

## THURSDAY 9<sup>TH</sup> APRIL 2015

The Speaker, Mr Ajilon Nasiu took the Chair at 9.51 am.

Prayers.

### ATTENDANCE

All were present with the exception of the Members for Malaita Outer Islands and South Choiseul.

### **SPEAKER'S ANNOUNCEMENT.**

**Mr Speaker:** Honourable Members, I wish to inform you that you are being invited to a talk that will begin by a personal from Fiji on land reforms at 12pm to 2pm today at the Paul Tovua Complex. Lunch will be provided therefore we will suspend Parliament at around 12pm for this meeting. I would also want to remind Honourable Members to either switch off mobile phones or put them on silent mode when in the Chamber.

### **STATEMENT OF GOVERNMENT BUSINESS**

#### **BILLS**

##### Bills – First Reading

The Fisheries Management Bill, 2015

##### Bills – Second Reading

The 2015 Appropriation Bill, 2015

**Mr Speaker:** Honourable Members, debate on the '2015 Appropriation Bill 2015' continues. Today is the second day for debate and according to the further statement of Government Business this debate will be continued tomorrow.

**Ms FREDA TUKI SORIAMCOMUA** (*Minister for Rural Development*): The 2015 Appropriation Bill 2015. Indeed this Bill is very important to any government as an institution because a key mandate of government is to deliver services to its citizen, in our case our fellow Solomon Islanders.

On the same note, I am sure this Bill is important to our donor partners, the private sector, non-government organisations and other development stakeholders as they partner with the government in the enormous task towards our nation building.

The Government's 2015 budget of \$4.1billion now before us sets the roadmap in monetary terms to achieve the DCC Government's policies. Above all else, through the policies and budget allocations, our ongoing efforts to economically empower thereafter improve their livelihood standards do happen over time.

Before I discuss further, allow me to acknowledge those who have worked hard in one way or another in the development of the 2015 budget. First and foremost, I acknowledge and thank God for His guidance and especially the wisdom and knowledge granted to this 10<sup>th</sup> Parliament and for DCC government for bringing us this far. May we continue to be guided by His grace always.

Secondly, I take this opportunity to acknowledge and thank the hardworking and courageous Minister for Finance and Treasury for his bold leadership throughout the budget process at all levels. Through the leadership of the honourable Minister, the Government has set out its 2015 budget intended for services to our people.

Credit is given to the Permanent Secretary and staff of the Ministry of Finance and Treasury. I acknowledge and thank you all for your ongoing support and good work in the many consultations with the cabinet and caucus and also other ministry officials leading to the formulation, development and completion of this bill now before this honourable house. Not to forget the efforts of all other Permanent Secretaries and staff of line ministries and other stakeholders who have contributed in one way or another to the development of this budget. Thank you all for your hard work and support to the government. To the chairman

and members of the Public Accounts Committee, I also like to thank you for the good work in scrutinizing the 2015 Budget and enabling us to debate on it.

Having said those introductory remarks, I will now move on to contribute briefly to the debate on the 2015 budget. The 2015 Budget is a collective bold decision of the DCC government focussing on what Solomon Islands is, as a country that is made up of many islands. Our communities and people too are scattered, of which the majority resides in the rural areas. With this brief description about Solomon Islands, one should be able to think about the challenges relating to development efforts to bring about any change in the development of our country and people.

I commend the DCCG, specifically the Caucus and Cabinet in pulling together to see to it that we do not just talk about developing our country but putting the much needed resources, and in this case, this budget is where the majority of our population and resources are located. Having said that, rural development must no longer be overlooked. The Government must truly focus on where the majority of our people are, and that is the rural areas. The rural economy needs to be active and the only way is to invest in the rural areas.

The DCC Government has its policy on rural development. The rural economic development policy will be jointly coordinated by my Ministry and the Ministry of Development Planning & Aid Coordination. The 2015 Budget is reflecting on this policy by putting in more resources geared towards socio economic programs and projects, investments, infrastructure development that are important components to enhance development.

The DCC Government through the 2015 Budget has prioritized these key components and it is noted in the budget allocations of which my Ministry of Rural Development, the Ministry of Infrastructure and Development, the Ministry of Education & Human Resources and the Ministry of Health and Medical Services are amongst the top four who shared much of the Budget. In saying so, this does not mean that other line ministries and sectoral areas and contributions from our other development partners are overlooked. However, they are just as equally important to enhance key components of development. I am sure that given the budget allocations are better coordinated and utilized, Solomon Islands will progress gradually.

The 2015 Budget is truly the people's budget, twisted to target the dilemmas of the majority of our population who happen to be in rural areas. In saying so, however, I would like to highlight that because it is the people's budget, the responsibility of putting this Budget into good use is everyone's business. The DCCG is committed through this Budget to reach down to right where our people are and gradually build the foundations of an enabling environment for our people to access markets to buy and sell their products and build much needed infrastructure development and others.

My Ministry has the biggest allocation in this Budget and it is therefore important that I outline some of the areas of which my Ministry will engage in to ensure that the \$351million is better utilized for its intended purpose. There are four (4) development projects that will be administered through my Ministry. The first project is the ongoing work to strengthen and complete the Ministry's Information Management System for publicity and awareness in the work of the Ministry with a budget of \$1million. Briefly, a lot of sentiments have been raised in the way Constituency Development Funds are used, often posing criticisms to MPs, officers, the Government and others. Whilst so, there are success stories that need to be revealed. The proper recording of project data and information is also important to the Government and the nation as a whole, more so, the processes of how funds are administered and so forth. The Ministry is now operating a project management database system which will be linked to the ministry's newly created website. This way transparency and accountability in the work of the Ministry is better reflected to minimize a lot of concerns by our citizens, organizations and so fore.

The second project is the establishment of rural development centers with an allocation of \$4million. This project will enable constituencies that are ready with lands that are dispute free and open for development to carry out site preparatory work and do initial rural infrastructure development for the establishment of the developmental centers. The objective is to provide a center for our people, registered associations, small businesses, administration offices where economic activities and other services can place, therefore, bringing services much closer to our people and encourage circulation of income in the rural economy. This project would need closer working collaborations with key line ministries such as the Ministry of Infrastructure and Development, the Ministry of Commerce, the Ministry of Lands and housing and other sector line ministries to work with my ministry to

achieve the policy intentions. At the outset, the ongoing call to resource owners, especially landowners to work with the government on these projects is important. Constituency committees, MPs and Government officials do have a very important role to play in this project.

The third and fourth projects relate to the constituency development funds aimed to engage our people to participate in social economic livelihood projects, and in the end improve the livelihood standards of communities and our people. The constituency development fund under the 2015 Budget comes in two forms. The ROC Support to Constituency Development (SRCD) funded by ROC with an allocation of \$70million at \$1.4million per constituency, and the SIG support to constituency development component funded under the Solomon Islands Government is \$260million, at \$5.2million per constituency. A total \$6.2million is to be utilized by each constituency through my Ministry. This will be administered by way of project submissions to the ministry through respective constituency offices and officers.

We must not forget that a good majority of our people are women, and women have contributed a lot to developing our economy. I believe this budget can empower women economically to enhance livelihoods at the community level. My Ministry in the absence of the CDF Act and its proposed regulations has put in place an operational manual incorporating guidelines and processes on how CDFs are to be disbursed. In addition, the ministry has and will be operating in compliance with the Public Finance and Management Act 2013, in which as I speak, preferred supply arrangements are currently worked on and soon to be finalized in time. Constituencies will have a list of approved suppliers to procure from in terms of project materials.

Having touched on the CDF Act and its proposed regulations, I wish to inform Parliament that a sub-cabinet committee has been endorsed by Cabinet to be responsible of reviewing the legislation. The Committee has had its first meeting and has requested more time in carrying out its work. The DCCG through the sub-cabinet committee will decide along the course of this year to finalise its position on this legislation. In the view of the ministry, we do believe that proper legislation to guide the work of the ministry still remains a priority task of the ministry.

The total budget of the ministry is \$351million, the highest since the establishment of the ministry. About \$16,800,076million is allocated to the recurrent budget for payroll and other charges whilst \$335million is allocated to the development budget of which I have just outlined briefly the four development projects. I am not hesitant to say that this is a significant challenge to the ministry given the timeframe. However, one of the important tasks of the ministry is to increase the manpower resources of the ministry.

My Ministry is working closely with the Ministry of Public Service and the Ministry of Finance and Treasury to increase the manpower capacity at the headquarters level and we hope that by June the ministry is better equipped with additional staff to carry out the much needed work to support delivery of services at the constituency level and additional post for accounting has been approved which now brings the total of three officers to man the constituency offices.

In terms of the recruitment of CDOs, project officers and accountants, the necessary paper works have been done and we are currently working on recommending people who are to hold the posts and are before the Public Service Commission for its deliberation. The Ministry would like to see these posts filled as these officers are important to ensure projects are submitted, implemented and report to the ministry on a quarterly basis for monitoring, evaluation work so as to make sure that work is done effectively.

As I listened so far to the debates, failures and successes were highlighted and such sentiments are not new at all. But I want to highlight the fact that we must not be disheartened because it is from these failures and successes that will continue to improve our country in a transition phase.

At this juncture, I would like to end my contribution by saying, no one is perfect, let us continue to strive for improvement and when there is a time, we must be bold and address issues head on. The DCC government has shown through this budget that we can and must make changes happen and this we want to do it as stated clearly in the policy statement, by rediscovering, consolidating, expansion building on achievement and then move into innovative ideas into the next 20 years.

Lastly, as the Minister responsible for rural development, I want to urge all of you my Honourable colleagues in the Government, Opposition and Independent side, government officials, constituency committees, chiefs and community leaders, resource

owners and our good people throughout the 50 constituencies to work with my Ministry to implement the \$334million budget and bring about the necessary changes if not yet done. If done continue to do the good work for the development of our communities and people.

The mission of the DCC Government is to create a God fearing, peaceful united and progressive Solomon Islands led by ethical, accountable, respected and credible leadership that enhances and protects our people's wellbeing. I believe shouldering this mission will surely enable all of us to put government resources such as this Budget into good use. With the budget focused on our people, the responsibility is not only on Government but in the hands of those who are directly responsible to see to it that changes do happen from any assistance from Government, donor partners and others who are here to genuinely assist us.

Once again thank you for the opportunity to debate the 2015 budget. Thank you goes to other colleague ministers and MPs for your contributions which are not only valid but good learning and knowledge. God bless and I now resume my seat and support the motion.

**Hon JOHN MANENIARU** (*Minister for Fisheries & Marine Resources*): I rise on behalf of my people of West Are'Are Constituency to also add my voice to the debate of the 2015 Appropriation Bill 2015. In so doing, I take this opportunity to thank the Minister of Finance & Treasury for delivering the speech on the 2015 Appropriation Bill 2015 on Thursday, 2<sup>nd</sup> of April 2015. Also, allow me to thank my colleague, the hardworking Chairman of the Public Accounts Committee and his committee members for their comprehensive report on the Bill, which is now in the hands of MPs. Indeed, the report is of great assistance to guide and support our debate. The committee secretariat of the National Parliament need to receive my thanks as they continue to provide secretarial services to the Committee, and doing so having to work odd times of the night after the committee meets. I want to thank them for their contribution to the PAC report. I also want to thank the Permanent secretaries of line ministries, in particular the Ministry of Finance and Treasury for producing the 2015 Appropriation Bill 2015. I also recognise the splendid work done by all Permanent secretaries and their Officials in putting together the Budget which is now before us in this Honourable House for our deliberation. On the same note, I also would like to sincerely thank the Permanent Secretary, the Under Secretary, the Directors, Deputy Directors and

staffs of my ministry, the Ministry of Fisheries and Marine Resources, for putting together my ministry's budget, which is also in the 2015 Appropriation Bill 2015. I realised that I have a hardworking team in my ministry and I am very happy with them for coming up with our budget estimates for the ministry's work plan for this year as reflected in the Appropriation Bill.

In terms of the Appropriation Bill, let me again thank the Honourable Minister for Finance and Treasury for the Budget. As a Cabinet minister I have had the opportunity of going through the entire budget and I can understand the whole process it takes to reach the final version that is now before us. Indeed, it is a very comprehensive task, especially when it is a budget against estimated revenues and money is not really at hand, is not an easy task. I also note that when the hard working Minister of Finance and Treasury went through the budget with his staffs in the ministry, he actually walked them through the budget and report back to Cabinet. I realised it is a good thing when the minister responsible ensures the budget is his own. And when the minister delivered his budget speech, I am very happy with him because I saw him working very hard to ensure the budget is in line with the policies of the DCC Government. I would therefore like to thank the Minister for Finance & Treasury for that.

I have also realized it is not easy and it reminds me of ministers working with staffs who have been there for many years and a change in government can be difficult because they have been there for many years and it is not easy to align them with the policies of government of the day, especially when you begin working with a work force that has been in existence for a good number of years in the structure. This is because some of the staffs are there through political alignment, others through their own personal interest while others have their own conflict of interest. So in order for a minister to come up with a comprehensive budget like what we currently have now is not easy. Those are the struggles and challenges that ministers, in particular the Minister of Finance & Treasury has encountered in coming up with this Appropriation Bill 2015. Despite of that, the Minister with his experiences and vision brought to us a budget that is very reflective of the policies of the DCC Government, and for that he has my support.

I would also like to take this opportunity to thank the Minister of Planning and Aid Coordination for his debate yesterday as he encouraged the House with his positive



comments about the DCC Government policies which are budgeted for. The DCC Government policies are reflected in this budget. For a senior politician who has been very close with the budget process for the last 37 years stating what he said yesterday in his about on the 2015 Appropriation Bill 2015 is very assuring and encouraging. He is a senior politician who has gone through the process. This is very assuring and encouraging for us the new ones, who do not have much knowledge of what a budget is. I thank my colleague, the honourable Minister for Planning and Aid Coordination for that.

I would also like to thank colleague MPs from the Opposition side and the Independent who have contributed to the debate so far for their constructive contributions and critical analysis of the budget. This is very encouraging. To me, that is normal and their comments are understandable and where they are coming from. Generally, the concern of those on the other side of the House is on the implementation of the budget as there are only eight months left this year. It is true that we only have eight months left. I agree with those concerns. Let us work and see what is implementable and achievable within the timeframe we have. It is a budget and it is us that have to make it work. We all know the situation we were in, as alluded to by the Leader of the Independent Group yesterday that the elections held at the end of the year is causing this situation in which four months have already gone but we are yet to have a budget to work with. It is logical and clear that this government, despite of some of the comments made that we already have a budget, we have started working already, the fact is that we are still debating the DCC Government budget now that if passed before we can start working. For the last three or four months, the DCC Government has no budget. There was not even a development budget in the Resolution we passed in this House on December. This is giving us an awkward situation to work. So now we have the opportunity after the budget is passed for us to start working.

We are all responsible. In order to implement this Budget, it is the responsibility of the 50 Members of the House to implement this budget because a big chunk of this budget belongs to constituencies. If we want to utilize the funds allocated for constituencies, we have to come up with work plans and submit them, as mentioned by the Minister for Rural Development. We need to submit our programs and work plans for the approval of the Ministry of Rural Development. There is \$6.2 million for each constituency under the Ministry of Rural Development. That money is for the 50 constituencies to access, but it will

be accessible through application to the ministry responsible. Constituencies need to have a proposal and submit them to the ministry. It could take about eight months just to put together our proposals, bankable and viable proposals to the ministry. And if the ministry is strict and hard on us, we may not have time to access this funding. What I am trying to get at here is that it is ourselves that have to ensure that this budget is implemented after it is passed. And so questions such as “will it be implemented, time is not on our side” are not right questions to be asking the DCC Government now because the government is yet to do its work.

I was also confused whilst listening to debates, especially by those from the other side which sounds like they are questioning the implementation of the budget. When did the DCC Government have a budget? We do not have a budget as yet because we are yet to pass the budget. The question of implementation is a different matter as far as the DCC Government is concerned. The many work programs that the DCC Government is taking over started before, especially in the Ninth Parliament. The work that the DCC Government has taken over to do, it was the Ninth Parliament that left work in progress which it failed to achieve. The works that were left in progress whether good or bad is exactly the situation the DCC Government is in right now.

I was expecting constructive debates from the other side saying, ‘look, this is where we have left’. Ministers of the previous Government should be saying ‘this and this is what I have been doing so this is what the new minister should be taking over from’. That is the type of debate I was expecting to hear from ministers in the Ninth Parliament. You should be telling us where you have left in terms of our work programs. But if you start to question implementation, then you should ask yourselves because you have been there in the last four years and this is what you have left for us that we are picking up, and slowly we are picking them with the budget, the tool that will enable all of us, and in particular the DCC Government to implement its policy strategies.

Let me say here that I for one am noting those concerns for work in progress and decision. I also want to point out that some of the concerns raised and criticisms labelled against the implementation, as I said, are a bit confusing. It is high time for us to look at what lies ahead of us in terms of what this budget will deliver. But as I have said and I want

to go back to it, it is us who will ensure this budget is implemented because a big chunk of it will be for our constituencies.

