,000	1,000,000	0	0	522,942	5,188,280
Donor							
<i>Net/Total</i>	<i>\$ 2,500,000</i>	<i>\$ 1,000,000</i>	<i>\$ 1,000,000</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ 522,942</i>	<i>\$ 5,188,280</i>

## Issues of Concern

Matters of concern raised by the Committee includes the following:

### Development Budget Components

- 3.394 The Ministry was asked by the Committee what the timeline is for the tabling of the traditional governance and customs facilitation bill.
- 3.395 The Ministry advised a few more consultation would be done in the provinces this year, along with redrafting of the bill and tabling in Parliament at the end of 2023.
- 3.396 The Committee highlights the pace of the bill is very slow. The Committee is interested whether the same consultants of the bill are still engaged to do the work.
- 3.397 The Ministry advised that their new legal team will be responsible for progressing the bill. The Ministry also advised that they are following the Bills and Legislation Committee recommendations on the previous Committee reports of the bill.

### Engagement with other faith Based Organizations

- 3.398 The Committee asked on what level the Ministry has engaged with other faith based organizations? The Committee commented that Churches are doing good work in molding the character of our people and helping in health and community matters. Churches must be free to

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<sup>36</sup> Solomon Islands Government, *2022 Financial Policy Objectives and Strategies, Budget Paper: Volume 1, 2022*, pp. 234.

speaking out when things are not right. Government should respect the churches and not use the grants to coerce churches. How is the Ministry respecting the independence of Churches?

- 3.399 The Ministry has adopted the framework which cabinet approved to refer relevant matters to churches for feedback. Church oversight this framework allowing them to preserve their own independence.
- 3.400 In relation to how the Ministry engages with faith based organisations, there is a strategic partnership framework that was created for the purpose of effective collaboration.

## **28 Ministry of Mines, Energy and Rural electrification**

### **Mission Statement**

That we will strive for service excellence ensuring it abides by high ethical standards, is proficient in its service delivery and promotes professionalism throughout the ministry to ensure sustainable use of our resources for the improved social and economic wellbeing of our people and to create an ability to address natural geo-hazards. It will also continually strive to be an exemplary public service institution respected for its adherence to principles of good governance, impartiality and fairness in its public conduct at all times.<sup>37</sup>

### **2022 Budget Summary**

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<sup>37</sup> Solomon Islands Government, *2022 Financial Policy Objectives and Strategies, Budget Paper: Volume 1, 2022*, pp. 237.

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	2022 BUDGET ESTIMATES	2021 REVISED BUDGET	2021 ORIGINAL BUDGET	Actual 2020	Actual 2019	Actual 2018	Actual 2017
<b>Recurrent Budget</b>							
Income	3,822,218	5,513,600	5,513,600	1,709,203	1,437,560	5,428,889	3,062,811
Pavroll	6,791,846	6,527,299	6,527,299	5,128,624	3,778,359	5,121,722	5,768,978
Other costs	9,245,213	9,311,356	9,311,356	7,281,936	9,728,133	9,667,178	9,131,229
<i>Net/Total</i>	<i>-\$ 12,214,841</i>	<i>-\$ 10,325,055</i>	<i>-\$10,325,055</i>	<i>-\$ 10,718,106</i>	<i>-\$ 12,068,932</i>	<i>-\$ 9,360,011</i>	<i>-\$ 11,837,396</i>
<b>Development Budget</b>							
SIG	30,000,000	11,800,000	11,800,000	7,993,270	8,160,956	8,283,786	24,481,131
Donor							
<i>Net/Total</i>	<i>\$ 30,000,000</i>	<i>\$ 11,800,000</i>	<i>\$11,800,000</i>	<i>\$ 7,993,270</i>	<i>\$ 8,160,956</i>	<i>\$ 8,283,786</i>	<i>\$ 24,481,131</i>

### Issues of Concern

Matters of concern raised by the Committee includes the following:

#### Rural electricity program

- 3.401 The Committee requested that the Ministry and SIEA inform the Committee on the five schools that they have installed the solar hybrid plans. The Committee also questioned whether Solomon Power is in charge and what are their programs or activities for this year.
- 3.402 The Ministry informed the Committee that the five schools include; Baiaba school in Russell Islands, Rokera PSS, Sa CHS, Kunu Community High in Guadalcanal and one in Temotu.
- 3.403 The Ministry also stated that some of the Solomon Power activities for this year include; output based assistance (OBA) program funded by the World Bank, it is also currently in conversation with World Bank to extend this program. The Solomon Power was also able to connect 1200 Customers, this is for Honiara and some provincial centres such as Auki and other small towns.
- 3.404 They are focusing on outskirts of Honiara and small areas such as Gizo, Auki, Munda, Noro and Malu.

#### Technical and financial capacity

- 3.405 The Committee queried whether the Ministry has the technical and financial capacity to assist rural communities in identifying suitable water sources.
- 3.406 The Ministry stated that they can carry out assessments for water sources however, they can only do assessment for ground water. Other water sources will have to be assessed by the Solomon Water for urban provincial centres. The Ministry have been carrying out ground water assessment for various communities in the province as well.

#### Regulation of Petroleum

- 3.407 The Committee is concerned with the various new types of gas that has been imported in for example, some of these new gases are used in air-conditions and the talon stove gas (Kasu gas) which are not covered in the country's existing regulations.
- 3.408 The Ministry stated that it has just recently established a new unit that is responsible for this area and agrees that amendments to legislation is required. The Ministry will begin work on the ozone Act noting that national consultation has already started.
- 3.409 With regard to the concern on kasu cooking gas, it can be regulated under the petroleum Act, the Ministry has already reviewed the Petroleum Act to which this type of gas should be included in. These new amendments will also include increased penalties and fines; it will also need to include the Ministry of Mines in the Act.

#### **Recommendation 70**

**The Committee recommends that the Ministry of Mines, Energy and Rural Electrification pursue new or amend existing legislation to regulate the importation and usage of ozone friendly gases in Solomon Islands.**

#### **Surge in fuel prices**

- 3.410 The Committee is concerned with current increase of prices for fuel such as oil and petroleum especially as there is upward pressure due to global events including war in Ukraine.
- 3.411 The Ministry informed the Committee that the review on the petroleum Act had begun last year however pricing falls under the purview of the Ministry of Commerce. The Ministry now is also a member of the Committee to set pricing and recently pointed out that the current suppliers do not share fuel transport costs unlike previous operators. This means that prices will be higher compared to past cost sharing practices. The Ministry has advised the price control unit to ask current operators to share costs and reduce overall cost to Solomon Islands.

#### **Storage capacity of fuel**

- 3.412 The Committee is concerned regarding the strategic fuel security of the country and whether the country has the storage capacity for storage of fuel and how long can the fuel be stored.
- 3.413 The Ministry stated the fuel that it has imported fuel that consists of 500 (epm), however lately this has been changed to mirror what other countries import.

#### **Recommendation 71**

**The Committee recommends that a study be undertaken to devise and implement an effective fuel security strategy for Solomon Islands.**

#### **Mines Bill**

- 3.414 The Committee requested that the Ministry update the Committee regarding the status of the Mines Bill that was raised in parliament four to five years ago. The Committee also noted in the submission that the Ministry will be looking at the SIEA Act thus, the Committee requests that Ministry outline what are the policy objectives which this amendment will address.
- 3.415 The Ministry stated that consultations regarding the Mining Bill is still progressing with the AG this year. The issue the Ministry is experiencing is that it does not have a legal officer to assist with this. It was also stated that there was reshuffle of officer who were working on this therefore, caused a delay because the new offices working on this requested time for them to be updated and familiarize with this Bill before getting back to the Ministry with the final review.
- 3.416 In terms of the SIEA Act the review to this Act had begun last year and was delayed due to COVID-19. The review has been completed and the proposed amendments will be sent to the AG's Chamber. Few changes to the Act will include; updating of technical standards and the definition of electricity generation instalment to include renewable energy. It will also update the offences and fines. Other Amendments will take time because they will involve policy decision of the government.
- 3.417 Furthermore, in terms of their work programs the Ministry stated that it will fast track mine development projects such as the Gold ridge mining.
- 3.418 The Committee wants to know what the Ministry means when it says ("*fast tracked*"). Furthermore, the Committee also requests an update on how close Gold ridge is to production.
- 3.419 In terms of fast tracking of projects, Gold ridge has replaced the project in Rennell and there's one project in Isabel province and Choiseul. These are the projects that come through as soon as they are issued a mining lease but this still has to come through the board for final approval.
- 3.420 In terms of the meaning of fast tracked the Ministry stated that the statement of fast tracked basically means a quick facilitation of the process regarding the mining projects.

#### **Processing mineral resources**

- 3.421 The Ministry is concerned with the processing of minerals in Solomon Islands. For example, Gold ridge is said to process only 60% and the rest is sent for refinement in China. Thus, the Committee is concerned with what capacity does the country have to processing these raw materials in country and if there any feasibility study done on this matter.
- 3.422 The Ministry stated that they have engaged an external reviewer to review the viability of this policy and if the review goes well the Ministry will look into mining in Isabel.

#### **Ministry's Geo-tech lab**

- 3.423 The Committee requested an update on the Ministry's geo-tech lab because it has over the years received various funding's thus, the Committee wants to know whether or not it is now fully equipped or does it need further resources.
- 3.424 The Ministry stated that they have been able to procure the much needed laboratorial equipment's for the lab using the last two years budget. However, there is still need for the improvement of the technical capacity of the Ministry to operate the new equipment.

