

## TUESDAY 17<sup>TH</sup> OF DECEMBER 2013

The Speaker, Sir Allan Kemakeza enters the Chamber at 9.55 am

**Prayers:**

### ATTENDANCE

All Members of Parliament were present except; the Minister of Environment, Climate Change, Disaster Management and Conservation and the Minister of Justice and Legal Affairs, the Members of; North-West Guadalcanal, North Malaita, South New Georgia, Rendova/Tetepari, North Guadalcanal.

### **BILLS**

#### *Bills Second Reading*

“2014 Appropriation Bill 2013”

**Mr MANASSEH SOGAVARE** (*East Choiseul*): Thank you very much for giving me the opportunity to contribute to the motion moved by the Minister of Finance and Treasury that the 2014 Appropriation Bill 2013 be read the second time. We now have the report of the Public Accounts Committee with us to help us in this debate and I take this opportunity to thank them for their endurance and commitment to have this report presented to Parliament considering the very short time given to them to perform their duties, one week to be precise.

In all my time in Parliament the presentation of the 2014 Appropriation Bill 2013 is one of the most stressful for everyone or everybody. The government actually spent a month battling over its contents, emphasis and directions and had to virtually rush to Parliament and expect the parliament to process it within five days. The handing down of the national budget in any country is a very important occasion and normally Parliament would pack with invited guests and members of the public to grace the occasion. It is one business of the Parliament that the government should take a pride of it because it is a summary of all that the political government stand for and committed to deliver to the people of this country. If you noticed it, the public gallery is practically empty with only a handful of permanent secretaries and government officers attending. By the way, I do not see any permanent secretaries here.

It begs the question, of the level of trust and confidence that our people have on the reliability of the government to carry out the intentions of the government having suffered from the non-performance of three previous budgets? The government is under self-inflicted pressure to meet its own timeline in getting this budget to Parliament. It indicates that the government is probably struggling to make sense of its own decisions. In this regard, I felt sorry for the Permanent Secretaries and senior government officials who are caught up in all

of these mess and had to virtually pull the pieces together from the wreckages of political indecisiveness in the formulation of this budget with all genuine concern to reflect the big political intentions that may lack the backing of requisite policies. For example, the Provision of Shipping Services through the constituency set up is a case in point which I will discuss later. I will come back to that. Anyone who raises concern over that policy is perfectly entitled to do so, given the fact that written all over it is politics in its blatant form.

Accountable and Accounting Officers are fully mindful of their responsibilities under Public Finance Management Act in this regard for ensuring that the use of public resources meet the minimum standards of good governance. I will leave that there, but special mention needs to be made of the permanent secretary and the officials of the Ministry of Finance and Treasury for putting up with the government and trying to make sense of the political thinking that went into the formulation of the budget and I must admit that it is not an easy task. Some of us have been in that shoe and I can tell you that it is not easy. It is a life of constant battle of trying to make sense of different interests and aspirations.

That regardless, Parliament acknowledges that the 2014 Appropriation Bill 2013, which the minister painfully laboured to inform the House that it carries the hope of our people. As a matter of fact, that is the kind of picture that ministers who spoke to the Bill tried to impress the minds of our people. I was listening attentively to them and wondered if they have read the budget.

The Report of the Public Accounts Committee continues to highlight serious witnesses in the formulation, presentation and implementation of the budget. The fact that the report of the committee year by year continues to make this statements that the government does not take heed to the concerns raised. You talked about good governance, you talked about transparency, you talked about accountability but we do not believe anyone of them but that is because we continue to the same thing year by year. Sir, at the outset these needles are beginning to push through from underneath the chair of the Prime Minister, and he is going to hear more from me today. At the outset I have to express deep disappointment at the way the Prime Minister is deliberately high jacking the National Parliament of Solomon Islands and putting undue pressure on Members of Parliament to accommodate the Government's irresponsible attitude towards a very important annual business of the House, this budget comes every year; that being the processing and passes of the appropriation.

Under Section 48 of Public Financial Management Act 2013 the national budget should come before Parliament in November to allow time for the Ministry of Finance to make the necessary preparations in December with the accountable and accounting officers in ministries and government agencies on the expectations of the ministry in the implementation of the budget.

The government has clearly broken the law in this matter but it is only saved by the fact that Public Financial Management Act will only come into force in 1<sup>st</sup> January 2014. That is the only thing that saves them otherwise they will be breaching the Law. There can only be one reason for that and that is lack of political leadership, and a situation where the political government maybe struggling to accommodate its own interests and the interests of various factions and powerful individuals in the government on the allocation of budget resources on projects especially in an election year.

Sir, this unwarranted delay is in danger to push the timeline to get the budget to Parliament dangerously closer to the end of the financial year. When I raised this issue on my intervention on the debate of the Special Adjournment motion moved by the Prime

Minister a week ago, the Prime Minister responded by saying that the government can resort to these special resolution provisions under the Constitution to address any out of time dangers. Well, that can be done but it has to be understood that the wisdom of in cooperating special resolution provisions under Section 103 of the Constitution is to accommodate genuine difficulties faced by the government that is beyond its control to get the budget to Parliament on time. This would include things like changes in government very close to the end of the fiscal year and that would make it difficult for new government to present a budget that would reflect these policies and of course other reasons beyond the ministry's control to respond in time to the timeline outlined by the Ministry of Finance. None of the above could have been the reason that would have placed the government or the ministries to delay the processing and presentation of the budget to Parliament other than gross negligence of duty.

It has to be appreciated Mr Speaker that both the administrative and political government are having joint responsibilities to ensure that the budget is presented to Parliament in good time before the end of the fiscal year. As a matter of fact the Minister of Finance in consultation with the Prime Minister should take personal responsibility and leadership in this matter, and he must not allow the Prime Minister or Members of the Cabinet to drag their feet in regard and responding to the timeline set by the Budget Unit. It must take the lead and put his foot down.

Having said that, I believe this Parliament would have enough time to properly process this budget if it is given the allowance of time under Standing Orders 61(2) and 63(2) which allows a total of four days for the debate of the Second Reading and another four days for the consideration of the budget by the committee of supply. I am making this statement in response to the Statement of Government Business which the Prime Minister read out on Friday 13<sup>th</sup> December 2013 but Parliament have noted your comment on that Mr Speaker. In that regard I am not sure whether as I have said, whether the Statement of Government Business read out by the Prime Minister on Friday practically cut out one day of debate on the second reading and two days for the committee of supply is in order that Statement should have ruled out as out of order.

And I am saying this because the provisions in my view are quite intact as to the time allotted for the two phases with the provision under Order 61[2] to begin the committee of supply either earlier than the four days if no one else wants to speak to the motion Mr Speaker, and Order 63[2] it adds on for the number of days to the deliberation of the committee of supply if the time allotted for the second reading is not fully used for reasons that are as what I have said already.

Now that is how, I mean, I am raising that because that is how serious, the designers of the Standing Orders considered the importance placed on the responsibility of Parliament to properly scrutinize the annual budget.

And so going back to my earlier comments I am not sure whether the Parliament or whether the Prime Minister has powers for us to literally limit the number of days allotted by the Standing Orders without the benefit of a prime knowledge or on the assumption that no further speakers would like to speak to the debate on the second reading on Wednesday that's tomorrow or this Parliament without unnecessarily over stretching each member beyond regulation time, will not be able to complete the committee of supply deliberations on the coming Friday.

We note as I said earlier Mr Speaker, that you have correctly informed Parliament on this matter which makes the announcement of Government Business by the Prime Minister inconsistent with the Standing Orders.

And I am saying this Mr Speaker, and I begin to form the opinion that the Prime Minister and maybe the Minister of Finance deliberately want to get Parliament to be careless about its responsibility to properly scrutinized the budget for reasons known only to the two of them, can the absurdity Mr Speaker, I believe this Parliament and members of public have all the reasons to speculate on the reasons for the apparent deliberate suppression of Parliaments right to fully utilized the number of days allotted to it under Standing Orders to consider the budget.

I guess Mr Speaker the appropriate question for anyone to ask is that, what are we afraid off Mr Speaker? Are we afraid of our own shadows Mr Speaker, created by the maxim what goes around comes around Mr Speaker or he who live by the sword die by the sword Mr Speaker or the fear that a vote of no confidence maybe noticed by the Opposition to consider the question of the suitability of the Prime Minister to continue in office given all the allegations against him? - Allegations of cronyism, mismanagement of the affairs of this nation Mr Speaker? Sir, I am saying this Mr Speaker because I am a bit confused? Many right thinking Solomon Islanders and I who listened to the arguments in newspapers and radio – you guys argued while some of us just listened – and counter arguments on the call by the civil society for the Prime Minister to resign, we will be surprised if the reasons I have just stated are indeed what is causing the agitation on the part of the Prime Minister. Because in all of his arguments, he is always maintaining that it is Parliament that voted him in and it is Parliament that must vote him out. He is 100per cent correct Mr Speaker. Now if that is the case, why are we deliberately attempting to sabotage any intention by Parliament to discuss those questions, the question of the Prime Minister suitability to continue in office by reasons that the public alleged as the mismanagement of the country's affairs.

*Interjection*

**Hon Gordon Darcy Lilo:** Speak on the Budget!

**Mr Manasseh Sogavare:** These are related things Mr Speakers and you listen.

*Interjection*

**Hon Gordon Darcy Lilo:** You might as well move the motion!

**Mr Speaker:** Order! Order!

**Mr Manasseh Sogavare:** Sir, can you tell the fellow Members of Parliament you want to adjourn Parliament on Friday? Where is our commitment to responsibility and accountability on matters of governance that the Prime Minister is always boasting in public in the public speeches? Where is our commitment to inclusive governance, which will assure the people of this country during his election, standing right there? Where is our commitment to responsibility and accountability on matters of governance? Why are we allowing this narrow personal interest, if indeed they are the reasons to sabotage our responsibilities to good governance?

I am raising this concern in light of what is clearly seen as a strategic move by the government to deprive Parliament of ample time to perform its accountability functions.

I will leave those series of questions there, with the measures that this Parliament is deeply, deeply disappointed at the childish attitude demonstrated by the government in the way it is trying to get this budget through the House without proper scrutiny. They are treating the government as it belongs to their father. Is this yours? And you will hear me later on Mr Prime Minister about your deals in East Choiseul.

And I will now turn to comment on the financial and economic state of Solomon Islands and the general principles of government policies and administration raised by the Minister in his speech, and I will leave the other matters for others to speak on the substantive issues in the budget.

Well, amidst our disappointment, we are greatly relieved by the fact that this is the last NCRA government budget; a great relief for ourselves. But with that relief, however, Parliament must also take a very cautious approach to approve the various emphasis of the budget that maybe political in nature, especially in any election year. Just by looking at the structure, an emphasis of the budget one can already conclude that it is a very highly politicised budget. It was deliberately restructured to achieve a hidden political agenda, because written all over it is the objective of protecting the interest of the very few in the government. I am not saying that the government should not accommodate its political interests because that would be trying to deny the reality of party politics in a democratic country where the re-election of a government would normally be based on the effective delivery of its election promises. The government has all the right to do that as long as the emphasis is backed by sound economic policies and within the bounds of equitable distribution of development in the country, and of course, the effective achievement of the Millennium Development Goals (MDGs) especially the alleviation of poverty.

The case in point is the removal and re-centralisation of more than \$100million of project funds in the fisheries, agriculture, tourism, health, education, ecclesiastical and youth, women, children that were previously administered through the Constituencies under the principle of equitable distribution of project funds to all Constituencies.

One need not be a rocket scientist to establish the political motive behind this move, which is cleverly camouflaged under the guard of concern for better implementation of project funds when the motive is clearly politics. History of a centralised projects implementation approach testifies to the unfair distribution of project to who you know only, mostly political cronies. Such an arrangement will make it practically difficult for a simple rural dweller in East Choiseul or in West Makira, East Makira, East Guadalcanal to access project funds and it will be only accessed to the most able and they are the only ones who will be benefitted from the funds.

Furthermore, the reversal of the current arrangement runs contrary to the strategic move to address one of the fundamental reasons that fuel the ethnic crisis that is the inequitable distribution of development in all provinces in the country. There is a view held by some people that only certain provinces or certain people benefited from project funds source from taxation levied on other resources from rich provinces. I cannot think of a more irresponsible and insensitive political motivated action. Moreover the move only renders the designers of change in policy as blatant hypocrites. I say so because we forced the former Prime Minister of NCRA government to resign on allegation of abusing his discretion on the use of a centralise pool of project funds to close associates because that is exactly what will

happen here- it will happen that way. You push it there all of us will not access them as it is an election year and we will just look at your friends and cronies to approve those projects.

The other issue is the two third(2/3) businesses, we will put out one third they said and well we are all entitled to \$2.6million and that is the total that will come to our constituencies. \$1million from ROC and \$1.5million from the rural livelihood and so they add up to \$2.6million. That is clear while the others are locked up. But if this 2/3 thing applies the argument is that the parliament will dissolve on August 26. And we are entitled only to two third. Sir that thinking is sad especially to advance the thinking that such money belong to members of Parliament. Because the house will be dissolved in August 26 of 2014 and you will no longer be entitled for the money. But those are not your entitlements, that money are meant for the development of the constituencies, because people will continue to live on and for us we will finish off on August 26<sup>th</sup> become normal ordinary people and some of you will go out altogether. But the people leaves on and the process will continue and some us that actually advance long term programs under long term development plans, those funds go for that. You just need to come down and sometimes you just come down to East Choiseul to see what is happening there.

I am surprised because that thinking that money belong members of Parliament and as if that money belongs to your fathers.

*Laughter!*

**Mr Manasseh Sogavare:** It does not belong to your fathers it belongs to the people of the constituencies and so we must think that way.

*Point of Order!*

**Hon Gordon Darcy:** Point of Order! Mr Speaker, tell the member for Northeast Choiseul to stop personalising these issues. There are better ways to make a statement rather than putting things to people that way. He needs to apologise to all the members of the Parliament, what sort of interference are you doing.

**Mr Manasseh Sogavare:** You want to rule on that Mr Speaker?

**Mr Speaker:** Thank you Honourable Prime Minister, in fact he gave example to the nature of the funding that is before the House. Member for East Choiseul you may continue.

*(Laughter)*

**Mr. Manasseh Sogavare:** Thank you Mr. Speaker, I will try my very best not to repeat those things. I think I will stop talking about those controversial issues until I come to the end of my speech before I can come back to those controversial issues and I will highlight a personal issue between me and the Prime Minister.

*Interruption*

**Mr Speaker:** I would ask the Member for East Choiseul to allow me the opportunity to inform the House that the Shadow Minister of Foreign Affairs of Australia is in the Speakers Gallery. This is just for the information of Honourable Members. Thank you. Continue on Member of Parliament for East Choiseul.

*Applause!*

**Mr Manasseh Sogavare:** Thank you Mr. Speaker. The 2014 Budget will be implemented in the backdrop of the implementation of the 2012 and 2013 Budgets; that they achieved very little. In the case of 2013, that budget promised negative growth and post analysis. That fact alone should bring in all kinds of bells in the minds of policy makers on the design and emphasis of the country's fiscal and monetary policies and the work on any microeconomic policy tools. It is clear that our economic policies fail to achieve the desired outcome, made worse of course by the position of our country as price-taker in a fast moving and highly competitive global environment. Therefore we cannot assume that the conventional approach to the developing our resources, especially non-renewable resources in which we only depend on export earning, income tax and royalty income to landowners and the government in a direct competition with our trading partners to even begin to think that we will ever come out of our predicaments and of course the economic status as least developing country. This is not a new story for the country. Successive ministers of finance have been telling this parliament over the years that the country is going nowhere and yet these warnings appeared to be falling on deaf ears.

This scenario got worse in recent years where the political government have either suffered demise from power-hungry schemes or political rivals and therefore they cannot concentrate on managing the economy or themselves skinning up strategies to stay in power and therefore are not concentrating on implementation the many good things they promised to do with the glossy manifestos and implementation strategies and this government is no difference. I am beginning to believe what the Leader of the Opposition said in one of his speeches that the problem with this country is that key positions are manned by people who would do better in Hollywood or Bollywood, depending on where our political alliance is the strongest.

The sad thing about it is that the situation will not improve in the foreseeable future because there is no interest whatsoever by political governments to address the issue of getting the right people to parliament, people who are concerned about the welfare of the country and not their own narrow political interests; people who can contribute effectively to decision making in our adopted Parliament and democracy and not only making numbers in Parliament or hopelessly becoming **yes-men** of others. I will leave that issue there for a more elaborate discussion on another day.

But going back to the point I am raising on the emphasis of our key economic strategies, budget expenditure continues to be secured toward costs centres mostly in the recurrent areas that did very little to adding national wealth and economic growth. We have done nothing more than maintaining the status quo in the past 10years when we recorded marked improvement in our revenue performances. We are finding it very difficult to come out of our mentality that government is the only player in the economy and that other players must only perform the standards set by the government.

Sir, this is a recipe for disaster and we are beginning to see the effect of this mentality playing out in the economy which is reflected in our lack of capacity to do all the big things

we talked about in policy statements. As a matter of fact the complacent attitude demonstrated by political governments is now taking its toll on our government performance; if we are only focusing on the figures that went through this Parliament in the period of five years including 2014 the fiscal strength of our budget were as follows; in 2010 we bring a budget of just over \$2.47billions which is made of \$1.6million recurrent and \$375million for the development budget, in 2011 we bring a budget of \$2.1billion which is made up of \$1.6million on the recurrent and \$497.7million for the development budget, in 2012 we bring a budget of \$3.1billion which is made up of \$2.2billion on the recurrent and \$867.4million on the development budget, in 2013 the budget is levelled and the Ministry of Finance has bring in a budget of \$3.59billion to Parliament in which \$2.7billion is the recurrent and \$8.45 for the development budget and for 2014 we have \$3.5billion is quite reduced whereby \$2.8billion for its recurrent and \$641million for its development budget.