Comments were also made on the theme of the Budget - the people's budget. Some were saying 'people's budget all the time'. Budgets that come before the House are all people's budgets. So who else are we going to budget for? They are our people and so we have to budget for them. And whether it works out for them or not this time, we come back and budget for them again, unless we change who we should be budgeting for. And so we will continue to budget for our people. For us to do it better and deliver the budget is the challenge facing us, the policy decision makers, the legislature. It is our people who put us into this House and so this is house to pass the people's budget. The DCC Government belongs to the people of Solomon Islands and so this budget belongs to them.

We may have forgotten about a few things when we were in the Ninth Parliament, which we may have achieved some and some we have failed to achieve in the last four years. Those things are left as work in progress, which could be good or unacceptable but those are challenges ahead of us, and especially the DCC Government who is now in the driver's seat at this time.

Allow me to comment briefly on certain issues raised in debates yesterday. I want to thank the Chairman of the Public Accounts Committee again for raising a lot of good points. On the question of whether the budget will deliver, I will say yes to it, the budget will deliver. There is \$6.2million here which will go to your constituencies, and that is delivery. What you are going to do with that \$6.2million is up to you. At least about \$6.2million here in the Budget will go to each of the 50 constituencies. That is actual delivery. So the question of whether it will deliver is now out of date. It will deliver.

The Ministry of Rural Development is going to receive the biggest size of this cake. That is the ministry of every one of us, including you too. About \$334million for our constituencies is huge.

*Members interjecting:* But when?

**Hon John Maneniaru:** Well, better pass this budget.

That is what this budget is talking about - it is for our people. I think it is us that did not make this budget reach our people and that is why the budget does not deliver. This time round we have to repent from that sort of act and ensure it reaches our people. The concern alluded to yesterday that our people have always remained the same for many years can be true. Let us work hard so that we deliver to them.

A budget to fight corruption was also raised by the Chairman of the PAC; he wanted corruption to be budgeted for. This budget is budgeting to address corruption in this country. I want to confirm as the Minister for Fisheries and Marine resources that my budget is also to find corruption in the Ministry. And if all the ministries can do the same, that will be much better because that is what we and our people wanted. This budget is also budgeted for those kinds of activities which we do not want. It happens, it is encouraging, and it continues and that is why we have this budget to help us address corruption. Corruption is a big issue in this country, especially in our systems.

The development projects are good ones. Some constituencies have already got their share in the last four years, for some of us, like West Are'Are not yet because West Are'Are for the past four years was on the other side. Those of you who were on this side in the last four years do not have any compassion for West Are'Are. That is why I am very happy with this budget, it is big because I think West Are'Are needs a big slice of the cake because it missed out in the last four years. Talking about shipping grants, West Are'Are's ship is yet to come. Those of you on the other side have got yours so we must also get ours. But it has to be according to government policy. We cannot just give ships right and left. We must work on policy guidelines and look at the comparative advantages of the projects as well. For instance, talking about shipping, West Are'Are and other constituencies are appropriate to get ships. Some constituencies that already got ships are not fit to even get ships at all. That is important.

In regards to comments made about the Cuban doctors, yes, that is of great concern to all of us, and I know the hard working Minister for Health and Medical Services will look into it. Maybe their problem is language. If they are trained in Cuba in Spanish, the prescriptions on the medicine bottles are not written in the Spanish language. If the prescriptions are written in Spanish, then I believe those doctors should be able to do their work as they are qualified doctors graduated from Cuba. I believe these doctors would

perform because they are professionals. However, as it is an issue then the DCC Government is here to address that issue as it was a policy adopted by previous governments and the present government just continues with it, but maybe it is high time to review it as we now have the products from that agreement with Cuba. But they are qualified in Cuba. Maybe it is only in the Solomon Islands that they cannot perform but elsewhere they can do their work.

In regards to debt management, I fully support the strategy taken by the Minister for Finance and Treasury. As highlighted, funds were just put there until it goes over the limit and then we struggle to provide services to our people. Let us create opportunities to grow our economy. Why keep holding on to money that we should be using? While we are fully repaying our debts, debt management is well in order but over and above the money just remains there and then we continue to beg, we continue to rely on our development partners? Is that what we should be doing?

I fully concur with the strategy used by the Minister that if there is any money there, it should be used in our productive sectors so that it can grow our economy and create job opportunity and employment that we always talk about. Who are you relying on? Is it going to be development partners all the time? When we have the money we should use it in the productive sector so that it creates a conducive environment for our private sector and our local people to venture into business. I fully agree with that, rather than putting money there and we continue to tell our people there is no money but the reserves keep increasing.

In regards to the budget as business as usual, as highlighted by the Leader of Opposition, I think I am happy with what the DCC Government is doing. This budget is not business as usual, if that is what you are thinking. We have gone through the process and I can say that it could be because it is my first time as a minister. But the process we have gone through is satisfying.

On the employment sector, I thank the Leader of Opposition for commenting on our employment opportunities and employment in the country. This is an issue which I and my colleague MP of Aoke/Langalanga have been asking about when we were on the other side and so something has to be done about it.

In my ministry, I have already assigned officers to collect data on the fisheries sector on employment opportunities and employment produced by the fisheries sector. I have

tasked them to do that. Maybe in the next Parliament Meeting I should be able to update you with that information. But it is important that we have such a data so that we have indicators whether the investments we are going into are growing our economy or not. One of the indicators of economic growth is the availability of employment opportunities to our people.

The millennium goals are a good point raised by the Leader of the Opposition to the government. I think I only hear about these development goals inside this Chamber. What should we be doing about those goals? Have we done something? Do we have programs and plans of achieving those development goals in the last four to eight years? Or is it just from ad hoc approaches? I think the concern is well taken. But there is need for us to come up with a timeframe to approach this systematically in order for us to address and tick them off. At the moment I just do not know what we are ticking off in regards to our millennium development goals. But where is work on this stopped? What have we achieved so far? Nobody has ever reported on this. The people who were involved in it and were responsible for it, especially the 9<sup>th</sup> Parliament, I have not heard it because I was there in the 9<sup>th</sup> parliament.

Political instability was also commented upon. I am glad that the Leader of the Opposition is starting to highlight stability. Yes, we need political stability. If our politics is not stable, what are we going to do? Are we going to continue like the 9<sup>th</sup> Parliament or the 8<sup>th</sup> Parliament, 7<sup>th</sup> Parliament going down? It is high time that we come to our sense as leaders by putting our heads together and decide that we are united to progress and advance this country. And it is good that the Leader of the Opposition reminded us of this because he is the one who will provide stability for the DCC Government. Support the DCC Government so that we can implement the plans we have.

I would like to comment on student scholarships which my friend and colleague Member for South Vella Lavella commented on. This student scholarship started in the last House. However, my constituency missed out because the Member for West Are'Are was not aware of it. When I knew about the policy all the students of the other constituencies have already gone and West Are'Are missed out. It is just that same policy that the DCC Government is picking up and improved on it. Four students in one constituency multiplied by 50 constituencies are 200 students representing the whole of Solomon Islands. That is a

good policy rather than us being bias and discriminatory with it because of the powers we have so that one constituency sends 10 students and another constituency only one or two and so forth. I really like the current policy. And the guidelines of that policy are very clear; it pegs it down to GPA of 3. But with the wisdom of the Minister responsible he relaxed it a bit to those with 2.6 to 2.9 - for the marginalized. Those students in your constituencies which cannot go through to university or not one children of a family or a tribe has ever been to university but is inside the GPA of 2.6 to 2.9, send them to the university because we never know he/she may perform well at university. That was the reason for adjustment of that policy from GPA 3 down to 2.6. We have not been doing that and the marginalized in our constituencies were just left out.

How we have been doing it is quite interesting. This policy can only be abused by us, the MPs. This is because the requirements are there but the students we recommend only have GPA 2 or GPA2.5. So it is only up to us the MPs but it is a good policy. The contribution of 50 constituencies with four students from each constituency is a balanced education policy for all of us in terms of educating our human resources in our constituencies, and I support it.

On the CDF Act and regulations, the Member for South Vella Lavella called for quick implementation of this, however, it is still quite challenging. If you look at the regulations, which the Member himself knows very well is much thicker than the principal Act. The regulations are very thick and you cannot marry them too. I could recall debating against the principal act and also voted against it because I was saying that if there is ever an opportunity to do it properly then let us do it properly and not a 'trial and error' basis. But you people were saying just pass it and see how we go, and the results of that is showing now.

If we have the opportunity to do things, especially legislation, we have to do it properly because it will take time to come back and amend the legislations. This is exactly what this piece of legislation is encountering now. But the DCC Government is committed to look into this legislation and sort it out. I am in the taskforce which the minister responsible has alluded to, but when looking at the regulations we decided to review it or reverse it so that the Act is increased but the regulation is reduced. But we regretted the golden opportunity which we could have had to have a good piece of legislation to guide

the management of the rural constituency development funds. At the moment I am seeing that this is an issue.

I would like to touch on the sentiments raised by my colleague Member for Shortland Islands. He has highlighted equity and fair distribution and that is what we want. But when I think about equal opportunity, which he also mentioned, I thought, why shout out the alarm so early? Is there something wrong or was there something wrong with this in the past? Was there bad treatment, biasness, discrimination and experiences recorded and that is why the alarm went off early? I am putting it this way for us to digest. I think the alarm sounding very early could mean something else, either we are afraid or shocked.

The comment about the economy continues to be highlighted by some of the constituencies. Solomon Islands is what it is today because God has made it to be a country of many islands united in diversity. So if you are saying it is our constituency that is doing this or this province is doing this, then know for sure that you are talking about Solomon Islands. Our islands have been blessed by God with resources and comparative advantages, and that is why our islands are united in diversity so that one constituency or island is good at this because God has given it to them and others are good at other things and when all of these good things are put together it is Solomon Islands. That is what I believe in so let us continue to serve our people throughout our country.

Allow me to briefly speak on fisheries as it is my sector of responsibility. At the outset, I would like to take this opportunity again to thank the Minister for Finance and Treasury for giving me budget resources to work with this year. For a start, I am happy with what is available and given to me. As we are aware and comforted with, work needs to start and progressed with. I have heard this saying from a certain minister. When work is in progress and realities are identified, more realistic budgeting will follow suit. The supplementary budget is always there and so if there is something we miss out and is urgent this time round, it is there, the government has systems to cater for those things.

My ministry has two main areas in the nutshell. Fishery policies areas are derived and focussed on offshore fisheries and inshore fisheries or coastal fisheries. The main objectives of the ministry is to better manage our fisheries resources in order to realise fisheries potential and opportunities in a tangible way to benefit our people and economy, and consistent sustainable management for our future and our children's future. Those are



the ministry's objectives. Work programs are already in place and we are just waiting the passage of this budget and we will test the workability of the work programs and their implementation. These are interesting and very exciting times. We have the budget for our work and this makes me excited. There is a lot of work to be done in the Ministry of Fisheries. We are ready to implement our work plans in line with the policies of the government.

I would also like to thank my colleague Minister for Public Service for budgeting for human resources who are the people behind the implementation of the work programs.

In regards to the potential of fisheries in our country and our constituencies, my ministry is keen in pursuing cost benefit analysis and viability assessment. My ministry will carry out assessment in the constituencies for fisheries potentials and when that is done we should be able to tell you whether you are viable for investment in terms of fishery opportunities. That is what we are going to do.

We need to continue invest in quality projects and where our comparative advantages are in our country. We need to put right development in the right place. A place that is viable and fitting for a cannery, it will be put there. Politically, we should use our power to divert development to our own places. No, that is what we have been doing and is a mistake for a long time now. If we continue to do that, then we will continue to invest our scarce resources poorly and politically and the country can no longer afford such investments.

Regarding concerns of illegal, unrecorded and unregulated fishing activities within our EEZ, as highlighted by the Chairman of the Public Accounts Committee, we have been issued a yellow card. It is also like in a soccer match and I was shocked by it too. But we have been issued a yellow card. What the Chairman of the PAC said in his speech yesterday is true. But let me assure you that the ministry is comfortable with the processes of addressing these issues. These are long time issues that have been there with our fisheries sector development. The yellow card is a result of what has not been done. The Ministry is comforting us that it has done everything to address this but it still gets the yellow card. The other condition to this yellow card is the Fisheries Bill which has its first reading in the Order Paper of today. The Ministry is head on in addressing these urgent issues because it is very important that we have to return to the green card. Our fisheries sector is very

important to this nation, to our island nation, and the ministry is doing everything it can do to address this.

Communications with the EU headquarter in Brussels is continuing. It already started when I joined the ministry. We continue to address their concerns and the issues in a progressive report. The Fisheries Management Bill if passed is one of the conditions, and I am optimistic that we will get back to our green card. The ministry is addressing this, so there is nothing for us to panic about.

Let me touch on the proposed major projects that we always heard in the development budget such as NDom, Tenaru, Red Beach, Suava, Bina, Noro and mini canneries. My ministry now is coordinating all these fisheries projects. Other ministries that also have interest on these projects like the Ministry of Commerce, Ministry of Lands and Ministry of Agriculture will all come under the coordination of the Ministry of Fisheries & Marine Resources. We want to do it properly so they can come with their interests and address these with our people.

In regards to Suava and Bina, you would have already seen advertisement going out as a result of a Cabinet Paper for professional and technical people to come and help us because those two projects are also in the government's priority list. We are talking about employment for our provinces and our people, and those are two of the projects we earmarked to provide employment. The Bina Harbour project was talked about since 1968, and now we will be doing something about. In Noro, one of our big investors from Doma has already gone down there so we should support them. If things work out, my ministry will try and facilitate them so that we have another cannery established in Noro. They have encountered a few problems at Doma, unfortunately and so we have to facilitate them for Noro because investor interest is on us, we cannot lose them. It is critically important in terms of major investments that we are talking about. Mini canneries are also inside the government's proposals and policies; the ministry will work in trying to identify through assessments with the help of consultants from the productive sector in the Office of the Prime Minister.

Coastal fisheries, constituency fisheries centres and fish aggregate devices will be one of the activities for our people and the ministry will take up very seriously. Refrigerating, networking and marketing will be coordinated by the ministry for our constituencies as

well. I am also asking my ministry to focus on seaweed farming. This is a very encouraging undertaking. Another activity that I want to take up is aquaculture where we will look at milkfish and tilapia farming. Let us look at what we can achieve in coastal fisheries where 80% of our population lives.

At this juncture, allow me to call upon our landowners throughout the whole country to cooperate with the government and start to deal with land disputes now so that we can now start to work. For 37 years after independence and we continue to have issues about land disputes and not much development is a very long time. My people in the provinces, I call upon you that the Fisheries Ministry is ready and willing to work with you. But open your land so that we can begin the work. The government would like to do these projects for us, but it cannot do it on thin air. I urge the people of this country where developments are earmarked to be on your land or, please repent from the mentality you used to have in the past. It is good that we have just celebrated Easter and we need to be more focused on development so that our children can have a good future in terms of local economy and our national economy.

On tourism, I want to again join my colleague Minister that we have to start cleaning our town. In that regard, I want to thank the women who swept the streets of our city in the mornings and evenings. But the sad reality is that these women work hard in sweeping the streets of our city at night but in the morning you will see the streets dirty again. Let us have a heart as good citizens of this country by looking after our city that even though our city roads are full of potholes, but we must not throw rubbish all over the place. How can we encourage tourists to come to our islands? I call on our people now; if you are listening out there, especially people in Honiara, let us help to keep our city clean by throwing rubbish in their right places. We must not throw rubbish out of moving vehicles when we are driving. Start to educate our children in keeping our city clean by not throwing rubbish so that we prepare our city and our country for tourism. The potential is there. We will continue to talk about it, but let us start to act simply. That is the call to our good people living in the city of Honiara.

In the constituencies, it is time to work and it is time for us to cooperate. The constituencies which are earmarked to host major developments, especially fisheries projects, it is now time to accept development to come into our land.

Allow me at this juncture to also call upon my good people of West Are'Are constituency that a lot of our projects are left outstanding as I have told you already. The last four years we have not received anything. These four years we will get everything, so open up your lands, my people of West Are'Are as it is now time to stop our political grievances and put our heads and minds together for our children and our children's future. There is too much politics in West Are'Are because even though I am talking some people are investigating the MP for West Are Are. Yes, some people took the police to investigate the MP for West Are'Are. But that is okay, it is part of the job. But just do not make the people at home to be afraid of the police. So investigation is continuing on. I told my people that even though investigation is going on, just open your lands so that we can work. The Prime Minister has already announced all the projects for West Are'Are, so just open your lands. I want to thank you Mr Speaker for allowing me to call upon my people in the constituency and the province as well.