#### **Win Win company**

- 3.425 The Committee pointed out that the Company Win Win had in the past flouted the law thus, the Committee is concerned on why the Ministry has once again hired them to work on various projects for the Ministry. This issue was raised in last year's inquiry, in addition, the Committee is also concerned that this company is directly providing services to the Minister of Mines, thus, the Committee is of the view that this is a complete conflict of interest and undermines the integrity of the Ministry and is bound to bring the Ministry and the government into disrepute.
- 3.426 The Ministry stated that it will look closely into the company's operation but cannot comment on the Minister's involvement with this company. The Company is said to be remedying the areas that it has in the past found fault in.
- 3.427 The Ministry also stated that recently they have prepared a memo of breaches by the company that will be submitted to the AG's Chambers and will assist with the remedial actions upon advice from the AG's Chambers.

#### **Mining lease for Win Win**

- 3.428 The Committee also raised the concern regarding a mining lease that was given to the company for the use of a customary land, thus, the Committee is concerned about how this was possible because the Committee was informed that the mining lease was given prior to any proper land acquisition was completed.
- 3.429 The Ministry stated that with the Ministry's needed to fast track many of its projects, so a mining lease was first given before the land acquisition took place. The Ministry does agree that it was unfortunate that things happened that way and going forward the Ministry will try ensure that this does not happen with other projects.

#### **Recommendation 72**

**The Committee recommends that an independent investigation be conducted into the award of the mining lease over customary land to Win Win Company. The Ministry of Mines, Energy and Rural Electrification should suspend the activities of the foreign company pending the outcome of this investigation.**



### **Deep sea mining**

- 3.430 The Committee requested an update on the deep sea mining and questioned where the country's position on deep sea mining.
- 3.431 The Ministry stated that currently nothing much is being done regarding deep sea mining, thus, there are no projects on deep sea mining but there are a few for petroleum.

### **Pressure of SPG 2023 and Honiara's sewage problem**

- 3.432 The Committee is concerned with the current status of the sewage outlet in Tuvaruvu which is spewing raw sewage into the Mataniko river, thus, the Committee questioned whether there are any plans by Solomon Water or the Ministry to remedy this issue before the SPG 2023.
- 3.433 The Solomon Water CEO stated that there are two sewage outlets; one is at Tuvaruvu and the other is at Vara creek. It was also stated that currently they are not aware of any projects to drain or do work on the Mataniko river but that could proceed regardless of the sewage discharge.
- 3.434 Furthermore, there is a donor funded project which will include two major sewage system upgrade which will include the area from Point Cruz through to the NRH, Vara creek, Tuvaruvu and China town. The second project will be from Bhai right through to Ranadi. Both projects are in the advance stage of designing and the Bhai through to Ranadi project is almost ready to tender out for construction. In terms of the NRH project there have been some issues relating to this projects such as; issue getting through to the property close to the SSCC church therefore, had to do some redesigning.
- 3.435 However, regardless of the status of these projects there is a shortage of USD \$44mio dollars for the total funding for these two projects. The Solomon Water have been granted USD \$72mio dollars in loan but the total cost is over a USD\$100mio. It has been seeking donor funds as well as with the Ministry of Finance and Planning to assist with the facilitation of these projects but still there is not much done. The Solomon Water CEO also stated that other than the two sewage outpour at Tuvaruvu and Vara creek there are also eleven others that discharge raw sewage onto the beach from Rove through to Ranadi, thus, Solomon Water is doing repair on four of those sewage sites.

### **Recommendation 73**

**The Committee is concerned that the current practice of raw sewerage discharge into rivers like Mataniko, is unsafe for people living along the river and immediate steps are required to address this. The Committee is also concerned about the eleven additional raw sewerage outlets in Honiara. The Committee recommends that Solomon Water prioritise sewerage treatment plants in Honiara.**

**Tina Hydro**

- 3.436 The Committee questioned whether the project is still on track or ongoing. The Committee is concerned that with all the challenges at hand whether the Project will still be completed by 2024.
- 3.437 The Tina Hydro Project Manager stated that the project is still on track but there might be some delay due to various challenges especially with the COVID-19-19 but at this time there is no formal confirmation of delay. Any delay will have to be in line with the project agreement. Thus, at the moment the work still continues and if there will be a delay they will mitigate that and stakeholders will be well informed of that.
- 3.438 The Committee raised that this question has been continuously asked in past PAC hearing and with the on-going surge in fuel prices this project is important and there's a concern that the same response has been repeated over the years during other PAC inquiries. Thus, the Committee requests that the director for Tino-Hydro make a written submission to inform the Committee of the status of the project and the mile stones and yearly targets, challenges.
- 3.439 The Tina Hydro Manager also stated that one challenge is that this project is on a loan and one critical aspect is the tariff on the electricity price therefore, contributing to the challenges as well. The important factor now is for the government to maintain the tariff in the agreement. The first part of the plan which is the access road has begun, this will be followed by the green field road which will lead to the dam. These are first parts of the projects that will hopefully begin in the next few weeks.

#### **Recommendation 74**

**The Committee is concerned that the Tina Hydro Project may not be able to achieve its 2024 start date and sought an update on how they are tracking against key milestones. The Committee recommends that the Project prepares at least bi-annual written update for the Committee which will be requested during future Public Accounts Committee hearings.**

## 30 Ministry of Women, Youth, Children and Family Affairs

### Mission Statement

MWYCFA is committed to uphold and promote, protect and fulfil the rights of women, young people, children and families through effective partnerships, inclusiveness, fairness and creating equal opportunities to advance the wellbeing of the nation.<sup>38</sup>

### 2022 Budget Summary

	2022 BUDGET ESTIMATES	2021 REVISED BUDGET	2021 ORIGINAL BUDGET	Actual 2020	Actual 2019	Actual 2018	Actual 2017
<b>Recurrent</b>							
Income	0	0	0	0	0	0	0
Payroll	2,984,327	2,443,440	2,443,440	2,416,325	1,548,632	2,329,674	2,131,531
Other Costs	7,367,369	7,367,369	7,367,369	5,432,904	8,749,613	7,692,870	7,716,606
<i>Net/Total</i>	<i>-\$ 10,351,696</i>	<i>-\$ 9,810,809</i>	<i>-\$ 9,810,809</i>	<i>-\$ 7,849,229</i>	<i>-\$ 10,298,245</i>	<i>-\$ 10,022,544</i>	<i>-\$ 9,848,137</i>
<b>Budget Support</b>							
Income	1,430,090	5,874,180	654,400	0	0	0	0
Payroll	0	0	0	0	0	0	0
Other Costs	1,430,090	5,874,180	654,400	0			
<i>Net/Total</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

### Issues of Concern

Matters of concern raised by the Committee includes the following:

#### Development Projects

- 3.440 The Committee queried whether there were any bids for development projects.
- 3.441 The Ministry confirmed that bids were made for a youth and development centre in Western Province but was not successful. The Ministry is now looking at options with donor funding.

#### Women, Children and Youth Support Centres

- 3.442 The Committee is very concerned about the less support given by the government to the various support centres, especially the Christian Care Centre, Family Support Centre and safe houses for women throughout the country. The Committee noted that there are high demands on these facilities for rooms and counselling, hence they will get affected by these budget cuts or no budget allocation at all.

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<sup>38</sup> Solomon Islands Government, *2022 Financial Policy Objectives and Strategies, Budget Paper: Volume 1, 2022*, pp. 253.

**Recommendation 75**

**The Committee recommends the Ministry of Women, Youth, Children and Family Affairs allocate adequate funding for safe houses and support services for victims of domestic and gender based violence in each Provinces.**

**Family Protection Act Review**

- 3.443 The Committee queried if the Family Protection Act 2014 has been reviewed. The Committee noted from the DSE submission<sup>39</sup> that the *Family Protection Act 2014* needs to be reviewed with cost analysis that needs views of CSOs/NGOs.
- 3.444 The Ministry confirms that their advisory council will be looking to forward a revised Act for tabling in Parliament in 2022.

**Recommendation 76**

**The Committee recommends that the Ministry of Women, Youth, Children and Family Affairs in its revision of the Family Protection Act 2014 thoroughly consult with all stakeholders including the Development Service Exchange and relevant Non-Government Organizations before tabling the amendment bill in Parliament in 2022.**

**31 Ministry of Rural Development****Mission Statement**

The mission of the ministry is three folded:

- Building our Human Resources Capacities to effectively deliver a Sustainable Rural Development Results.

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<sup>39</sup> Development Service Exchange (DSE), 2022, *A Submission to Public Accounts Committee: in response to (Appropriation Bill 2022) (8/04/2022)*, PAC's Requested Submission No. 17, pp. 4.