The temporary nature of the revenue growth is continued to be echoed by the Minister of Finance every year when he brings a budget to Parliament. And in that previous three years, in fact if you read all the documents; either somebody is busy cutting and pasting because similar thing have been said all over again and again. Is that the real situation or was somebody busy doing the cutting and pasting? In 2012 the Minister has informed Parliament that “the growth in domestically sourced revenue from 2011 reflects growth in the national economy on-going improvement in revenue administration and compliance efforts in specific policy changes including an increase in a range of levy and charges.”

In 2013 the Minister comes to the floor of Parliament and said, “The road in the domestic resource revenue from the 2012 reflects growth in the national economy on-going improvement administration and compliance efforts”, in other words they are cutting out the 2011 and put in the 2012 so it is the same thing as 2011. Now, for the 2014 budget the Minister has inform the Parliament like this, “revenue growth over the forward estimates is not expected to keep up with the growth in the economy largely reflecting a projected decline in the level of export duties from round logs,” and he then warns us and says, “any future policy changes will impact on the estimates.” Sir, these are not very encouraging statements, not at all from the Manger of the Economy Mr Speaker. He is basically admitting that we are not doing anything constructive Sir, at all through all our so called reforms for addressing economic growth, which the Minister continue to peg his hope for the improvement in revenue collections and that the country is still depending very much on the logging industry to fund our developments Mr Speaker.

We are really reaching our peak, we have reached our peak I know whether it is temporary Mr Speaker and unless we are creating- I am saying that Mr Speaker, because not in the foreseeable future, even this mining up there according to the report it won't work for us, it won't give us anything.

So we have reached our peak and unless we create more paid opportunities through the involvement of I guess genuine high quality foreign investments and pushing them on more sustainable sectors, economy we will have problems in the very near future.

In the mean time we will continue to see a glooming service sector Mr Speaker, especially in the retail and wholesale areas which are dominated by non-indigenous friends and naturalised Citizens.

This is the last of course, we continue on to debate this way Mr Speaker, but this is the last and final budget of NCRA government and its coming into power in 2010 with the hope of doing miracles for the country, and to be honest, I hold a very strong affiliation to

the NCRA government because our Party policy is featured in the policy statement of that government.

Unfortunately Mr Speaker, it looks like it is losing its way amidst internal power struggle. Over the years that follow after the change in leadership, the country is treated to a series of adhoc statements of standalone priorities that eventually find their way into Parliament with four budgets emphasising different themes that sound really good but lacking real substances. Hence, we are not consistent and when a new year comes we say that the budget will be like this.

In fact out of the three years analysed, the 2012 budget was delivered to strengthen the capacity to provide infrastructure and to deliver a better quality services for all Solomon Islanders particularly in the provinces and that we will do within one year. Again what Mr Speaker? Since the implementation of that part of that budget, the country's major infrastructures are deteriorating everywhere and the government services are not improving.

These are really nice political statements, our only Referral Hospital for example Mr Speaker, is still without the basic equipment to carryout proper diagnosis of sick patients and clinics and hospitals throughout the country are also struggling as well to provide the much needed healthcare due to the very much the same difficulties that are experienced at the Referral Hospital. You need to talk with our doctors to tell you the true story.

We can go on and list the areas that are hardly improved but we would only be doing more than is necessary to prove the point that I am making here because it is common knowledge. Mr Speaker, nothing really, nothing really constructive is done in the short term or long term that we can put finger to it as a workable strategy to address our capacity to deliver and make meaningful public investment in the sector that really matter to the country. Except for the increase in financial resources channelled through the constituencies which in many constituencies Sir, are not delivered based on any long term development plan and this complete absence of any workable legal and administrative framework for long time to bring more transparency in the way that these resources are utilised.

But I think since then, the Parliament is acknowledging the work that government is doing, the government is attempting in addressing these weaknesses in the passage of the CDF Act and the supporting regulations which apparently needs further refining. If we talk about that, if you go back to the point that I raised earlier on, even though Constituencies are established under Acts of Parliament, members of Parliament can leave, but the office will still work. You continue to work through those. We have ourselves to blame. And especially this government four years ago, we just sit down without talking about it.

Otherwise today we should not really concern about two thirds. We should give them in full, members of Parliament can leave, but the office will continue to work and deliver services to our people. That is the comment I want to make here. But it looks doubtful whether the CDF Act enacted recently by Parliament will come into force in 2014, considering the fact that majority of Constituencies have yet to come up with their long term development plans. And of course the supporting regulations have yet to be finalised. I am saying this because it is an expressed requirement under the Act that in order to access the funds, Constituencies must produce a meaningful development plan, a copy of which must be deposited with the Ministry of Rural Development, before you can take the funds. If not, those Constituencies that do not have one, you will not take the funds in 2014. That is the Act that you brought here. We tried to amend that and straighten it, you just pushed it. You

pushed it, now you are saying that if we implement it, it will cause problems for us. You have yourselves to blame.

The government as we have discussed earlier practically reversed this policy by substantively reducing the levels of project funds that goes to the Constituencies. May be because for that reason. If that is the reason, you have yourself to blame.

I will now talk about shipping. On shipping, the government further confused itself by adopting a stand-alone policy that will see a number of selected Constituencies, all of them in the government side, and close associates of the Prime Minister granted funds. Presumably from the transport funds or I do not know where it comes from? From transport funds, or *beche-de-mer*. I don't know, well I am not sure about that, I will leave it there, but to buy ships for their Constituencies, my goodness; well if it comes from government funds, it will probably be reflected in the budget. I think there is a late submission to the Public Accounts Committee (PAC), \$20million. Some will go for ships, and I don't know where some will go to. But the Chairman of the Public Accounts Committee will tell us where it will go. And if the funds belong to the government for the people of this country, there are serious questions that we need to establish, what criteria qualify those people to take ships? What about the other Constituencies? Which Constituencies have qualified? What criteria do you use? If it comes from public funds, if it comes from your own funds, go ahead and buy the ships.

Interestingly Mr Speaker, some of these Constituencies or members of Parliament for that matter already have a number of ships, and some of them used to own ships that are out of operation presumably due to mismanagement, and we continue to give those funds to buy ships. The government of course is at liberty, you are the government, and you can do anything that you want. The government is at liberty to choose by way of policy, the channel through which it wants to deliver services as long as it satisfies the criteria of equitable distribution and effective delivery of services.

*(Interjection)*

**Hon Gordon Darcy Lilo:** But you are one who say not tell to it.

**Mr Manasseh Sogavare:** I don't know what the Prime Minister is groaning about sir- He is moaning and groaning over something but I don't know what it is. If something is grinding him, please find it out. Order the Police officer to go and find it out.

But you see the point is like this, the point that I am trying to make is like this. Before the government make the decision, it must have the benefit of consulting a properly analysed shipping policy put together by experts to consider all relevant policy questions, viability, appropriate delivery channels, shipping routes, profitability due to competition and equitable distribution of shipping infrastructures along some other few criteria's. That is for those experts to look at, analyse them and then the consultants give a report to the government, by then we will know this channel is the best delivery channel. It is not province, it is not national government and we have tried a National shipping Service already and it is not working or what is wrong with it? We have tried provinces and now it is given to constituencies or members of Parliament? I don't know, is it constituency or members of Parliament?

I am not sure whether the decision to deliver those shipping service through constituencies was vetted by any professionally design policy framework. That is the

question and as the Minister of Planning said yesterday such issues was not brought up and generally speaking, key issues are not brought up by key Ministers in their debates. They did not mention such issues and so we are not sure as well and so I thought that responsible Minister should clear such things in the Parliament. At least the government statement or policy if you read it, it is very silent on this matter. For instance, in Choiseul we already have a viable shipping service provided by the Lauru Shipping Company Limited and it is a commercial arm of the Choiseul Province that run very well and with a very abled management team. As a matter of fact, it is an example of what a properly managed commercial arm of a Province can achieve. That is, you have to put in proper management, you must remove politics away from it and it will work, in fact as politicians we are keeping close watch on the Lauru Shipping Company. Last time the Provincial Government want to come with an ordinance to bring that into politics, and we blast them off and make sure that the Lauru shipping company work outside of politics and it worked until today.

The more sensible thing for us in Choiseul Province is, if you want to help us or concern about improving our shipping infrastructures is to improve the company's shipping fleet and not to fund another competitor. Instead you should just improve our present shipping company that we have now. The government's new delivery policy has raised a number of serious questions and the first one is who owns those ships? Is it the people of the constituencies or legal entities registered by members of parliament which have nothing to do with the constituencies? Those are the questions that are needed to be answered, because by then we are proving that the public funds go to them. But if not then you need to grant it and by then the members of parliament would qualify as private operators and therefore the grant is directed to their companies and that would be legal but more questionable. It is one of the brave things for the Prime Minister and the members concerned to do politically. The policy is directly seen by the public fall squarely within the spirit of cronyism and self-serving and they conclude it that way. So it is done in the expense of the other routes that are hardly served by reliable shipping services.

I can go on and talk about legacies of the 2012 budget but I will leave it there and move on to the budget of 2013. The budget was presented to build on gains for a stable Solomon Islands. Building it to the 2014 Budget. I have said so much on that theme in my debate to the 2013 Budget when the minister moved that Budget on the Floor of Parliament, so I will not repeat myself but only to say that we have made no substantive gains upon which to build on. Which gain are we talking about? If this is in reference to those constituencies that already have ships and are given funds for another ship under the 2014 Budget, then you are making fun of the predicaments of many Solomon Islanders in the rural areas that are yet to be adequately served in respect to basic government services. Or you can make reference to the empty promises that the government made to the SINU students whose fees have yet to be settled by the government and they have to graduate without a certificate?

By the way, talking about gains, the establishment of Solomon Islands National University can rightly be considered as a gain for our country and for that matter we must congratulate the government through the Minister of Education for that achievement. But that congratulation is short-lived because the government immediately turn around and instead of building on that gain, they are just announcing that it will not be extending a helping hand to all who want to study at the university next year. We can understand the policy

rationale there, which is made on grounds of tight packed budgetary maybe, and of course the focus on individuals who have to prove themselves worthy of government's scholarships. We can understand that probably on those grounds, but in times like this it is easy for the government to aim for the trees and you miss the forest as it were on the issue of SINU funding. The real issue behind government's intervention in SINU, an institution which this Parliament establishes on behalf of the students, the real issue is adequate funding for the development of the University. That is the issue. We have a long way yet to bring the University to a sustainable path even if we only consider the number and quality of infrastructures that are needed to provide quality education to our students and those outside of the country who may want to come to SINU for studies.

As a matter of fact, SINU, like other universities, can be an important source of foreign earnings for the country if we only take the time to develop it to a standard commensurate with other universities in other metropolitan countries. I want to appeal to us to be proud of our University. We can only have something to be proud of when we are serious about our commitment to that university. The last thing we would like to see is the University to become a national disgrace because of lack of support from the government.

I raise these concerns in passing in the context of what clearly appears to be a government losing its way and demonstrating a lack of appreciation of what the country needs to address in terms of priority to put it out of its current status as a least developing country that has gone through an ethnic crisis based on clearly defined reasons by those who initiate the crisis. This is quite a fact that they appear to be saying the right thing every time they address this Parliament. The concern here is unless we do justice to the question of what really should we be addressing right from the very beginning, any reforms, how comprehensive they maybe, will fail to address the problems of the country as understood by our people. And I am saying this because this Parliament has seen in recent years a good number of legislation coming through in the name of reform, which contributed very little to economic growth. Most of these have to do with Solomon Islands commitment to international obligations. In this regards, the government only come to its senses much later when it realises the many reform that it is suggesting and his policy statements will not do justice to our efforts to improve our capacity.

And in doing so however the government has thrown away the baby into the water as it were with some important reforms in the critical sectors and it fail to feature in the government selected reform program. These are reforms in the mining, forestry, fisheries, tourism and the agriculture sector which requires amendments to the current legislation framework and the government was quite clear about the amendments it wants to make to the governing legislation to affect the reforms. For example the government deliberately back out from its intentions to bring a new Forestry Bill which was intended to ensure holistic management and transparent approach to the development of the country's forestry sector and yet we continue to cry over the fact our forestry resources are systematically depleted by unsustainable large scale logging every time we present a national budget. We often say to bring to Parliament Acts, new frameworks or laws so that we see how we are going to develop a particular sector.

Likewise, we are not making any real hard work in the development of our inshore fishery sector to a level where we can depend on it as a major export earning sector, and which is totally capable of doing so.

In this sector the government's clear intention on their policy statement was to invest in export facilities in Honiara to be connected with networks of local fishermen in the rural areas to supply fish for the export market. The Government has failed miserably to implement this policy that we have fish in abundance. The intention to encourage the establishment of more onshore processing plants for our deep sea tuna resources is not making any real progress as well. It would appear from the advice of experts that the country will have to improve its capacity to comply with the export requirements of European Union canned tuna export markets as an important requisite strategic activity. I am not sure on whether we are pursuing this seriously.

The government is not addressing enough in the development of our tourism sector which according to experts has a huge potential to replace our dependency on the logging and the mining sector. We are of course encouraged by increasing number of cruise ships that are arriving in the country and when they visited our various environmental protected areas in rural areas; but I believe that more can be done to get the boats to spend longer periods at sites which tourist visited. And this requires increased public or private investment in the development of tourism products either directly with the local people or through the existing service providers; we have the Heritage Park Hotel and Honiara Hotel but these are established services providers. We might want to work through them but I believe neither way of developing this sector to a level where we can be competitive with the current attractive tourist destinations in the region is to in cooperate under the economic growth centres strategies under maybe special economic zone legislations. In fact the government in his policy statement states that it is going to do that but up till today we have seen nothing on that policy.

Sir, there are only few of the areas which the government made his policy intentions known to the public and yet the performance in them have been marked with complacency and insufficient public investment or lack of appropriate security arrangements to encourage the small indigenous private sector operators to access financial capital. Interestingly, in addition to the non performance of the secured Transaction Act in this matter the government's intention to cause an appropriate reform in this area was also set aside; it is not really actively pursuing that area.

In fact the government's original intention was guided by the implementation of 22 reforms, ranging from constitutional political social and economic reforms which have been carefully planned to address the still open needs of Solomon Islands post conflict.

I am not surprised at the apparent confuse statements Mr Speaker, that the government has found itself in, the priorities were clearly driven by lack of full appreciation of the real problems of the country or if they do, they are over shadowed by other interests that have very little to do with the improvements of the macroeconomic and social indicators.

In fact I heard the Minister of Finance the other day, when making a very pertinent statement, I think in some of the conferences or in some seminars or something like that

about the agriculture sector. He believes and rightly so that the sector should be prioritised because it is sustainable.

That is not a new story, it is something we know all along and we just need to give more emphasis to it. What the government has been highlighting over the four years, it is an office as the target of its economic development strategies are the conspicuous consequences of hidden courses which can only be exposed by applying a comprehensive course and effect analysis.

Sir, I believe any fundamental undeniable truth that can be observed on things that we can see are the observed state of things; be it the state of economy or relationship between ethnic groups or deteriorating quality of government services or deteriorating law and order and so forth, is an effect of deeper abnormalities Mr Speaker and deficiencies in the system and it has structural fiscal, institutional, attitudinal, political, social and even religious courses.

And in that regard, the government in its original intention had it right, when it focuses on a comprehensive reform strategy as the pillar of its existences and operations. It has since deviated from his agenda and opted to an ad hoc approach to establishing its priorities and emphasis as clearly manifested in the different emphasis of the national budget since the change in leadership of this government.

And I will repeat what I have said in the past, in this Parliament. I say it like this, 'this country has been sucked into a political problem solving culture that was nurtured to grow and take root overtime by the disease of short termism and quick fix. We are not concerned about the sustainability of any positive outcome realized, what we end up doing and having instead is a deliberate patchwork with little or no concern for sustainability'.

The government, has allowed itself to be lost in the haze and maze of observed problems, collection of underlying issues and economic realities is manifested in the state of economy and the deterioration of basic infrastructures and government services that it committed the serious mistake of dwelling on the specific and lose sight of the encompassing issues, that really matters so that you can direct your policy properly.

If the latter approach is to be taken, we will see a more structured approach to addressing the socio economic problems of the country more efficiently in our annual budgets Sir.

It would appear to me that despite all that, the government has failed to acknowledge that the country has a serious capacity problem to engage in any creatable public investment program. It continues to commit the same mistakes of focusing government resources and consumption in less than growth related expenditures as announced in their national objectives.

Our lack of capacity will get worse, in the long term if we fail to put in place a workable strategy that will seriously address the problem right now. The government is saying something but it is saying it with lack of seriousness. We are depending very heavily on aid donors to fund our infrastructure development program, sustain our education and health system and to drive and sustain our peace process; we need to be thankful that they are willing to do that for us. But it would be pure stupidity on our part and carelessness to think that we can rely on them forever. Unless we appreciate our problems and focus our attention on improving our capacity, we will be in danger of becoming beggars forever in a very rich country. The government is in danger of pushing the country down that path judging from the unclear political thinking that drives the series of disjointed stand alone policies.

Sir, the Minister for Finance has presented the 2014 Budget in the name of 'to make a difference in the lives of our people, and striving to do better with existing resources. This is another big political mistake. We will clearly see how this happens next year, when you bring another budget. Big statement means very little when you think about the immensity of the challenges that is facing the current government to achieve the objectives, considering the fact that the objectives we set for previous years were hardly achieved. In fact the government plans to achieve those things with the resources that the Minister has said, and the priority areas that he said; I do not need to repeat that. In fact when the Minister presented this budget, it makes us on this side of the House to become very uncomfortable, whether the budget will work or not. This is because he said that, the economic outlook is very, very bleak and yet he moved the budget. So maybe we will achieve miracle, big things will happen, but the economic environment that he forecasts looks very, very bleak. In fact except for the manufacturing sector that will earn new money into the country, but if they export, the areas that the country will rely on to record minimal growth of 2.9percent in 2014 are in the sectors that consumed the hard earned income of consumers generated from various economic activities in the country and contribute to remitting payments overseas on imports. We are therefore, looking at a very unsustainable growth, and our dependency on log. And with what they are saying that Gold Ridge will not give us anything in the foreseeable future, it is worrying. And the government must be warned, and I think the Minister should take this very seriously, and probably just a way of reminder, to not exacerbate the negative effect of this possible scenario through the careless granting of those sectors, even the manufacturing sector on inputs to manufacture, we need to have a good look at.