Let me conclude on the interesting subject of sea cucumber. Let me assure those of you on the other side of the House that a commission of inquiry has already been appointed to inquire and investigate into the bechedemer saga. I am just waiting for a report from this commission to come and then I will take the appropriate actions. This is an issue that was left unattended to by the previous government, which is now giving me headache. Just recently I was accused of not dealing with the issue, but do you have very little memory that it was you who left this thing unattended to? I just came into the office at Christmas. But I am committed to ensure that the Ministry of Fisheries & Marine Resources, one of the potential sectors in our economy continues to operate as normal as it used to be. As the Minister of that ministry, that is my commitment. And I want to thank the Prime Minister and my colleague ministers for being very supportive of my ministry to date.

Lastly but not the least, I want to thank our development partners for their continuous support for our development budget, especially for providing their resources in terms of funds to continue support our development aspirations. Let me thank the New Zealand aid for organizational strengthening enabling the Solomon Islands Fisheries programs in my ministry a successful one. I also want to thank the Forum Fisheries Agency for its continuous support towards my ministry. This Agency is here in the country and we

need to know it and know what it is doing so that we gain from its services. With those few comments and remarks I fully support this Bill and beg to resume my seat.

**Mr. CONNELLY SANDAKABATU** (*Northwest Choiseul*): Thank you for the opportunity given to me to participate on behalf of my people in this lively debate on this 2015 Appropriation Bill 2015, currently being on the spotlight on the floor of this honourable House. On behalf of my people and this side of the House, I hereby thank the DCC Government and in particular, the Prime Minister, the Minister of Finance and all your Cabinet ministers, the Caucus and all line staff of various ministries, for the formulation and bringing to Parliament this 2015 Appropriation Bill 2015, with a total sum of \$4,060,253,863.00.

Speaking for my people, I congratulate the DCC Government for bringing forward a budget that is meant to enable more Solomon Islanders participate in social and economic development through various strategic enabling environments out lined in your policy statements and strategies. I would like to thank the PAC and in particular the Chairman and MP for Small Malaita, the members, the Committee Secretary, and Acting Auditor General, Mr. Robert Cohen, the parliamentary staffs and all the witnesses that appeared before the Committee. Your excellent scrutiny of the Budget is of much credit, an added value to the 2015 Budget for the DCC Government and people of this country.

**Many of** my colleagues on this side of the House have spoken earnestly and passionately about the most important issues and concerns regarding the 2015 budget. Notably, the interventions made by the Leader of the Official Opposition Group, the Chairman of PAC and MP for Small Malaita, the MP for South Vella La Vella (who is not here at the moment) and the MP for the Shortlands; just to name a few. They have encapsulated in their speeches how we on this side of the House provide rigorous critique that you as a government will need in progressing forward with the budget, and it is healthy. On the same note, I will continue with the following observations.

First is the huge budget. Certainly, this budget is historically a huge budget, spanning for a very limited timeframe of about seven or so months, under circumstances which we all understand. Whilst this budget is the biggest ever this country is presented with, my concern is the timeframe in which the Government must deliver on the budget.

You have, as I have said earlier, around or about seven or eight months to deliver so time is not on our side. Once the budget is passed, my fear is that everybody will be scrambling to grasp their share of the capital to deliver on the policies. In such a situation, my fear is that proper financial procedures and control will be and maybe bypassed, ignored or thrown out the window.

On another level, ministries with passive administrators will miss out whilst more aggressive ministries will access their budget to actualize their development programs. On this note, it must be said that stringent procedures and control within our financial system must be allowed to act independently to avoid political interference and corrupt practices just to access the budget. This will be a task for the good Ministry of Finance and Treasury to tussle with.

Another is the major development projects. In line with this, major and much talked about projects in the productive, social and economic sectors captured in the budget may not have the time to progress to some tangible outcomes. For instance, the Auluta, Waisis and East Choiseul oil palm development projects, the Suava Cannery, Bina Harbor, and Faumamanu growth centers, just to name a few. I believe we will continue to flush huge sums of money into the drain in the name of scoping, meetings, consultations, MOU with landowners and the litany of invoices and charges continues. This trend of “off- the- cuff” use of development funds has been the financial drain to the government for so long. I expect a good chunk of the budget is allocated for the required infrastructures like roads, bridges, wharfs, utilities and so on to encourage our foreign investors to come and invest in these productive projects. Right now we are like a cat chasing its tail. We cannot move forward with merger budgets allocated **11.21** for our major development projects. What is available is not enough. My people and I urge the DCC Government to properly manage and control the use of these major development project funds to ensure a visible outcome sooner rather than later.

Please allow me to move on to teachers conditions of service as featured in the budget. I am dismayed by the delaying tactics played on the long standing demand by the teachers of teachers’ employment conditions. Year in and year out, in successive governments to the present government, the teachers’ employment conditions demands are once again in limbo against other pressing priorities of the government. I do not see any

indication in the proposed budget in trying to resolve the plight of our teachers, and this is a potential avenue for disquiet and industrial dispute.

Most education authorities which the Ministry of Education seems to rely on to administer teachers under their charge are not functioning as expected and hence why push the buck to them to deal with teachers' log of claims. I strongly feel that the ministry responsible should tackle the issue head on by making the necessary provision in the 2015 Budget and in future budgets to resolve the outstanding demands of our poor teachers for all. I was a school principal and a teacher myself for seven years and I empathize with all our teachers throughout this nation. The bottom line is that our teachers are "over worked and underpaid". Without them we would not be here as educated individuals. This nation owes our teachers so much, and their demands should be featured prominently in this Budget.

Please allow me now to move on to the Cuban trained doctors. I am indeed happy to note that some of our Cuban trained doctors have finally graduated and arrived back into our country. I commend these newly graduated doctors for their hard earned training and the sacrifice of prolonged absence from their home country and families. I duly welcome them back home. However, I was surprised to note from the Permanent Secretary's audience with the PAC last week that these doctors are not allowed to be posted to the provinces or work on their own in the NRH. If there is a gap in their training, I would expect some provisions for redress in their training in this year's budget. Whilst I again, unreservedly welcome our Cuban trained doctors back home, our people's lives must always be in the most capable hands of qualified and capable doctors. The Government with the responsible ministry must remedy this situation as soon as practicable.

Please allow me to go on to the shipping grants. I am pleased to note that a sum of \$30million is allocated for shipping grants in the 2015 Budget. This is a program that will bridge many of our isolated islands and bring into production our rural dwellers. With it, I am also pleased to note that the Ministry of Infrastructure Development will be putting in place proper guidelines to oversee the disbursement and use of this fund. This guideline should have been **11.26** in place long ago.

My constituency of North West Choiseul was one of the recipients of this grant totalling \$3million in 2014. I must thank the government then for the big investment given

to my people. The fund is now being placed in the good hands of a taskforce committee headed by highly reputable people from the constituency. The taskforce committee has established a people shipping company known as the Vatate Development and Investment Shipping Company, evenly representing and for the people of North West Choiseul constituency. The taskforce has produced its first financial report to the Permanent Secretary of the Ministry of Infrastructure Development recently, to ensure accountability and transparency in the use of public funds. However, our speculations on the most suitable ship to buy revealed that the \$3million is not sufficient for us to purchase the most suitable work boat we would like. Therefore, I hope that in the new shipping grant guidelines, there is provision for us to request additional grants.

In terms of the Family Protection Bill, violence, abuse, rape and other atrocities committed against our women, girls and children is becoming an everyday news item in our media. This particular sector of our society is suffering silently and miserably at the hands of others who often happen to be husbands, relatives and friends or people they know. To help curb this problem and bring to justice the perpetrators, the Family Protection Bill, which was passed in the last House must be brought into action as soon as practicable. However, I am sad to realise that there is no funding in the 2015 Budget to progress the implementation of this very urgent and important Bill. I strongly urge the government to hastily address this matter with adequate funding.

Finally, I felt most uncomfortable with the use of our cash reserves to finance the 2015 Budget, as alluded to by many who have spoken before me and even more so, the absence of any means of replenishing the cash reserves in the current year. I think this is an act of complacency on the part of the DCC Government. It is my hope that our cash reserves, which have taken many years to accumulate, should not be used for similar purpose in succeeding years. The consequence of having little or no cash reserves during a natural disaster or a global financial crisis, which this country is most vulnerable to, will be even more disastrous. However, for this instance, I am led to believe that the use of our cash reserves in the 2015 Budget will be a one-of case, and that it must.

Finally, to our development partners, I sincerely thank you for lending a hand up until now and into the future. Without your help, our people and our country will not progress to where we want to. **11.31** With those few remarks, on behalf of my people, the



people of North West Choiseul Constituency, once again thank the DCC Government for presenting the 2015 Appropriation Bill 2015 to the nation of Solomon Islands. With those I resume my seat in support of the motion.

**Mr JIMMY LUSIBAEA** (*North Malaita*): Honourable Speaker, I thank you for recognising me. I also would like to join the rest of my honourable colleagues in congratulating the Democratic Coalition for Change Government (DCCG) for presenting the 2015 Budget, especially the good Minister of Finance & Treasury, including the staffs of the Budget Unit in the Ministry of Finance, permanent secretaries of respective ministries, government officials, advisors and those that spent time formulating the 2015 budget.

I would also like to extend my thanks to the Chairman of the Public Accounts Committee and its members for its report on the 2015 Appropriation Bill 2015. The Committee's concerns of potential risks to the implementation of the Bill and estimates are commendable. I am sure respective ministries take heed of the issues of concern raised by the Committee.

I stand on behalf of my good people of North Malaita Constituency to make a few remarks on this historical budget – the largest ever to be presented to this Honourable House, the so called People's Budget – delivering a record of \$4billion spending that represents the first step towards implementation of the policies and mandates set out in the Democratic Coalition for Change Government's (DCCG) Policy Statement, Strategy and Translation that focuses on people and improving their livelihood in the next three years. As stated in my speech on the floor of this Honourable House during the motion of sine die at the end of last year, 2014, I did raise that the DCC Government of the MP for East Choiseul must not ignore what was reached by leaders of Guadalcanal and Malaita in the Townsville Peace Agreement (TPA) for short. I said then during that motion that failure to do so would be a slap on the face of those leaders of the two provinces that inked their signatures to this very important document. I then left my trust to the DCC Government to deliver what was not being taken on board by consecutive governments since 2003 in prioritising development aspirations of the people of Malaita and that of Guadalcanal and the rest of Solomon Islands to follow.

Looking through the 2015 Budget make up, with expected revenue of \$37.4million, donor budget support of \$871.3million, \$31.8million for the recurrent and \$11.3million for the development budget, and it is only on the development budget that I would like to make my short remarks. Firstly after a thorough scrutiny of the 2015 Budget, especially the component covering the development aspirations of the current DCC Government, I must raise my disappointment here and that of my people of North Malaita Constituency and Malaita Province in general that there is nothing or very little was earmarked in the 2015 Budget for the proposed developments in Malaita Province. A mere \$12.130million allocation under the Ministry of Commerce, Industries, Labour and Immigration and those budgeted for under the Ministry of Infrastructure Development of \$65.5million – Rural Transport Infrastructure Program – and that of the National Transport Fund of \$60million, \$2million under the Ministry of Fisheries and Marine Resources and \$4million under the Ministry of Rural Development are not specific. I repeat, not specific to the two anticipated development sites identified in Malaita Province, namely the popular Bina Harbour and the Suava Bay **11.36** proposed developments in the south and north of Malaita province.

Even the proposed Liue, Faumamanu and Kadabina industrial parks that were initiated by the previous government failed to appear in their names for some reasons. More disappointingly, they are again lumped up together with other activities under the same ministry for just a mere \$4.5million allocation under the heading ‘Industrial and Commercial Estate Development’. I am calling on the Prime Minister and the DCC Government, whether what the Prime Minister and DCC Government promised to the people of Malaita province and each marked provincial government during his recent visit to the policy statement launching on Malaita province was going to be delivered this year, 2015.

Fourteen (14) Members from Malaita including some of us went to attend the launching in Malaita, and if this is not fulfilled, I think that would be our last to arrive in Auki. We should be ashamed of ourselves, my colleagues because we have promised the people of Malaita and I was a part of the delegation that went there and the environment in Malaita at that time, the people of Malaita were very excited about this budget. However, when I failed to see those promised reflected in this budget raises more questions than answers. This is a serious matter. The people of Malaita are expecting the DCC

Government to deliver on its promises. Even the Malaitan Members of Parliament, the 14 MPs from Malaita province on both sides of this House, all expect to see a substantial and clear allocation to be marked under the 2015 Development Budget to be specifically allocated under the names of Suava Bay and Bina Harbour in Malaita province. However, we failed to find that in this 2015 Budget.

The issue of unemployment facing the people of the Province and being considered liabilities in other parts of this country are due to lack of development on the island province. All of us in this honourable House are fully aware of this. Is the DCC Government going to play the same music as those previous governments, using the name of development in Malaita to lobby Malaitan MPs in forming the government? This is high time for lip service. Malaita now needs to be given true development and not talk in figures, year in year out in national budgets. The people of Malaita would like to stay home and be employed. I thought that is one of the primary objectives of the current DCC Government - to empower our people to engage in productive activities and to absorb in gainful employment and thereby enhance and improve livelihood for Solomon Islands.

In the Minister of Finance & Treasury's Budget Speech, the last paragraph of page 4 stated that this Government is committed to action rather than just words. On that, he failed the people of Malaita. Let me conclude with a sober note. The overall view of the 2015 Budget, Solomon Islands will continue to struggle as a least developed country. The reason is that our economy will continue to face unprecedented falls in international market price for our few primary commodities as we failed as leaders since independence some 37 years ago to broaden our economic base.

Our economy needs to immediately diversify its economic base with heavy investment in export oriented initiatives, knowledge base through technology at our learning institutions and assist our populace to be entrepreneurial. This should be **11.41** the principal characteristic of our economy. We need to be innovative at all levels, this innovation must not only apply to the productive sector of our economy but it must also be extended to ministries such as education, health, environment and the rest.

Finally, we need to priorities trade facilitation; we need to improve our country's performance on infrastructure, logistics, shipment timelines, ease of trading across border in doing business must also improve in areas that the country will gain in the short term.

These investments will contribute to the future revenue of the government, especially foreign currency earnings. The existing mining sector policy and legislation must be revised; landowners must be represented at mining negotiations and operations and must be adequately identified. There is a need to maximise fisheries and by saying that we need to revisit the outdated Fisheries Act and regulations because doing so would enhance our fisheries sector to meet the needs of international obligations.

Solomon Islands needs to be competitive in trade. Our economists must relook at why our electricity fuel, labour and water are too expensive in comparison to our neighbouring countries both in the pacific region and that of Asia. Finding out our competitive position in the region and globally will be a reasonable step forward for the country and our rural people. There is great urgency to prioritize and support the 85% of our population in rural villages and communities to become assets of growth rather than being liabilities to the national economy. To that, I trust that the 2015 Budget will achieve its intentions and objectives. With those few remarks, I support the motion.

**Hon JOHN KUKU** (*Minister for Public Service*): Thank you for allowing me once more to stand in this House this time to contribute to the 2015 Appropriation Bill 2015 that has been presented and moved by the Honourable Minister for Finance & Treasury.

At the outset, I wish to commend and thank the staffs of the Ministry of Finance and Treasury for the long hours of arduous work dedicated to the preparation of this budget. Their analytical insights, exchange of ideas and skills in policy translation into the budget, are much appreciated. It is because of their hard work, effort, time and commitment that enabled this Bill to be presented to Parliament as scheduled. I would like to commend the Honourable Minister for Finance & Treasury for his leadership and guidance of the budget planning, preparation and presentation. Without his guidance we will not see a budget like we are seeing before us today. I would also like to thank the Chairman and members of the Public Accounts Committee for their hard work in carrying out their mandatory responsibility. Their analysis, comments and recommendations are very helpful. I for one take them as words of justifiable caution.

The Budget Estimate that is before us is a realistic one, it is not simply incremental. Realistic, because this is the first time we recognize the rural people and the rural economy

as paramount to nation building. This budget finances the government's policies and programs which aim at promoting rural development. Anything less **11.46** is lip-service and not real because it does not meet the longing hopes and added dreams of the people in the rural areas. This budget places people at the centre of national development. This budget sets the stage of what we are all working towards from 2015 and beyond. This budget is not about self-interest, this budget is about national interest.

Yes, it is a huge budget but it is not reckless spending. It is a focused and discipline approach to building the nation's economic capacity. The government is taking long term investment not only in rural development and infrastructure development but in a host of other areas that have been neglected for far too long that will bear fruit for us in greater productivity as well.

Solomon Islands is looking for a generation of leadership with innovative ideas about how to move this nation forward. This government will do a better job learning from the past and improving the outcomes for government services. Sooner or later, we must come to terms with reality and realize that governing is more than recycling old campaign promises. Solomon Islands deserves a government ready to meet the challenges of our nation head on and to be honest enough with them about how they are going to achieve it. Such a government was absent from the past because of blurred vision, lack of self belief and political will and the commitment to deliver. Solomon Islands has entered the gates into the 21<sup>st</sup> century. Our vision must not be fixed on a past that no longer exists. Make absolutely no mistake that a government with its back turned to the challenges confronting us is going to end in tears.