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- Transform our Institutional structures, Processes and legal environment that enables sustainable rural development.
- Building Effective Partnership with key stakeholders in Development Programming.<sup>40</sup>

## 2022 Budget Summary

	2022 BUDGET ESTIMATES	2021 REVISED BUDGET	2021 ORIGINAL BUDGET	Actual 2020	Actual 2019	Actual 2018	Actual 2017
<b>Recurrent Budget</b>							
Income	13,914	0	0	0	2,200	200	0
Payroll	15,921,521	12,499,341	12,499,341	15,188,792	2,502,498	12,779,743	10,885,188
Other Cost	85,792,102	5,949,302	5,949,302	15,353,637	4,675,684	6,020,167	6,050,662
<i>Net/Total</i>	<i>-\$ 101,699,709</i>	<i>-\$ 18,448,643</i>	<i>-\$ 18,448,643</i>	<i>-\$ 30,542,429</i>	<i>-\$ 7,175,982</i>	<i>-\$ 18,799,710</i>	<i>-\$ 16,935,850</i>
<b>Development Budget</b>							
Income	0	90,000,000	90,000,000	103,305,788	29,854,369	69,671,098	0
SIG	261,000,000	252,000,000	252,000,000	239,974,705	8,318,990	29,854,369	373,954,016
Donors							
<i>Net/Total</i>	<i>-\$ 261,000,000</i>	<i>-\$ 162,000,000</i>	<i>-\$ 162,000,000</i>	<i>-\$ 136,668,917</i>	<i>\$ 21,535,379</i>	<i>\$ 39,816,729</i>	<i>-\$ 373,954,016</i>

## Issues of Concern

Matters of concern raised by the Committee includes the following:

### **Significant increase in recurrent budget and drop in the development budget**

- 3.445 The Committee noted the significant increase in the recurrent budget and decrease in the development budget. The Committee sort clarification on the basis for these movements.
- 3.446 The Ministry stated that the reason for the increase in the recurrent budget for 2022 is the shift of \$80m from the development budget which has caused the significant increase in the recurrent budget for 2022.

### **Budget Support from PRC**

- 3.447 The Committee is concerned with the drastic drop in the PRC budget support from \$90m for last year to \$20m this year. The Committee asked the Ministry to clarify the \$20m budget support from PRC specifically the purpose of the money and how it is going to be spend.
- 3.448 The Ministry stated that the drop in the budget support from PRC has indicated that they are now in the transitional period whereby this year is the final year for PRC to provide support with regards to the CDF program. From discussions last year, the PRC will focus more on bigger projects and these projects are subject to PRC's discretion.

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<sup>40</sup> Solomon Islands Government, *2022 Financial Policy Objectives and Strategies, Budget Paper: Volume 1, 2022*, pp. 258.

3.449 In regards to the \$20m budget support from PRC, the Ministry stated that they have not received any information from PRC on the type of projects that will be spend on the \$20m for this year. Unlike last year the \$90m was mostly focused on small projects like water and sanitation, income generating activities and other small scale infrastructures.

#### **Processes involved in the PRC Funding projects**

3.450 The Committee is very concerned with the guidelines and requirements and the processes involved in the PRC budget support. The Committee further seek clarification on the role of the Ministry in regards to the PRC funding.

3.451 The Ministry assured the Committee that they will provide information on the guidelines and requirements and processes involved in the PRC funding once they get in touch with the PRC Embassy.

#### **Recommendation 77**

**The Committee recommends that the Ministry of Rural Development proactively engages with donor partners to determine the use of appropriated funds before the budget is tabled for appropriation.**

#### **CDF Act Review**

3.452 The Committee enquired into the status and progress of the CDF Act review, particularly the CDF Regulation and if work has already been done. The Committee is very concerned that this matter has been outstanding for a very long time and really needs to be resolved properly.

3.453 The Ministry stated that the Ministry of Finance has done some work on it last year especially on the compliance aspect of the regulation with the *Public Finance Management Act 2013*. This process is supported by Ministry of Rural Development and Office of the Prime Minister and Cabinet. The Ministry was asked to make a presentation to Cabinet on the review based on a report prepared by a consultant.

#### **Recommendation 78**

**The Committee recommends that the Ministry of Rural Development needs to prioritize the amendments to the The Committee recommends that the Ministry of Rural Development needs to prioritize the amendments to the *Constituency Development Fund Act 2013* to strengthen governance mechanisms and finalize regulations in 2022to strengthen governance mechanisms and finalize regulations in 2022.**

## 32 Ministry of Environment, Climate Change, Disaster Management and Meteorology Mission Statement

To provide an enabling environment for the socio-economic development of the Solomon Islands through the application of necessary safeguards with regard to: Sustainable use of natural resources; the provision of meteorological services; reducing the risk and impact of climate change and other hazards to communities; leading and managing disaster preparedness and their consequences.<sup>41</sup>

### 2022 Budget Summary

	2022 BUDGET ESTIMATES	2021 REVISED BUDGET	2021 ORIGINAL BUDGET	Actual 2020	Actual 2019	Actual 2018	Actual 2017
<b>Recurrent</b>							
Income	1,259,390	650,514	650,514	469,700	270,550	610,200	616,600
Payroll	10,694,940	10,032,183	10,032,183	10,261,809	6,978,675	9,192,611	9,171,320
Other Costs	24,449,835	24,449,835	24,449,835	52,225,316	18,264,562	17,199,184	18,872,337
<i>Net/Total</i>	<i>-\$ 33,885,385</i>	<i>-\$ 33,831,504</i>	<i>-\$ 33,831,504</i>	<i>-\$ 62,017,425</i>	<i>-\$ 24,972,687</i>	<i>-\$ 25,781,595</i>	<i>-\$ 27,427,057</i>
<b>Budget Support</b>							
Income	42,225,994	24,934,167	0	335,959	0	1,604,792	0
Payroll	0	0	0	147,818	272,464	480,190	246,077
Other Costs	42,225,994	24,934,167	0	11,191,481	1,263,126	758,387	485,901
<i>Net/Total</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>-\$ 11,003,340</i>	<i>-\$ 1,535,590</i>	<i>\$ 366,215</i>	<i>-\$ 731,978</i>
<b>Development Budget</b>							
SIG	7,460,000	5,960,000	5,960,000	2,715,861	3,753,195	2,375,623	7,856,772
Donor							
<i>Net/Total</i>	<i>\$ 7,460,000</i>	<i>\$ 5,960,000</i>	<i>\$ 5,960,000</i>	<i>\$ 2,715,861</i>	<i>\$ 3,753,195</i>	<i>\$ 2,375,623</i>	<i>\$ 7,856,772</i>

### Issues of Concern

The Ministry provides written submission to the Committee:

#### Wild life trade

- 3.454 The Committee noted that \$1.8mio will be geared toward environmental conservations thus, the Committee requested more information on this matter.
- 3.455 The Ministry stated that it will compile a comprehensive list of the wild species in the country for the Committee. On that note the Ministry also stated that this program is important and the trade of wild life is regulated from outside and depends on fauna and flora. Thus, when trade of wild

<sup>41</sup> <https://solomons.gov.sb/ministry-of-environment-climate-change-disaster-management-and-meteorology/#:~:text=Our%20Mission&text=Sustainable%20use%20of%20natural%20resources,diaster%20preparedness%20and%20their%20consequences.>

life occurs buyers from outside alerts the Ministry of whether the species traded is endangered or not. The Ministry then regulates the trade of that certain species so that it is not overly harvested. Therefore, the need for regulation of wild life trade is factored in the budget. Furthermore, the Ministry 2022 budget caters to this aspect because though certain wild life in the country is going extinct people still need to trade wild life for income purposes. Thus, with the budget part of the \$1.8mio will be going towards regulating and making sure there is balance in that aspect.

### **The State of the Environment Report**

- 3.456 The Committee is concerned with the time line of three years needed to complete this report. The Committee is of the view that given the challenges from logging, mining and other environmental degradation three years is too long for an analysis of the environment to be done and reported on. Furthermore, within that three years major degradation will have eventuated causing major destruction to the environment. These degradations could have easily been analysed and dealt with if the Ministry make a yearly report instead of having to wait three years. Having the report released on an annual basis will force stakeholders to take immediate remedial actions.
- 3.457 The Ministry stated that the reason for the three years before the report is being released is because it is stated in the current Environment Act. The last report was produced in 2019 and it indicated that much of the degradation is centred in economic areas thus, the Ministry's current focus is on development control and enforcement of the compliance to the regulation. These two areas need to be strengthened. To achieve this the Ministry is looking into having its officer's stationed in other provinces.
- 3.458 The Ministry also stated that the reason for the need for three years and not one is year because the report does not only focus on one theme. Thus, it needs time to carry out careful major analysis on these themes. It is also looking at the main drivers that cause change to the environment as well as reviewing the Environment Act. In the meantime, the Ministry is working on improving the enforcement of the Ministry's Acts.
- 3.459 The Committee also questioned whether there's an issue with the Ministry's capacity to produce a report in one year.
- 3.460 The Ministry stated that capacity wise they have technical and funding support from the SPREP especially with the data collection. Thus, the Ministry has learnt a lot from this collaboration especially in terms of the technical aspect of data collection. With this support going forward the Ministry is confident to carry on the reporting in the coming years on its own. Funding wise the Ministry does faces issue with that because like any other Ministry the final budget is based on the baseline.