Tax exemptions and remissions only increase the ability of these sectors to enter into more contractual arrangements for the remittance of more funds overseas. We need to look at this and weigh the pros and cons of any such applications. And I know the Minister is doing that very well because he has Committees that are advising him on that matter.

The last issue that I want to raise is the revelation, and I touch a bit on the mining sector. That is the revelation that the mining sector will not contribute to growth in 2014. As I have already said, some of us are really worried about this. It raises the question, whether we move too fast. Whether there is any point of allowing investors to exploit that resource now, and in the near future, considering the fact that our people earned basically nothing by virtue of the outstanding legal arrangement that they have no right to the minerals. It belongs to the government- the state. In fact it looks like it just hangs over, this policy, from the time of the colonies. I believe a serious reform of the mineral sector is overdue. Because it is probably the only sector, like I have already said, that is still suffering from the hangover of colonial policy of vesting the mineral rights on the state. It is just fortunate that the tree grow up, otherwise the state will also own them if the trees grow downwards. It is just a question of where and how it grows. So we need to look at it very carefully. It makes no logical sense. I believe the time has come for the country to re –look at the policy and return the mineral rights to the people of this country and that will require amendment to section two of the mines & minerals Act and of course supporting regulations and other laws. But even with the rights that it has of the minerals the State only earn a lousy three percent royalty which it shares with the landowners and it also earned the taxation as well. So maybe in terms of the government we can say that it is enough already but under the

current arrangement it has earned on behalf of the people of the Solomon Islands, it earns three percent of royalties and then out from that we give to the landowners and then the government earn more from a big tax. So that is how it is connected but whatever it is, I believe a policy re-direction in the development of our mineral sectors to give more benefits to the landowners and so the country must consider that.

Alternatively maybe instead of mineral rights our people must be given greater participation right in the investment. I think the case pointed out here is the Koniambo nickel mine in North province of New Caledonia is a model to be considered, as the landowners there owned 51 per cent of the shares in the mining company using the mineral deposit in the ground as their equity. And we just need to establish what the law says in terms of who owns those mineral rights, is it the people or state or who? But since they use the mineral as their form of equity it looks like the Law has given the mineral right to the people and so they own 51percent of the operation. This is all in the interest of retaining more benefits from the exploitation of mineral resources in the country and as a strategy to improve our capacity to engage in credible level in public investments in the critical sectors of the economy. It is for this reason that I believe any new mining must be put on halt until we sort out the issues of landowners benefits.

**Hon Derek Sikua:** (*interjection*) Also halt the Gold Ridge mine.

**Mr Manasseh Sogavare:** That's it. (*laughter*) Still on mining and more specifically in Choiseul Province the people of Wagina are people of Choiseul and we don't consider them as any other ethnic group- they are rightly and foremost Lauru people, but they lived in an Island we called Wagina, they petitioned the government to halt any intention to mine the bauxite deposits on the island purely on environmental reasons. And I want to stand here on the floor of this Parliament and to say that I support their petition and urge the government to listen to them. In fact the issue in Wagina is simple, in that you really need to address first things first. There is a standing policy of the government and all governments to return alienated land to the people. You need to address that question first before we look at addressing any minerals that are in those lands. And people are listening out, and they are waiting when we are going to sort these issues. I stand here on the floor of the Parliament as one of the leaders of Lauru although their member is just sitting right there and to say, and probably he will stand up and support me. But if not then something is really wrong with all you.

But I stand here and support their petition for a very good reason and that is, the island is too small to be mined. We might just keep those minerals there- too small to be mined and in case we do not know-I think their Member of Parliament will support this, in terms of their contribution to economic development. The people of Wagina are operating the biggest seaweed farming in the pacific and are earning millions of dollars in export earnings for the country and that is considered very sustainable. They have already contributed to the economic development. And if we talk about Mining the place, they have already contributed in the sea. So I am just telling you sir, and you tell us what you have done with

those Activities. So any mining operation on the island would simply wipe out that industry – the biggest seaweed farm. So they really contribute a lot to their adopted country. I guess what I am saying is that it makes no logical sense for us to sacrifice a sustainable development in favour of a move to extract these non-renewable resource which will end when the last kilo of bauxite is removed and when you do that, we place the people there with no means of livelihood and the country is deprived of a sustainable source of foreign earning. The Prime Minister is saying they already worked on it and so we will hear from him as to what they have been doing.

Going back to the budget before I sit down, the point that I am trying to drive in this debate is that we can go on and argue and argue and argue about the non-delivery of goods and services and construction of important infrastructure and making investment in sustainable areas but without improving the country's capacity to do that. We will be arguing until kingdom comes with no avail. It is clear that this government wants to do more and it showed that in one of the three budgets that it brought here. It wants to do more and it clearly outlined in its policy statements but it cannot only do so much because of lack of capacity. I think that is the real issue for us as a country. This is a situation we knowingly allow ourselves to be in and therefore are rethinking our priorities and the emphasis of our National Budget must become our priority.

I also believe that time has come for the government to critically consider how the existing funding sources of the budget can be improved to appropriate comprehensive reforms other than increasing taxes all the time. I know that the Ministry of Finance has not gone that that path and I think we need to acknowledge that; not going down that path you look at broadening the taxpayers. But the funding sources of the National Budget are like this:

- revenue from tax and non-tax resources,
- aid assistance from aid donors and
- Provisions to borrow.

Those are the three sources we have. We source it from people who pay tax and non-tax revenue from government officers; and we need to look seriously into the non-tax revenue. It is not revenue. It is for addressing of administration costs. It is even a danger; when we have a narrow based system we can be tempted to increase the rates on the non-taxed sources and that is a danger. Probably the government is fully aware of that with all the bunch of advisors that they have within the ministry.

From tax and non-tax revenue from sources, I believe a substantial savings can be generated if appropriate cost saving measures are implemented in the non-essential ministries and we can push that to essential ministries, like education, health and law and order. Of course when it comes to human resources or public servants, we are only talking about three thousand. But I think somebody needs to sit down in the ministry and see what is done to a letter that comes from outside. It is always the case where decisions are not made on that desk. There is a short note at the end of the letter which says, 'please advice' and then that is sent to another person up there and when it is still not clear, it has to be sent another person. We are paying paper pushers and not decision makers. We really need to maybe sit down and seriously look at these things; maybe spend a whole day in each ministry and look at what each ministry is doing. You will be surprised that half of the public service will have to

be redundant. Maybe those savings need to be channelled to essential areas and I think when it comes to education, health and police, those are areas that government must directly involve because government have paid officers working on the road, paid officers standing in the classrooms and teach and paid officers treating sick people in the hospitals. And any delivery agents outside the public sector are basically supplementing what the government has done. We need to do more on that area and I think the government should do justice on this on the efforts of private operators to avail more resources there, but of course we need to look at where we can get those services.

With regards to aid assistances from aid donors we are pleased to see the policy of the government that it would tell aid donors and sit with them to look at priorities of the government and their resources in it. Those policies are there, but when the Minister of Finance come and told us that we not growing, I am just wandering because billions of dollars are coming into the country by way of aid money and if it does not contribute to improving growth then something is probably wrong with the way those aid money has been used in this country. If I think there is more room for the government and aid donors to sit down and relook at how we should address the effective use of resources.

The provisions to borrow is one which the government has; I believe and we see that this Honiara Club thing is beginning to be ease it up and the government is now saying, 'we borrow now' so do not put it into the budget this year because we might borrow \$150million although they mention last year that they will not borrow. What is the problem that we do not borrow? Are we saying that the economy is not yet strong? But if you look at the Appropriation Act you will see that there is provision for government to borrow for development purposes and it is just correct because in any development it has to be put into development areas and not on recurrent.

So I believe that the country should now take a move to formulate a development strategy that considers the option of borrowing funds from credible sources for investment in sectors that will respond quickly to economic strategies for us and provide results in the short to medium term.

Sir, I do not want to bring this intervention to a close without highlighting the possible threats to the proper implementation of the budget. And I believe that the threats to the effective implementation of this budget will come from within the government in the following areas; the funding of new priorities. It is interesting to note that the budget is deliberately structured to allow the government to do that by increasing the contingency warrants to \$24.6million and \$10million respectively for recurrent and development budget.

Sir, the effect of resorting to such facilities in a situation where revenue is low will only lead to the new priority taking precedence over the old priority which we passed here in Parliament. So the priorities that were passed in Cabinet will be taking precedence over priorities that we approved in this highest institution of the land. That is the danger and I think it is already happening where this budget is under serious stress because new priorities are coming up and there are here to cut, and some of us to not get this money under the Ministry of Mines although we submit application in time, and there is this very unkind officer who told us that we were late. I was going to call the Minister but I think that people would say we are doing it in a political way so we just leave it that way. But my

understanding is that the budget is under serious stress last year and we are to cut or stop some stuff and transfer money to new priorities, maybe three departmental warrants or something like that. So that is one serious threat, and the Act has basically provide for that that it must happen and of course the use of advance warrant will also have the same effect, especially advances that will be repaid from the consolidated fund. Because it will be a consolidated fund for next year, so it will be just absorbed into the next appropriation act and here nothing is done about it. But in the mean time it deprived the existing priorities. So there is a \$100million of potential areas of threat to the budget.

Of course the management of the 2013 budget is probably, as I hinted there already, is one of the worst in recent years. The deliberate taking up of new priorities without budget provisions- that is totally unacceptable and is not right. They were just using budget instruments so that they stay within the law. But if you need to come to parliament to ask for new money, probably parliament will be thinking twice about it.

As I said already, it has delayed to accommodate the Government's political commitments and there is all the reason for us to fear that the 2014 budget could suffer the same fates if we are not careful, especially in an election year. And the Minister of Finance requires a tough stand by accounting and accountable officers, not to succumb to the political demands of politicians. Likewise it also requires the political support from the Minister of Finance to help public officers to do their work without fear. If the Minister stands at the back of public officers, they will move and follow the law. A number of us have been through this post already such as the current Prime Minister and me. And both of us were sacked because we take a tough stand when the Prime Minister dictates those advice to us, we squeeze those advices and throw them in the rubbish bin. And my advice to my Prime Minister was, you only have two powers over me. You have the power to appoint me and the power to remove me. When you allocate a portfolio to me, it is my responsibility and it stays with me. I manage that part. Of course the Prime Minister has decided to take the second option to remove the Member for East Choiseul and the member for Gizo/Kolombangara who manned the Ministry of Finance in 1997. I am relaying that story because you have nothing to fear; if you are sacked because you do a good work- you stand for what is right. You can put your head up and walk out of that office.

Finally this is the last budget of the NCRA and one which will take us to the General Elections. I am sure everyone is looking forward to it and making preparations. I know for certain that the Prime Minister is already gearing up because he has been holding discussions: but I am not complaining here. I just want to acknowledge letting you know that I know of what is happening in my constituency- I am not protective; the seat of East Choiseul belongs to the people of East Choiseul and not mine. And to use the term that I used to them, 'it does not belong to my father'. It is there's and they voted me back four times because we are doing fine since we have helped our people.

I am saying this because there are serious discussions held and I was shocked when people come to me and say things like this happen. They were holding discussions and looking around for candidates to knock out the current member for East Choiseul, who has done a lot for his constituency. As a matter of fact, I am not proud but the constituency is ranked number one in 2012, in terms of delivery of projects. And probably the most organized constituency. I am not proud. But I just want to humbly say that, because we have done a lot

for our people. And maybe sometime you take a trip and see what we continue to do there. And I thank the current government for giving us \$600,000 this year to build an international standard factory to extract honey. And we will be exporting honey in a very short time. Currently we are working closely with the member for Ranonga/Simbo and his Constituency to increase the number of hives. We are aiming at establishing, 25,000 hives when we are in full operation. And it will be one of the major export earnings for this country.

Thank you, government for giving us the funds to build this factory. The materials were already transported down there, to build this international standard factory to extract honey.

As I say, this is not protected- I just want to say that I am aware of what is happening. I do not have any problems with that, but please come, come clean, lay them on the table what you want to do in my Constituency. Because people will be looking at your constituency- what is this person doing in his constituency? If you put a candidate there, people will say, what is this person doing in his Constituency because if the person comes around here, he will do it here too? And what is worse and this one really hurts me; I am saying that because it was revealed to me, that a certain logging company currently operating in my Constituency will be providing the financial backing for the candidate. A meeting was just held and some people inside this meeting came and told me what they were meeting about. I just told them to continue with their meeting about how to unseat the member for East Choiseul. I have faced four tough elections already, we have come through, not because we are gods or something but because we have done well for our people, and we do not discriminate between voters and non-voters. We just helped everyone.

Thank you Mr Speaker and the assurance from the Prime Minister, my greatest wish is to both see you and me on the floor of this Parliament. Who will come, you or me? Just a small warning, people have tried to unseat this member for East Choiseul. Three political party leaders who put candidates against me lost their seats, with the three candidates. So I just to tell you this, I am aware of what is happening. It is our democratic right to do that.

Sir I have said too much. So if you want me to bring the person that you are using. I can do that and if you want affidavits so that it is legal and you know who you are using. As I have said, I do not have any problems whatsoever. Anyone can contest the East Choiseul Constituency, any political parties. What is serious here is that this candidate is going to be funded by a logging company in East Choiseul. Sir this is all said in good spirit, as leaders of this country. I think if a colleague is doing fine, we should support him to come back. Why do we want to work towards spoiling him?

Mr Speaker, I will end this thing here. I will now resume my seat..

**Mr DOUGLAS ETE**(*East Honiara*): Thank you for giving me this time and I will not be very hard on you but please listen because my discourse will be very short. Most of the things have been said especially in terms of the economy and the 2014 budget but first of all let me thank the Speaker of Parliament for allowing me to talk. I will put my Public Accounts

Committee's (PAC) hat for the start due to some of the discussions that were made yesterday.

The PAC as you know is appointed by the Parliament through the Speaker by virtue of the national Constitution itself, Constitution 100, 101 and 102 and in some jurisdictions this post or position is elected by Parliament. In England they elect the Chairman for PAC and all other people are appointed through Parliament giving them powers to work and this kind of system was started by somebody by the name Lord William Gladstone in year 1618. He said that any sum expended by government that should be laid before Parliament must be first seen by the PAC. That is why we look at it and the work of PAC is tiring and was hampered by the impasse of the Secretary to the committee that is the former one. So we could not meet and when the Bill came it was the time for Parliament to sit as well.

But in previous years, they did not meet to get evidence this was because they just deal with a minute or memorandum from the Minister of Finance to the Public Accounts Committee, and they just sit down and ramble over the pages and they bring it to the Parliament. But with the new system and mindful that Parliament is the voice of the people and Parliamentary democracy dictates it to be. They come and reform it and said that evidence must be seen face to face, so that the people can come and comment on it. In the past some of you did not come face to face as I have said earlier. This paper just come before the committee and look at it, this happens just few years ago and on that I commend the National parliament and the Speaker for that reform, well done.

We finished on Friday evening and on Saturday there was a function here and so we cannot sit because of the partying that was going on in parliament. We came on Sunday and tried to get the report compiled but we cannot do it, because in fact this report that is distributed is just a product of a first edition only, and it has not gone through a second edition. But what can we do with the time we have. And Government business dictates. I think the government should give us one month prior to the parliament sitting dates and it is there in the recommendations. Give us one month ahead so that we can go through the budget properly and produce that report in time comprehensively, so that recommendations can be furnished to parliament and to the Government. In some jurisdictions, it is 60days after public Accounts Committee scrutinised it they send it back to the Minister of Finance and Treasury and I want a reform on this. Public Accounts Committee in other jurisdictions is by virtue of an Act of Parliament so that they can summon witnesses that give false evidences.

The minutes would go to the Minister of Finance and Treasury and the minister has to respond within that span of sixty days. To me, this report is an inclusive one, very comprehensive and it is 87pages with recommendations in it and I would like the government to take note of. I will not go through the recommendations because it is too long. This is why we have asked for a bit more time but we have not been given that but that is alright. I told the secretary that if Parliament wants a half report we can give a half report and tell Parliament that this is only a half report and we will furnish a full report when we complete the whole thing and we only discuss the half report. This is the first edition. It did not go through the second and third edition as normal. That is the point I would like to raise.

On top of that, the Public Accounts Committee does not consider the formulation nor does it consider the merits of government policies. This falls within the jurisdiction of the power house, which is the Cabinet. Public Accounts Committee only follows every penny spent from the government budget and we ask questions accordingly and what impact it has.

The first point is that it must ensure that any government budget has value for money. We uncovered that variations and virements nearly take up the whole of the recurrent in the 2013 Appropriation 2013 Act; basically because value for money is important and because it must trickle down to the lives of the people of this country. I am happy with what the Minister for Planning and Aid Coordination said yesterday that this budget promises to improve the lives of rural people and that promise is in the 2014 Appropriation Bill 2013. That is good because firstly, any budget must be based on the economy of the country and secondly, the efficiency of the budget and spending and thirdly, the effectiveness. Those are basic things we see as stewards.

PAC sees to it whether expenditure and receipts projected under any budget of any given year are done according to law to which I think it is done according to law. Another thing is propriety. We see to it whether expenditure and receipts are expended according to intentions of Parliament. I said variations and departmental warrants are too high in the 2013 fiscal budget is because it is not the intention of Parliament that we should vire. It is not the intention to vire those money. That money is allocated to that Head, subhead and itemised number for that specific purpose and that is what Parliament approves. But there are provisions in those Acts that cater for situations when we run out of funds. Government should plan ahead and should not get stacked somewhere.

With regards to the compliance of the budget on whether it has complied with the policy which they have mentioned. It is not the business of the Public Accounts Committee to say that the policy is not good because once there is a flagship policy of the government; PAC asks whether money is imputed in that Head to Forster that one and I do not see that in the 2014 budget.