This budget decisively tackles some vital areas of need in the rural areas of this country where more than 80% of our people live. Only by an ambitious spending initiative can we overcome the biggest barriers to economic and social development. Nothing is more important to any government than to fulfill its promises to deliver basic services to all Solomon Islanders. Given our current resources, we cannot pretend to provide all of the services that we would like to, but that does not mean that we cannot be smarter and make more of the limited resources we have.

We are a small country and cannot escape the impact of what happens globally. This is all the more reason why we need some policies that respond not just to the requirements

of the international market place, but also the needs of our very own people in the rural sectors. For the North Georgia constituency and its people, a new journey begins.

Increasing the skills base of our country is the key to its development. We not only need better educated and well informed and skillful workers but a healthy and productive labour force as well. The DCC Government policy is that education and health should be accessible to all Solomon Islanders. The government is committed to making education and health care affordable, especially to our families who would otherwise not be able to send their children to schools or in any other health centres.

While our political and electoral reforms seek to create a modern and truly democratic state, we can never truly be a modern state until we improve our infrastructures - roads **11.51** bridges, airstrips, to name a few. A nation's infrastructure is its most basic resource for promoting opportunity, growth and equality. Simply put, sound and modern infrastructure increases productivity, eases the burden of daily living and gives greater access to services. We must make a firm commitment to improving our present infrastructure and new ones as well. This may not be fully achieved in our time of government but it is better to start than never.

One of the centerpieces of this budget is the refocusing of the Government's principal agency of service delivery - the Public Service so that it meets international best practices, deliver what government wants promptly and efficiently, prudent with public finances and plays a more active and effective role in national development and the growth of our economy. Our citizens expect more from our government; fast, responsive and caring service. They called for a skilled, professional, accountable and ethical public service. I believe that the Public Service will rise to the call and challenge as long as we design right systems, processes and the right incentives.

Public Servants can work in an environment where effort and hard work is recognized and rewarded. The DCC Government's fundamental belief is that individuals should be rewarded on merit and accomplishment. No longer will seniority and personnel connections be a part of advancement. We want to reward the best people and keep them working in Government. We must retain highly skilled and capable officers in the Public Service. Too often they are lost to the private sector or regional and international organisations. By setting rewards and incentives that recognize the different skill

requirements for each position, we will retain more skilled and competent officers in the service.

The Public Service is working to its best but we need not rest until the job is well done. Red tape, buck passing, incompetence, slackness and corruption in the Public Service must be put to an end. This Honourable House will agree with me that we want to be recognized as a country of good governance. It is now time to right the deficiencies that have plagued successive governments once and for all.

Public Service is a noble calling. It deserves respect and compensation that is earned through performance and accountability. Anything less than expected does not reflect the nobility of the Public Service, hence fall short of the code. As part of the strategic intention to improve human resource governance in the Public Service, my Ministry continues to develop and introduce practicable human resource management systems that are contextually relevant to the Public Service. Allow me to go through just a few. First is the *Performance Management Policy (PMP)*. The Performance Management Policy which aims at improving performance at organisational, unit and individual levels. The annual confidential report was the first Public Service performance management system introduced in the 1980s. However, a survey conducted by the Ministry in 2011 revealed that the ACR performance management system has become unpopular as it fails to address modern performance management practices such as one to one performance discussion between a supervisor and subordinate or linking job descriptions to corporate objectives. **11.56** The discovery of such critical gaps led to the formulation of a revised individual performance management policy and procedure.

Like any newly introduced management system that deals with people's behaviour, the piloting of this business process encountered some challenges, especially at the initial stage of the process because the newly revised performance management policy requires changing the long embraced culture of closed door approach in appraising performance to one that is collaborative and ongoing. The revised performance management policy does not operate in isolation but is essentially linked to performance recognition based on merit.

Second is the revised Absent Management Policy (AMP). The absent management policy objective is to improve public officers' attendance. Successive governments in Solomon Islands as well as the general public increasingly recognize the significant cost

associated with high levels of workplace absenteeism across the service. Despite the growing concern on absenteeism, the reality on the ground is the non-availability of data on both absenteeism and its direct cost on lost productivity. The Ministry of Public Service has committed its resources in collaborating with all ministries and agencies in addressing the challenge of workplace absenteeism.

Thirdly is Discipline Management Policy (DMP). Maintaining a well-disciplined public service is increasingly challenging as we are recruiting diversified workforce whose values and interests may not be in accordance to what the Public Service Code of Conduct expects. In that regard, my ministry noted with appreciation the recommendation from the Public Accounts Report that the ministry explore other means of expedite handling of disciplinary cases. The recommendation is precisely in line with the DCC policy and therefore my ministry is taking this recommendation head on by reconsidering current discipline mechanisms without depriving the officer in question the constitutional right to be heard, hence maintaining natural justice to those concerned.

My ministry is gradually increasing its human capacity with needed incentives to speed up the process of dealing with disciplinary cases. You can therefore be assured that disciplinary matters will be swiftly concluded with much confidence. A major reform to be undertaken by my ministry is to repeal and replace the Public Service Act, while maintaining and strengthening the effectiveness of existing policies and clarifying responsibilities. This Bill is in draft form and as part of my ministry's consultation Members of Parliament will be provided the draft for their comment and recommendation. The DCC Government intends to table the Bill in Parliament sooner than later.

My Ministry will soon carry out functional analysis exercise to find out and put right duplication of duties. This will be followed by an occupational classification exercise. A match between functional analysis and occupational classification will determine the remuneration package. Whatever reforms carried out by the Ministry of Public Service, it is my duty to ensure those reforms must be professional, ethical as well as people and work focused. **12.01.**

The 2015 Budget is a responsible one. It reflects both our means and our needs. It builds on the policies of increasing capacity for productivity and growth and our philosophy of prudent financial management service delivery and consistency. It provides us with



better infrastructure and strengthens our economic base. It is a budget that will touch the lives of all Solomon Islanders. It empowers them and provides them with better opportunities. In short, it is an investment in all our future.

The benefits of work go beyond wages, salaries and allowances. Work gives people a sense of self and work helps to build a sense of community. That is why young people should move into employment, even self-employment before they embark on a life of welfare. To build a prosperous community and a better quality of life, we need to build on our strengths. One of our greatest strengths as a nation is our capacity to innovate and invent. But unless we fix the budget together, we will leave the next generation a legacy of debt, not opportunity. We must not leave our children worse off. That is very unfair. That is not our way. We are a nation of craftsmen and women, seafarers, a nation of warriors. Let us stand together and face tomorrow. By everyone making a contribution now, we will build together a better Solomon Islands.

The poverty and prosperity of a nation is a matter of choice. They are neither gift nor luck. They need to be earned. We have to make the choice. The DCC Government stands ready to restore hope, reward and opportunity so that all Solomon Islanders can face a bright future with confidence. Our future depends on what we as a nation do today. This year will be long remembered as the year the National Parliament of Solomon Islands together, collectively made a bold decision to invest in its future. Every generation before has contributed to the quality of life that we enjoy today. It is time for all of us to contribute and build. Members of Parliament ask for time, conscious of time for the implementation of the Budget, this is the day, now is the time. With these remarks, I support the Bill.

*Sitting suspended at 12.05m for lunch break*

2:17

*Sitting resumed at 2.17 pm*

**Hon. DOUGLAS ETE** (*Deputy Prime Minister*): My debate will be very short in support of the 2015 Appropriation Bill. At this point in time I would like to thank the Minister responsible for tabling this Bill in Parliament. I also thank the Prime Minister and also the

Chairman of the Public Accounts Committee for a comprehensive report, in my view, which was tabled in Parliament as well.

The people of this country voted for change in November 2014 - a change to do something different way. And so I want to thank indeed the DCC Government and the Prime Minister for leading DCC forward.

Because of this we now have a budget and this budget, like previous speakers have mentioned, has manifested and resembled a promise to deliver to the people and DCC is going to perform that promise to the fullest. That assurance was given by the government and by the honorable Minister for Finance. The assurance I want the people of Solomon Islands to hear is that the DCC Government will deliver in 2015. We are going to deliver to the uttermost parts. We are living in what is called an imaginary community where we do not know who is living in Shortlands or in Vanikoro, but we called ourselves Solomon Islanders. If we have a budget that is reflective of the aspirations of the people of this country, and this budget is going to touch the lives of the people of this country, DDC has made a promise to the people of this country and so it will deliver. So I thank the Minister very much for the speech you delivered.

The role of the Public Accounts Committee's is not to change any government policy, but its role is just to scrutinize and make sure the principles of regulatory process are adhered to so that when Parliament passes [2.22](#) an act or a bill in this House, especially this Budget expending the expenditures are done with the intention to which Parliament intends it to be.

I also thank the Prime Minister for giving an inclusive of 10 days to the Chairman of the PAC to compile its report. I think that is a being a responsible government. I am saying this because I was Chairman of the PAC in the last House, three years running, and the government then only gave the PAC a maximum of four days to compile its report on the budget. We sweated our guts out because of this. On one or two occasions I can remember submitting just half report but I said it is the full report to Parliament. This is because I did not want Parliament to know the report by the PAC is only half and then the full report at the end of the year. No, we did not want it that way and so we combine say about five ministries together. On that note, I think this government is a responsible government. Thank you indeed Prime Minister for that.

This budget, as I have said earlier on, would be implemented in the principles of propriety and regulatory to which this budget will be implement according to what Parliament intends it to be. The former Prime Minister of Britain, Mrs Margaret Thatcher said there is nothing like public funds. She said apart from donor assistance it is taxpayers' money that is sitting down in the coffers of the government. She said that is taxpayers' money. Therefore, those of you who are stewards and custodians of those funds must use them wisely. The DCC Government has promised the people of this country that we will deliver to the most of our ability. We will deliver on what Parliament intends those funds to be expended on. That point resembles a responsible government and we promised the people of this country to be a responsible government.

I am saying this because in 2013, we had a debt servicing allocation of \$270million and out from that amount, \$240million was used for other charges like paying of electricity and so forth. During that time the Public Accounts Committee raised the concern on how government made its spending. Last year, again \$120million was allocated for debt servicing and a good portion of that money just went for recurrent and other charges as well, which is not what Parliament intends that money to be. We also asked the government then about the Honiara Club arrangement whether it is wise to hold into funds that are supposed to be for debt servicing because foreign debt is a problem to the country. In any economic, foreign debt is a big concern to any government as opposed to government debt. This is because a government debt is a debt owned by the government, which the government can rollover, it can create revenue to finance its domestic debts and debts by quasi government institutions. But with foreign debts, that is not the case. 2.27 It weighs heavily on the economy of the country. That was the reason why we raised concern over it last time.

I am saying this because former governments are acting irresponsibly for doing that. It is not according to the principle of regulatory and propriety when we spend money on terms that Parliament approved to spend money on. I gave that example because it is the government's business to perform and do what it has promised - "man talem duim" and so we have to do it.

Let me start by making a reflection on the global economy. If you read some special journals and articles about people like Ben Bernake –the Chairman of Federal Reserves, they

are saying that the global economy is currently gloomy; it is chasing a recession. The only economy in Europe that stands out with a GDP in terms of real growth is Germany. Greece has huge debts. Greece has economic problems. The only countries that came out quite recently are those known as BRIC countries, which I am sure you know them such as Brazil, Russia, India and China with exceptional growth in their Growth Domestic Product (GDP).

Let me paint here a picture of where we were before we went for the elections in November because it would be a healthy thing to do. In 2011, 2012 and 2013, 2014 fiscal years, the GDP has slumped from around 9percent, 7percent and in the last quarter of last year, it is zero. In fact, when the PAC met in August of last year before the closure of Gold Ridge, it was already zero. If we pitch that to 6percent by World Bank and IMF standards, that 6 percent is very high like a developed country. In a layman's thinking that road must have had a pothole, there is no going to be any new road. There will be no new bridges; there will be nothing new except to buy ships. But anything else is nothing. It will remain the same and is subject to deterioration until a new government comes in. That is why I was saying that during the election on November 14<sup>th</sup> 2014 people of this country wanted a new government. You can hear this on the streets.

In the same period of time, the macroeconomics indicator although inflation is stable as it cannot go down to two and one because it is going to cause problems because it would mean tax is going to increase. It looks like the economy is producing but we are not producing in the country, rather we are chasing towards recession globally.

We still have high unemployment rate. The current account last December in terms of GDP **2.32** has a deficit of 9.5%. In my view, when you get national income it goes inside the mouth. It is a hand to mouth situation, and that is the picture of last year.

However, I quite agree with the Chairman of the Public Accounts Committee (PAC) in terms of proper management of finances in this country. The previous government has made a surplus of \$139million. Where does this surplus come from when balancing the books? There is a deficit of \$202million which cannot be financed. When there is a surplus like that it simply means we are not working. There are no growth centres and nothing has been done in the 2013fiscal year. I have to paint this picture so that we can see your good advices to the DCC Government on what it should be doing. We are yet to start work but you have been raining comments upon us.

I would like to comment on projects we have been talking about which I term as the Malaitan issue. The Bina Harbour is before the High Court but there is another fresh claimant coming in currently of a tribe called the Kwao tribe. It just came in recently. And we have been talking about Bina Harbour for the last 20 odd years. I am a man from Malaita too, so we need to come and sit down together with landowning groups and ask ourselves, what are we going to do? We have never done that in the past 20 odd years. We should come together and say this is the reality about Bina Harbour, what can we do about it. If a case is before the High Court, are we are going to have a master agreement outside of court and say, 'let us build Bina Harbour' or are we going to wait for a new customary land Institutionalization Bill, which the Minister for Planning and Aid Coordination is waiting for within these four years?

Auluta Basin is right in my area and I would want a logging company to log the big trees there before we can start talking about the outgrowing oil palms. When I was acting prime minister some time ago, a delegation from Malaita that came to see me, the mode of discussion then was on this manner. The first is to get a contractor to fell all the trees down because the trees are so huge. Some were saying that seedlings have already arrived here, about 12,000 seedlings from Papua New Guinea have already arrived here and were concerned in case the same thing that happened in Waisisi also happens here - the nurseries have already bear oil palm fruits. The same can be said about Vangunu too. But when we talk about large commercial, intensive investments, the investor would want to see first infrastructures to be constructed there. You cannot export oil in a wooden canoe to Europe. That can never happen. The DCC Government will work on this; we are going to sit down and work our mathematics out and say, 'this is the neatest thing to do, let us change strategies, and do it this way. 2.37

The Fiu Hydro is going to go forward. It is actually located on land owned by my uncles. It is on Bola land and I am a man from Bola. There is no dispute over it. People from Malaita listen to me now, I am one of you, I am your son from Daroa talking now; Sasdili and those places, about \$15million was already signed under the World Bank to fund that particular project. It would be much better for Malaita people to have power before they start talking about other things. We are energy poverty in this country. It is what is called absolute poverty. There is no energy in this country. This project will kick off this

year and this from the assurance of the Prime Minister himself and the Minister of Finance. I am talking about something they are telling me.

Suava Bay is priority for both the previous governments and the present government. I thank the previous minister for finance and government for putting it as a priority. This government will pick it up from where the previous government left and go forward until a mini loining cannery is in operation soon.

In terms of the reserve cash, my comment is that flexible for rehabilitation is sitting down already in the Central Bank. DCC has used an inclusive of around 18% of it, and it has four years cover – our fiscal reserve. When you are chasing a recession, the first fiscal policy you have to do is to increase government expenditure. We are working on a tax threshold where tax has to be reduced somewhere so as to ignite aggregate demand. It means consumption goes up and aggregate demand also goes up. You cannot increase tax in a recession. I heard people saying we should increase tax, why increase tax. It will not happen that way.

I think the Minister of Finance is doing the right thing to this economy. We cannot wait for a miracle to happen. There is \$449million from reserves, which accounts for around 18% to 20% of our fiscal reserve. I think it is done correctly and that is because of one reason - that we have a trade balance deficit. It went up to \$700million since independence running. We imported rice 2.42, rice alone for around \$400million each year in this country. We have a trade balance deficit in this country. I agree with the Member for South Vella La Vella who said this money could be used for disaster and used to offset deficit in trade balance. That is correct. I think that is the right way of doing it.

On the issue raised by the Chairman of the Public Accounts Committee on clause 6 of the Bill, I think the Minister of Finance stick by his guns and stick by the letters of the law. Sections 5, 6, 7 and 8 of the Public Finance & Management Act of 2013 have given the Minister ultimate power to set rules here in line with sections 69, 70 and 82 of the Act. I think that is the transparent way of doing it. It was not a mistake when he did it.