### **Recommendation 79**



**The Committee recommends that Ministry of Environment, Climate Change, Disaster Management and Meteorology complete the State of the Environment Report in an annual format with a rolling 5-year analysis. The Environment Act will need to be amended to facilitate this.**

#### **NASA report on the moon wobble**

- 3.461 The Committee raised the concern regarding the impact of the moon wobble that was reported by NASA. This moon wobble phenomenon which is said to happen in 10 years will cause a gravitational pull that will affect the tides therefore, adding more pressure on the issue of sea-level rise in Solomon Islands. High tides will also cause impact on coastal soil structure. Thus, the Committee wants to know what the Ministry is doing to prepare for this.
- 3.462 The Ministry stated that adding to the cycles of El nino and La nina the tilt of the sea will go up thus, further increasing sea-level rise. The moon wobble happens every 18-19 years so years thus, by mid-2030 this will happen and further increase the sea-level.
- 3.463 To deal with this the Ministry stated there are mechanisms in place that will alert people when this happens. Furthermore, information will be disseminated to the public in an early warning, this critical information's will include sea surface temperatures, sea-level etc. so that people can be aware of the situation.
- 3.464 Currently a dialler is in place to inform the public of any such situation, this was started two years ago and data has been collected but apart from the data collection, research equally important. Thus, the Ministry has worked with other regional bodies however, the collaboration has stopped due to COVID-19-19 restrictions on traveling but will continue when the restrictions have been lifted.
- 3.465 The Ministry has also established this in the Central province where two flags are in place, one blue and one red, the red one means that a warning is in place so people to not venture out at that time

#### **Sea-level rise**

- 3.466 The Committee is concerned with the issue of sea-level rise in low-lying atolls in the country. It is also of the view that very little has been done regarding this issue. This issue has been continuously being raised by the Committee hence, it is concerning that this particular issue is not featured well in the Ministry's budget.
- 3.467 The Ministry stated that with the support of International Organization of Migration, Ministry of environment and Ministry of lands has started relocation guidelines. Most importantly funding for this and consultations is also important and the work is progressing. Though the Ministry depends on government funding it is also working with donor partners in accessing funds from

the Global Environment Facility and Green Climate Fund and the Least Developed Country fund to facilitate adaptation and mitigation needs in terms of Climate Change and sea-level rise.

3.468 The Ministry also confirms that the sea-level continues to rise with an annual increase of 7.7 mm which is three times the global average.

### **Mataniko River**

3.469 The Committee is concerned with the state the of the Mataniko river, and pointed out that the buildings along the river have been built too close to the river and that there is need for major clean-up of the Mataniko river.

3.470 The Ministry stated that clean –up is important but if the root cause is not dealt with the Mataniko river will continue to be a dumping site for rubbish for those living beside the river. Simply put people’s mentality needs to change. Thus, community based awareness is needed.

3.471 The Ministry is also working with Solomon Water to divert the two sewers discharges so that the river is not used for dumping of such waste. The Ministry also stated that a boom was put in placed at the river to know what type of waste is being emitted there. It has also worked with the community there and a certain budget was given to these communities to assist them with, maintaining the cleanliness of the river. However, when the ministry stopped checking on the progress the issue of waste in the river continued again. The ministry is therefore of the view that underlying issue is people’s attitudes towards waste and the environment.

3.472 The Committee however, feels that a complete clean-up of the Mataniko river is needed.

### **Recommendation 80**

**The Committee recommends that the Ministry of Environment, Climate Change, Disaster Management and Meteorology liaise with Honiara City Council, relevant Government agencies and the community along the Mataniko river to encourage a community clean-up of the river and surrounding areas.**

### **Carbon trade regulation**

3.473 The Committee raised the concern that though this particular aspect is mandated under the Ministry of Forestry it should also be, mandated under the Ministry of Environment. The Committee is also concerned that there is no carbon trade regulation so the Government can regulate such trade scheme.

3.474 The Ministry recognizes the need to ensure investments are well coordinated through transparent medium so that local businesses are not ripped off. It also stated that a draft policy is in the works which mentions the need for regulation of carbon trading for example, one specific statement in this policy states that “*establish and strengthen governance and capacity for international markets, non-*

*market mechanisms and related carbon trading schemes including establishment of carbon trading regulation or legislation". Therefore, this will give way for a regulation on this matter to suffice. Furthermore, a country wide consultation had begun however, it has stopped due to the COVID-19 restrictions.*

### **Environmental assessment of development projects**

- 3.475 The Committee is concerned that the authorized consultants who do the environmental assessment before development projects take place are chosen by the developer and by the Ministry. The Ministry only provides the list of consultants and the developer makes the decision. The Committee is concerned that this might leave room for bribery to take place.
- 3.476 The Ministry stated that often at times people who write these reports are very busy themselves thus, the developer chooses who is available. Furthermore, the Environment Act states that this is the responsibility of the developer the Ministry responsibility is to only to assess the report. If the Ministry chooses the consultants and approves the report as well that would be unethical because it would mean that the Ministry writes the report and assesses it at the time same time.
- 3.477 The Committee also noted that some of these reports do not have proper consultations and this leaves the Ministry vulnerable towards accusations of bribery. Therefore, suggests that the Ministry increase the consultant list and some form of accountability is placed on that consultant because if not this will leave the Ministry vulnerable to the issue discussed above.
- 3.478 The Ministry stated that it will look into reviewing the Environment Act and strengthen these areas so that such decisions be made by an independent body and not only by the Ministry.

#### **Recommendation 81**

**The Committee recommends that the Ministry of Environment, Climate Change, Disaster Management and Meteorology implement a review committee with relevant expertise to consider all environment impact assessment reports before sending to the Director for approval. It further recommends that the Ministry establish an accountability mechanism for the exercise of Director of Environment's powers and impose penalties including black listing on consultants who produce substandard reports.**

#### **Recommendation 82**

**The Committee recommends that the Ministry of Environment, Climate Change, Disaster Management and Meteorology consider new monitoring methods such as satellite technology to monitor environment degradation. This monitoring could also be shared with other Ministries like Ministry of Forestry and Research.**

END OF REPORT

## Appendices

### Committee Functions

The Committee is established under *Standing Order 69*; an Order made pursuant to the *Constitution*<sup>42</sup> 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.

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<sup>42</sup> Section 62, *Constitution of Solomon Islands 1978*.

## Minutes of Proceedings



NATIONAL PARLIAMENT OF SOLOMON ISLANDS

PUBLIC ACCOUNTS COMMITTEE

P.O. Box G19,  
Honiara.

Tel:  
28520/23424.

Fax: 24272

### Minutes of Proceedings

#### Committee Inquiry into the 2022 Appropriation Bill 2022 (No.1 of 2022)

Day 1/2022

Friday 1<sup>st</sup>, April, CRII, Parliament's Paul Tovua Complex, 9:30 AM

#### 1. Members Present

Hon. Rick Houenipwela, MP- Chairman (Ag)

Hon. Mathew Wale, MP

Hon. John Maneniaru, MP

Hon. Commins Mewa, MP

Hon. Lilly Maefai, MP

Hon. Ethel Vokia

#### 2. Apologies

Hon. Douglas Ete, MP, Substantive Chairman

Hon. John Dean Kuku, MP

#### 3. Secretary

Mr. David Dennis, Auditor General

#### 4. Secretariat

Mr. Heston Rence, Committee Clerk

Mr. Gregory Fineanganofu, Director Committees

Ms. Cordney Wale, Committee Secretary

Mr. Allen Richard, Hansard Officer

Mr. Sunjay Dhari, IT Officer

Mr. Moffatt Maenao, IT Officer

Mr. Duane Baiabe, Media Officer

#### 5. Prayer

Hon. Rick Hou said the opening prayer.

## **6. Welcome/ Opening remarks**

The Chairman (Ag) of the PAC welcomes members of the committee, officials from the committee secretariat and witnesses and then said the opening remarks. The Chair informs the witnesses of the Parliamentary privileges.

## **7. Inquiry into the 2022 Appropriation Bill 2022 (No.1 of 2022)**

The Hearing proper commenced and the following witnesses from the Central Bank of Solomon Islands were admitted.

### **Hearing 1 Witnesses - CBSI**

- i. Dr Luke Forau, Governor
- ii. Mr. Michael Kikiolo, Management Advisor Policy
- iii. Mrs. Louisa Baragamu, Chief Manager ERSD (Ag)

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.

*Hearing suspends for lunch at 11.04am*

The Hearing proper resumed at 1:16pm and the following witnesses from the Ministry of Finance and Treasury were admitted:

### **Hearing 2 Witnesses - MOFT**

- i. Mr. McKinnie Dentana, Permanent Secretary, MOFT
- ii. Mr. Coswal Nelson, Director Budget Unit, MOFT
- iii. Mr. Douglas Sade, Deputy Accountant General, MOFT
- iv. Mrs Primula Mua , Director Economic Reform Unit, MOFT
- v. Mr. Robert M Dukavalaka, Director Debt Management Unit, MOFT
- vi. Mr. Bebeno Mulesae, FC, MOFT
- vii. Mr. Joseph Dokekana, IRD Commissioner, MOFT
- viii. Mr. Jim Sutton, Comptroller of Customs, MOFT

The witnesses made their presentations before the Committee.

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

*Hearings suspends at 3:16pm*

The Hearing proper resumed at 3:20pm and the following witnesses from the Ministry of National Planning and Development Coordination were admitted:

**Hearing 3 Witnesses - MNPDC**

- i. Ms. Susan Sulu, Permanent Secretary, MNPDC
- ii. Mr. Travis Ziku, Deputy Secretary, MNPDC
- iii. Ms. Nicola Namo, Director- Economic & Productive Division, MNPDC
- iv. Mr. Samuel Wara, Director – Development Cooperation Division, MNPDC
- v. Ms. Tammie Joshua, D/Director – National Authorising Office (EU), MNPDC
- vi. Mr. Harry Kereseka, Finance Manager – National Authorising Office (EU), MNPDC
- vii. Ms. Naomi Polahi, Acting Chief Planning Officer – Social Division, MNPDC
- viii. Mr. Michael Pasikeni, Director – Strategic Planning & Budget, MNPDC
- ix. Ms. Elizabeth Pepena, Acting Chief Planning Officer- M&E, MNPDC
- x. Ms. Judith Vava, Financial Controller, MNPDC
- xi. Ms. Gladys Asitewa, Human Resource Manager, MNPDC
- xii. Mr. Lottie Vaisekavea, Program Manager – Rural Dev. Program, MNPDC
- xiii. Mr. Dan Lenny, Chief Planning Officer – Strategic Planning, MNPDC

The witnesses made their presentations before the Committee.