My contribution to this debate will be very short but I am saying this seriously; and we have seen the performance of the government in the 2013 budget on whether they have performed to the objectives and targets and level of delivery on the goods and services that the government promises to give under the 2013 is delivered to the level that is acceptable.

I just recently visited the National Referral Hospital and if you are in a coma and you go to the National Referral Hospital you are a dead man already. There are no live saving equipments there to date in three years running and I am worried about that. That is what PAC is looking into it. We made some recommendations they are in this dossier here so you have to read them. So I am going to ask the Minister of Finance to respond to them so that people of this country are aware of because people are going into the National Referral Hospital every day.

With that Mr Speaker I thank you very much; I will take out my PAC hat and I will be talking as the member for East Honiara and member of the Independent group. The Central Bank came before the PAC and said that micro-economic fundamentals are shaking, the economy in 2014 would be bleak and we ask them on three basic issues; micro economic

objectives that must be achieved by any running government, one is this growth. We have asked the Central Bank on the basis of data base when you calculate Gross Domestic Product (GDP); for consumption of the country no one in the country has ever put this into measurement yet but we are guessing it. The investment of the country by virtue of values of investment foreign direct investment or private sector domestic investment in this country have not been put into data. Only the government expenditure is what we have all this time, and how of the government expenditure would carry a thousand jobs to be created in this country? How many jobs is this budget going to carry? Those are the kinds of questions people to know; the Central Bank said that they do not know the answer. Go to the Hansard and you will see the records there.

I am talking basically about micro-economic here and there are three of them that I would like to touch on them today. It says, "We are going to have a foreign trade balance deficit of inclusive of \$450million for this quarter and 31<sup>st</sup> December which mean that we are importing many things by way of value and then we export less in value. And I did ask them a question as Chairman of the Public Accountants and I said, 'for rice alone, what do you do in planning and advising the Government? What do you say in your meetings? When we import rice with an amount of \$300million each year, we don't even have a commercial – what agriculturist call intensive farming in this country on rice. And when we ask them they said that they don't know the answer. Are you saying that the economy will be bleak- it is not clear. You will have 2.9percent and they said 4percent because the Minister came to parliament early this year, and he is saying there is going to be growth of 6percent. Meaning we have produced to the maximum we can reach, what they called Potential production frontier (*PPF*). The country is producing that and that is what they said. We ask them with the growth of 2percent, it does meant that our GDP- When you calculate by comparing GDP's of consequent years there should be some sort of growth in it- from completed goods and services. Rather incomplete growth cannot account for GDP. So what are we producing and why are you saying that the growth will be very slow? And those comments are in the speech from the Minister.

That posed a concern, if the wealth of this country cannot grow by 2.9percent or 2.5percent, then it will just reflect on how the Government runs this country. How we organize our society, what do you want us priority? That is why the Economy is not growing. Our GDP some said, that it is still \$7billion.

The issue of Micro Economics is fundamental that the Central Government had raised, is that the rate of unemployment is very high in this country. I made four assumptions when I calculate this, if you take a hundred thousand people looking for jobs in this country divided by the total labor force- adults that are employed or non employed multiply a hundred percent, you find that 20percent-25percent of this country is unemployed which is too big. In my view, if we want to bolster an economy and move forward and things like that, we must create jobs in this country. Those figures are not realistic but it follows the frame work of doing things. Those government advisors must say that this is what we are going to do and it must be reflected in this budget.

Commodity based led growth this year drops. A cocoa drop 6,000metric tones per year has dropped to 2,000metric tones, coconuts also drops. Seemingly, this is because of bad prices overseas, and not only that those of us under the STABEX in the past. I don't know what

policy the Government has- Cocoa money that you have given should bring prices up. We should not be giving money just to merely brush the plantations, just like those people who brush the sides of the roads. If you are brushing tomorrow, you will be fighting against the weather. You brush tomorrow, but the grass will also grow tomorrow, rather than planting flowers. If we are going to do with cocoa, we must do it strategically as to what we are going to do to bolster commodity growth. And it is in the report of the Central Bank, if these things failed, it is a worrying situation. We cannot be sitting here and turning a blind eye to it, and thinking that this economy will recover on its own. It will not happen.

The inflation rate, like I have said, everything the member for North East Choiseul has already touched on them. I am happy that inflation is controlled, Mr Minister for Finance which is around 7percent, but do not allow it to increase. But the important inflation, the Central Bank said that it is low. The domestic inflation created within this country is what is really flying higher. So it affects those things at the market. Realistically people will go to the market and just wait for the time when market people will go back and give the market goods to them. A lot of people who are going around in Honiara are hungry people. My brother the Prime Minister if he happens to go there, the people there will come and ask betel nut. They will also do the same to me. It is not that they want to ask for money, but because there is no money around, no job around. The things that we say all the time, governments are created by sovereignty basically to feed me, to house me, to ensure we have the best medicine, to provide education for me and ensure that the economy is sustainable for another 10, 15 or 100 years. That is basically what governments are for.

Mr Speaker, how I see it, the 2014 Budget, we must work on it. We must be true to our promises. Like they say that, once it is close to the election and cronyism comes in. I will go through the list today; it is with me here today. A lot of you here have taken ships, some even twice.

The reserves of this country have plummeted. That is according to the Central Bank. Gross Foreign Reserve has gone done because of low export receipts. The IFM trench has already depleted. We ask the PS for Finance, and he said that this is what they are using for the shortfalls of the government. The Foreign Direct Investment in this country is very, very low, and donor inflow is slashed in half. That is what came before the Public Accounts Committee, which means that in 2014 there would be only cover for two months of the first quarters, January and February, unless otherwise, this economy is bolstered up somewhere through some miracles. If not, our cover from 10 months will be deleted from last months; this time around it will go down. Therefore it is a worrying situation, I am expressing it like this in explicit and thorough reasoning because I am worried because next year would be really bleak and any government for that matter. I do not care what government must be worried about it as well. Government deposits fall seemingly because revenue under the 2014 budget has depleted drastically and in terms of donor inflows, Ausaid for next year had cut its fund from \$900million to \$425million especially in education and other sectors alone for next year. Now we are sitting down with European Union and with the multilaterals and if anything, we might as well increase the ceiling through the CBSI Act section 70(c) so that we can ask for a soft loan or something somewhere. Moreover, the banks are not lending and that is exactly the situation that this country is facing, we asked the Central Bank and they said that they have just started to lend in the third quarter of this

year. Although there is liquidity inside and a lot of people argued that Fiat money that is available in there will have no value in 10years' time if you keep them.

As you know, money can only be created through loans and loans only before productions can eventuate, to create products, create jobs and create wealth. If that cannot happen the government has to design a strategy to help the small and medium enterprises. We spoke with the Ministry of Commerce but they said that their budget is just only \$71million and I was so surprise because taking into consideration the projects such as; Suava Bay project, Bina harbour project and the commissions that you want to established in here.

The member for Northeast Choiseul have talked about the secured funds already and I don't want to touch on it, but there must somewhere that they want to see their loans and they don't want the government to design a system to help small and medium enterprises. And we have been talking about this for the last three and a half years. Now we only left with six months before this house dissolves on August next year and you don't include January and February since offices will not be open during those times. So I am seriously worried about these issues.

Based on the performance of 2013 budget, the Minister of planning and Aid Coordination rightfully said yesterday that they did not go beyond the 50percent of their implementation on the development budget in year 2013 and it was worst in 2012. I am saying this as chairman of Public Accounts Committee and I can recite those figures. I think it will be worse in year 2014 and so I encourage the Government especially the hard working Minister of Finance to make sure that the Minister for planning do not to be hindered by those red tape between those big monster bureaucracies. You open them up so that after the budget is passed after this session, you start working on how to dispatch the funds immediately after the Governor General assent it.

I encourage you because that was the recommendation that was put forward to the Minister of Planning and Aid Coordination. They should start doing it otherwise it reaches August when parliament dissolves on the 25<sup>th</sup> of August legally. Parliament will meet once next year and that will be in July/August to get the supplementary done; the \$26million and the \$10million in the Recurrent and Development and then we will be busy with going out for election and this country will be stagnant once again and I am really worried. I encourage the two hardworking ministers to do that. I am saying this because of the data that came before the Public Accounts Committee and not out from my head. The report is with you.

So the 2014 Appropriation Bill 2013 is a huge Christmas tree.

**Hon Peter Shanel Agovaka:** (*Interjection*) with no Christmas lights

**Hon Douglas Ete:** Yes! With no Christmas lights and presents under it. It promises better education and this budget alone, the 2014 Appropriation Bill 2013, they have given \$887million for education alone and a huge portion of that fund is allotted to SINU. Others, like TVET have been underfunded but those TVETs, and I do not like to touch on them but it

is the skills training that worries me. Afutara, Batuna and other places are underfunded under 2014 Budget.

This budget, this big Christmas tree; I will call it 'Christmas tree' because we are in the Christmas season. The 2014 Appropriation Bill 2013 Christmas tree promises better health. I want you to keep your promise, Minister for Aid Coordination and Planning. I know you are hard working and the Minister for Health please take note.

The \$5million for primary health is too small. \$3million for secondary healthcare system is just rubbish. \$15million for tertiary healthcare needs to be increased. Get some funds in the supplementary to bolster this area. \$2million for public health is really bad. With the \$6million to \$7million for the scheme of service of doctors, I congratulate the Minister for Health. Thank you for doing that. I think we give praise where praise is due. Thank you for doing that. Look in the area of registrars as well but equipments have to be in place before this government bows down their head, otherwise I will be talking only on health for a whole day during the motion of Sine Die in August 2014. I can talk the whole day about health issues alone. You will keep talking until you go into election time and people will remember what I am saying when they vote.

It promise to eradicate poverty; I do not see that here because the flagship policy of the government is the RCDF Bill. A lot of MP's stand to oppose it however there is a lot of others who are sitting down. We agreed on that but to an extent I do not know whether it will trickle down or there is a better process there. And if there is a better process there I would salute it, but if that processes to advance the schemes of cronyism, I would be very sorry.

When it comes to better distribution of resources I do not see it in the 2013 fiscal budget. As the Chairman of the Public Accounts Committee I see that it is like 46percent that has been implemented and on top of that if governments do not have money it will be crippled and no jobs will be created. Those are the implications of why government do not spend because government is the largest spender in any country in the world. So we do not share resources there it brings complains in all sectors of this country; I will not read out the list because I have talked too much.

This budget promises to eradicate inequality and I want to see it happening, and ensuring that sustainable growth must go beyond 5percent. If it is 10percent as 2010, for God's sake, it is very good but if it is 2.9 next year please relook at it and ensure that things happen and resources must be spread equally within the rim of Solomon Islands in its boundaries.

One thing that we have noted in the policy of the Government; I only want to touch on one policy because all other things were said previously by other speakers and thank you for that one. The government's policy is to drive infrastructure into the rural area in terms of road, bridges; like I have said earlier on I want to say thank you to the contractors in Honiara. It is not that good but it has improved a bit but one thing I wanted is if I was the Finance Minister and the Prime Minister and Minister of MID I will remove the whole road and make a new road because you cannot put gravel inside tar. If we were to pay them money just pays them so that they make good roads in this country. Money is not an issue in this country, give contractors so that they make good tars.

In some countries like Australia roads are made of cement, if you go to Taiwan roads there some parts of it were made of cement. I ask the minister of MID that your material testing must make a report and we must see to it that is of an approved standard however that has not happen for the last two years.

I am saying this because I have seen the taxpayer is paying for those things, Margaret Thatcher said Mr Speaker, no money is public money, all money is taxpayers money', it means every money comes out from the pocket of the person you have seen collecting bottles and contribute to this economy. And those of us who are going around in good tinted glass vehicles like all of us here- when I am saying all of us and I am not referring to the Government because all of us are taxpayers so I am suggesting this. If it is for the road then gives it for the roads, \$12.9million should be used for tar sealing the Honiara roads, under the 2013 budget the allocation of \$12.9million.

**Hon Rick Houenipwela:***(interjection)* East West highway.

**Mr Douglas Ete:** Yes, East West Highway, Afio is also included. There is an allocation of \$3million for Afio- Afio road; Parasi to Wharf an amount of \$3million. Thank you sir, I am happy with the hard working Minister- thumbs up.

So the distribution of resources is important otherwise there will not be ships servicing the route to Temotu Province.

And also one thing I want to press here is the culture of political contamination in terms of cronyism and things like that must be stopped if we were to help our people. I am urging this to happen, if we want to build this nation and build the wealth of this nation. I am not saying only to this Government, all Governments and future Governments must stop this.

Sir, I will conclude, every other things have been said but the fact remains those of you who have attend Rio +20. And Rio +20 addresses sustainable development. And that proposal must sit in the centre of any budget and even in the 2014 appropriation bill 2013. It falls in three dimensions; also it goes hand in glove with the green economy. They talked about the Healthy Eco-system. When they say this, they talked about sustainable development, whether this big Christmas tree would be sustainable is a question that we must really consider, whether it makes a sustainable development of a fifty percent implementation rate performance. Last year it was 36percent implementation rate on all development projects, would that ensures sustainability and its existence in rural development and thus realised. This are the questions that I asked, whether it will enable sustainable economic growth in the economy. Is it going to eradicate poverty? when we rectify those International Conventions that we attend at the United Nations. We went and said that we will come back to our country, given our parameters, we will impute these concepts into the national budget of this country and the laws and the institutions that we create in this country. Is it happening? Those are our questions. Does it include social inclusions, adequate housing, squatting policy, is our health care sustainable, our education other than SINU which was created last year sustainable? Is the system better? Are we creating jobs in this country? This

is what those of you that went to Rio +20 have talked about. I am reading you have talked about. Does it create a healthy ecosystem? All these thinking and consideration must be guided by Agenda 21, and those of you that went to attend the Johannesburg Plan of Implementation coincide with this, and have resulted in this budget in conclusion.

Johannesburg Plan of Implementation, the Green Economy and the Rio +20 are tied up with the Millennium Development Goals. They are locked together like glove and hand, you just cannot separate them. We have good water sanitation. I am happy with the good work in facilitating JICA programme, and I applaud the Embassy of Japan in this country for doing a fabulous thing, where a country over 30 years do not have anything like this for us to use. I thank the government for facilitating this, and I also thank the former NCRA Prime Minister Danny Philip for signing this thing.

Our maternal death is alright in our clinics and hospitals. I attended the Bangkok Meeting, our regional meeting at the ESCAP Office regarding health issues, Millennium Development Goals relating to social and health issues. They have pitched Solomon Islands at 1000 to 146 deaths, 146 deaths to 1000, and they said it is good. To me this not good, I will say this again, when I was the CEO of the National Referral Hospital, only children died, 51percent of people who have died at the National Referral Hospital were children, aged 11 and down. That is why I have said to the Minister of Health that, the funding that was allotted to you under the 2014 Budget is very small. No one is going to be alive with that. You are my party member in the RDP, you have seen the policies and we have already talked about this. If you go and see our friend, the Minister for Health, tell him that health is very important. A person must be healthy before he will work properly, produce and the economy will be good.

Apart from that, we will not be seeing anything. Let me conclude, I do not want to talk any more.

I will just conclude I want to see in the 2014 budget I want to see job creation. I don't want to see like in the 2013 appropriation budget where development projects have not been implemented and it has less than 50percent of it being implemented. That is a worrying situation.

I want to see economic growth in this country of 2.9percent and above in the mid year of next year.

I want the living standards of the people here improve and not just live them to reside in squatter settlements and I thank the Minister for lands for the TOL arrangement that they did. They survey the lands and at least you have looked into the eyes of the urban squatter settlements and you have said to yourself that we will do it for you, and you have done it and so I thank you for that.

Creating jobs is something that is regarded as a distance dream and we need to open up the foreign direct investment. So we need to liberalise our legislations to fit into this. A mechanism has to be set through the ministry of commerce, lands and everyone to see ensure that happens. But I do not care if they are European, Malaysian or Japanese and let us call them our own. We should let him come and create job in this country and invest in this

country. Those people that I do not want them to come in to work here and we should stand against are those working in the logging companies. Those jobs can be done by our people.

I want you to take note that when you do the quota for immigration, tell them that we want 20 doctors, 20 engineers, 20 science teachers and 20 specialists on fisheries, so that they came and make reports for us to do on shore facilities here. Because we can run this country with fisheries alone but for now we have shifted our focus everywhere but I must tell you that our national advantage is fisheries and that is stated in the data.

**Mr Peter shanel Agovaka:** (*interjection*) Beche de mer.

**Mr Douglas Ete:** I do not want to touch the beche de mer dilemma for now because it is not in my interest. I want to see these things to happen and to keep peace and tranquillity in this country, the promises that were made is a big leap of faith and so I ask the Minister for finance to show this country that this budget premised on promises that would improve the lives and the living standards of the people of this country. With that I thank you so much.

*Parliament is suspended until 2:00pm*

*Parliament resumes at 2.23pm*

**Hon ALFRED GHIRO** (*Minister of Fisheries and Marine Resources*): Thank you Mr. Speaker for allowing the Minister of Fisheries and Marine Resources and the Member for East Makira to contribute to the debate on the principles of the 2014 Appropriation Bill 2013.

I also join others who have spoken before me to take this time to congratulate the Minister of Finance and his capable staff for being able to prepare this budget. I also wish to congratulate my colleague Minister for Planning and Aid Coordination and the Minister for Public Service and their staff for the hard work and their support role in preparing the 2014 Budget. I also would like to take this chance to thank the very hardworking chairman of the Public Accounts Committee and the committee members and also your secretariat, for the timely scrutinising of the budget.

The Honourable Minister of Finance and Treasury in his presentation of the 2014 Budget last week articulated an overarching theme for the 2014 Budget as: 'Making a difference in the lives of our people, and striving for betterment with existing resources'.

Supporting and making a difference in the lives of our people were the key policy priorities articulated in the Finance Minister's speech and I also found that on page 33 through to page 37 of Solomon Islands 2014 Budgetary Strategy and Outlook. Consideration of these policy priorities led me to believe that the 2014 Budget is inclusive, forward looking and people

centred. The 2014 Budget continues to promote investments, build infrastructure and create employments. The 2014 Budget continues to address issues that resonate with the everyday struggle of our people. The 2014 Budget of the \$3.5billion, in my view is one that will allow us to weather the difficult storm ahead, helping us to make a difference.