I will now come back to the Public Accounts Report. Page 5 talks about overvalue exchange rate, which is affecting low investment in this country. I think that is true. The pricing policy in this country is a matter for the Central Bank as an independent financial institution and the Minister of Finance to address. In terms of issues regarding the

government's monetary policy, in 2013, the former minister for finance who is now the current Chairman of the Public Accounts Committee has accelerated the currency. There are certain things that can be done under the monetary policy. One is called the interest rates - how interest rates are pegged. In a recession, interest rates should be low so that banks can lend. Another one is called discount rate, and this sets the basis for banks to lower their interest rates. If it is reduced, banks will lend out to people more and money supply goes. He used what is called currency pegging in 2013 to increase the value of our currency. There are eight trading currencies in this country. We have the Australian currency, Deutsche\_Mark – Germany, Yen, UK Pound, US Dollar, Singapore Dollar, Euro Dollar, and a facility at the Central Bank called the special ceilings rights; those eight. We are pitching our currency against the US Dollar. How the US Dollar bounces against the Solomon Islands Dollars and we have a deficit of 5 percent and up. The report here says that is one of the things causing our export to go out and we cannot compete. 2:47 In my personal opinion exporting raw material like log and fish does not matter very much. The pegging is still fine. Interest rates that went out and determine our exchange currency against other currencies is a matter for the Central Bank and the Minister of Finance to deal with.

All in all, listening to the presentation that was done today, it is quite an important thing to bolster investment in this country. The most important and difficult question in this country which has not been tackled properly in the last 37 years is land rights and land ownership. Today we look at tenures, two things that must come to Parliament are the Customary Land Commission Bill and the Customary Land Trust Bill and a Trust Act. In my view, we must try this out in these four years so that we complete it and move forward. Fiji has four land tenure systems - Methodist, Housing, Customary Land, Native land and Freehold. It has four different land tenure systems. Today we looked at a comprehensive explanation of these and I think that is the right way to take. That is, if we want to unlock 85% of land in this country and lease them out to investors. Because if you are holding on to a paper called the registry of customary land certificate for a piece of land, for example in Suava or such, it is all secured but currently it is not happening. Like the Minister of Planning always said, the current 13% has an English blood to it; the DNA of Britain is in it and it is subject to acquisition.

The DCCG will work hard, we are determined, we are committed to work hard to foster these legislations to come before Parliament in order for us to open up our investment in the country, our investment climate can enable investors to come and invest in our country. We have not done it for the last 37 years but I think these four years we will do it. The DCCG is committed to do it.

One issue here is energy and I am quite happy that the Public Account Committee has captured energy. Electricity in our country is one of the highest in the region. But I would like to say that in 2011 the government signed an agreement and passed by cabinet for a certain company to come and put 33 megawatts. All the materials for this were already placed in a boat ready to come over to Solomon Islands, however, political wrangling here overturned the decision made by the board of SIEA with the Minister, turned it around and those materials never arrived here until today. Information has it that DECA International, a Korean Company should have come 2.52 but it never came until today. Yet we are still having power shortages in the country so how are investors going to come here.

The good news is I want us to go forward and do the necessary things so that we help the people of this country, hence the reasons for this government to be committed to one project in Malaita and another project in Guadalcanal, which are the Tina Hydro and the Fiu hydro. We must work on these projects so that we have cheaper power. But while we wait for the next 10 years for the Tina project to come into operation and the next seven years for the Fiu Hydro, what are we going to do for now? Are we going to be sitting idly like this? Not so. The DCC Government will work on those projects and try to put things right in this country. .

In terms of health, the correct way of dealing with health is to revisit the 2009 Parliamentary Select Committee's inquiry report on health that was presented to this Parliament and see the 130 recommendations in the report, and then we start from thereon. I think that is important to do. Like we used to say in the past, if you have a coma and you are rushed to the National Referral Hospital, you would be dead on the way. That is true because there are no emergency medicines and not even an emergency doctor there. There are no qualified doctors for the emergency department. To make matters worse, the issue of the Cuban doctors. Why do you not tell us before so that they are not sent there in the first place? My reasoning is different; I think they are well qualified. When I came back from



Morocco I met one of the graduates of Cuba in Brisbane and I can sense talking with him that they are most qualified. I say this because many things that were not done when I was Chief Executive Officer of the NRH; but it was a doctor from Israel that came to do it and so I am confused. The intention of the government in 2006 was to train and then send these doctors to the rural areas. It was to foster them to go to rural clinics and area health centres. These doctors are more qualified than the nurses. Secondly, there is the need to amend the Medical and Dental Act, about 10 pages Act. I believe there is a way out of this situation and the DCCG will look into this and try to sort it out. We will find ways to send these Cuban graduate doctors to the rural areas to help our rural people.

Lastly, on electoral reforms, when you talk about proportionate representation system, there are many systems and this falls directly under my jurisdiction as Minister for Home Affairs. If you had seen the book on strategic plans we are venturing into reforms on eight acts of Parliament which have not been reviewed for the past 20 odd years. But when it comes to electoral reform, I want thank the previous government for coming up with the system, even Australia is still crossing out names. For us, we go with cards to vote. But for a system that will replace the first-past-the post system, just needs to go back to Cabinet to be looked into again. That is the neatest thing to do as a responsible government. **2.57** Whether we have what is called a party listing system so we come up with names such as SIPRA, UDP, PAP and so on and people just vote for the parties. That is the system in Europe except for France. It is after the parties won the seats before people are selected to fill in the seats. It is called a party listing system. If we want a preferential system, which others are using then it must go back to Cabinet, and this is the policy that the GCC Government will look into to improve as we go forward. The DCC Government needs to review a compatible system of voting if we need to replace the first-past-the-post system. That is the assurance I can give as the Minister for Home Affairs. Every other Acts that fall under my jurisdiction will also be reviewed in due course.

What is called the Honiara City Act will also be reviewed. The first thing I want under the Honiara City Act is how to clean this city. If it is going to be by legislation then it will be done by legislation. During the review we get hold of the Singapore Act. Singapore did it by legislation. Honiara City seems to be sitting down in a rubbish bin. I think the neatest way to do it is by legislation so that we influence behaviour by legislation. Other

than by ordinances like 'do not throw rubbish' but the response will be that women's group will clean it up tomorrow and so it becomes dirty again. That is unsustainable in my view. The \$850million given by the European Union for this cleanup project just went up in fumes into thin air. In Samoa, flowers were planted from the airport to right inside their city. Over here grasses were cut today but tomorrow they grow again due to the high humidity here. The grasses grow fast. I think we will do it by legislation.

With those observations and clarifications, I support this Bill and the DCC Government pledges, and I as the Deputy Prime Minister of the country would like to assure on behalf of my Prime Minister and the Minister for Finance and my Cabinet Ministers present here that we are committed to implementing this budget to the fullest. I support this Bill. Thank you very much.

**Hon ISHMAEL AVUI** (*Minister for Justice & Legal Affairs*): Thank you for recognizing me and grant leave for me to contribute to the debate on the 2015 Appropriation Bill 2015. First of all, on behalf of my people of East Central Guadalcanal I would like to join others to thank the hardworking Minister of Finance and Treasury for tabling this historical budget.

This is the 10<sup>th</sup> Parliament and it is appropriate and fitting that Solomon Islands is presented with such a historical budget - a budget of \$4.1billion. To have a budget that is big and balance requires a Finance Minister 3.02 with a vision and one who is committed to develop Solomon Islands. The current Minister of Finance and Treasury has the vision and commitment for this country. Also, I would like to thank the Director and staff of the Budget Unit, staff of the Ministry of Development, Planning and Aid Coordination and staff of the Ministry of Public Service for their hard work to put together this budget. Their work is evident as we have the three volumes now before us - the Recurrent Budget, the Development Budget and as well as the Manpower Register. In like manner, I would like to thank the Chairman of the PAC and all members including the Acting Auditor General for being the secretary. It is not easy to perform this role and I think the PAC has done a job well done. Credit must also be accorded to all Permanent Secretaries, financial controllers and human resource managers who have also appeared before the PAC. In particular I would like thank my Permanent Secretary and financial controller who have appeared before the PAC. Thank you for explaining to the PAC the proposed budgetary and

manpower provisions that appeared under the Ministry of Justice and Legal Affairs and as well as the National Judiciary.

Finally, I want to also convey my gratitude to the most important group of people and these are the revenue collectors; those in the Customs division, Inland Revenue and others. Thank you so much for your work. Please, continue to collect more money because you are doing a service for this country.

Let me comment on the budget. I cannot agree more to what others have said about this budget, especially the opportunity that it provides to change Solomon Islands but more so the lives of our rural people. The dependency syndrome must be tackled. Solomon Islanders must take the initiative and I must applaud the DCC Government for coming out from the ordinary to show the way forward through this budget. If change is to be felt in the rural areas, the principle is that the Government must put money on where its mouth is. There is no point in advocating rural development while paying a leap cent. If we continue with the leap service we are nurturing a nation that is bound to be domed.

As the Minister of Finance and Treasury has said in its speech this budget is a means to achieve the intentions of the DCC Government. You know more than I do that there are three basic factors of production. These are; capital, equipment and manpower. I see all these three factors of production in this budget. These three factors together with a conducive environment will certainly impact on productivity. In some cases...3.07..has to be resourced prior to any development. I am not talking about the ground breaking ceremonies. Ground breaking ceremonies does not fit in the three factors of product that I mentioned earlier. They are only for publicity purposes, which often to raising people's expectations and subsequently false hopes. This is what has been done in the past and it is proper that we must put a stop to it.

This budget is a credible one. It will empower our people to drive the economy. There have been concerns raised in the debate about attracting foreign investors. I think this is our concern and also the concern that this budget is trying to address. Foreign investors often look for three things: good infrastructure, reliable electricity and water as my deputy Prime Minister has just said. I have sighted a sizeable amount put for infrastructure in this budget. I have sighted the Tina Hydro and also the Fiu Hydro, and likewise funding for water supply projects. I am convinced that this budget does cater for that concern.

I still believe in one thing, and that is that only Solomon Islanders can develop Solomon Islands. I believe that local investors are the people who should be assisted or created. We can argue but I believe that only Solomon Islanders can do serious business here. This is their country. They know the place and will take risks to grow their investments and create employment.

What I like from this budget is that we will be giving money to resource owners who will be growing the economy. If the rural people can do that, why are we lamenting about foreign investors who will never come? And if they come, they do not bring in new capital. What they do is just borrow money from our local banks to start their business investments.

The issue of capacity was also raised in this chamber and I would like to take few seconds on this issue. I do not see capacity as the main issue here. I think we have the capacity to implement this budget. Our main issue is with procurement for services and goods. This is the source of the delay and not the capacity of the ministry.

Earlier on, I thank several officers for their hard work in preparing this budget. Now I would like to call on them to be supportive when it comes to procurement and processing of payments. I have come to notice that the Financial Management Act is one of the main causes of delay. Officials should be facilitators and not emphasize too much on regulatory. There are some head of departments who act as regulators and 3.12 that is why implementing the budget is sometimes met with blockages.

The Financial Management Act asks for too many requirements. I would like to see it be reviewed as soon as possible. It is an impediment to effective and efficient service delivery. That said I am glad to know that both the Ministry of Finance and Treasury and Ministry of Rural Development are aware of this issue, and will come up with a possible solution. I encourage the discussion to take place immediately. Failure to implement the budget is an issue every year because some officers do not know their roles in the ministry and are just social loafers day in and day out. Some officers are good at blaming the traffic and often arrive late at work.

Permanent Secretaries therefore must manage for output. They must practice their supervisory role. They need to check that their staff do work every day, week and month for the next seven months or so. If Permanent Secretaries and Heads of Departments can do just that, I am sure we will implement this budget 100 percent. While these are the issues, I am

happy with the recent reform action by the DCC Government through the Ministry of Public Service for embarking on implementing the performance management policy and the absenteeism policy throughout the whole of government as mentioned by the hard working Minister of Public Service this morning.

Further on, the issue of capacity, we must not restrict ourselves to think that ministries are the only ones to implement the budget as the Member for Rendova and Tetepari and Minister for Planning had alluded to yesterday. In fact, there is a saying that goes: There are many ways to skin a cat. This means we have other options to get capacity. There is option for outsourcing, BOT (Building, Operate and Transfer), and PPP (Private Public Partnership) and other service delivery model to use.

Sir, we can even explore our bilateral and multilateral arrangements to build capacity. I was in India a few years back, and the Head of Public Service there said that India is willing to help Solomon Islands with our manpower needs if we request them through the technical arrangement that we have with India now. Closer to home, Fiji is also implementing its volunteer service scheme. We get them through our bilateral arrangement with Fiji. There is merit in doing that. For it has been found that having an expatriate CEO is more effective than a local CEO. Many countries are now adopting such an arrangement and have confirmed to work better compared to when they have local CEO. It is time we must think of this approach.

In terms of infrastructure development, it is more effective to have more overseas contractors than local ones. It is obvious that local contractors do not have the capacity right now. Even Fiji is engaging a New Zealand contractor to construct infrastructure...3:17..I cannot see any reason why we cannot do the same here, let us move away from the local road contractors, because their work does not go beyond the first drop of rain that comes to contact with.

I love this budget because it is unique and touches the heart of our people, it is different not only because it's the biggest and emphasizes infrastructure, but it also has latent message in it. The latent messages are for two sets of people; the implementers and the Beneficiaries. The Message for the implementers is 'work smarter'. For the beneficiaries the message is avail your lands and resources if you want development to come to your door.

Let us be clear in our minds that the government doesn't want development, it is the rural development who needs it. So if you do not avail your land, your gravel, your trees, harbours and water sources how do you expect development to come. It is this relationship that rural people must understand, if we do not understand that core relationship we won't get closer to the development we want. The government is availing money but we the resources owner must open up. That is the message.

I want to speak on what this budget will bring to the Ministry of Justice and Legal affairs and the National Judiciary. On the outset I would like to say I am very happy with the Budget allocation to my ministry, the provisions that are appearing under my ministry will greatly help continue in the delivery of Legal and judiciary services. You will notice that my development budget is less than last year, this is because most of our infrastructure developments have been completed and we only need about \$6 million in both the Ministry and as well as the national judiciary to do what we plan for this year. In terms of the recurrent budget there is a slight increase this year, this is to cater the anticipated price increases of goods and services in Honiara as well to cater for the reviews of the schemes of service for Judges and lawyers and also to fill vacancies. With this budget that I have in the ministry we are planning to do following priority activities; establish special courts for family, juvenile and child, minor traffic offenses, strengthen the bar association the reviewing, the legal practices Act to incorporate the Bar association of Solomon Islands, strengthen regulation of the legal profession, strengthen and support capacity building by legal and management training, training for local court judges and training for tribal land dispute panel members, we'll also look at improving court facilities in the provinces, also improve the quality of legal service in the Attorney General, director of public prosecution and public solicitors offices. We will also strengthen and support the law reform commission by progressing the recommendations relating to land below high water mark, sexual offenses, and corrupt offenses. We will also strengthen national judiciary and legal system in the country by:

- a. Analyzing and implementing the intellectual properties strategies in relation to copy right, trade mark and industrial designs.

- b. Stream line the land dispute resolution process for determining ownership and usage of customary land.3.22, by supporting the role of chiefs and tribal land dispute panels. Also we will establish the industrial arbitration codes to supplement the work of the trade dispute panel and then also to establish and formalise the judges and lawyers scheme of service. These are the activities that we will do this year, the budget that we are given is just enough but if there is any need for more, I will source funds to available means such as through virements and CW provisions.

I would also like to take this opportunity to thank our development partners for their generosity to continue supporting the judicial sector. Australia has been our partner as well as Taiwan during the pre and post tension times and since then they have continue to support to this day. The Australian assistance has been reduced on general terms for Solomon Islands but the good thing is that they continue to support us; particularly Australia and Taiwan are helping us in the ministry to sustain a judicial system that is at moment highly fragile. Last year we have increased the number of magistrates and they have now taken up positions both in Honiara and as well in the provinces, the capacity at the magistracy has been raised and we are happy about this achievement. Hence, we would like to do the same for the judges and we are planning to recruit two more judges for this year.

Allow me now to comment on the relevance of this budget to my good people of East Central Guadalcanal. This budget is off no value to me if it does not touch my people in East Central Guadalcanal. However, the good thing is that this budget sets the directions that are more relevant to my people and I am very convinced that my people will greatly benefit from it. The eels of service delivery to my people in the last four years cannot be over emphasised, I can recall that the ninth parliament has budgets that focused on rural people or the bottom up approach but the sad thing is that my people do not see any development at all. Women still have to travel on long distances to collect water as they do not have water supply, most families in the highlands do not have the basic needs of clothing, tools, utensils and lighting. We also have skilled fishermen but we were not given fisheries projects for the last four years, we have lots of coconuts but there no bank points, we have no wharves even though we produce the highest volume of cocoa and copra as indicated from the data that

was provided by CEMA. We do not have proper roads, the only one that we have is terminated at Aola and has never been maintained since it was constructed in the 1970s, we do not have bridges over our five fierce rivers, and farmers have to struggle with their produce such as cocoa, coffee and very soon oil palm to get them to Honiara. We only have one police station at Aola but it has never been fully manned since it was opened, I think there were no arrests done as well. We have clinics but are mostly manned by nurse aids, it is not a surprise that we have the highest **3.27** child mortality rate throughout Solomon Islands. We still have schools with such groups and children still have to travel more than two hours to get to the nearest schools every day. With that Mr Speaker, you should be able to see where the money from the previous peoples' budget go. Our problem is evident the money is not enough.