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

**8. Adjournment**

Closing prayer said by Hon. Alfred Eфона

The hearing adjourned at 4:50pm



**Day 2/2022**

Monday 4<sup>th</sup>, April 2022 CRII, Parliament's Paul Tovua Complex, 10:25AM

**1. Members Present**

Hon. Rick Houenipwela, MP- Chairman (Ag)  
Hon. Mathew Wale, MP  
Hon. John Maneniaru, MP  
Hon. Commins Mewa, MP  
Hon. Lilly Maefai, MP  
Hon. Ethel Vokia, MP  
Hon. Alfred Efona, MP

**2. Apologies**

Hon. Douglas Ete, MP, Substantive Chairman  
Hon. John Dean Kuku, MP  
Hon. Silas V Tausinga, MP

**3. Secretary**

Mr. David Dennis, Auditor General

**4. Secretariat**

Mr. Heston Rence, Committee Clerk  
Ms. Salome Pilumate, Committee Clerk  
Mr. Wilson Orisi, Committee Secretary  
Mr. Allen Richard, Hansard Officer  
Mr. Sunjay Dhari, IT Officer  
Mr. Moffatt Maenao, IT Officer  
Mr. Duane Baiabe, Media Officer

**5. Prayer**

Hon. Rick Hou said the opening prayer.

**6. Welcome/ Opening remarks**

The Chairman (Ag) of the PAC welcomes members of the committee, officials from the committee secretariat and witnesses and then said his/her opening remarks. The Chair informs the witnesses of the Parliamentary privileges.

**7. Inquiry into the 2022 Appropriation Bill 2022 (No.1 of 2022)**

The Hearing proper commenced and the following witnesses from the Ministry of Health and Medical Services were admitted.

**Hearing 4 Witnesses - MHMS**

- i. Mrs. Pauline Mcneil, Permanent Secretary, MHMS
- ii. Dr Gregory Jilini, Undersecretary Health Care, MHMS
- iii. Dr Lazarus De Neko, Undersecretary Corporate Services, MHMS
- iv. Dr Nemia Bainivalu Undersecretary Health Improvement/IC
- v. Dr George Wilson Malefoasi, Chief Executive Officer, NRH, MHMS
- vi. Mr. Ivan Ghemu, Director Planning and Policy, MHMS
- vii. Mr. Michael Larui, National Director of Nursing, MHMS
- viii. Mr. Brian Idufanoa, Chief Planning Officer ( Supervising), MHMS
- ix. Mrs. Esther Tekulu, Financial Controller ( Supervising ), MHMS
- x. Mrs. Paul Kunua, Manager PCU ( Supervising), MHMS

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.

*Hearings suspends for lunch at 12:53pm*

The Hearing proper resumed at 1:30pm and the following witnesses from the Ministry of Education & Human Resource Development were admitted:

**Hearing 5 Witnesses - MEHRD**

- i. Dr Franco Rodie, Permanent Secretary, MEHRD
- ii. Ms. Constance Hiva Nasi, Chief Executive Officer, MEHRD
- iii. Mrs. Merrylyn Kodoleke, Director Finance, MEHRD
- iv. Mr. Mathias Kutai, Director Teaching Service Division, MEHRD
- v. Mr. Clement Tito, Manager Asset Management Division, MEHRD
- vi. Mr. Hudson Kupenga, Accountant, National Scholarship Unit
- vii. Mrs. Linda Wate, Deputy Secretary Teaching & Learning

The witnesses made their presentations before the Committee.

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

**8. Adjournment**

Closing prayer said by Hon. John Maneniaru

The hearing adjourned at 4:47pm

**Day 3/2022**

Tuesday 5<sup>th</sup>, April 2022 CRII, Parliament's Paul Tovua Complex, 10:11AM

**1. Members Present**

Hon. Rick Houenipwela, MP- Chairman (Ag)  
 Hon. Mathew Wale, MP  
 Hon. John Maneniaru, MP  
 Hon. Commins Mewa, MP  
 Hon. Lilly Maefai, MP  
 Hon. Ethel Vokia, MP  
 Hon. Alfred Efona, MP

**2. Apologies**

Hon. Douglas Ete, MP, Substantive Chairman  
 Hon. John Dean Kuku, MP  
 Hon. Silas V Tausinga, MP

**3. Secretary**

Mr. David Dennis, Auditor General

**4. Secretariat**

Mr. Gregory Fineanganofa, Director Committees  
 Mr. Heston Rence, Committee clerk  
 Mr. Wilson Anii, Committee clerk  
 Mr. Wilson Orisi, Committee clerk  
 Ms. Ivory Iruha'a, Committee clerk  
 Ms. Cordney Wale, Committee clerk  
 Ms. Monica Sekonga, Senior Admin Committees  
 Mr. Allen Richard, Hansard Officer  
 Mr. Sunjay Dhari, IT Officer  
 Mr. Moffatt Maenao, IT Officer  
 Mr. Duane Baiabe, Media Officer

**5. Prayer**

Hon. Rick Hou said the opening prayer.

**6. Welcome/ Opening remarks**

The Chairman of the PAC welcomes members of the committee, officials from the committee secretariat and witnesses and then said his/her opening remarks. The Chair informs the witnesses of the Parliamentary privileges.

## 7. Inquiry into the 2022 Appropriation Bill 2022 (No.1 of 2022)

The Hearing proper commenced and the following witnesses from the Ministry of Infrastructure Development were admitted.

### **Hearing 6 Witnesses - MID**

- i. Mr. Steven Maesiola, Permanent Secretary
- ii. Mr. Jimmy Nuake, Deputy Secretary Technical
- iii. Mr. Paul Ne'e, Financial Controller
- iv. Mr. Mike Qaqara, Director Civil Engineering
- v. Mr. Philip Baura, Director Architect
- vi. Mr. Lesly Nate, Director Mechanical Engineer
- vii. Mrs. Lorraine Galo, 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.

*Hearings suspends at 11.27am*

The Hearing proper resumed at 11:31pm and the following witnesses from the Ministry of Police, National Security and Correctional Services were admitted:

### **Hearing 7 Witnesses - MPNSCS**

- i. Ms. Karen Galokale, Permanent Secretary
- ii. Ms. Julia Twumasi, Deputy Secretary (Supervising FC)
- iii. Mr. Trevor Unusu, Deputy Secretary Technical
- iv. Mr. Mostyn Mangau, Commissioner RSIPF
- v. Mr. Ian Vaevaso, Deputy Commissioner Police
- vi. Mr. Ian Bara, Assistant Commissioner Police
- vii. Mr. Simpson Pogeava, Assistant Commissioner Police
- viii. Mr. Gabriel Manelusi, Commissioner CSSI
- ix. Ms. Julie Mabulou, Supervising Deputy Commissioner CSSI
- x. Mr. Ian Qoloni, Director Finance (Ag) CSSI
- xi. Ms. Alice Saeni, Chief Accountant RSIPF
- xii. Mr. Yan Ratu, Principal Accountant CSSI
- xiii. Mr. Anthony Kivolyn, Director Policy and Planning

The witnesses made their presentations before the Committee.

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

*Hearings suspends for lunch at 12:33pm*

The Hearing proper resumed at 1:55pm and the following witnesses from the Ministry of Rural Development were admitted:

**Hearing 8 Witnesses - MRD**

- i. Mr. Hugo Hebala, Permanent Secretary (Ag)
- ii. Ms. Constance Wane, Deputy Secretary Corporate
- iii. Mr. Timothy Paoka, Financial Controller
- iv. Mr. Allan Lilia, Director Engineering
- v. Mr. Hickson George, Director Governance
- vi. Mr. Wilfred Delemani, Director RDD
- vii. Mrs. Joy Tealikhava, Human Resource Manager
- viii. Mr. Stephenson Disango, Director Communications

The witnesses made their presentations before the Committee.

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

*Hearings suspends at 2:31pm*

The Hearing proper resumed at 2:33 pm and the following witnesses from the Ministry of Foreign Affairs and External Trade were admitted:

**Hearing 9 Witnesses - MFAET**

- i. Mr. Collin Beck, Permanent Secretary, MFAET
- ii. Mr. Cornelius Walegereza, Deputy Secretary, MFAET
- iii. Mr. George Tuti, Director of Trade, MFAET
- iv. Ms. Loise Daga, Financial Controller, MFAET
- v. Ms. Alexandria Hilly, Human Resource Manager, MFAET

The witnesses made their presentations before the Committee.