I also agree with the recommendations by the PAC, that budget process should be conducted in a timely manner. whilst I agree with that, I also note that it is not an easy task. I also thought that next time, maybe, we should have budget units inside line ministries to enable them to monitor and forecast our expenditures for efficiency in the budgetary process.

Today some speakers touched on shipping grants and they question the government policy on shipping. For the last 30years East Makira Constituency does not have any road infrastructure network and we rely on shipping services for mobilizing of products in my constituency. It is the NCRA government that allocates ship for me. My constituency has been overlooked for the last 30years until NCRA comes and that is why I want to thank the NCRA government. For transparency purposes East Makira is in the list for this year to have shipping grants and not next year. I would like to applaud the government's commitment for recognizing the difficulties of a very remote constituency, East Makira.

Having said that, I wish now to turn to the Ministry of Fisheries and Marine Resources budget estimate for 2014; the total recurrent budget including pay roll stands at \$19million whilst the development budget estimate of the Ministry stands at \$8.3million. The total budget estimate for my ministry is \$27.3million. But I am pleased to inform this Honourable House that the further \$6million will be provided to my ministry under direct budget support by the government of New Zealand through its support program. This contribution is gratefully acknowledged; thanks to the government and people of New Zealand for this continuous assistance.

The \$8.3million development budget allocation to my ministry is a share within the rural and general economic development policy priority allocation of \$368.8million. We are thankful for this allocation to progress our development programs as 2014 fiscal outlook is tough and consideration of the other eight policy priority areas referred to earlier must be made also.

Our development budget of the \$8.3million will be spent in the following ways; \$4million will be to progress our fisheries onshore investment programs, \$3million to develop fisheries infrastructures in our provinces and \$1.3million is to provide programs to support our communities to improve their livelihood. It is aimed that by progressing these three core priority areas a stronger rural and general economic development as articulated in the Minister of Finance 2014 budget speech will be realised.

Mr Speaker, I also note with pride but also realise that it is a challenge that the forecast as highlighted in the Minister of Finance budget speech that fishery will contribute to our Real Gross Domestic Product growth in 2014. This in itself is a statement of confidence and one that my ministry will pursue whole heartedly. In fact, it is a confidence step from the revenue estimate of \$150million Solomon Dollars that we are confidence to secure for the government in 2014. I am hopeful that we will secure more than what we have estimated; I

said this, because in 2012 we collected \$172million against a budget estimate of \$113million and I am confident that by the end of this year 2013 ministry of Fisheries will collect more than our budget estimate for \$128million for 2013.

Our revenue estimates for 2014, therefore, puts my ministry one of the strongest revenue contributor to the national budget.

Development of the fisheries sector must be progressed in 2014 in order for the country to benefit from its fisheries and aquatic resources. I am confident that we will continue to progress our programs from where we will leave it at the end of this year. I said this, because we have put in place platforms that will strengthen the delivery of our programs. Leading and monitor the progress of our investment project will be our newly functional project management unit [PMU] which has the upper support of my senior executive team under the missive advisory team.

The project management unit will form in January 2014 and it will be responsible for the implementation of our development projects especially our onshore investment project at NDoma, Tenaru and Suava. In support of the project management unit team we have developed two important strategies that will ensure the maximising of economic return from the usage of our resources. We have in place an investments strategy that will guide investment in the fisheries sector under tuna management and development plan that will ensure our tuna resources are managed and developed in a sustainable manner. These two documents will guide the work of the project management unit.

Furthermore my ministry in collaboration with the ministry of Environmental, Conservation and Disaster Management is currently developing an environment guideline check list that will ensure international environmental standards are adhered to by all investors when undertaking their investment programs in the country.

\$3.1million of our recurrent estimate we progress our activities within the inshore fisheries sector including aquaculture. On this note I wish to inform the Honourable House on our recent successful breeding of the beech-de-mar peanut fish. This is a breakthrough for my agriculture team with the overseas fisheries cooperation foundation of the government of Japan. Under Japanese fund an OFC led project peanut fish is successfully breed for the first time in the region. The only other country that successfully breeds peanut fish is in China, at this juncture I wish to acknowledge the Japanese government for funding this very important program and if you look the Solomon Star today, you see in the headline of what I am talking about here.

Now we have a break through, the challenge for my team now is to mass produce these marine resources and when this is achieved then hopefully our fishers will have enough to sell for their livelihood.

Our seaweed program has touched the lives of several communities in the country. Wagina is the largest seaweed producer in the Pacific. So we are not doing anything, at least we are progressing aquaculture in Solomon Islands. Both recurrent and the development budget estimates for 2014 fiscal year are tailored to accommodate work programmes planned for 2014, including the passage of a Fisheries Management Bill, which I hope to bring to the

floor of this honourable House in early 2014. With a sense of renewed hope, that 2014 will be a great year for the Ministry of Fisheries I implore this honourable House for your support.

Before I conclude, since we are coming into our festive season of Christmas, I would like to wish you Mr Speaker and all members of Parliament a very merry Christmas and a happy new year, and especially to the people of East Makira. Thank you very much, happy Christmas; I will come around for visit during Christmas.

In conclusion, I wish to assure this Honourable House to deliver all its obligations to the government and in doing so, meet the needs of our people, the resource owners. With these, I support the Bill and resume my seat.

**Mr Speaker:** Honourable members, I would like to acknowledge the presence of the Premier of Rennell and Bellona Province, who is at the gallery.

**Hon DEREK SIKUA** (*Leader of Opposition*): I rise to also contribute to the very important motion moved by the Honourable Minister for Finance, to approve the 2014 Appropriation Bill 2013, for which I would like to thank the Honourable Minister for Finance and Treasury for introducing this Bill to the House.

Sir, I also thank all those involved in the formulation of this 2014 Budget, especially the hard working Permanent Secretary of the Ministry of Finance and Treasury and also his staff at the Budget Unit and other Divisions within the Ministry; the Permanent Secretary of every Ministries of the government and their staff, those that look after our Statutory Bodies, and State Owned Enterprises and not forgetting the work that you and the Clerk of Parliament do to submit Parliaments budget.

I would also like to say thank you to the Chairman and the members of the Public Accounts Committee (PAC) especially for the work that they did and their endurance in fulfilling their roles despite the difficulties they go through but have managed to come up with the report. As you know the report is with us and as the Chairman mentioned this morning during his debate, this is only a draft and not the final report. Hence, I do not know how we should treat it but I think we will take it as the final report only as we used it to form and formulate our debate on it.

I know that plenty of us on this side want to speak on the Motion please do not adjourn the debate yet so that we can give time for them. But Sir, Standing Order 61 (2) in reference to the debate of this kind of Bill says that it does not confine us to look at the financial and economic state of our country but also the general principals of government policies and administration as indicated by the Bill estimates. Hence, I want to thank my colleagues that have already debated so far, particularly for the member for East Choiseul and the Chairman of Bills & Legislation committee and the Chairman of the Public Accounts Committee and the member for east Honiara for their contributions on the budget. Also not forgetting the two ministers that have already spoken on the government side and so I have to thank all five of them. Hence, it was very good to hear Ministers talking about their

budget and the good things emanating from their budget for our people in the financial year 2014.

I will and keep my contribution short so that other colleagues can talk after me and make their contribution to this very important debate. But I want to raise an important point made by the chair of the Bills and Legislation committee and the Member for East Chaiseul dwell on earlier today. This important point that I want to raise is about the presentation of appropriation Bills to Parliament. Almost a year ago today I make this very same comment that I express my disappointment about the manner in which due process was ignored by the government in the handling of the 2013 appropriation Bill 2012. At that time five ministries were not able to have their accounts examined by the Public Accounts committee. I made that statement on the 18th of December last year. Now it is the 17th and one year ago I tell the government what I think regarding this matter and I will repeat it again. As the member of East Chaiseul and the Chairman of the Bills and Legalisation committee told us. We talk about these things but we still do not take heed of that. So I will repeat myself in much the same way as I have a done about a year ago.]

This time the PAC is not able to find time to interview representatives from four government ministries and four statutory offices covered by the budget. To proceed with debate on an important Bill as such, two years running without allowing the Public Accounts Committee to fully scrutinise and complete its oversight role in examining in detail as prescribed by Section 33 of the Public Finance and Audit Act 1978 requires it. In 2013 it requires about five heads before we report to Parliament. It also seems that we are going against Standing 69(1) b & e. And furthermore it says a lot about how our government conducts important matters of State. It seems as if we do not care about our important rules. The Standing Order is our regulation as to how we conduct business in this House and it seems that we do not care much about it. I am also worried because if you read Section 69(1b) in conjunction with Section 102, subsection 4 of the Constitution, it is even more serious. We seem to do things unconstitutionally, that is my fear. That is if you read Standing Order 69(1b) in conjunction with Section 102, subsection 4 of the Constitution.

So now that we proceed with the debate Parliament has lost the opportunity to be informed of the causes of any excesses, over-authorized expenditure under these heads of expenditure. In fact there are eight heads of expenditure that the Public Accounts Committee should make recommendations on any appropriation to cater for under such examination. That is my concern.

I am fully aware of Section 62 of the Constitution but again I refer you to Section 69(1) e. This is important as the Public Accounts Committee must be allowed to examine the accounts of the remaining four ministries and the four SOEs in order to allow for the orderly conduct of proceedings and dispatch of business, for the passing of the 2014 Appropriation Bill 2013 by Parliament. Maybe that is what the Chairman of the Public Accounts meant when he said that this report is still in a draft form. And maybe they will still continue to inquire, I am not sure of what he meant but that is probably what he was trying to tell us. It is very obvious that for two years running now NCRA seemed to push very important Bills through Parliament.

So, as I have done last year, I must remind the government again not to confuse Parliament with Executive government. Parliament and the Executive are two separate Arms of our Constitutional Monarchy or the system of government that we have. The difference between Parliament and government are sometimes misunderstood when we are in power, when we are in the government because it leads us to perceive that we can play around with Parliament. We can do things circumvent important processes of Parliament. So sometimes when we have such thought we perceive Parliament as an arm of the Executive Government which is called together occasionally to pass the Government's legislative agenda and this is not fair on Parliament.

As you know Parliament is the supreme legislative power in the land. We the 50 members elected in our Constituencies represent our people in this Honourable House and one of our most important and visible function is to pass the laws by which the country is governed. Section 59 of the Constitution of Solomon Islands allows us to do this and states that "Parliament may make laws for the peace, order and good government of Solomon Islands."

Parliament is an arena where members of Parliament represent their people in decision making process and one way where we formally carry out this representative function is through parliamentary debate. There is a principal in any democracy that there should not be any expenditure to public funds without representation. Therefore, another major function of Parliament and hence Members of Parliament is to pass the budget which the government has proposed. Like I have often mentioned, we have four main responsibilities. One of our main responsibilities when people voted us into Parliament is that we form the Government. After we form the government we must pass the budget in order for the government to function. The third responsibility is that we are here to represent our people and of course the other important one is to make good laws to govern our country. So those are four main functions that we have and now we are required to pass the budget which the government has proposed.

Sir, the government regularly, like now, requires Parliament's approval for the supply of funds to run the country and the annual budget of the government is subject to parliamentary approval as well as the supplementary appropriations that we normally need to approve for interim finance. These of course must be debated in Parliament and this debate represents an opportunity for the Parliament to renew its confidence or otherwise in the government. The way the government has handled the 2013 Appropriation Bill, our budget this year, and now the "2014 Appropriation Bill" makes it very difficult for us to say that we have handled these very important matters of state in a proper and transparent way. Let me reiterate again and make it clear that the government must allow the Public Accounts Committee (PAC) – and now this is the last budget of NCRA government we hope that the next government can allow the PAC to examine all Heads of expenditure in more detail. That is also possible in the House during the Committee of Supply – so that it gives us and the public at large to have direct input into parliamentary process.

As a standing select committee of Parliament the PACs work includes holding the government accountable to the House in terms of its main area of responsibility which is to consider the draft estimates prepared by the government. In this case the Public Accounts Committee not only has insufficient time to interview representatives of four ministries and four SOEs but they were also unable to interview representatives from the private sector.

And this is very important because these private sector representatives would be in a position to inform the Public Accounts Committee on the financial impacts that the government taxation policy has on private sector businesses so that is an opportunity lost as well. Not to allow the committee to complete its work is nothing short of being responsible on the part of the government and I would hope that under the relevant provisions of the new Public Financial Management Act 2013 this will not happen again. And in the Hansard, I think the Public Financial Management Act 2013 is very clear of processes that we have to follow in formulating the budget and I think it has safeguards on not allowing this kind of thing to happen again. That is always a good thing when we have strict guidelines for formulation of the budget in our legislation.

But I think when you look at it the rush that we always have in around November/December to get the budget through Parliament has also something to do with our financial year which runs from December to the end of December. Probably it is something that is worth exploring and I would urge the government to look at this seriously for us to amend the constitution to see if we could have our financial year runs from June to June like some countries. Then we do not have to have the kind of pressures upon us when we try and pass the budget before we all go home for their Christmas and the New Year celebrations. So I think I would encouraged the government to explore what would be the advantages and what would be the disadvantages of amending the constitution so that our financial runs from June to June like other countries. Then we do not have this rush so when it comes to Christmas and New Year when it is time for holidays we go and have a nice break over Christmas and New Year, we do not have to be sitting here until Christmas eve or so forth and then we come back in January and continue to work again.

So it is just a thought and I suggest to government to look at those possibilities and see how we go in trying to amend the constitution to change our financial year. There may be a good reason for this and so there may be disadvantages in doing it.

I know that our provinces are do have their financial years is run from April to April because they have to wait for us to pass the budget before they do theirs and that maybe something that we also look at it as well. But it just a thought and I would like to leave it there and I hope the Prime Minister and his government may look at it and see how we can go. Of course the Minister of Finance is listening, so let us see how we can make that change and if that is going to work better for us rather than putting ourselves under enormous pressure every December when we have to pass the budget before we go for the Christmas and New Year. I think we are a Christian country that is why we want to go back to our homes. So look at it Minister of Finance and the Prime Minister and see how we go with that.

I just want to talk a little bit on the issues regarding the financial and economic state of our country. As you know after the global economic crisis, our economy has recovered from negative growth in 2009. Then it continues to gather momentum through 2010, and 2011, where in real terms, the economy is estimated to have grown by around 6.8 per cent compared to a 4.8 contraction in 2009. But despite of this global economic crisis, our country was able to move forward with many of its major policy objectives through various governments that have come through from 2007 and up.

Our economy peaked in 2011 and in real terms the economy has grown by around 10.5 per cent, which is very high. I think at that time, it was the highest in the Pacific region. But that is an increase from about 6 per cent in 2010. But in 2012, we heard from the Finance Minister the real economic growth has dropped to around 2.6 per cent. Then this year, it will increase to 2.9 per cent, and then next year as our Minister has said, it will increase to around 4 per cent. But these improvements are due to the increase in agriculture, fisheries and the service sectors. I am happy that I have only come to hear part of the good speech of the Minister of Fisheries. But as the other speakers have mentioned, I think fisheries is a sector that has offered the greatest promise and hope to grow our economy. I would be very interest to hear what the Minister for Agriculture have to say. I really want to hear my friend, the Minister for Agriculture and the Member of Parliament for Baegu/Asifola to tell us the good things that our people expect from his Ministry, especially in the areas of cocoa and copra.

At the moment, cocoa is now \$14.50 per kilogram, which is not too high, but is not too low either. Copra is about \$2.70, which is very low but I am very interested to hear the government policy on agriculture, especially on these two crops because if we are doing what the Minister has said in his theme ‘Making a Difference in the Lives of our People, and Striving to do better with Existing Resources’ then I think the Minister of Agriculture would be the one that will give us some hope. What do we have, what do we really have in this country by way of our natural resources. Our marine resources are there, and we are doing whatever we can to maximise added value to our marine resources. But for agriculture you look mainly at copra and cocoa. I have always believed that no matter what we do, cocoa and copra will be here to stay. They are two crops that form the backbone of our economy. I think providing money to Members of Parliament to encourage cocoa and coconut farmers seems to go some way in encouraging cocoa and coconut farming but it can also be misused. Sometimes instead of farmers using that money to brush and plant crops such farmers might just do other things with it. Least of all some farmers just turn around to the bottle shop, and this is very common for us in Northeast Guadalcanal and also, East central Guadalcanal. Therefore I think what we have done in 2008, 2009 and 2010 is we subsidize the price of cocoa and copra. I think we put \$10million for cocoa and \$10million for coconut. Even when there was price fluctuation in the world market of cocoa and copra the subsidy stabilizes the price of those two commodities here. As such farmers are keen very keen to produce copra; they clean their plantations and even climb the coconuts to get the dry coconuts as the price is good. In terms of cocoa, even if there is difficulty accessing transport in the hinterland, people built rafts and float the cocoa down the river and sell it in town because the price was good and the incentive was there.

I think if we try that it will encourage our cocoa and coconut farmers as the price determine their performance, if the price is low then why I should bother even if the cocoa and coconut fruits are there. But if we inject some subsidy like what we have done before then I think there will be a lot of enthusiasm from our farmers and from there we will see money to fail from those farmer’s hands. This is because the person who works hard to plant cocoa and coconut is always there and you do not have to force him or entices him by giving \$1000 or \$2000 for him to go and plant cocoa or coconut. As there are other factors as well that involved in there, for instance if you give me money for me to plant cocoa and I do not have land, then obviously I will use this money for other things. Hence, I think we need to re-

think the way we use our cocoa and coconut subsidy and maybe we should and plough up to stabilise the price of cocoa for our farmers at all times.

I think the Prime Minister understands this one and it is probably sometime that we should look at it because I know that the Minister of Agriculture did promise us \$340thousand each for cocoa and coconut. However, he only gives \$250thousand to each of us and if you count the leftovers it almost add up to \$18million and so I was thinking that it was meant to subsidise the price of cocoa and coconut. But anyway I am just expressing this because when you say that we make use of the existing resources then obviously those are the two resources that we have. The gold will go; the fish will stay and later go as well but coconut and cocoa cannot go anywhere and if you allocate enough funds for that, it will really indicate that funds really go down to our farmers.