I am glad that the DCC Government recognizes our problem and has intervened by presenting the biggest budget in our history. I strongly believe that now at least some of our issues mentioned earlier will be solved through this budget. I also see that there are funding in other ministry which will also benefit my people; Fisheries, Tourism, Mines and Energy, Forestry, Home Affairs etc.....

I am excited to see that it is government priority to build the Barande to Aola and Marau roads. As the Member of Parliament for North East Guadalcanal said yesterday in his contribution, this road will contribute to the economic activity by the people of East, East Central, and North East Guadalcanal. This is an economical road and not a political one. If we can build this road tomorrow Mr Speaker, we will be building back the reserves that we are lamenting about through the economic developments from oil palm, cocoa, virgin oil, coffee that will be triggered by the stretch of road.

I therefore plea to my good and resilient people to be cooperative and avail your resources for this major road infrastructure development that will connect North East, East Central and East Guadalcanal constituencies.

Mr Speaker, I can see why some people cannot see this budget as a peoples' budget but Sir, the \$335million under the Ministry of Rural Development will go direct to our rural people not in cash but materials.

Mr Speaker, there is no better mechanism in place to help our people then to share the budget through the constituencies. This is fairest and the best way we can share



our nation's wealth there are merits and demerits to have ministries disperse development funds. No one will deny that the management mechanism practicing ministries will always allow for some to get more and others to get less or none at all. Some of our constituencies have been affected by this one talk system and I for one will not subscribe to assisting of sharing financial resources through ministries unless the quarter system is put in place for constituencies like the MP's scholarship awards.

Mr Speaker, some concerns have been raised to whether the budget will achieve unity, development and changing lives, uncertain it will. You will note Sir, that the core feature of this budget is all about nation building that is why you see Mr Speaker, about \$242million of the budget is only in infrastructure, roads, wharfs, bridges, airport etc. If you want to pursue economic development, start with infrastructure, if you want to unite the country build infrastructure, if you want to meet the MDG's build infrastructure. I am happy that GCC is putting resources in building more infrastructures. It will suddenly build our economy and unite our country and help us meet the Millennium Development Goals.

Many countries have prioritized infrastructure and have seen their developments **3.32** triple within a few years and are united as one people. I see no reason why Solomon Islands cannot be like countries like Singapore, Taiwan, Hong Kong, Dubai, Fiji who are doing the same.

Finally, on behalf of my good people of East Central Guadalcanal I would like to thank the Minister of Finance and Treasury, the Honourable Prime Minister and the DCC Government for presenting "The 2015 Appropriation Bill 2015."

All Solomon Islander constituents, service providers, suppliers, contractors, students, provinces and us Members of Parliament are all waiting for the passage of this Bill. So let us not delay it but let us proceed and have it passed. With those few remarks I support the motion.

**Hon BODO DETTKE** (*Minister for Forestry and Research*): Firstly, I would like to thank you on behalf of my people of North West Guadalcanal for allowing me to say a few words.

I would like to commend the Honourable Minister of Finance and Treasury and staff of his ministry for the strategic approach adopted in the formulation and protocols of “The 2015 Appropriation Bill 2015.”

On a similar note I also wish to recognise the Chairperson and members of the parliamentary PAC for the excellent scrutiny methods applied in the course of their hearings.

It is a bill that underpins fundamental principles that the DCC Government embrace its policies on. It is a bill that focuses on the needs and demands of the people of Solomon Islands as a united country. It is a bill that respond to the issues and concerns of our contemporary circumstances through the sectoral reform programs in the economic and finance sector; productive and resource sector, social sector, development sector and the security sector.

You will note that these reforms are aimed at empowering people for productivity, attending to the needs of the marginal populace, creating a conduit and an enabling environment for the working population and strengthening the governance profile of their respective institutions.

Our forest sector continues to be regarded as a corner stone in our nation building program and contribute immensely to the livelihoods of our rural populace. For instance, the forestry sector contributes up to 2.6percent of the overall 3.5percent GDP growth in 2014. Against the background the DCC Government will continue to assist and support our forest resource owners and rural populace through the programs of my ministry including specialised tools, technical training, providing subsidies and market support service to timber vendors. We believe that these programs will also pave the way for realisation and investment and economic opportunities in the true context of our nation building.

Mr Speaker, although the plans and programs of my ministry are account for less than 1percent of the recurrent budget and about 22percent of the development budget, my ministry will implement our programs and projects. This means that my ministry will work alongside our colleagues at the Ministry of Agricultural and Livestock, The Ministry of Commerce, Labour, Industries and Immigration, The Ministry of Environment, Meteorology and Climate Change, The Ministry of Finance and Treasury, Ministry of Lands, Housing and Survey, the Ministry of Police, National Security and Correctional Services and as well as

with stakeholders and development partners...3.37., including the Commonwealth of Australia and the Republic of Korea.

The DCC Government is determined to pursue the necessary reforms in the forestry sector during our terms as government. This is evident in the programs and plans of my ministry as per the DCC government policy. For instance, with the KOICA, we aimed to formulate a ten year master plan by June 2015 for a reform and rejuvenated forestry sector in Solomon Islands. The master plan will feature strategies for promotion of reforestation, accountability and transparency use of forest information and strategic research and development proposals.

In preparation for the implementation of this ten years plan, my ministry has embarked on research programs that promote non timber products with a herbarium laboratory building and a secured and safe botanical garden construction of a fence around its perimeters. Furthermore, I am pleased to inform this chamber that the executive committee and members of the Solomon forest association (SFA) is willing and committed to working with my ministry in fulfilling the DCC government policy objectives for the forestry sector. To date we have agreed with the association for their members to process up to 8percent of the annual export volume, which has never been achieved in the past.

We believe this initiative will generate new business opportunities and contribute meaningful towards a boom in the construction sector of our economy. In saying that, we probably have cheaper timber for our people.

Our consultation with the association also provides a window of opportunity for constructive and productive dialogue with other government ministries and agencies in our efforts to consolidate and strengthen government protocols and procedures in order for us to achieve our policy objectives with positive and greater impact.

These are vital steps and inroads for the review of the Forestry Resource and Timber Utilisation Act. This is an opportunity for the government together with its stakeholders and partners to amend the Act to suit the current environment and correspond to relevant legislation in the 21<sup>st</sup> century.

The government will also support the forest resource owners in terms of providing training in sustainable forest management and forest stewardship certification. The DCC

government will also support and assist our rural training centres to become our rural hubs to promote our forest and timber processing programs.

In 2014 alone we have supported nineteen rural training centres and community based training centres in six provinces with tools and equipments to the value of almost half a million dollars. In recognition of this outstanding arrangement, the DCC government will continue and improve on this trend in 2015 and beyond.

We have reached the crossroads in our forest activities and programs. Therefore it is timely and an opportunity moment for us to formulate and adapt a practical and meaningful forest plantation policy. This policy should underscore tree rearing and improvement strategies as well as establishing and identifying suitable source for seed collection. This policy should outline criteria to establish permanent nurseries in the correct and suitable regions of our country as well as to establish trial pilot plots. In this respect, the DCC government will work closely with farmer, associations as well as our network of rural training centres.

To encourage medium to large scale forest plantation development in ..3.42 –in partnership with landholders and investors, the DCC Government will resurvey the forest plantation site at Gizo and Lata, in Western and Temotu Provinces respectively. In addition to these forest plantations, we acknowledge and note the expression of interest by the Isabel Provincial Government to explore the forest plantation concept and to venture into its own forest plantation.

Mr Speaker, the DCC Government stands ready to assist the Isabel Provincial Government and other interested parties in the pursuit of this concept as investment opportunities for our future generations.

Sir, my ministry will continue to support the Western Provincial Government as the dominant exporter of logs in 2014. Western Province has recorded up to 39 percent of export in 2014, with an increase of 2percent from 2013. Similar assistance and support will also be rendered to other provinces including Isabel and Choiseul Provinces who accounted for 29 percent and 12 percent of export logs respectively.

The DCC Government will work closely with provinces and other government ministries and agencies to ensure that logging companies undertake their business in accordance to the conditions and terms of their license.

Sir, let me also assure the Member for Shortlands about “agro forestry”. My ministry will be attending those allegations by the Member for Shortlands. But let me assure my good Member for Shortlands, those agro forest licenses that you are talking about were not issued by the new Minister of Forestry. They were issued by the former government, which you were part of that regime. I would also like to mention here to my good Member for Shortlands that of course we cannot plant coconuts in the mangrove swamp. I would also like to mention in this Honourable House that agro forest permits are issued in the very name of our resource owners and it is also on my onus for them to make sure that those companies log in the correct places. It is also for our resource owners to keep an eye on those companies who are breaking the Act. We cannot just point fingers at each other, but we should also share the responsibility.

Sir, the agro forest licenses are intended to help the small plot holders, small pockets of land that big companies are not interested to venture into. That is why those licenses are issued to the resource owners, not to the companies that are operating there. So it is very important that the landowners make sure what licenses are intended for to be carried out as in the name of agro forestry.

Let me also make it clear that the DCC Government has appealed to our good people to open up their lands for development. We cannot be negative. This is what we are asking them to do. So I assure my good friend, the Member for Shortlands, that we will not be cancelling the “agro-forest” licenses, but we will put strict guidelines on those licenses, very strict. Those who do not comply with those guidelines will automatically have its license cancelled. 3: 47..we need to see what there intend to be of planting cocoa or coconut or such crops to be implemented within a few months not years. We will also review those agro forest license that were issued by the former Government that are also breaking the regulations, that are also not doing what they supposed to be doing and what they are not implementing on the ground.

Sir, we will come severely hard on those operators, so I'd hope this would comfort the member for Shortlands. Despite the above challenges my Ministry is in the process of formulating a concept plan and guidelines on how can store the reforestation data, species, timber processing data and forest inventory are our server. Let this year be a marked year for effective implementation of government budgets.

The onus is now on us to reach out to our people and make than difference in their life style and in their communities, regions and provinces. Let us strife as one nation and uphold our motto to lead is to serve. With those remarks, I support the bill.

**Hon. Samuel Manetoali** (*Environment, Climate Change, Disaster Management, Conservation & Meteorology*): I want to acknowledge the Minister for bringing the bill to parliament and also I want to thank the chairman of the Public Account committee and his committee members for their hard work in scrutinizing the bill. So the bill is before us. When I am making my presentation on the bill I represent 2 institutions; the first one is my electoral Gao/ Bugotu constituency and secondly my ministry, ministry of environment, climate change, Disaster Management, Conservation and Meteorology.

I will begin my debate with the constituency in relation to this bill, but before I go on I want to acknowledge the following, the CNURA government for this road, Haivo visana rehabilitation, between me and the member for Miringe/Kokota. I want acknowledge the NCRA government for this Tataba wharf rehabilitation and Isabel provincial government started to rehabilitate this wharf at Lelegia village. And other organization which have develop my constituency, whilst I acknowledge the CNURA government for this Hivo Visana road, the road needs urgent maintenance, that road was never being properly constructed.

Whilst I acknowledge the NCRA Government for that Tataba rehabilitation, the wharf is not fully completed, so I trust and believe that DCC government will one day rehabilitate the Haivo visana road and the Tataba wharf. I am happy and support the DCC government policy, I am happy to 3.52..see in the DCC government's policy, the construction of roads from Tatamba to lelegia and Tausese. This road covers one end of the constituency to the other end and Tatamba is the economic growth centre of my constituency. And I would like to see more development in Tatamba. I am also happy to

hear from the Minister of Finance and Treasury that Tatamba will have a mini cannery. To us the Gao/Bugotu people this is great news and we are very happy. And that multi mini cannery is a new concept in this country. We can cane anything starting from Kingfish, Bonito and eel fish and not only sea resources but also land resources too, we can even cane things like coconut milk and pineapple juice with this new development that the DCC government allocate to us and we will be able to employ more than 500workers.

We will just use those boats & engines that we provide for the constituency to fish with and cane those fish and if government see the positive outcome of it in the near future, then they might buy us new fishing boats to catch the fish. Yhe machines that will be used to process these canned fish, they are already here in Honiara. And we are just ready to go on with the operation. That is why I want to say thank you to the Minister of Finance and treasury for this project.

On the rough estimates, we are expecting to get an income of \$15million to \$20million per annum for a single shift if this project goes ahead. You will hear in the news that some of the women from Ysabel particularly from Gao/Bugotu have gone to work at Noro at the cannery there, so when they return they will work at our cannery. Not only that, during the early 1980s, plenty men and women of my constituency were employees at the Noro Cannery. So we already have experienced people ready for this important project, given to us by the DCC government. Thank you very much.

The main idea of this cannery project is to provide employment to our people, not only Gao/Bugotu people but also people from outside.

Furthermore, if this project comes to operation, they will certainly need three hundres bags of cassava and kumara for one day. Because it will promote local produce, so this local people will grow local food. So, it will also need help from the other constituencies to provide their food.

I am so happy with this and that is why talked about this proposed mini cannery provided by the DCC Government.

In regards to my ministry, last week the Member for Aoke/Langlanga said during his reply to the Speech from the Throne said that environment belongs to every one of us. That

is very true honourable Member; the environment belongs to every one of us. Every one of us is breathing the air, we all enjoy day and night, we all see the sun, moon and stars but none of us own those things but we all own the environment. Climate change 3.57 affects all of us and so is disaster. So in terms of the environment, let us work together - the Government, the Opposition, the development partners, every one of us, work together on this these climate change issues and so forth.

The Ministry of Environment, Climate Change, Disaster Management and Meteorology is a development safeguard ministry. Its mandate concerns with managing our interaction with our biophysical environments, observing and understanding our weather and climate and coping with climate change and disaster risks.

The vision of my ministry is for a safe, sustainable and resilient environment for Solomon Islands. And our mission is to provide an enabling environmental for the socio economic development of the Solomon Islands through the application of necessary safeguard. This vision and mission cannot be realised instantly. It needs consistent commitment and resourcing to enable transformational change in what and how we discharge our mandates to meet our mission and ultimately our vision.

In this appropriation bill, my Ministry has a total budget allocation of above \$43million, inclusive of appropriated recurrent and development expenditures. Our total recurrent estimate stands at \$28.8million, which is about \$6million above the budget estimates for 2014. The key driver of this change is to increase by about \$5million for disaster relief. Our manpower bids were decline but we will make alternative arrangement to ensure that our programs are implemented without any significant impediment because we believe we can do more and better with the resources avail to us this year.

Experience have shown that our recurrent budget over the course of the financial year usually increase when a disaster strike. This observation is indicative of previous administrations reluctance to accept the reality the disasters are on the rise and we need to take appropriate pre disaster mitigation methods including setting aside reasonable allocations for disaster relief. As such the increase to our disaster reliefs' subhead is a historical and unprecedented positive move by the DCC Government to front load of state of preparedness for disasters.



Our development estimates amount about \$14.5million which is \$4.5million less than 2014 and will be used for building the new environment house complex. Infrastructure expansion in terms of disaster management and meteorology and to implement environment and conservation and climate change programs, although what is avail for us this year has been reduced. It is a good start for the implementation of our corporate plan we just been developed with support from UNDP through our institutional strengthening projects. Furthermore, I hope that our development budget and our performance this year will be the basis for future budget allocation to my Ministry because I can assure you that we shall deliver on our intended development output for this year.

Mr Speaker Sir, the allocation in this budget for climate change work inclusive of recurrent development is about \$3.4million. This is very similar to the allocation of 2014 which lies below what is needed to cover all high priority vulnerable areas and sectors.

However, we are not in despair because externally funded climate change and disaster risk management projects including related project implemented by in country NGOs shall assist in bridging some of gaps.

Some programs and projects of note in this regard as follows:-

The Choiseul Integrated Climate Change program which is a multi-stake holder partnership involving Choiseul province, the national government and with the international partners and regional organizations, such as Germany international development for operation, AUSAID(Australia), Secretariat of the Pacific Regional Environment Program, Secretariat of the Pacific Committee and UNDP. The World Bank supported technical assistance grant to support disaster..4.02..reduction recovery and community resilience to climate and disaster risk in Solomon Islands project which covers Temotu and Guadalcanal provinces.

The Australian Government and the United Nations Development Program (UNDP) supported Pacific risk resilience program which focuses on risk governance and mainstreaming of climate and disaster risk in to line ministries and provincial government institutions and functional set ups. Climate Change and disaster risk management projects are carried out by Non Governmental Organisations (NGOs) in various parts of the country.

In the past decade a lot of effort on climate change has focus on capacity building, understanding of climate risks and implementation of pilot adaptation programs. Most of

these activities have been funded by international funding mechanisms such as the global environment fund, least developed countries fund and the adaptation fund. However, all these funding mechanisms have their own conditions and intricacies which can also be burdensome.