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

*Hearings suspends for lunch at 3:35 pm*

The Hearing proper resumed at 3:56pm and the following witnesses from the Office of the Prime Minister and Cabinet were admitted:

**Hearing 10 Witnesses - OPMC**

- i. Mr. James Remobatu, Secretary to Cabinet
- ii. Dr. Jimmie Rodgers, Secretary to Prime Minister
- iii. Ms. Florence Joel, Deputy Secretary to Cabinet
- iv. Dr. Derek Mane, DSPM Policy & Program
- v. Mr. Leonard Ofainu'u, DSPM, CS
- vi. Mr. Trevor Manemahaga, Policy Secretary Fundamental Sector
- vii. Mr. Malcom Foufaka, Supervising FC
- viii. Mr. Christian Nieng, Executive Director NHA
- ix. Mr. Philip Hou, Director Constitutional Reform Unit

The witnesses made their presentations before the Committee.

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

*Hearings suspends at 5:11pm*

The Hearing proper resumed at 5:15pm and the following witnesses from the National Parliament Office were admitted:

**Hearing 11 Witnesses - NPO**

- i. Mr. David Kusilifu, Clerk to National Parliament
- ii. Mr. Jefferson Hallu, Deputy Clerk to National Parliament
- iii. Mr. Lloyd Bera, Financial Controller
- iv. Mrs. Joycelyn Kilua Hevalao, Human Resources Manager

The witnesses made their presentations before the Committee.

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

**8. Adjournment**

Closing prayer said by Hon. Commins Mewa

The hearing adjourned at 5:51pm

**Day 4/2022**

Wednesday 6<sup>th</sup>, April 2022 CRII, Parliament's Paul Tovua Complex, 10:28AM

**1. Members Present**

Hon. Rick Houenipwela, MP- Chairman (Ag)  
 Hon. Mathew Wale, MP  
 Hon. John Maneniaru, MP  
 Hon. Commins Mewa, MP  
 Hon. Lilly Maefai, MP  
 Hon. Alfred Efona, MP

**2. Apologies**

Hon. Douglas Ete, MP, Substantive Chairman  
 Hon. John Dean Kuku, MP  
 Hon. Silas V Tausinga, MP  
 Hon. Ethel Vokia, MP

**3. Secretary**

Mr. David Dennis, Auditor General

**4. Secretariat**

Mr. Heston Rence, Committee clerk  
 Mr. Wilson Anii, Committee clerk  
 Ms. Salome Pilumate, Committee clerk  
 Ms. Ivory Iruha'a, Committee clerk  
 Mr. Greg Kinimete, Hansard Officer  
 Ms. Sherilyn Ragoso, Hansard Officer  
 Ms. Hazel Fafale, Hansard Officer  
 Mr. Sunjay Dhari, IT Officer  
 Mr. Moffatt Maenao, IT Officer  
 Mr. Duane Baiabe, Media Officer

**5. Prayer**

Hon. Rick Hou said the opening prayer.

**6. Welcome/ Opening remarks**

The Chairman of the PAC welcomes members of the committee, officials from the committee secretariat and witnesses and then said his/her opening remarks. The Chair informs the witnesses of the Parliamentary privileges.

**7. Inquiry into the 2022 Appropriation Bill 2022 (No.1 of 2022)**

The Hearing proper commenced and the following witnesses from the Ministry of Communication & Aviation were admitted.

**Hearing 12 Witnesses - MCA**

- i. Mr. Moses Virivolomo, Permanent Secretary, MCA
- ii. Mr. Fred Dola, Financial Controller
- iii. Mr. Obed Sika, Human Resource Manager
- iv. Mr. Alwyn Danitofea, Director Communication
- v. Mr. Trevor Veo, Director (Ag) Aviation Policy & Airport Manager
- vi. Mr. Brian Halisanau , Director Civil Aviation Authority Solomon Islands

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.

*Hearings suspends at 11:42am*

The Hearing proper resumed at 11:52am and the following witnesses from the Ministry of Commerce, Industries, Labour & Immigration were admitted:

**Hearing 13 Witnesses - MCILI**

- i. Mr. Riley Meseptu, Permanent Secretary, MCILI
- ii. Mr. Hunter Masuguria, Deputy Secretary Admin, Planning & Policy
- iii. Mrs. Irene Ruele, Financial Controller (Ag),
- iv. Mr. Eric George Ongo, Deputy Secretary Technical
- v. Mr. Christopher Akosawa, Director (Ag), Immigration Division
- vi. Mr. Jacob Gala, Director Industrial Development Division
- vii. Mr. David Kaumae, Commissioner (Ag) of Labour
- viii. Mr. Geoffrey Dan Hou'ua, Director Consumer Affairs & Price Control Division
- ix. Mr. Cornelius Donga, Director Marketing & Export Promotion Division
- x. Mr. Tobit Taravu, Deputy Registrar of Companies
- xi. Mrs. Lynette Dawheya, Director Foreign Investment Division
- xii. Mr. Morris Ra'apai, Director Business & Cooperative Division
- xiii. Mr. Willie Vaiyu, Deputy Chair Trade Dispute Panel
- xiv. Mr. Martin Housanau, Director CEMA Cabinet Sub-Committee
- xv. Mr. Patteson Siliota, General Manager CEMA
- xvi. Mr. Kennedy Jimmy, Finance Manager, CEMA

The witnesses made their presentations before the Committee.



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

*Hearings suspends for lunch at 1:25pm*

The Hearing proper resumed at 2:28pm and the following witnesses from the Ministry of Justice & Legal Affairs were admitted:

**Hearing 14 Witnesses - MJLA**

- i. Dr. Paul Mae, Permanent Secretary, MJLA
- ii. Mr. George Gray, Public Solicitor
- iii. Ms. Rachel Olutimayin, Director of Public Prosecutors
- iv. Ms. Martha Manaka, Deputy Public Solicitor
- v. Mr. Alan Watkins, Advisor to Public Solicitor
- vi. Mr. Chris Saul Kaoko, Financial Controller
- vii. Ms. Ivory Matangani, Chief Infrastructure Officer
- viii. Ms. Olive Maezama Talasasa, Human Resource Manager
- ix. Mr. Clifton Tigi, Chief Strategic Planning Officer
- x. Mr. Andrew Kelesi, Director Public Prosecute Solicitor
- xi. Ms. Harriet Siapu, Administrative Senior Officer

The witnesses made their presentations before the Committee.

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

*Hearings suspends at 3:38pm*

The Hearing proper resumed at 3:40pm and the following witnesses from the Ministry of Environment, Climate Change, and Disaster Management & Meteorology were admitted:

**Hearing 15 Witnesses - MECCDM**

- i. Mr. Melchior Mataka, Permanent Secretary
- ii. Mr. Chanel Iroi, Deputy Secretary Technical
- iii. Mr. Karl Kuper, Deputy Secretary Corporate
- iv. Mr. Joe Horokou, Director Environment & Conversation
- v. Mr. Hudson Kauhiona, Director Climate Change
- vi. Mr. Jonathan Tafiariki, Director National Disaster Management Office
- vii. Mr. David Hiriasia, Director Meteorological Services
- viii. Mr. Barnabas Bago, National Programme Coordinator
- ix. Mr. Allan Rang, Human Resource Manager

- x. Mr. Jacob Akao, Financial Controller
- xi. Ms. Debra Kereseke, Deputy Director Environment
- xii. Mr. Josef Hurutarau, Deputy Director Conservation
- xiii. Mr. Thaddeus Siota, Deputy Director Climate Change
- xiv. Mr. George Baragamu, Chief Operation Officer, NDMO
- xv. Mr. Lloyd Tahani, Deputy Director Meteorological Services
- xvi. Mr. Benjamin Kere, Met IT

The witnesses made their presentations before the Committee.

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

### **8. Adjournment**

No Closing prayer said

The hearing adjourned at 4:15pm.

## **Day 5/2022**

Thursday 7<sup>th</sup>, April 2022 CRII, Parliament's Paul Tovua Complex, 10:11AM

### **1. Members Present**

Hon. Rick Houenipwela, MP- Chairman (Ag)  
Hon. Mathew Wale, MP  
Hon. John Maneniaru, MP  
Hon. Commins Mewa, MP  
Hon. Lilly Maefai, MP  
Hon. Ethel Vokia, MP  
Hon. Alfred Efona, MP

### **2. Apologies**

Hon. Douglas Ete, MP, Substantive Chairman  
Hon. John Dean Kuku, MP  
Hon. Silas V Tausinga, MP

### **3. Secretary**

Mr. David Dennis, Auditor General

### **4. Secretariat**

Mr. Heston Rence, Committee clerk  
 Mr. Gregory Fineanganofu, Director Committees  
 Ms. Cordney Wale, Committee clerk  
 Mr. Wilson Anii, Committee clerk  
 Ms. Salome Pilumate, Committee clerk  
 Ms. Ivory Iruha'a Committee clerk  
 Mr. Allen Richard, Hansard Officer  
 Theresa Nori, Hansard Reporter  
 Mr. Sunjay Dhari, IT Officer  
 Mr. Moffatt Maena, IT Officer  
 Mr. Duane Baiabe, Media Officer

### **5. Prayer**

Mr. Heston Rence, PAC Committee clerk said the opening prayer.

### **6. Welcome/ Opening remarks**

The Chairman of the PAC welcomes members of the committee, officials from the committee secretariat and witnesses and then said his/her opening remarks. The Chair informs the witnesses of the Parliamentary privileges.

### **7. Inquiry into the 2022 Appropriation Bill 2022 (No.1 of 2022)**

The Hearing proper commenced and the following witnesses from the Ministry of Environment, Climate Change, and Disaster Management & Meteorology were admitted.