On inflation, the Minister of Finance said that it will gradually moderate to 5.3percent from 6.7percent in 2001. The Minister also said that in 2013 the overall head inflation is forecasted around 6percent as fuel and other commodity prices are moderate, and then in 2014 core inflation will moderate slightly to around 5.5percent. This kind of inflation rates in our country, sadly, but because we rely on outside supply of fuel and a lot of other commodities and what the Minister said is, consistent with what he said a year ago when he warned us in his 2013 Budget Speech. You see Minister of Finance, I remember these things that you actually said that because of our dependence on international fuel and imported items for production and also because of inadequate immediate substitutes, it will add to the inflationary pressures to domestic prices. So that is consistent and I thank you for that. You go that right, but when you talk about import substitution, the comment that was made by the Member for Eat Honiara and chair of the Public Accounts Committee about rice is very true.

Four years ago rice importation worked out to around \$200million a year. Now we hear from the chair of the Public Accounts Committee said that it goes up by another \$100million to \$300million. If the Minister for Agriculture, my good friend, the Member for Baegu/Asifola is here then we might want to hear from him on the government's policy on rice planting so that we reduce the import substitution on rice.

2011, 2012 and 2013 have been good years and we have money. There were issues with cash flow but I think on the whole our economy grows and we have the money to do a lot of things, but I think there are also lost opportunities. We have lost some good opportunities to really move our economy forward and create employment opportunities for our people. Now that we are talking about the 2014 Budget and the picture is not looking any better. In fact it is getting worse, because the Minister of Finance has warned us that the revenue is forecasted to grow but at a slower rate of about 5percent this year and important still, revenue growth is not expected to keep up nominal economic growth so that in the medium term, risks to economic growth and prosperity remain high. Now we know that the logging sector which forms the largest single part of our economy is starting to scale down from this year and onward. And then with our population growth it is an increase on, about 2.3percent per annum. And when growth per capita income is likely to remain low as the Member for East Honiara and the Chairman of the Public Accounts Committee has stated, what does that mean? In my view the living standards of our people are unlikely to improve markedly in the medium term. This gap between people who have something, "the haves"

and people who do not have anything “the have not” will continue to be widen. Sir, this means that a lot of our people will remain poor, now this term ‘poor’ is a term we can argue on but I think the way I used it means that we do not have money. We have already seen that in the streets of Honiara there is disharmony and dissatisfaction but it is already brewing and we as leaders must not close our eyes, we must open our eyes to acknowledge and do something about this reality.

So what do we do given the expected slowing down of economic growth and reduce revenue to adequately support current level of service delivery to our people in the short, medium and the long term?

The Minister of Finance has suggested that until Gold Ridge mine is commencing to generate profit—as we know maybe next year it will go up to 65 ounces because this time is it only 60 ounces. It would probably go up to 65 ounces—until that happens and the Gold Ridge mining is generating profit we need to continue economic reforms to broaden our economic base and we need to reduce reliance and a limited number of economic sectors for growth, and we need to protect the economy from external shocks particularly the sudden adjustments in commodity prices. And some of the things that I have already mentioned are relevant here because those are things that we should have done. Apart from the cocoa and coconut I have talked about I think the new initiatives that I have heard from the Minister of Fisheries are very good and I encourage my good minister to continue to work hard and make sure that those things are achieved. I think our fisheries resource is one of the most important resources that hold the greatest promise to boost our economic growth.

Of course, I want to say this; as a member of the Melanesian Spear Head Group (MSG) we do have trade agreements with our partners. But I continue to wonder about on how we could keep the price of our canned tuna down because although it is ours it is still expensive, and it is expensive than imported canned tuna from other MSG countries and this worries me. I like our own tuna the Solomon Taiyo is really nice and therefore, I see tuna products on the shelf but I did not buy them. And I think if you go to other parts of the country, the Solomon Taiyo gets more expensive than in Honiara. I think there must be some way that we can produce and distribute our own tuna more cheaply than is the case. And I would be very interested to hear anyways or means from the minister of Finance or the Minister for Fisheries on how we can produce our tuna cheaply and distribute it to our people at a cheaper price than our imported can tuna. I suggest that if we have the money let us give three or four months’ worth of production to Solomon Taiyo. I think we can save money that way. And then when the tuna comes out we only have dedicated distributors in all the provinces so that they can distribute our canned tuna at a cheaper price. I think it will be more affordable to our people if we cut the cost of production by making orders that are ahead like three to four months. So this is just an idea or something which the minister may need to look into because even if we offload 20 per cent in canning for consumption in the domestic market it is expensive, and I do not think our people will buy this project so we must look at it carefully.

I will now move on to talk about the 2014 budget framework where the Minister speaks about responsible and balance budget and where it will fully funded including a debt servicing. And that this optimism by the Minister, when he says that growth in expenditure is affordable and services to our people will not be jeopardized, I really hope that this will be

the case. This is because I have my doubts. The minister had pinned his hopes to fund this growth through domestically sourced revenue. And as we know the Chair of the Public Accounts and Member of Parliament for East Choiseul had warned us that our domestic revenue sometimes function well and sometimes not so if our revenue sources do not perform well then this optimism in delivering services to our people will be jeopardized.

Our good Minister for Finance has also identified a number of significant expenditure pressures which continue to pose fiscal risks for the government and from previous experience, I urge the Minister to stand firm to be able to withstand some of the pressures as we know one of it is the huge pressure that is impinge on the budget when we introduce the idea to provide free tertiary education in 2013. And it is good that I see the Minister of Education here because I have not seen him in the last couple of days. But I want to 3:28 – 3:33 thank him for being here. Minister I just want to ask you, I know that next year is an election year, just in case you wake up one morning, and say it is a good time to say another fare free for our tertiary education students this year. I do not want that to happened Mr Minister and I want to thank the Minister for Finance for saying in his speech that it will not happen again. But do not be tempted my good Minister for Education because we have really felt the burden of it this year, and we need to do the right thing. I have taken note of What the Minister for Finance has said which made me pull out this report – the policy statement on Guidelines for Tertiary Education in Solomon Islands 2010 and this very nice policy statement and guidelines for tertiary education which was done by my good Deputy and the Member for Aoke/Langalanga, when he was the Minister for Education. So he has got a good forward here and a photo of himself. So what you had mentioned in your speech Minister of Finance about the need for us to be informed about the appropriate numbers, the appropriate fields of study that we need to award government scholarship for are actually contained in this report.

It is quite difficult for you to peg a certain number of the fields of study for our children to go and train on. Because what happens every year from memory is that, this opportunity list will be provided by the Ministry of Development Planning and Aid Coordination (MDPAC) and that is what the Ministry of Education and the National Training Unit (NTU) identifies areas of studies where scholarships will be granted therefore, the number could be this many. But sometimes it is quite hard for you to actually get it right until what is contained in this report is done. You need to set up a particular body within the Ministry of Education to spend time on this. I am just looking at the report but, this report on tertiary education tries to form up a body within the Ministry of Education and it is this body that should determine the numbers under scheme areas. So far we have done two studies; one in 1986 and one in 2007 for the national skills requirements of Solomon Islands and we know them and this are projected for a number of years ahead and so using those two studies and the body that will devote time with right skills and knowledge to come with such numbers, I think we can be able to pitch the kind of scholarships and the numbers that we need as manpower training for this country.

Of course not all training is set towards a job and so we need to provide other kinds of training as well. But Personally I think it would be very unrealistic for us to think that the government will give scholarship for the all the students that comes out from our secondary schools. Some would have to get sponsorship from other people or bodies or companies and private individuals whilst the government can pay for only those people that they can afford

to train them for its skilled manpower needs. So I encourage the Ministry to re-visit the recommendations that are in this report and try and set up bodies that will give it the best opportunity to make the right decisions in this regard.

Furthermore, I noticed the provision of around \$76million for the national general elections in 2014 and of course I know what it is like because in 2010 my government have to come up with these kinds of amounts of money for our election at that time and we were lucky to had some donors to help us as we were down with the global economic crisis. But what I am saying here is that I urge the government that you must make sure that all these funds are made available to the electoral commission on time and make sure that there are no unnecessary delays. Because as you know the usual practice is that these funds are made available at the very last minute and it can cause a lot of uncertainty and a lot of frustration for our work people. Hence I am urging the government to give this money to the electoral commission on time so that every work for this national general elections at the end of next year to run properly.

On the payroll I go along with the Minister's view that excellence and poor performance must be rewarded accordingly. What it means is that we must reward favourably those who are hard working in the public service and those who show commitment and dedication and at the same time we must sack or terminate those perform poorly, are corrupt and habitually turn up late for work. Such must be sacked, not given verbal warning all the time; first verbal warning second verbal warning, before you give the written warning then another written warning and then the final one about two years later. There is nothing as such. Public Service needs to quickly come up with such regulation so that any officers involved in misconduct must be sacked immediately. A lot of people are looking for jobs.

Whilst we can be proud of the contributions that the Public Service has made in supporting the continued development of our young nation, it is equally shocking to know of the level of corrupt practices undertaken by some public officers in nearly all the government departments and ministries. I would like the Minister of Public Service to hear this. We all know, for example, in cases that we know of, especially the \$10million scandal in the Ministry of Health and Medical Services, the \$18million theft of Gold Ridge Landowners Royalty payments in the Ministry of Mines, Energy and Rural Electrification, and more than \$6million in the Prime Minister's Office Constitutional Reform Office. We know of all those but on a number of occasions my constituents came to me and ask for financial assistance of between \$200 and \$500 and if I ask, 'what is this for?' They would say, 'we will give this to one of the ministries so that they quickly process our payments or to move the PV to another table or ministry'. Those officers have to be paid for doing that.

The Minister for Education said that his Ministry will pay for the fees of every student but they need to apply. So I sent my list of about 30 to the Ministry of Education as the minister kindly allows me to send 30. The application form is with Ministry of Education but before they issue the form to my constituent, they asked for payments and my constituents have to come to me for \$200 and I asked, 'why do you have to pay these officials?' and they said, 'this is how they do it now'.

Another thing is with the Tourism Form from the Ministry of Culture and Tourism. When one of my constituents enquired about his project, the officer there would said that his form

is yet to be submitted to the Ministry of Finance but he has to pay \$200 before that officer submitted the form to the Ministry of Finance and my constituent also followed him. When it reaches the Ministry of Finance, it cost another \$500 to move it from one desk to the next. I am just saying because it has just happened. So those are forms for application in the Ministry of Education and tourism forms to be submitted to the Ministry of Finance and then from desk to desk within the Ministry of Finance.

The same with the Ministry of Agriculture and the Ministry lands is the worse. The Ministry Lands and Survey is the worse. We are in real trouble. This is real corruption. What are we going to do?

I ask all ministers to look seriously in these things. I think the Public Service Regulations are already there and the Minister of Public Service needs to assist your colleague Ministers to put into practice things that are already there but I ask myself, why our officials? After ten years of RAMSI – RAMSI has a program on the machinery of government where all these things should have been tighten and no corruption should happen. But after ten years of RAMSI it has gone worse, what has gone wrong? We have lost an opportunity to really make our Public Service to become the best. I do not know but some people are saying to me that we leaders at the top are also corrupt. So if you people at the upper level are corrupt, how do you think we should act? If we cannot convince you to be good we might as well just join you.

So I think we must not show bad examples to our people; but that is what they seem to be saying to me. And this does not reflect well to us leaders of this country, if our people perceive us to be corrupt then I think we really need to think seriously about ourselves as really good role models and leaders of our country. I think our people think otherwise of us.

Public Service and all Ministers please do something about this and should get back the reputation of our Public Service which is used to very, very good. I am not saying that all of us are doing this; we are talking about only a handful of people I am sure so I do not want to say that the whole Public Service is like that.

Pay roll of teachers which is another \$60million there is good, as we know that re-levelling of teacher's salaries has dominate the media for nearly all of 2013. And of course other growth factors in the teachers' pay roll as well as the fact that it is probably time that the review is around now too so I hope that you do not miss that opportunity again and experience the same problems that we have experienced in the last two years in terms re-levelling and the improvement and of terms and conditions of our teachers. As you know the teaching service handbook has require us to conduct a review and take the necessary measures after every three years. So that is something we need to look at Minister.

The investment of around \$7.4million made in the 2014 budget estimates for increasing the salaries our senior doctors is a very good one and that would ensure that doctors would stay back in the country hopefully so that they attend to the health and wellbeing of our people. My question is, are they going to be allowed to continue to do private practise when their salaries are increased? If they are still allowed to continue with their private practise I do not think this is a good thing, it might be argued but it is a good thing. But for me this would be a conflict of interest. If you want to serve for the government then you do so, if you want to

serve as a private practise then you do so because if you are engage in both then it will affect the delivery of service that they have given to our people. And of course we are all human beings and when you work for the government and work for private practise also sometimes some equipment can move around including medicines. So let us not allow for any undivided loyalty here you only serve one person. And so Minister please provides answers to that question, will they be allowed to still continue with private practice or not when we increase high salaries?

I don't have many comments to make in main priorities for the 2014 budget but I am happy indeed to note the recent important development in the fiscal relationship within the SOEs as they now come within the scope of the government's debt management framework. This one is very important and I think that was a result of the SOEs Acts that we have passed sometimes ago because before that I remember every time we have bailing out SIWA, we have to bailing out Solomon Taiyo, SIEA and those kinds of things. But they now come under the scope of the government's debt management framework; I think it's a better way of dealing within our SOEs.

This Solomon Islands Oceanic under Sea Cable project as once completed it will allowing us for a faster access to faster internet and generally cheaper telecommunication services Sir, connecting Honiara to the rest of the world within the subsidiary linkages to Auki and Noro. Sir, I have a question here to the minister is, why not Lata, KiraKira, Tulagi, Buala, Tingoa, Gizo and Taro. I remember in the initial planning stages Mr Speaker, Lata was a strong candidate, I was a strong contender to have a subsidiary link from the main cable yeah I think this main cable here is coming from a different direction so I think Lata is missed out now but it would be good for all our provincial centres to be linked up to this main cable for access to faster internet and telecommunication services. I know it is expensive but I hope that there is plan for them to hook up at a later time once money becomes available.

But I think, this one within the next priority it will really make Honiara as a good place to do business once we have a faster telecommunications cable network. And so the Honiara electricity network upgrade project is also one of the best one as well, whereby it will result in the improve reliability and efficiency of the Honiara Power Supply because I know of no other capital city in the world that suffer from frequent power cuts like Honiara its really we are not yeah or minister of Finance do you know any capital city in the world like Honiara which power always cut or it is really not yeah aye, in where it is really we're not this situation of frequent power cuts every day yeah its really causing and sometimes I am really embarrassed especially when our overseas visitors are with us like meeting then power is suddenly go off yeah aye, something is not much straight in here but we're joking or welcome to Honiara or so forth its straight now yeah.

So only in this place, only in Honiara you experienced the frequent power cuts and so I am happy, that this one will happen and again it will really repairs our image that the frequent power cut and of course to make Honiara a good place to do business as well Sir.

I have noted the very important areas where the minister have highlighted that government will committed to fund in meeting its key policy priorities and this one in rural and electrical

and general economic development Health and Education Special Development Projects and the committee questioned the nature of these projects:

- Taro National Secondary School- \$1million
- Feragou National Secondary School in Lau/MBaelelea- \$1million
- Gizo/Kolombangara National Secondary School- \$1million
- Tataba Health Centre- \$500,000
- Afio Health Centre- \$500,000

I will not comment on the two allocations for health of \$500,000 each for Tataba and Afio, but there are three National Secondary Schools that are going to be established in Taro, Feragou on Manaoba and in Gizo/Kolombangara. I do not know if it is Secondary school in Gao/Bugotu but I think it is Kolombangara. This \$1million each and that is \$3million, I think we need to look carefully at how these funds are going to be spent because I would think that these funds should come under the Ministry of Education rather than the Ministry of Rural Development because these funds are for education purposes and I think it is the people in the Ministry of Education that will have the expertise on looking at the appropriateness and the relevance of establishing the schools in these particular places. I have no problems whatsoever with putting up these National Secondary Schools in these locations but the use of the money needs to be relocated under the Ministry of Education so that these particular constituencies can work together with the Ministry of Education and the provincial education authorities in the establishment of these schools. Otherwise the Members of Parliament, as it seems in the budget, will be going their different ways and the Ministry may not be aware of that and when it comes to providing the staff, the equipment, textbooks and so forth, the ministry might not have the budget for it and we will just waste funds to build those schools or there will be some problems encountered along the way in opening the schools. What I am saying is that these funds should come under the Ministry of Education and not under the Ministry of Rural Development. Like I said, next year is the election year, otherwise members use the fund for campaigning and those schools will not be built in the end.

I have made some remarks here and I would like to thank you again for the opportunity to share on this budget and I thank the minister again for introducing it. With these remarks, I resume my seat.

**Hon MANASSEH MAELANGA** (*Minister of Home Affairs*): I rise to also participate on this important motion. Firstly I wish to join my other colleague Members to sincerely thank the very hardworking colleague, the Minister of Finance and Treasury and his Permanent Secretary and their staff for putting this budget together I am sure everyone here will agree with me that it is not been easy for them but the fact that today we are now debating the 2014 Appropriation Bill 2013 is a deniable evidence to prove that a task has been completed, congratulations colleague Minister of Finance and your good staff. Also I would like to thank the Minister for Planning and Aid Coordination and your good staff.

It is only common that as leaders we all have plans which should be leave and implemented would benefit our people, those who have voted us to this Honourable House. Although that is exactly what we all would have wanted it is also true to say that we are all living in a real world and the circumstances we find ourselves in today only demonstrate the hard truth about the world we are living in.