What is important to note is that resources from these international funding mechanisms alone cannot meet all our pressing climate change adaptation needs. As such the allocation of internal resources in addition to these external sources is needed for climate change adaptation to be up scaled to the level of need evident in the Solomon Islands. My ministry is committed to these and we shall work with all stakeholders to come up with more reliable and innovative funding framework for climate change in the Solomon Islands.

The issue of relocation is often perceived as the last resort in the field of climate change adaptation. Yet in some parts of the country it is the only reasonable option now and cannot be deferred any longer. Our lowing island atolls and artificial atolls are the most obvious ones. I acknowledge that my ministry shall take the lead in our fight against climate change but the battles are on many fronts and therefore need the concerted effort of the country and with the leaders at all levels taking keen interest in planning and responding to climate change.

Furthermore, relocation whether due to climate change or other forces is a sensitive and delicate matter because it is inter connected with a myriad of factors with their own nuisances such as land tenure and the dislocation of people and their properties, cultures and constituencies. To top it off we need to carefully answer some resourcing questions. For example, who is going to foot the bill? The government alone or the government and the people who need to be relocated, and if so to what extent and how should the cause for relocation be apportioned? Therefore, we need to plan it carefully to avoid as much as possible and intended negative consequences. Let us not forget that our people are resilient who have lived on our islands under harsh environmental conditions and we even build some of our islands. Let us capitalise our ingenuity as we look for solutions.

The Ministry is working on a relocation framework within the context of new climate change legislation. On this note I wish to thank the DCC Government for prioritizing the development of climate change legislation and for the allocation of \$1.8million. It will strengthen our capacity through the Solomon Islands climate change adaptation program

which is linked to the European Union budget support program to have to proper and appropriate legislation in place to ground and bound our climate change programs at the national level. In addition, the development allocation of \$500 thousand for a new low carbon development program to support renewable energy initiatives and reducing emissions from deforestation and forest degradation program in partnership with the Ministry of Mines, Energy and Rural Electrification, the Ministry of Forestry and Research respectively is welcomed.

In terms of disaster management we are comfortable with our recurrent allocations and note that our development allocations fall below our requirement to hasten the strengthening of provincial institutional alertness for disasters and community base disaster risk reduction efforts. Nevertheless, recurrent increases for disaster relief and logistic support are welcome.

Our efforts and programs in disaster management have been supported by development partners, international humanitarian agencies, NGOs and the public at large. External and public assistance is always 4.07 a buffer for gaps which we may in our preparation for disasters. To that end, I salute and thank all partners, locally and abroad for their support during disasters. Moreover, I thank our people who have been affected by past disasters for bearing with us and their resilience albeit the very difficult challenges you have faced. The long term solutions to recovery require a whole of society approach. After all, risk management is every body's business.

Whilst disaster management is important and cannot be avoided in a highly vulnerable country such as ours, we will also focus our attention on disaster risk reduction. Disaster risk reduction including measures such as building away from floods and landslide vulnerable areas, taking heed of warnings and adhering to relevant legislations as well because every \$1 spent on DRR including disaster preparedness saves \$7 in emergency response. We also request our partners to also assist the National Disaster Management Office and the DRR work with the same figure and the commitment as you do during disasters.

Two of our divisions, the NDMO and the Climate Change will be closely working together to integrate the DRR and climate change adaptation. This concerted effort by the ministry shall consolidate our efforts and avoid duplication of programs at all levels.

The majority of our people live in rural isolated communities and therefore it is important that attention is given to support provincial disaster management preparation and operations. Disaster as with any other emergency requires quick mobilization of funds and resources. Therefore capacity of provincial disaster offices must be also resourced accordingly to also improve the state of preparedness and to carry out disaster risk reduction work.

On this note, my ministry welcomes the development allocation of \$2.5million towards NDMO infrastructure strengthening program. Metrological services are pivotal to the socioeconomic development of this country. The Solomon Islands Meteorological Service is an essential provider of meteorological services for the public and for aviation and maritime and the focal point for early for weather and climate and geological hazards such as earthquakes and tsunamis.

This year we have a development allocation of \$1.1million for meteorological development, which is less than our allocation in 2014. Investment in meteorological services will see timely provision of weather, earthquake and tsunami warning and climate services which equates to the reduction of loss of lives and properties and economic loses.

In addition to the above allocation, I also want to acknowledge the support given through externally funded projects such as Global Adaptation Fund and the UNDP support via enhancing resilience of communities in Solomon Islands to the advert effects of climate change in agriculture and food security projects for its in the expansion of our observation network through the installation of automatic weather and rainfall stations. This network of automatic weather and rain gauge stations will be augmented by another project, the Solomon Islands Water Sector adaptation Project which is funded by the least developed countries fund and co-financed by a number of partners including the national government and the UNDP.

In terms of tailoring climate products for specific sectors, we are also being supported by partners including Australia to develop an early warning system for climate and Malaria and upgrading of model for drought analysis. I also wish to commend the government, in particular the national training committee for allocating scholarships for several of our meteorological observers to undertake tertiary studies overseas towards meteorologist or climatologist qualifications. This initiative must be continued and

supported because as a specialised service provider, our officers need to undergo regular upgrading programs.

The sustainable management of our natural environment and resource; it accrues to our people now and into the future 4.12..require substantial effort and support. However, our mandate cannot be implemented effectively by ourselves because the decisions to use, alter, restore, protect and conserve lay with resource owners.

Mr Speaker Sir, the recurrent budget estimates for the Environment and Conservation Division in the budget could be better given the environmental safeguard responsibility this division carries and the need to support NGOs and community-based organisations that contribute to meeting our mandate and enforce the three legislations implemented by this division. Nevertheless, we aim to complement our recurrent estimates with provisions under our development allocation where ever such need may arise.

Development allocation for the ECD was set at \$2.2million. We shall focus this on key priorities of the government covering legislative reviews of the Environment Act and the Wild Life Protection Management Act, and implementation of the following technical programs namely: (1) Coral Triangle Initiative, (2) World Heritage Site Management, (3) Mataniko River Environmental Management and Waste Management Program and (4) Assessment of Dolphins and Crocodile Stocks in the country. If we intend to make development sustainable, prevent irreversible changes and damage to our ecosystems, reduce our vulnerability to our weather and geo-hazards, and better our response to climate change and disasters, then we as a country and people must play our part in our respective roles and jurisdictions. The budget provisions in this Bill should help us achieve the above intentions and safeguard our environment to benefit not only us, but also our future generations.

To conclude, on Wednesday this week, I heard the Chairman of the Public Accounts Committee made a lot of critique on this budget. I am about to doubt when the Chairman and the Honourable Member for Small Malaita made his comments, but when I look at this side of the House, this side of the House has more economists – the Minister of Lands, Minister of Finance, the Prime Minister himself. So I will not believe the point raised by the Chairman of the Public Accounts Committee. We should just forget about his worries. We should try out this new budget. This is the first time in our history for such a huge budget.

What I want to say to my good friend, the Honourable Member for Small Malaita is, nothing is impossible, we just have to go forward. If you ever went to Dubai, the tallest tower in the world has a writing, and that writing belongs to His Highness Mohammed bin Rashid Al Maktoum which reads: *“The word impossible is not in the leader’s dictionary, no matter how big the challenge is, strong faith, determination and resolve will overcome them”*. I want all of us here to support this Budget. This is the first time to have a big budget so let us support it, including my good friend of Small Malaita, he must have strong faith, determination, and support this Budget so that we can move forward. With that I support the Bill and beg to take my seat.

**Hon NESTOR GIRO:** Thank you for allowing time for the representative of Central Makira Constituency to contribute to this motion on the 2105 Appropriation 2015. Like other 4:17 colleagues I wish to thank the Minister for Finance & Treasury for moving the motion for debate as required in the constitution of Solomon Islands. We all know and understand the tiring efforts until date to produce the budget estimates for 2015 Appropriation Bill 2015. Your good self and your team have produced a comprehensive budget estimate that accurately reflects the DCC policy statements.

The Budget reflects the development aspirations the DCC Government has for this nation. I am very happy with this budget because like every other colleague who have already shared their sediments, in order for any development to be successful we need infrastructures, roads, bridges and wharves. I also have this feeling in my heart that if roads and bridges are built in my area, I am very confident that my people will participate fully and contribute to the economy of Solomon Islands, and likewise all other constituencies as well. Since this budget focuses very much on rural development in terms of infrastructure, I am very confident.

This Budget reflects the government’s aspirations to develop in small, medium and large scale. At this juncture, development of various skills must be modeled to our environment. I speak in light of the current environmental issues that oblige the DCC Government to budget and spend on. The DCC Government’s Budget is putting aside money to be spent on certain issues that we ourselves have created, for example, the risk in the tailings dam and the other one is the Giant African Snail. But how did these things

happen in our country? It is we ourselves that created it and now we are going to pay the price. These things happen because of development but where are our checks mechanisms to prevent alien pests coming into our country. When we budget to spend on these environmental issues that we ourselves have caused, we must bear in mind that whilst we aspire for development in the country, we must not repeat what has happened in history. Otherwise another alien pests come in or another environmental problem happens that will be costly for us.

The point I wish to stress here is that we cannot afford to forget the history of these happenings. The DCC Government has taken initiatives to control and create remedy for what has already happened. Are we going to allow this to happen again in our endeavor for development? The fundamental and sectoral reforms and specific reviews as stated in the DCC policy is now timely to avoid repetition of such nature of expenses. Human activity is environmentally preventable without cure if implementers are proactive to implement and monitor as outlined from various ministerial policy and regulations. Non adherence to impose these mechanisms to stricter terms has resulted in the environmental issues now budgeted for. It is equally important now that we engage in major commercial sectors in development such as agriculture and fisheries, which are very good things. Another mining in Rennell and Bellona, that we take precaution not to imbalance the environmental dynamic equilibrium. It is highly recommended that the strategic goals of the DCC environmental goals must be sensitively executed to avoid repetition of history and prevent environmental catastrophes.

On behalf of my people of Central Makira and the Makira/Ulawa province as a whole I want to thank the Prime Minister and the DCC Government for having recognized the importance of earmarking Kirakira hospital in the budget under Huro land to be purchased. 4.22 These are long lasting issues. But I am happy that this Government recognizes that and put it inside the budget – very clear. I wish to thank the Prime Minister and the DCC Government for having recognize the importance to address in the current 2015 Budget. Without further ado, I wish to thank everyone who has contributed one way or the other in the formulation of this Budget and I support the motion.

*Standing Order 10 is suspended*

**Hon COMMINS MEWA** (*Minister for Communication and Aviation*): I rise on behalf of my good people of Nende constituency and my ministry to briefly comment on this Bill that is before the House at this point of time. Before doing so, I also want to thank the good Minister of Finance and Treasury, PS and his official for preparing this budget that is before the House now. I also want to thank the Chairman of the Public Accounts Committee for scrutinising the Bill, I know you have raised some very useful comments but I think some people have reverted on that.

For this budget I am also involve in it at the cabinet level and during that time. I was convinced that this budget is a responsible and credible budget and I believe that it will do a difference in this country, not only for this year but for the next three years as well. There are things that I heard before that the government will do things in my province or specifically in my constituency but were never done by successive government and now I believe that the DCC government will do them. For instance, I really want to become the Minister of Communication and Aviation because since I was a child I heard the plan to upgrade of Lata airport but up until today nothing has been done and that was about 20year ago. But I believe that DCC government will do it for me and my people, not only for my constituency but for the people of Temotu Province

There are other things as well. We want to develop a relationship with [.27](#) a province in Vanuatu called Toba but due to lack of infrastructure, nothing has eventuated since then. I also believe this government will help us to come up with solutions that will enable us create this relationship so that we can engage in economic development, not only in my province but in both provinces.

I really believe this budget. Whatever people may say or whatever people may think, I believe in this budget that it will deliver. That is what I would like to say. A lot of previous speakers have touched on many things about the good thing about this budget. I would like to contribute that I am convinced that we may think otherwise but I believe this budget will deliver and some other things that I think that this budget will do for my people is what I have mentioned so far. I have seen in this policy statement is about the cannery which we may also set it up in Temotu province.



Whether you are aware of or not but we own the biggest sea in this country and maybe we can be able to accommodate one or two canneries if Solomon Islands develops in the future. So I believe that DCC Government will be able to start off with one or two if not in Santa Cruz then in Vanikoro but that's will still be ours because we are trying to create employment for our people in Temotu province too. Those are of the things which I believed; I believe it in my heart that these are some of the things that will or the budget will implement not only in my constituency but in my province Mr Speaker.

Now allow me to comment a little bit on what the budget has to do with my ministry. As a minister responsible for Communication and Aviation, I will contribute briefly on what is the DCCG's policy direction with regards to the 2015 Appropriation Bill 2015.

In so doing I will briefly cover a broad range of development initiatives and plans by my ministry to ensure amongst other things that air travel into, within and out of Solomon Islands is safe, reliable and affordable.

I would like to begin by outlining DCCG's plan through my ministry in terms of the communication sector. Since the deregulation of the communication sector in 2009, the country has join competitive provision of electronic communication services including international connectivity, via satellite and now soon the undersea cable which we are currently looking at.

Mr Speaker, the undersea cable project is continuously supported by my Ministry and ensuring that the government's role in supporting large infrastructure investment is realised. This in turn will promote private sector development through an efficient and effective mode of undersea cable connections.

Since the deregulation of the sector, my ministry has been narrowed to focusing on policy aspects and we are continuously strengthening the communication division to develop relevant policy issues, that complements the ever changing technologies in the 21<sup>st</sup> century. For instance, the national ICT policy is in its draft form and consultations are currently ongoing.

Let me now turn to the Aviation sector. As you know, more than 80percent of visitors to Solomon Islands come on an airline or airplane and more than 90 per cent of Solomon Islands travelling abroad depart on one. And that's not to mention all Solomon

Islanders who rely on airline to travel within Solomon Islands to visit family, travel home and to access crucial services..4.32

Mr Speaker, given the huge importance civil aviation plays in our economy by supporting our tourism industry and promoting trade and investment, my ministry has embarked on a number of programs that would provide the necessary infrastructures, upgrading existing infrastructures with the ultimate view of ensuring that air transport into Solomon Islands within and out of the country is safe and reliable.

Mr Speaker, the Henderson international airport is in dying need of major refurbishment in terms of its water and toilet facilities, air-conditioning of the international terminal, construction of airway to link the international and the domestic terminal and tar sealing of the domestic terminals to name a few.

Mr Speaker the cost of implement these projects has now been factored in this 2015 budget and my ministry has already completed some of the preparatory work with a work plan in place to ensure that these projects are achieved under the 2015 financial year.

Mr Speaker, the Munda alternative international airport is one of the major and priority aviation infrastructure projects that this government is aggressively perusing. Currently the second phase of the project is underway. The first phase as you know has been completed, which include the construction of the runway proper. The second phase which is underway includes the construction of the parameter fencing, the installation of runway lighting and navigational aid and the construction of fire and rescue facilities.

Mr Speaker may I also at this juncture take this opportunity to thank the New Zealand government for its kind assistance in helping our country to realising an important project that will no doubt contribute to the development of our aviation industry.

My ministry will continue to work in partnership with New Zealand to ensure that the second phase is completed. Under my ministry's obligation to this partnership we have factored SDB\$10million in our development budget to support the project and will cater for supporting infrastructure such as office base, housing for officers and etc.

The second phase of Munda project will be expected to complete by early next year and my ministry will continue to undertake related work to ensure that Munda achieves a fully pledge international airport as our country's second runway in not too distant future.

This includes consultations with customary landowners for the proposed acquisition of 400meters extension of the runway.

Mr Speaker, developing new domestic airstrips and upgrading of the existing ones remains our priority activities for this year as well. The ministry has plan initial feasibility work on proposed new airfields around the country including in Malaita province, Central province and Western province. This year's plans are now underway to build the *Sasamuga* airport or airstrip on Choiseul province.

Mr Speaker, my ministry plans to upgrade some of these strategic airports and has factored some funding for this in the 2015 budget. This includes building new terminal buildings for Lata, Rennell, Sege and also other upgrade of runways to all weather sealed runways.

Apart from the proposed developments and upgrades my ministry continues to maintain 19airstrips throughout the country. The maintenance of these airstrips is vital as it ensures these airstrips are safe and meeting ICAO standards.

Mr Speaker, whilst the 2015 budget presents us with opportunities and an outlook to create positive growth in our country...4.37:it also presents numerous challenges, including how it is to be implemented. However, my ministry is determined to see that the planned activity to translate the DCC's policy into programs that enhances economic deployment is pursued.

The 2015 budget is truly the people's budget and quite rightly as it places greater emphasis on the involvement and creating opportunities to the majority of our population in the rural areas. Communication and aviation sector is no exception as mentioned. This has all the hallmarks of touching the rural population throughout the country.

In summary, a vibrant communication and aviation industry is crucial to our country's prosperity. Communication and aviation is not just beneficiary of economic growth but they are creators of it as well. We want businesses to grow both locally and internationally through effective and affordable communication together with boost of tourism visitors and opening unknown frontiers in rural areas to tap our resources for economic development.