#### **Hearing 15 Witnesses – MECCDM (continuation)**

- i. Mr. Melchior Mataki, Permanent Secretary
- ii. Mr. Chanel Iroi, Deputy Secretary Technical
- iii. Mr. Karl Kuper, Deputy Secretary Corporate
- iv. Mr. Joe Horokou, Director Environment & Conversation
- v. Mr. Hudson Kauhiona, Director Climate Change
- vi. Mr. Jonathan Tafiariki, Director National Disaster Management Office
- vii. Mr. David Hiriasia, Director Meteorological Services
- viii. Mr. Barnabas Bago, National Programme Coordinator
- ix. Mr. Allan Rangi, Human Resource Manager
- x. Mr. Jacob Akao, Financial Controller
- xi. Ms. Debra Kereseke, Deputy Director Environment
- xii. Mr. Josef Hurutarau, Deputy Director Conservation
- xiii. Mr. Thaddeus Siota, Deputy Director Climate Change
- xiv. Mr. George Baragamu, Chief Operation Officer, NDMO
- xv. Mr. Lloyd Tahani, Deputy Director Meteorological Services

xvi. Mr. Benjamin Kere, Met IT

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.

*Hearings suspends at 11.35am*

The Hearing proper resumed at 11:39am and the following witnesses from the Ministry of Agriculture & Livestock Development were admitted:

**Hearing 16 Witnesses - MALD**

- i. Ms. Ethel Tebengi Frances, Permanent Secretary
- ii. Ms. Elda Wate, Deputy Secretary Corporate & Strategic Planning
- iii. Mr. Michael Ho'ota, Deputy Secretary Technical
- iv. Mr. Francis Tsatsia, Director Bio-Security
- v. Mr. Martin Jaiki, Director (Ag) Agriculture Research Dept
- vi. Mr. Ricky Wate Director (Ag) Agriculture Livestock Dept
- vii. Mr. Peter Rarahabura, Director Agriculture Planning Dept
- viii. Ms. Alistar Talua, Planning Division
- ix. Ms. Paurina Galo Akwai, Human Resource Manager
- x. Mr. Paul Gregory Akwa, Financial Controller

The witnesses made their presentations before the Committee.

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

*Hearings suspends for lunch at 1:03pm*

The Hearing proper resumed at 2:00pm and the following witnesses from the Ministry of Traditional Governance, Peace & Ecclesiastical Affairs were admitted:

**Hearing 17 Witnesses - MTGPEA**

- i. Mr. Peter Mae, Permanent Secretary
- ii. Mr. Gregory Rofeta, Deputy Secretary (Admin & Accounts)
- iii. Mrs. Emily Kupenga, Deputy Secretary Technical
- iv. Mr. Chris Tabea, Director Traditonal Governance
- v. Mr. Charles Kafa, Director Peace & Ecclesiastical Affairs
- vi. Mr. Morris Maitaki, Director Policy & Planning
- vii. Dr. Edward Kolohai, General Secretary (GS) SI Christian Association
- viii. Mr. John Subu, General Secretary (GS) SI Full Gospel Association

- ix. Mr. Adrick Sese, Financial Controller
- x. Mrs. Elisa Bako, Chairlady

The witnesses made their presentations before the Committee.

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

*Hearings suspends at 2:58pm*

The Hearing proper resumed at 3:05pm and the following witnesses from the Ministry of Provincial Government & Institutional Strengthening were admitted:

**Hearing 18 Witnesses - MPGIS**

- i. Mr. Stanley Pirione, Permanent Secretary
- ii. Mr. Momodou L Sawaneh, Chief Technical Advisor
- iii. Mr. Robert Dolaiasi Kaua, Director Governance, DS (Ag)
- iv. Mrs. Dorothy Kiko, Human Resource Manager
- v. Mr. Sylvester Tiki, Chief Infrastructure Officer
- vi. Mrs. Lydina Kopana, Senior Accountant, FC (Ag)
- vii. Mr. Abraham Bualo, Legal Advisor

The witnesses made their presentations before the Committee.

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

*Hearings suspends at 4:14 pm*

The Hearing proper resumed at 4:31pm and the following witnesses from the Ministry of Public Service were admitted:

**Hearing 19 Witnesses - MPS**

- i. Mr. Nego Sisiolo, Permanent Secretary
- ii. Mr. Lionel Menimer, Financial Controller
- iii. Mr. Jude Devesi, Deputy Secretary- Governance & Performance Management
- iv. Mr. David Suirara, Deputy Secretary- Workforce Management
- v. Mr. Cornelius Tariga, Assistant Secretary- HRMIS/ Establishment

The witnesses made their presentations before the Committee.

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

### **8. Adjournment**

Closing prayer said by Hon. Rick Houenipwela

The hearing adjourned at 5:30pm

## **Day 6/2022**

Friday 8<sup>th</sup>, April 2022 CRII, Parliament's Paul Tovua Complex, 09:40AM

### **1. Members Present**

Hon. Rick Houenipwela, MP- Chairman (Ag)

Hon. Mathew Wale, MP

Hon. John Maneniaru, MP

Hon. Commins Mewa, MP

Hon. Lilly Maefai, MP

Hon. Ethel Vokia, MP

Hon. Alfred Efona, MP

### **2. Apologies**

Hon. Douglas Ete, MP, Substantive Chairman

Hon. John Dean Kuku, MP

Hon. Silas V Tausinga, MP

### **3. Secretary**

Mr. David Dennis, Auditor General

### **4. Secretariat**

Mr. Heston Rence, Committee Clerk

Ms. Salome Pilumate, Committee Clerk

Mr. Allen Richard, Hansard Officer

Mr. Sunjay Dhari, IT Officer

Mr. Moffatt Maenao, IT Officer

Mr. Duane Baiabe, Media Officer

### **5. Prayer**

Hon. Rick Hou said the opening prayer.

### **6. Welcome/ Opening remarks**

The Chairman of the PAC welcomes members of the committee, officials from the committee secretariat and witnesses and then said his/her opening remarks. The Chair informs the witnesses of the Parliamentary privileges.

#### **7. Inquiry into the 2022 Appropriation Bill 2022 (No.1 of 2022)**

The Hearing proper commenced and the following witnesses from the Ministry of Culture & Tourism were admitted.

##### **Hearing 20 Witnesses – MCT**

- i. Mr. Bunyan Sivor, Permanent Secretary (Ag)
- ii. Mr. Gregory Auta'a, Deputy Director- Tourism (Ag)
- iii. Mr. Richard, Rehoma, Human Resource Manager
- iv. Mr. Benedict Horuna, Director Culture (Ag)
- v. Ms. Julie Fakaia, Assistant Curator- National Art Gallery
- vi. Mr. Dagnal Dereveke, Acting CEO- Tourism Solomon
- vii. Mrs. Fiona Teama, Head of Sales & Marketing- 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.

*Hearings suspends at 11.06am*

The Hearing proper resumed at 1:30pm and the following witnesses from the Ministry of Fisheries & Marine Resources were admitted:

##### **Hearing 21 Witnesses - MFMR**

- i. Dr. Christian Ramofafia, Permanent Secretary
- ii. Mr. Edward Honiwala, Director Fisheries
- iii. Mr. Alick Misibini, FC
- iv. Ms. Lisa Sugumanu, Assistant Secretary project management
- v. Mr. Peter Kusack, Bina Project Coordinator
- vi. Mrs. Rosalie Masu, Deputy Secretary technical
- vii. Mr. Francis Tofuakalo, Deputy Director Offshore
- viii. Mr. Bennie Buga, Deputy Director Provincial Fisheries
- ix. Ms. Ivy Akao, Inshore Fisheries
- x. Ms. Nancy Szetu, manager Support Services
- xi. Ms. Ronelle Panda, Assistant Secretary Policy Planning

The witnesses made their presentations before the Committee.

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

*Hearings suspends for lunch at 11.29am*

The Hearing proper resumed at 1:30pm and the following witnesses from the Ministry of Forestry & Research were admitted:

**Hearing 22 Witnesses - MFR**

- i. Mr. Vaeno Vigulu, Permanent Secretary
- ii. Mr. Reeves Moveni, Commissioner of Forest & resources
- iii. Mr. Wilfred Atomea, Deputy Secretary Admin
- iv. Mr. Terence Tititulu, Deputy Commissioner- Forest resource management & Technical Services
- v. Mr. Fred Pitisopa, Deputy Commissioner - National Herbarium & Botanical Garden
- vi. Mr. Tibon Oge, FC
- vii. Ms. Stephanie Rikoi, Chief Forester- utilization
- viii. Mr. Jacob Kinai, Legal Officer
- ix. Mr. Johnson Palmer, Principle Forest Officer ( Operation Director (Ag))

The witnesses made their presentations before the Committee.

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

*Hearings suspends for lunch at 11.29am*

The Hearing proper resumed at 2:33 pm and the following witnesses from the National Judiciary were admitted:

**Hearing 23 Witnesses – National Judiciary**

- i. Ms. Emma Garo, Chief Magistrate
- ii. Mr. Ricky Iomea, Deouty Chief Magistrate
- iii. Mr. Andrew Talasasa, Assistant Clerk,
- iv. Ms. Louise Hiele, Advisor Magistrate Court
- v. Mr. John Murite, Office Manager Magistrate Court



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

*Hearings suspends for at 3:35 pm*

The Hearing proper resumed at 4:35pm and the following witnesses from the Ministry of Lands, Housing & Survey were admitted:

**Hearing 24 Witnesses - MLHS**

- i. Mr. Stanley Waleania, Permanenet Secretary
- ii. Mr. Allan McNeil, Commissioner of Lands
- iii. Ms Margaret Qoloni Etua, DS Administration
- iv. Mr. Robert Misimaka, DS Technical
- v. Mr. Jerold Musi, Financial Controller

The witnesses made their presentations before the Committee.