We will continue to battle with our own needs and wants in this never ending war. The severity of this battle also continues to shower to the new heights and our ability to win is ever residing out of our reach. It is also obvious that the course of development continues to accelerate and out of our reach. It is only logical therefore that our plans and our aspirations shall be determined by the amount of resources available to each ministry and when this budget finally gets to the floor of Parliament in the next few days then the real work will begin. When the implementation begins, the actions will still be subjected to the processes and time and will again be our judge.

Having said that, let me now turn to the Honourable colleague Minister's budget speech; The theme of the 2014 budget is "making a difference in the lives of our people and struggling to do better with existing resources." In a nutshell what the theme means, would the \$3.5billion budget, the government need to carry out its plan in 2014. The expected result must be that there will be a fiscal evidence of real change in the lives of our people. The changes will improve the lives both at the communal and individual level. There must be difference in the way health services are delivered; do that to your constituency! Education, security and economic development services are provided. It means where roads have not been built before there is one, where there is no school and clinic there is one, where sourcing financial resources was difficult in the past there is a fast and efficient process in place. The NCRA government has always been and continues to see real differences taking place in the next 12months.

I accept the fact that much of what the NCRA government has plan to implement during its term in office. It may not have been fully achieved but I can confidently say, the government has largely live up to its commitment to making things happen of the last three years, people continue to citizen the government for hosting too many ground breaking ceremonies. But, that is the clear evidence of the government's commitment to implement its plans. The progress of these developments after the ceremonies also indicate that there is an urgent need for resource owners to join in where they want to see development their areas. Land problems continue to affect development in general, in our country for that unforeseen future unless resource owners are serious about developing our own areas for the benefit of our own peoples.

Mr Speaker, some of my colleagues there are speaking while I am talking but this is real thing. Even you are in the government seat once, you are in the government seat. And some of the things you planned do not happen. Why? Just because of these issues that were have faced with our people, you must be real we are once upon a time in the government seat. Then these things also affect us as well. Then when you see that these things do not happen, and then this is real. So this is why we should go back to our people and tell our resource people to be confident and allow their land for development.

We must be real, sometimes when we are on the other side we go and oppose the things on this side of the House. I think we should support each other as I have said in the last sitting here in this Chamber we are leaders, I said this in this same place where I am standing now. If we continue to point finger at each other nothing will happen.

And then we will think back or the after ten years of another government, nothing happen in this country, no development we continue to come and complain inside this House. We have to be real leaders when we talked about development inside this House.

I fully support the Honourable Minister of Finance that this sign and responsible budget which will ensure economic stability and fiscal sound, I am confident that we will achieve the goals and objectives our ministries have set to achieved in 2014.

Vigilance remains our greatest hope as we set ourselves in the course to achieve the things we plan to accomplish between now and when the term of the current Parliaments come to an end in a few months from now. The threats to achieving our goals are numerous but vigilance identifies them and deal with them must also remain our priority.

Colleague Minister of Finance, I highlighted the fact that in order to the main focus on the government's priorities almost half of new measures are directed towards rural development and other economic activities. I fully agree that government must continue commit itself to invest in the rural economic development.

I fully acknowledge the fact that this is a very sensitive area and as I speak people strongly opposed to the concept of constituency development funds. I wish to assure the people of Solomon Islands there has never been a time in the last 35 years of our history were government resources are assessable directly to the people for development. Yes, like I never think we do in this country was actions are taken place before right processes are properly developed. The constituency development fund is no exception.

However, as leaders we have heard the voice of our people and on that note I wish to assure our people that measures are taken to ensure that politicians like ourselves we stay clear out of the management of these resources. It was for this reason that recent public manage finance management act was passed during the sitting of Parliament. This is consistent with outgoing government finance and management reforms undertaking by the ministry of Finance.

It is very good that we are passing this financial management act, it will come at least its good so that we see our people that the office is there for them to deal with the funds because mostly people they have said that we are members of parliament we are now yeah that any sorts of issues that comes up to members of parliament.

For myself, I want this to be managed by our constituency office, where they elect me to come and do, to talk in this Parliament and to legislate. That is the work that I want to come and do. I think this is good, this is good, and I want all our colleague members, please we must support this, so that people will talk about us.

Sir, the next thing that we must do to ensure that services are delivered to our people at the Constituency level is to get all sectorial Ministries to be represented there, especially

agricultural officers, fisheries, health, forestry and others. I strongly believe that with the presence of the sectorial Ministerial staff in the Constituencies, service delivery will be easier because their area of focus will be minimal. It may be costly to start, but in the long term, it will be most effective way to facilitate development to our people. Having said this, our people must get their land ready. They should not be waiting for the government to come to them; rather they should come to the government when their land is ready for development.

Social and economic challenges we are now facing as our nation, compared to what we may have remembered or read of some 30 years ago are more serious and multi-facet in nature. Many of these challenges are results of global events, which we may not have the ability to control. Although I do recognized some could have also been the outcome of our decisions. Our only hope is that, it is not too late for us to act and face some of these challenges with positive attitude to assure our future generations of our prosperous future.

As a nation, we are 35 years old, and with the many years of experiences, we should be able to determine our destiny and be able to ensure that we do not commit the same mistakes again. As we venture into the new areas of economic development, I fully endorsed the sentiments raised by the Honourable Minister of Finance that our people must directly benefit from their own resources. And as leaders we must take upon ourselves the responsibility to ensure that this happens. But I have already alluded to earlier; our people must also do their part by taking every action necessary to get their customary land ready for development. Only they will directly benefit from their own resources.

On this note, the NCRA government believes the role of our traditional leaders in our customary land tenure must be rightly given legal recognition, consistent with the government's policy to assist our traditional chiefs and empower them to carry out their roles in our communities. My Ministry is currently working with our provincial governments to ensure they; our traditional chiefs are actively participating in the governance of our people.

May I now turn to what my Ministry has been doing in the last 12 months, and what we would like to do in 2014? Like other Ministries, 2013 has not been easy. It has been a very difficult year, but despite the challenges to my Ministry, to date has been to achieve 80 per cent of what it was set out to do in the 2013 financial year. Among some of the major undertakings we committed ourselves to achieve this year is the new biometric voter registration system, which we plan to have started earlier in the year, but have not been able to do due to obvious reasons which include; the lengthy process of getting the agreement with a company that was invited to come and assist us in this exercise. It started with the decision to adopt the system by the Electoral Commission before it was presented to cabinet and there after getting the actual contract agreement with company. Sir you are fully aware of these formalities as you also the chairman of the Electoral Commission as I speak now, training of personal for the exercise for the remaining lot of fuel personal is currently in progress. However, training for managers, registration officers and assistant registration officers are all being completed. The company staffs that are here to conduct these trainings are on a short break and will return prior to 27th of January 2014 when the actual voter registration exercise begins. The main data collections exercises is expected to be completed in around end of March 2014 and thereafter other processes will continue and should expect to complete the whole process by 17th July 2014. We have a lot of time and I wish to assure

all colleague members that we will be using the new voter register in 2014 and may I also assure you my colleagues that the problem of double registration is fully dealt with and will not be a problem in 2014 parliamentary elections. May I take this time to sincerely thank the Ministry of Finance and Treasury for their continuous support to what we do and with such support we are confident that we will deliver the new voter register for the people of this Country on the due date.

I know I think everyone is looking forward for this new register so that when the election comes we only vote once and avoid double voting and that is the purpose of this voter's registration. So that we can see the fairness and the democratic one which only one vote is count as we are practicing the first past the post type of election. But if we go into provincial voting I think we will two or three times before they reach the number and we will look at for next year or 2018 but I would like to assure the House that the Electoral Commission is looking at trying to do the registration also here in Honiara. So we will look at and we will try to have three registration centres and then the people in the other constituencies can register here but for the election you can go down to your constituencies. Hence, that is also the other thing that I want to assure us and finalize that exercise so I think it is very good as you are the chairman of the Electoral Commission I know every member are really happy for hear the new registration will start next year. There is no dead people's name in it and it only contains the name of all the people are still alive and as I have said it will be a fair go for all of us. You just have to choose where you can and vote or register so if you are on borders you have to think where to go and register now because that will be the only place for you to go and vote. Hence, it is good for the people to hear that because that is how we will deal with the new registration.

Furthermore, I wish to thank our development partners as well for valuable support to the Ministry through the provision of technical assistance and budget support. Under the new arrangements where UNDP in the Country is managing for the donor, the work we do in our electoral reform. Additional donors are now joining in and since the transition from RAMSI at the end of June year; others have also shown interest to join.

The Ministry has also been able to achieve a lot in other areas of development and one such area is the Civil Registration. It must be noted that the latter is another major area of development which the ministry has undertaken.

It is our goal that in the next two to three years we should be able to register every single citizen of Solomon Islands from the age of a day old to the oldest. This is important United Nations Convention anyone who is not registered and does not have a birth certificate is a Stateless person. New database has been established and thanks to the UNICEF and SPC for giving their Youth in Employment staff who are busy at work in putting data in our new Civil Register Database.

As I speak, under this program the Ministry of Health and the Statistic Department of the Ministry of Finance and Treasury are partners with UNICEF and SPC. We are expecting other sectorial ministries to join when they are ready.

Indeed what we have achieved in this area of development is a milestone as this the first time in the history of Solomon Islands since pre-independence and post-independence for us

to register our people in a more orderly manner. We are just beginning and a lot of work is yet to be done.

I will not take too much of my time, but I would like to finally also thank you once again for giving me this opportunity to share on this debate. Lastly I would also like to once again thank the staff of my ministry for supporting me during these twelve months to achieve some of our reforms in the Ministry of Home Affairs, especially on the Voters Registration System. I would also want to thank my people of East Malaita Constituency. I will come to see you all on Saturday and then return for Parliament Meeting on Monday. Parliament is still on my good people of East Malaita and I would like to wish you all the best and wish you success in this year's Christmas celebrations and wish you all a prosperous New Year 2014.

With these few remarks, I support the Bill. Thank you.

*Standing Order 10 Suspended in accordance with Standing Order 81*

**Hon DAVID TOME** (*Minister of Agriculture*): Thank you Mr Speaker for recognizing the Minister of Agriculture. A lot has been said throughout the debate and some have contribute with passion while other with aggressive tone. But some of these are based from critical analysis but the reality here is that theme of the budget is clearly spelled out; that is, "to make a difference in the lives of our people and striving to do better with the existing resources." It means that we the limited resources we going to do our programs.

On that note I would to congratulate the Minister of Finance and Treasury including his staff for the preparation of this 2014 budget and getting it into Parliament for us to debate and discuss, and definitely we are going to pass it before we head to our various homes for Christmas. I must also thank the efforts made by the Public Accounts Committee for scrutinizing this budget so we must acknowledge their efforts.

On this note I would like to stand here and thank my staff of the Ministry of Agriculture and Livestock both in the provinces and the headquarter in Honiara for the dedication and commitments in performing their task for the good of the people of Solomon Islands and their endless efforts in implementing programs and projects in the face of difficult challenges over the past years in support of the implementation of policy objectives of the NACRA government.

The Ministry of Agriculture will continue to carry out its mandate objectives within its capacity and capability including the resources available at its disposal as the Ministry is addressing the NCRA government's policy objectives that focuses on rural development.

The majority of the population lives in rural areas and depends on the central government for advisory material and monitory support. The need for equitable distribution of economic activities for rural people to equally participate and contribute to economic development will always be regarded as commitment that any government must respect. Therefore, I am glad that NCRA government has made this priority of this priority objective.

The ministry of Agriculture and Livestock is a very important ministry and therefore, the NCRA Government placing agriculture as one of its highest priority economic sectors is not a mistake. Approximately 80 per cent of the rural population depends on agriculture for food security and livelihoods. Not only must that, but 99 per cent of the population of Solomon Islands eat at least two meals a day during their lifetime. As the saying goes “a hungry man is an angry man”, so a hungry population is a threat to national security. Therefore to mitigate this threat, the ministry of Agriculture and Livestock has been at the forefront of addressing various constraints to agriculture development including:-

- Low soil fertility
- Declining crop yields
- Soil degradation
- Pests and diseases
- Extreme climate change effects on crops and livestock and
- Unsustainable farming systems

Food and nutrition security for a growing population is very important and the NCRA Government is therefore, seriously addressing this as reflected in the 2014 budget. In October this year my colleague Minister for Development Planning and Aid Coordination with my ministry and other stakeholders launched the LOKOL KAIKAI FRAMEWORK, which is a framework that will promote production and consumption of indigenous foods. This is an attempt to reduce the lifestyle diseases such as non-communicable diseases such as diabetes, coronary diseases and nutrition-related illnesses in children. The ministry of Agriculture and Livestock and ministry of Health and Medical Services will collaborate in a concerted effort to implement this framework in 2014.

The ministry of Agriculture and Livestock with other stakeholders have been at forefront of making sure that the country’s food security, livelihoods and sustainable development are addressed in a holistic manner.

#### 2014 A BEGET REFLECTION

The 2014 budget under the ministry of Agriculture and Livestock reflects the four pillars of food security, livelihoods, economic growth and regulatory.

Under the policy objectives of the NCRA government towards addressing the productive sector, agriculture forms part of the bigger picture by addressing specific strategic policy areas such as:

- Oil palm development
- Development of cash crops, such as coconut, cocoa and coffee
- Smallholder farmers’ support

- Agriculture extension strengthening
- Cattle industry development
- Developing climate change resilience in vulnerable communities
- And assisting rural farmers to participate in economic development in the provinces.

Ministry of Agriculture and Livestock in its forward looking to bring about sustainable agriculture development is committed to implement the NCRA government police objectives, that promote:

- Sustainable land management, in partnership with donor partners which will enhance capacity building to manage land degradation brought about by unsustainable logging activities, deforestation practices and from subsistence farming.
- Changing practices such as crop rotations and improved agronomic practices with use of appropriate technologies.
- Pests and diseases surveillances, monitoring and exclusion, utilizing control mechanisms such as hygiene, cultural, chemical and biological agents.

The main objectives of agriculture is to enhance farming communities achieve self-sufficiency in food production, increased rural cash income, improve efficiency in food production to enable the country increase its export earnings and broaden the export base.

The ministry of Agriculture and Livestock is focused on a farmer-first approach development, recognizing more than 90,000 family households depend on agriculture for their livelihoods and wellbeing. Therefore, the programs of the NCRA government to support rural development goals and objectives is, therefore, to ensure that sustainable livelihood for rural households are fully supported and fully realized.

This strategic policy actions need to be implemented, and therefore, every one of us in this Honourable House have a role to play by guiding and directing the implementation of this 2014 Budget.

I therefore urge all members of Parliament to seriously address the development needs and aspirations of our constituents who put us in this House, and who would like to put us out if they so wished, by implementing the 2014 Budget to cater for the needs of our people, to improve their living standards and to contribute to economic development.

The copra and cocoa industries are two of the few commodities that have policies and strategies developed, since the Government through MAL recognized the contribution these two commodities have towards the livelihoods of the rural population.

Farmers, traders, exporters, and other stakeholders including development partners and government agencies must be credited for the efforts made in developing these two crops.

These two commodities provide direct benefits to rural farmers since 75percent of export earnings flows back to the rural areas right into the hands of farmers.

Copra and cocoa has been the mainstay of the economy since 60 – 70 per cent of the population is involved in their production and marketing, more than any other industries in the productive sector. It is on this dimension that any assistance directly put into these two commodities shall surely bring about good returns.

My hardworking staff is embarking on cocoa and coconut programs that will see new technologies such as high yielding varieties developed, promoted, and distributed throughout the country. Of course this will require a lot of resources to implement the programs effectively. The benefits however, will be very rewarding for farmers and the economy. On this note, a number of hybrid cocoa selections are under screening at Saint Martin Rural Training Centre, and soon to be further tested in the provinces next year. Similarly, mobilizing farmers into associations to deal with crop management will feature prominently in 2014 cocoa industry support programme. The coconut industry support programme will be addressing replanting of the senile coconut population, which is very urgent in order to maintain production and avoid falling exports. It is also anticipated, that any second phase of the Rural Development Programme (RDP 2) will address cocoa and coconut value-chains, as direct industry support. The coconut industry is moving away from copra to downstream processing into coconut oil and virgin coconut oil, which my Ministry has supported under the 2012/2013 programs.

Under NCRA Government policy objectives, rice development is still a major programme addressing food security in the country and therefore, my Ministry will continue to support efforts of rural farmers and institutions to grow rice in the provinces, including the two commercial rice farms at Gojoruru in Isabel and Paradise in Western Province where two Taiwanese specialists will be stationed one in each from December 2013.

The cattle industry has had two shipments of animals from the Republic of Vanuatu. The latest being the landing of 450 heads of cattle at Baunani in the West Kwaio Constituency. With 2014 Livestock programme, we are hoping to make another shipment that will be heading for a qualified farm in the Western. In the meantime, the animals at Tenavatu Farm will undergo a second phase of distribution to surrounding qualified farms. It is anticipated that this program of importation, breeding and distribution will continue as long as sufficient funding is provided. I have personally been assured by my counterpart in Vanuatu that his government is supporting the supply of live animals to us as long as we follow the protocols and government requirements.

**The OIL PALM INDUSTRY DEVELOPMENT**, the oil palm development programme has seen various stages in the development of the projects. From feasibility studies in East Choiseul, proposed installation of a mini mill in Vangunu, to the establishment of a 10,000 seedling pre-nursery in Waisisi. Out-growers in the GPPOL scheme were provided financial literacy training which will be a continuing programme to develop into farmers a mind-set of farming as a business, seeing that the total area under the out grower smallholder scheme is around 1,200 ha.

Various expressions of interest to develop oil palm in other parts of the country have been flagged by both local and foreign groups. It will be up to the government and the resource owners to determine who would be the best investor for their location based on their investment plans.

**BIO-SECURITY/QUARANTINE**, Quarantine department is providing protection for the agriculture sector since the country is connected to the outside world through the borders by air and by the sea. Quarantine ensures that the country is free from potential threats from exotic pests and disease which can destroy our agriculture sector once they find their way into the country. The giant African snail is a good example of exotic pest that entered the country through used equipment. So far this pest is only restricted to Honiara and parts of the Guadalcanal Plains. Incidences of giant African snail reported in other parts of the country were either false alarms, or if positive were eradicated instantly. The cost of the chemical bait used to manage the giant African snail is a concern since the supplier in town continues to increase the price with the product up to \$500% with every import. Due to this, the level of funds available to buy the chemical is not always is not always enough to manage the pest properly.