With these few remarks, I support the Bill and I resume my seat.

**Mr DERRICK MANU'ARI** (*West Makira*): Thank you Mr Speaker for allowing me time to contribute to this very important Bill, the 2015 Appropriation Bill 2015. Being mindful of time, I will be very brief in my contribution and saving the details for later stages of this Bill.

Before I do that, I would like to join my fellow colleagues in thanking the DCC government, especially the Prime Minister and the Minister of Finance for finally bringing this much awaited Bill before this honourable and for the leadership and guidance in ensuring that the debate and the probable passing of this Bill falls within the required timeframes.

I would also like to thank all stakeholders who have contributed in putting together the budget, the PS and staff of the Ministry of Finance, the permanent secretary and staff of the Ministry of Planning and Aid Coordination, the Accountant General and the staff of the budget department and your good self, Mr Speaker, and the clerk and the staff of the National Parliament for your commitment and guidance in ensuring that the budget process is completed.

I would also like to extend sincere acknowledgement to the chairman and members of the Public Accounts Committee for the tireless effort in ensuring that parliament as an institution has effectively play its oversight role in scrutinising the budget.

This budget has been now described as the people's budget. I am not sure whether I should fully subscribe to this notion or not for reasons that I will come to later. I would like to begin by clarifying that in my contributions, I will not question the credibility of the budget, nor the legitimacy or the practicality of it. My main concern will be on sustainability of this budget. My reflections will be made in light of our low economic projections for this year and the coming years, the limited time to implement many projects and also our economic vulnerability to economic depressions and natural disasters and above all our long standing unfavorable balance of payments.

I would like to begin by looking at the nature of the draft budget that is before us and perhaps raise some concerns about it. The DCC Government has opted to venture into an expansionary economic fiscal approach, which is welcomed. I need not to mention that the rationale behind an expansionary fiscal policy in 4.42 in increasing government expenditure and consumption is to boost economic growth. This is based on the economic assumption that increasing government expenditure will increase the level of economic

activity and production. Without doubt this is what we all want. The reality in our case is that the resumption or commencement of major development projects such as Gold Ridge, Tina Hydro, Fiu Hydro, Auluta, and Bina harbour and so forth will stimulate growth in the economy. In that manner will increase employment. Similarly, the outcomes of the fundamental reform programs within the productive and social sectors will also fuel a sustainable growth throughout all sectors of the economy. All these will have multiplier effects to the demand and supply chains of the economy.

Obviously, financing the budget is also reliant on the use of our reserves. As the Deputy Prime Minister has stated, that too is one of the purposes of putting aside reserves and that is to service and finance budgets. The improvement of debts to GDP ratio perhaps may have justified the use of more than \$400million to conceal the current budget deficit. We have built sustainable amounts of reserves over the years and for the short term, the use of our reserve to finance the budget should not be a matter of concern. That is in the short term. The real concern is in the long run.

As the Deputy Prime Minister has stated the global economy is susceptible to all forms of socioeconomic recessions and depressions. And as a country that is at the receiving end, Solomon Islands has no control over all these and we are also prone to natural disasters and we need not to be reminded of this. If we continue to depend on our reserves to finance annual budgets, definitely we will bring the economy to its knees in terms of our balance of payments and our inability to recover from economic recessions and the unpredictable natural hazards and disasters.

In the short run with the rolling out of major development projects, the use of our reserves to finance budget deficit will cease. And in the employment of fiscal expansionary policy, as the Deputy Prime Minister has also rightfully stated that after a period of stagnant or slightest growth in the economy, it is only right that the government increases its expenditure. But I would to caution that we must not be too complacent as in the long run, the positive impacts of an expansionary fiscal policy can be clouded out. The government must be prepared to strategically intervene where this stage arises.

Sir, in the long run the government will eventually at some point be forced to borrow, which will then potentially offset the envisage economic gains. The ongoing high cost of utility as highlighted by the Leader of Opposition, the high financial liquidity, the

tendency for inflation rates to continue to increase and the ongoing socio-political obstacles to development or effective development policy implementation, will surely pose challenges to the envisage positive gains of this expansionary fiscal approach.

Sir, above all is the issue of corruption, behavioural and systematic corruption. And we as the highest decision and policy makers must be seen as advocators of anti-corruption. If not through our behaviour or public conduct, then through the kinds of decisions we make. Corruption or its prevalence can directly impact negatively on the level of government effectiveness in its delivery of services. This connection is real and cannot be overstated. That is why we are deeply concerned about effective implementation. History is there as evidence to back the perception. As wise man once said that the devil is in the details.

The government's effectiveness also hinges on the ability of parliament as an institution to undertake its oversight role, scrutinize and hold the executive government to account. That is why it is important that Parliament is allowed to continue [4:47](#) exercise its role freely and continue to be strengthened through the granting of autonomy to parliament as an institution. This issue is highlighted in the DCC policy statement but it is not reflected in the budget, this is an illustration of the many miss matches in my view between the DCC policy statement and the draft budget which it before us. I wish to reiterate the importance of having parliament as an Autonomous institution so that it can adequately carry out its over side roles as well as to administer and properly managed the affairs of elected members and leaders.

As chairman of the parliamentary house committee, I am disappointed that the autonomy issue has not be factored in the budget and many developing projects of parliament have also not been properly taken care of by the current development budget, yet we continue to demand quality and reliable parliamentary service. Parliament as an institution can only do much with its limited budgetary allocations. I urge the government to seriously consider the particular policy on autonomy and to grant parliament Autonomy so that it can become an autonomous parliamentary service commission independent from the public service.

Finally, at the beginning of my contribution I have questioned whether this is the people's budget; of course it is a people's budget and it is the people who will benefit, but my question is which people?

We all understand that the constituency development funds have been adequately or equally distributed across all constituencies and this has been the business as usual for many years. But when it comes to national projects it is a totally different story, as reflected in the budget distribution of major development projects is biased and I am not hesitate to say this, and it is based on which side of the house you are in. This practice has been ongoing for many years and today it has become an acceptable norm that projects are politicized and decided based not on the economic visibility and viability, but to suit and accommodate political favors and demands. That is why the call for equitable distribution of development and resources will always remain valid and relevant.

As many of us have said that this is the first time for Solomon Islands to have such an ambitious budget and the Minister for environment has just stated that so far we are going down on unswallow waters; this is the first time to have such a budget. Therefore I believe it is for good reasons that we are worried or rather it's only proper that we tread carefully. But as the deputy prime minister has stated they are not actually working yet, work is still to begin and we are now debating the budget that will ensure that implementation will happen. We will continue to work together to ensure effective implementation of policies as well as effective oversight of government's execution of its policy and programs.

Having said all that, I wish to reiterate my people; the west Makira constituency's, willingness and eagerness to continue to participate and engage in nation building and implementing the policies of government. We yearn for the opportunity to continue developing our resources and we are willing to avail our resources for development, but without enabling infrastructure development will remain challenging and more seriously unsustainable.

The wango to Marou bay road has [4.52](#) been forgotten by successive governments since the 1990s. The road runs across one of the most economical regions in Solomon Islands and despite ongoing deprivation and ignorance my people have continued to actively contribute towards the economic growth and development of this nation by producing tonnes of copra, cocoa, timber and round logs every year which generate millions of dollars for this nation. I urge the current government, the DCC Government to recognize our plight and at least to rehabilitate or maintain that Wango – Marou bay road so that we can

contribute effectively in boosting the economy, so that we can help to finance future budgets without relying on our reserves to finance our expenditure.

With those few remarks, I would like to thank you once again for your diligence for allowing me to briefly contribute on this bill and before I resume my seat, I support the bill.

**Hon WILLIE MARAU** (*Minister for Commerce, Industry, and Labour & Immigration*): Thank for giving this opportunity to speak on behalf of my people, in support of this Bill. Secondly I want to thank the Prime Minister for tabling this Bill and thirdly I want to say thank you to the Minister of Finance and Treasury, PS and his teams and the PSs of other line ministries that have worked together for this budget. Also I want to thank the officers of Parliament that have worked together and present it to the Parliament, besides I also want to thank the Chairman of the PAC and its committee member for scrutinizing this budget and to come up with the report.

As we all know, the importance of a budget is to guide, control and ensure that resources are properly allocated and used where they are most needed to meet the development plans and our goals. Likewise, a national budget is important in the same sense as well, we need to first set our socio-economic priorities right and we have already done that in our policy document and translation.

The second step is that we must rightfully allocate our financial resources according to our priorities and today we are just here to confirm those priorities that we have come within policy document and translation. Basically we just to talk about the money that is needed to support those policy directions and policy priorities that we already stated in the policy statement and translations. There is saying which goes like this, “a budget is a necessary evil”, it is necessary because budget gives the direction, control and discipline to where and how you use our resources. It can be evil as well, because if you do not comply with the principal of the budget, then it will kill you back as well, so that is why budget is a necessary evil.

For this year we have a deficit budget according to our financial focus, it is about \$4.1billion while the revenue is just about \$3.7million which also mean we have a deficit of \$461million. However, as we have learned from the speech of the Minister of Finance and treasury, this



deficit budget will be offset by the usage of our reserves that we have and so literally you will see will have a break even budget...4.57...but the deficit will be offset by this reserves. This year also we have a highest budget in history but there is a saying that says, if you want to create more money, you need to spent more money. In other words, if you want more economic and social returns then you need to invest more. Today it is the time for us to talked about the budget implementation, it's not the time for us to come and judge whether the budget work or not, it supposed to be the opportunity for us to see and know whether the funds will go I mean that is the Parliament meeting for the budget is for that purpose, is it not for us to come and judge whether it will work or not because we did not start yet, no work has been done. If we argue so much about the budget and say that this budget is wrong.

If we argued over the budget and if you say that this budget is not right or it's wrong. So the question is, if the budget is wrong then please allow this budget to go on or continue, allowing us to implement it because it will a new type of budget or you are saying that the government is wrong or the past government is wrong that is why our priorities in the past cannot be implemented then allow this government to continue because it's a new government.

Lest we forget, as I have said earlier on, the government comes and goes and they come with different types of budget. Yet the problems are still there. Is it the budget is the problem or the government is the problem because we are saying that this budget is not right and we are talking about the previous government, still the same thing but yet the problems remains. And you talking about employment problem, you talked about health, educations, those problems still remains like law and order, weak private sector, high dependency, corruption, political instability, high international borrowing, unbalanced balance of trade, all those things still remains.

The question is what is wrong in here, what is the problem in here and as I have said earlier on, if budget is the course for all these problems that is why there is no change happening then please allow this budget to be passed because it's a new one and its different type. And if government is the course for all the problems in the past, please allow this government to move on because it is also a new government as well. Budget is like a

tool it can be modified, it can be amended, it can be modernised, it altered to suit its intended purpose.

So if we intend to increase to reduce the budget. What is wrong with that if it has a justified purpose. And I believe this budget has a justified purpose for the increase.

This year we have \$4.1billion for 2015 budget, last year its \$3.8billion as we say; there is an increase and if it's justify and today I am very happy and I also support this budget because it increases the allocation for the constituency to \$6.1million this year for every 50 constituencies. So how can you argue that that this budget is biased, all of us will receive the same amounts of money and why you are saying that it cannot be implemented, because the same amount of money will be received by all of us. It is a justified and balance and it's a fair budget, I will put it that way.

It is justified because you cannot expect a dominant and passive budget. When our population is growing every year and so is the demand and pressure for socio and economic developments. So we need to be proactive and set our goals high. This is not an ambitious budget, it is a budget which demonstrates how visionary and determine we are, in putting our resource into good use and meaningful use to help improve the livelihood of our people in the country.

This country needs a full system overhaul, I think it's time it needs a full system overhaul, every ministries need to review all its Acts, Policies, Regulations. Currently many of the Acts, Regulations and Policies are out of date that is why perpetrators are using them as loopholes to come and do what they want in our country, steal our resource and leave the country. I think it is the time we must do a full system overhaul in our country, 5.02. for example, you are talking about logging problem and mining issues. Why are these things happening? It is because of the weakness in our acts, they are out of date so investors are free to do whatever they want. It is quite difficult to enforce the laws on them because when we intend to do, our Acts will then deter us. So, it is very important and it is time this country needs a full system overall with our Acts, polices and regulations in order to safeguard the interest of our country and our people.

On that same line I think my ministry has also failed in some areas. If you take a look around our country you would see lots of people doing illegal businesses in the country and they are foreigners. You can also see businesses which locals can operate have been operated

by foreigners and it also a failure on the part of my ministry to enforce the relevant laws. I do not wish to point figures here but I think what actually happen is, this is a result in response to actions that are not being done in the past. I am not pointing figures but I think the previous government does not look carefully into such areas and thus allowing such practices to happen today.

So, the Government will continue to look at these areas and will continue to be committed in strengthening the FID department in my ministry to ensure that people who come from overseas and wish to invest in this country must follow the right regulations. There are people who use visitors visas but then later you would realise that they are running a business in the country. It is a reality.

One of the other areas which my ministry is looking into it is with regards to strengthening the FID in attractive foreign investors and one is by looking into incentives. I will continue to work with the Ministry of Finance and Treasury including other relevant ministries to look on what incentives we can offer to our investors. For example, our taxation laws, custom duties, special treatments on visa and work permits and so forth. So, those are very important ministries that I need to work with them to come up with best incentives that can attract investors into the country.

The other area that we are going to look into as well is the reserve business for locals; the types of businesses that are relevant and important for locals. Since, the government is for the people and by the people it is priority of the government to look after interests of locals. So, my ministry will be working very hard to ensure that these reserve lists of locals are clearly identified and then enforcement needs to be strengthened as well, and if someone breaches a law he/she will at least get some penalties for it.

I think it is enough for retailer and wholesaling. From Randi to White River you will see shops along the road. This is not the type of investor we want. I think now is the time we move into different sectors like manufacturing. So, when an investor wishes to come in the country it must come under the criteria of manufacturing and not for wholesaling and retailing. So, that is one of the directions which my ministry will also undertake.

The other thing which my ministry will focus on is on the growth centres. Since we have many growth centres and limited funding we are going to settle down with the idea of going bit by bit. So for this year Suava Bay and Bina Harbour including Noro are part of the priority list of government for this year. That is why you can see in the budget; as the Member of Parliament for North Malaita has stated that there is no specific allocation for Suava Bay and Bina Harbour growth centres and this is true. But what we do here is that we put the allocations under one general Head as, "Industrial and Commercial Estate," and this will cover Suava Bay and Bina Harbour and also "5.07..development economic growth centre head also covers these. We are not specific here because we still land problems. For Suava Bay, the total amount charged for Suava Bay is \$8million and the government already paid \$5million and \$2million is still left and it is budgeted for in this year's budget for two plots that are still under dispute. Work cannot continue this year because the ministry will have to look at purchase the water source and also to purchase a shoreline for wharf. Those are outstanding issues that the ministry is still working on to try and sort out this year and then we can continue on other developments on the other stages later on.

With regards to Bina Harbour, the problem is that is also under dispute. There is already a concern to develop Bina Harbour, which was agreed by the Malaita provincial government and the landowners. There was a dispute over the land there and the High Court agreed on an understanding and that is for the Bina Harbour tribe to form a trust board to register the Bina Harbour. Until today, that trust board did not report back to the ministry as to whether the land was already registered or not. This is again the issue of land dispute that halted the work on these two areas.

Also on the budget for Bina Harbour and Suava Bay, the Ministry of Rural Development has a budget under Rural Transport Infrastructure, which will meet the development in these areas. There is a budget of \$65million for that. There is also \$60million under the head on National Transport Fund. These are funds for building of bridges or roads under MID.

Development supposed to be inclusive of three parties; the government, the investor and the resource owner. Development does not exist by itself or just one party. Three parties have to involve. Development will not take place if one these parties is not participating.

In terms of Suava Bay and other places, the government is ready to assist. The investor is also ready. The problem is with the resource owner. In every development, the onus is with the resource owners. They have to open up their lands and work with the government and the investor if they want development to come to their shores. You cannot just sit and blame the government. I think the problem is with the landowners because they do not allow their lands. Those in Suava Bay, Bina Harbour and on Malaita province, we need your understanding on this. If you want development, please come up with some consensus and some solutions on the land disputes.

My ministry will continue to look for investors to come develop these areas. We will continue to facilitate their smooth transition in the country so that they can help to grow our private sector. The ministry will also continue to work hard to protect and support our local business people to contribute effectively towards our national development.

At this juncture, I would also like to take this opportunity to thank donors and development partners for helping our rural people through micro business project undertakings in the provinces. This is the only way our rural people can be empowered. When they have access to money, they become accessible to many other new opportunities.

With these few remarks, I thank you, Mr Speaker, for giving me the opportunity to speak on behalf of my people of Ulawa/Ugi in support of this budget and I now beg to resume my seat and I do support the Bill. Thank you.

*The House adjourned at 5.20pm*