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

**8. Adjournment**

Closing prayer said by Hon. Rick Houenipwela.

The hearing adjourned at 5:45pm

**Day 7/2022**

Monday 11<sup>th</sup> April, CRIL, Parliament's Paul Tovua Complex, 10:03 AM

**1. Members Present**

Hon. Douglas Ete, Chairman

Hon. Rick Hou, MP, MP

Hon. Mathew Wale, MP

Hon. John Maneniaru, MP

Hon. Commins Mewa, MP

Hon. Lilly Maefai, MP

Hon. Alfred Efona, MP

Hon. Ethel Vokia, MP

Hon. John Dean Kuku, MP

## **2. Apologies**

Hon. Peter Kenilorea, MP

## **3. Secretary**

Mr. David Dennis, Auditor General

## **4. Secretariat**

Mr. Heston Rence, Committee clerk

Ms. Ivory Iruha'a, Committee Secretary

Ms. Salome Pilumate, Committee Secretary

Ms. Cordney Wale, Committee Secretary

Mr. Allen Richard, Hansard Officer

Mr. Sunjay Dhari, IT Officer

Mr. Moffet Maenao, IT Officer

Mr. Duane Baiabe, Media Officer

## **5. Prayer**

Hon. Douglas Ete said the opening prayer.

## **6. Welcome/ Opening remarks**

The Chairman of the PAC welcomes members of the committee, officials from the committee secretariat and witnesses and then said his/her opening remarks. The Chair informs the witnesses of the Parliamentary privileges.

## **7. Inquiry into the 2022 Appropriation Bill 2022 (No.1 of 2022)**

Witnesses, the public and media were present.

The Chairperson made the opening statement. The Chair informs the witnesses of the Parliamentary privileges.

The following witnesses were examined;

### **Hearing 25 Witnesses - MMERE**

- i. Mr. Christopher S. Vehe, Permanent Secretary
- ii. Mr. Daniel B. Rove, Deputy Secretary
- iii. Mr. Davod Natogga, Director Petroleum
- iv. Mr. Charlie Bepapa, Director Water Resources
- v. Mr. John Korinihona, Director Energy

- vi. Ms Krista J. Tatapu, Acting Director Mines
- vii. Mr. Clifton Roga, Deputy Geology,
- viii. Mr. Duffy Akao, Financial Controller
- ix. Mr. Samuel Susuta, Human Resources Manager
- x. Mr. Fred C. Tavuata, Project Manager Tina Hydro
- xi. Mr. David Ma'ai, SPIRES Project Manager
- xii. Mr. Martin Sam, Chief Engineer Solomon Power
- xiii. Mr. Ian Gooden, CEO Solomon Water

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.

*Hearing suspends at 12:01pm*

*Resume at: 12:24pm*

The following witnesses from the Ministry of Home Affairs were examined;

**Hearing 26 Witnesses - SIEC**

- i. Ms. Jane Waetar, Chief Electoral Officer and Commissioner
- ii. Ms. Christina Miniti, Deputy Chief Electoral Officer
- iii. Mr. Freddie Bosoboe, Operations Manager
- iv. Mr. Reuben Rongomea, Finance 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.

*Hearing suspends for lunch at 1:10pm*

*Hearing resume at 2:18pm*

The following witnesses from the Ministry of Home Affairs were examined;

**Hearing 27 Witnesses - MHA**

- v. Mr. Jeffery Sade Deve, Permanent Secretary
- vi. Mr. Freddie Irofiu Ota'au, Deputy Secretary
- vii. Mr. John Foteliwale, Deputy Secretary Technical
- viii. Mr. Roderick Kidoe, Registrar
- ix. Mr. Selison Gwally Faisi, Director Sports
- x. Mr. William Misibini, Director Civil Affairs

- xi. Mr. Noel Kinika, Human Resource Manager
- xii. Ms. Yvonne Jino Lipa, Financial Controller
- xiii. Mr. Justus Denni, City Clerk-HCC
- xiv. Ms. Alison Burchell, CEO-NSC
- xv. Mr. Joe Sika, Chairman- NSC

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.

Hearing suspends at 3:37pm

Hearing resumed at 3:42pm

The following witnesses from the Ministry Women, Youth, and Children & Family Affairs were examined;

**Hearing 28 Witnesses – MWYCFA**

- i. Mr. Cedrick Alepanda, Permanent Secretary
- ii. Mr. Pitaqae, Deputy Secretary
- iii. Mr. Eddie Aife, Human Resource Manager
- iv. Mrs. Jacinta Butafa, Chief Administration Officer
- v. Mr. Malcom Mataifo, Financial Controller
- vi. Mrs. Hezlyn Lang, Director RPPID (Supervising)
- vii. Mrs. Emily Darafo'oa, Research and Planning Officer
- viii. Mr. Andre Tipoki, Director Youth
- ix. Mr. Denton Enriko, National Youth Programme Officer
- x. Mrs. Koisau Sade, ERAW Coordinator Officer
- xi. Mr. Thompson Araia, Women Development Co-ordinator
- xii. Mrs. Loretta Ta'ake, Director Children (Supervising)
- xiii. Mr. Thomas Botu, Chief Child Development
- xiv. Mr. Jackson Hivana Tasa, Director Family Affairs
- xv. Ms. Jamira Rura, Protection Committee

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.

**8. Adjournment**

No Closing prayer

The hearing adjourned at 4:18pm

## List of PAC Generic Submissions

No	Author
1.	MHMS – PAC GENERIC SUBMISSION TEMPLATES
2.	OGG - PAC GENERIC SUBMISSION TEMPLATES
3.	OPMC - PAC GENERIC SUBMISSION TEMPLATES
4.	MHA - PAC GENERIC SUBMISSION TEMPLATES
5.	MCA - PAC GENERIC SUBMISSION TEMPLATES
6.	MPNSCSC - PAC GENERIC SUBMISSION TEMPLATES
7.	MALD - PAC GENERIC SUBMISSION TEMPLATES
8.	MTGPEA - PAC GENERIC SUBMISSION TEMPLATES
9.	MFAET - PAC GENERIC SUBMISSION TEMPLATES
10.	MJLA - PAC GENERIC SUBMISSION TEMPLATES
11.	MOFT - PAC GENERIC SUBMISSION TEMPLATES
12.	MNPDC - PAC GENERIC SUBMISSION TEMPLATES
13.	MWYCA - PAC GENERIC SUBMISSION TEMPLATES
14.	MECCDMM - PAC GENERIC SUBMISSION TEMPLATES
15.	MID - PAC GENERIC SUBMISSION TEMPLATES
16.	MRD - PAC GENERIC SUBMISSION TEMPLATES
17.	MCT - PAC GENERIC SUBMISSION TEMPLATES
18.	MEHRD - PAC GENERIC SUBMISSION TEMPLATES
19.	NPO - PAC GENERIC SUBMISSION TEMPLATES
20.	MCILI - PAC GENERIC SUBMISSION TEMPLATES
21.	MPS - PAC GENERIC SUBMISSION TEMPLATES
22.	MPGIS - PAC GENERIC SUBMISSION TEMPLATES
23.	MRMR - PAC GENERIC SUBMISSION TEMPLATES
24.	MLHS - PAC GENERIC SUBMISSION TEMPLATES
25.	SIEO - PAC GENERIC SUBMISSION TEMPLATES
26.	MFR - PAC GENERIC SUBMISSION TEMPLATES
27.	NJ - PAC GENERIC SUBMISSION TEMPLATES
28.	OAG - PAC GENERIC SUBMISSION TEMPLATES
29.	MMERE- PAC GENERIC SUBMISSION TEMPLATES
30.	OOO- PAC GENERIC SUBMISSION TEMPLATES

## List of PAC other Requested Submissions

No	Author
1.	CBSI – State of the Economy Presentation
2.	ADB - Statement Asian Development Bank for the Public Accounts Committee hearing 2022
3.	World Bank - World Bank Submission to the Public Accounts Committee Hearings
4.	Court of Appeal - Case Management and Challenges
5.	High Court- PAC Case Management
6.	Office of the Director of Public Prosecution- Report By The Office Of The Director Of Public Prosecutions (ODPP) To The Parliament Of Solomon Islands Public Accounts Committee (Pac) On The ODPP 2022 Sub-Budget
7.	Ministry of Infrastructure Development - Rapid Damage, Loss and Needs Assessment- Honiara Unrest - Final Report, 7 April 2022
8.	Magistrate Court & Customary Lands Appeal Court - Overview Presentation.
9.	Tina Hydro Project - Progress Update for 2022
10.	OPMC – 2023 Pacific Games Venue and Sites
11.	MALD- DB Projects 2021 Update Report
12.	MOFT - Budget COA Presentation
13.	MECCDMM - Environment and Conservation Division Annual Report 2021
14.	MECCDMM - Climate Change Division Annual Report 2021
15.	MECCDMM - Meteorological Services Division – Solomon Islands Ocean bulletin
16.	MECCDMM - Feedback indicate “Success” for Flag Based Early Warning System in Tulagi
17.	Development Service Exchange (DSE) – in collaboration with member NGOs – A Submission to the Public Accounts Committee