The other plant disease that is already here in the country and currently being dealt with by my staff is the citrus canker, a disease of lemon and orange trees. The cocoa pod borer currently located in Bougainville, PNG is another potential threat to the cocoa industry in the Solomon Islands. Continuous surveillance at the border is the only way to keep watch for incursions.

I would like to inform the House that by June 2014, the Agriculture Quarantine services division will be called Biosecurity division in accordance with the biosecurity Act that was passed earlier this year. This of course will be done in conjunction with the biosecurity regulations currently under formulation. Furthermore, coffee and kava are two potential crops that small holders in the interior of the main islands can develop. For coffee development, Isabel, Guadalcanal, Choiseul and Malaita provinces are already growing the crop with huge potential export markets. The 2014 budget under the livelihoods programs, these crops will be boosted with technical and funding support. Production has to be increased enormously to meet the export market demands.

**LAND USE POLICY**, my ministry is the process of developing a land use policy. A land use policy is like a roadmap for sustainable agriculture development. This has been the missing link for agriculture development for the last 30 years resulting in unsustainable use of resources especially land and forests. Let's hope by 2014, these policies will be put in place to guide agriculture development.

The Ministry of Agriculture 2014 Development Budget reflects funding for year one of multiyear programs, which hopefully will run for the next five years. This is a major shift from the yearly project approach which has always resulted in uncompleted programs.

The majority of our people live in rural areas and therefore any government in power that creates opportunities for income amongst the rural communities must be congratulated for the efforts.

The NCRA Government recognised the importance of our rural population to contribute towards the economic prosperity and therefore the need for continue support from the national government is the highest priority.

On this note, my ministry will always provide assistance to farmers especially women and you to encourage livelihoods development in rural areas, especially self-employment. My ministry therefore in 2013 had programs specifically tailored to address women farmer supports. This program had assisted more than a hundred women in all provinces. In 2014 women will be assisted through the livelihoods program.

Frequently resource owners do not want to release their land for development. However, government encourages resources owners to avail land for development. Unless this is fully realised, Solomon Islands cannot be developed as the country we would want to see.

Land reforms need to be effected as soon as possible in order that agriculture productivity can be realised. Coupled with this is the need for agriculture infrastructure, such as access roads to agriculture opportunity areas, cheap freighting for agriculture produce and market networking to address both the domestic and export markets.

To improve the participation in the economy, direct assistance must be made available to support the rural farmers to cultivate their land and make it productive rather than having it undeveloped and useless.

Finally, as the minister responsible for agriculture development in this country, I would like to acknowledge the partnership with many stakeholders addressing food security, livelihood and economic development of this nation.

Lastly, I would like to take this opportunity to thank all the Members of this House for your support and I would like to wish everyone a joyous and glorious Merry Christmas and a prosperous New Year 2014. With these few remarks, I support the Bill.

**Mr MILNER TOZAKA** (*North Vella la Vella*): First of all, let me start by joining my colleagues who have already spoken on the bill to express my sincere thanks and congratulations to the Minister of Finance and Treasury for tabling this Appropriation Bill 2014 for debate and approval. I also wish to join my colleagues to thank the chairman of the Public Accounts Committee for their report on the budget. Without this bill we will not be able to spend money for services and development in our country. So it is important that we pass this bill. Further still, without this bill the whole government machinery will come to a standstill. Hence it is not good to any of us and especially the people in the rural areas. So it is very important that we complete this very important task.

Having said so while we are happy with the work of the Minister of Finance presenting this budget I also join other colleagues this side of this House to express my disappointments for the late presentation of this budget at this point of time. I am disappointed Sir because the

Minister of Finance does not speak quite good to us and the Ministry or people who are responsible for the budget especially the reform and capacity building programs, the machineries of government where we think that they should have done an excellent work because the budget should have been prepared, tabled and approved by Parliament in November. And this time we should be on holiday with our families at home for the Christmas break, this is according to our calendar year and financial year as the Leader of Opposition has mentioned very clearly.

Anyway, the Minister of Finance do not mentioned why this budget is late or why we table this budget so late. But I think he needs to tell us when he is winding up the debate because his reasons for taking his Ministry this long to table this budget will help us to consider ways of improving this next time because I remember reading some of our records that it is a big concern to us. As I stand here and look there I could not see any Permanent Secretaries or Under Secretaries. Before it is not like that but they are packed in this room to support their ministers. But I do not blame them because this is the way the system operates and at this time of the year it is for them to have their leave and go to homes with their families.

Let me continue, the announcement by the Minister of Finance and Treasury that there is this decreasing volume of donor assistance is quite worrying for me. It is worry for me as the Chairman of Parliamentary Foreign Relation Committee because it could mean a lot of things. It could mean donor countries have lost confidence in the way our government is managed our financial packages that comes their tax payers and pay packages. It is also worrying because donor governments will not be giving any budgetary support towards the 2014 national budget which stands at \$3.5billion dollars. It will be all well and good if the government can raise sufficient income from the country's existing resources to meet the estimated budget so that this theme "making a difference in lives of the people and striving to do better with existing resources" can be fulfilled. But, budgetary supports have supplemented revenue collected by the government from its own resources. But without any supplementary contribution towards the 2014 national budget from the country's traditional donors will put a huge pressure on government in collecting the revenues to work extra harder.

In my opinion, there are adequate taxation incomes direct and indirect from government revenue making departments that are not been collected. And some of these the minister himself have touched on them the revenue earning departments are the inland revenue, customs and exercise, fisheries, forestry, land, aviation, mines, courts, immigration, labour and marine. It is very crucial, the state revenue collectors should work extra harder as public servant to collect the due payments and if there are problems which logistics and staff that they should be addressed because \$3.5billion is a lot of money to raise.

The Minister of Finance and Treasury have alluded to that the budget is fiscally sound and responsible and will ensure economic stability. I find it hard to be believe, that in the shorter term the government's rural economic develop priority focus are which warns to the future aspiration it cannot yield the needed revenue to meet the 2014 budget and this one is a common knowledge to all of us the much as we have tried it always miss it is like that and it is not balance up. So this is a challenge to us Minister of Finance and I am with you in facing this challenge as you stated in your speech.

While I commend the NCRA government for taking it forward approaches to enforce a public financial management reform agenda design primarily to increase public and donor confidence in the government's finance system and processes, I feel Sir, I might a falsifying this a little bit that 2014 budget is will a little bit unrealistic and it will a bit full of wishful thinking. That again, the ministry of Finance was setting it at the challenge is not a criticism.

The first service scholarship was education, projects some of us with the Leader of Opposition and also colleague Member of Parliament for East Choiseul as well as the Chairman of the Public Accounts Committee have covered very well but I just want to say a little of bit on that one, I agreed with this. But the government is doing this at the cost to itself and to our students, that is the government as found is implementing the ministry of Education, Minister is not here and he has not spoken yet to tell us exactly what is his ministry will be doing in problems that we are pointing out. I think it is fair, miserably, to manage this scholarship funds by allocating scholarships left, right and centre without any care and knowledge responsibility. This is disgraceful, arrogant because we know that the only authority to consider and approve tertiary scholarship is the National Training Unit. Anyone else in the ministry unilaterally allocate scholarships this is totally an abuse of power and authority. And these officers should be disciplined.

No wonder our country is one of the countries which is struggling to meet the Millennium Development Goals (MDGs) 2015 in the education system because the MDGs for our children as I can remember is to have access to primary education to enable our people to at least know how to write and read, basic education, But this one as we have compromise in our policy. Instead we give priority to our minority groups who have already enjoyed the privileges of the state in furthering their education. I am not saying that it is wrong for us to continue supporting our children to go for further tertiary education to rise where our priority should be as others have spoken. What I am saying here is that, our policy must not be at the cost of our children especially in the rural areas to have access to basic education. Because my fear is that, if we do not balance it properly, basically we will end up with a society that is illiterate, people that do not read and write, and people with a lot of qualifications, but do not have any jobs. So the balance now is, it is very important for us to find in our policies.

However, having said that, I am happy that the Government has spotted this failure in our policy and the Ministry responsible has addressed it. This is good, but the best strategy because our people who have enjoyed this service will miss this next year.

Another point that I want to share, others have spoken very well on it because they know more about these areas than myself, is on the development budget. The administration procedure for implementing the budget is still a head as the Minister himself has highlighted. This contributes to the poor performance of the development budget, where about less than 50 per cent were implemented. I gather from the report as well that there is also political interference in the implementation of the development budget. I do not want to go into details with that. But proper procedures are deliberately overlooked when dealing with projects of certain interest personnel or groups, resulting in them benefitting more from this development budget than our people who should also enjoy these resources to develop them.

The Minister of Finance has coined it differently in his speech and also the development plan, they have changed the budget. We are still doing the same things as in the colonial days because this budget is spread to all the sectors, and in the end we will not meet our goals. In some countries that I have heard, now they are concentrating on two or three sectors per year or per budget. For example, they just concentrate on, may be water supply, sanitation, road, bridges, fisheries, and tourism. Let us only pick three of them and put everything in those three things and try to achieve what we can achieve. This is what other countries are starting to think and started to think about the failure of their budget and why it could not meet the things that they want to achieve especially their programs that have been failed since the independence. I remember one country that is in the Pacific that is trying that is Samoa and I think Kiribati is following that sort which they are only picking certain areas that they can concentrate on them and put more emphasis on these areas.

Rather than we spread it along the many areas and in the end there is nothing that we achieve but I think that is what I notice might be the direction that the Minister is talking about and probably in his winding up he will elaborate more on it. But I nearly think about our check book and that we only concentrate on certain areas and we must try to look at something different and not always follow the same and I think that is the point that I am trying to make here.

I am not going to speak very long because we are starting to enjoy this debate but most of our colleagues have already left the room. So I would stop here but when the Deputy Prime point at me I think to go back to the point that I made about the scholarship, I think it is important because he made a point of order and I could not elaborate about it. As to why it is important to deviate in my speech in regards the absenteeism of teachers.

So I want to say here that, yes I am sorry as well to what happen in the first graduation of our students where at the end of the day I gathered that it was about 1,200 students who supposed to be receiving their certificate for diploma or degree and they are looking forward for that. But at the end of the day they find out that there is nothing in the envelope that they receive. So I would like to see that the Minister of Education and Human Resources Development should be here to tell us why that thing happened. All the students come back to us the Members of Parliament to come and ask for help them in clearing these outstanding fees that someone is responsible at the first place to pay and they are not delivering. So I would like to clear the point that this one here says that it will not affect the students because it is there first experience to be disappointed by a sponsor who promised them to support and did not deliver. Hence, I am saying that because it is related to the absenteeism of teachers, because it is a recipe of industrial relation matter and that is the issue such as the teachers' absenteeism. So that is the point that I want to qualify in my contribution. But thank you Deputy Prime Minister that you intervene and then you tell me to stick to my point. I hope I made that point clear.

I think those are the points that I would like to make and the other points that other colleagues have made from this side of the House, especially my Leader of the Opposition and Member of Parliament for East Choiseul and Chairman of Public Accounts Committee. I really support them and I was listening very attentively to them going point by point on the budget and I am so impressed that we did not just sit down here and play politics about this thing. We are taking this matter very seriously. We are leaders who would like to see that

this job which is on our shoulders, we would like to take them very seriously in the best interest of our people and our country.

In conclusion, may I remind us again that it is incumbent upon all of us and not only the Minister of Finance and Treasury and Minister of Planning and Coordination; not only the two of them but all of us Members of Parliament. We should all be here listening to what I am saying too. I have been listening to you but you did not listen to me and that is quite unfair.

*Laughter*

**Hon Milner Tozaka:** But anyway, I always understand you and I thank the Minister of Finance for listening. He is my best friend and also the Deputy Prime Minister. Thank you for listening to my points. I am pointing this out to all of us, that we need to manage the economy of our country and it is crucial than ever before. The way we manage the economy of our economy has become very crucial now than ever before. If we want to develop our country, respect it and accept it as a member of the country, a global village of nations, then we have to play our part and that is exactly what we all agree on from this side and the Deputy Prime Minister has stated I also support what he said.

With those few comments, I support the Bill.

**Hon STANLEY SOFU** (*Minister of Public Service*): I would like to thank you for giving me the opportunity to contribute to the 2014 Appropriation Bill 2013.

I would like to thank my colleague Members of Parliament who have contributed to this Bill, the 2014 Appropriation Bill 2013. In fact I was listening to comments made by both sides of the House and I think there were important sentiments expressed by my colleague Members who have spoken before me and I would like to thank them for that.

I would like to thank those on the other side for their comments because that will assist the government in areas that we need to improve and areas that we need to deliver service to our people. So I must thank them and congratulate them for that.

The 2014 Budget is an estimate that any government of the day can bring to the Floor of Parliament in order to allow that government to spent for 12months of that year. So I see no difference with this government which has taken here this Bill. But before I continue let thank the Minister of Finance and the Minister of Planning including staff of the two ministries for the good work that they have done in putting together this Bill which comes before Parliament. Thank you so much my colleague Minister of Finance for presenting the Bill to Parliament which gives us the opportunity to contribute on. I must also thank the Chairman and member of the Public Accounts Committee for the good work that they have done in scrutinizing the 2014 budget. I have read through the recommendations and there

are important points that arise in this Bill where we ministries need to take on board when it comes to the implementation stage of this 2014 budget.

Since I take the floor I would to thank all public officers in government ministries who served here in Honiara and in the provinces. It is not easy for public officers to serve in an environment which they encounter challenges. I was once an officer and I was posted in a province and it is not easy, and I understand Mr Speaker that you have also experienced this when you were posted in Auki because you have to walk with your barefoot to East Kwaio and East Are'Are so I understand it, so it was not easy that time. But then you have served your government with loyalty and honesty, so I stand here to register my word of thanks to all the hardworking public officers who served in the provinces as well as here in Honiara.

The 2014 budget where my colleagues members have talked on have read the theme, and on my understanding on this theme is simply that we strive to do better with the existing resources that we have. This country, Solomon Islands we can talk a lot and we can say how much we can say but it depend very much on the limited resources that we have. So we try our very best; any government in the past, present or in the future will always try its very best to make a difference in the lives of our people so this government has also tried its very best.

The \$3.5 billion budget is the intention of the government to improve the lives of our people, like the other entire budget it is rural focus because this government understands very well that most resources of this country are in rural areas. These natural resources must be harnessed to generate wealth for this nation.

The trend in the economic growth has declined to 5 percent as mentioned by the Honourable Minister of Finance. We must rebuild this in 2014. We must all thank this government for its vision and good intention to focus this budget to the rural areas as that is where real development on wealth will come from.

The 2014 allocations through areas are allocation in the various heads or ministry and because we are operating in a government system where procedures and processes takes precedence often there will be delays that is why we all must be proactive to implement this budget.

I cannot argue more to what the minister of Finance said when he introduced this appropriation bill to us. The common feature of every annual budget is the witness in its implementation, the rate I got is that 50 per cent of 2013 development budget has not been successfully implemented. We can articulate main reasons for this but experience and ability of my ministry to implement our new building project this year within in 18 months this approves the assumption that Public Services does not have the capacity.

If my officials can successfully complete our new office building within betterment of the same difficulties that those in complete development projects have gone through the only conclusion that I can make is that we lack ownership and therefore commitment. This is what I have that new office building is plan, drawn build and funded by Solomon Islanders. That building is the manifestation of what Solomon Islanders can do. Very often we understand estimate Solomon Islanders and never give them the opportunity to

demonstrate what skills they have, now we are moving in and will save \$3.3million per year for the government.

This is the direction we should take because obviously the cake is small but the plates are getting bigger. We must do something to help is the financial pressures on the consolidated fund.

My working colleagues have gone ahead to also produce a new public service act; the proposed bill will come before this Parliament next year. My intention is to anchor all the reform intentions I have made during this year as well as 2014, with your support I am sure we can turn the tight around and further improve our Public Service.

This can be done through legislation that should cover the following Sir:-

- Public Service organization and responsibilities establishment, remuneration, recruitment and selection, performance and attendance, posting and separation, industrial relations, training and development, duties obligations, conduct and discipline, grievances, appeals and employment decisions.

Consultation has been made in Honiara and will extend to provinces in early 2014. My ministry has established a taskforce and its working with the Attorney Generals Chambers and Technical Advisors, thanks to RAMSI and Australian Aid for the support to work on this important legislation.

The Minister of Finance also mentioned in his introduction to this appropriation bill that tertiary education has been challenging one, this a fact and we need to assist the Ministry of Education and especially the National Training Unit to better managed scholarships.

Millions of dollars are spent on tertiary scholarships but the sad story is that, the government is not getting the maximum benefit and the return of investments. My Ministry has noted the difficulties the National Training Unit (NTU) are faced with and have gone ahead to work on new public service in-service training policy. With this policy, student selection criteria, job focus, bonding, types of training allowed, termination of scholarships are features of the policy.

In the absence of the policy, this is what we will go through. They send students for training, but when they came back, the government did not make use of them. I think it is very important that a policy must be drawn up for those serving officers that we sent them.

Approval for trainings will be centralized and unless trainings are in line with the policy rules, officers cannot proceed to training. From experience, this in-service went and graduate with a Masters or first degree, he did not work for five years, but he went back for studies again. That is when they come they do not know the government rules and procedures. Mr Speaker, the two of us have started from the bottom and go upwards, and we know the system, and it is very important. And these training policies, my Ministry is still working on it with other stakeholders. It is very important.

The first group who will be training under this policy will be 17 qualified human resources managers. Those are the ones who have gone through the first training and will be graduating in December 2014. The number will be the 17 for 2015, only 17 will continue with the training. This programme, I believe will address the capacity of human resource managers who are currently not qualified, but tried their best to perform in the Ministries. They tried their very, thought they do not have the qualification, but they work very hard. So there must be an opportunity given to them. That is what I want.

We have worked hard this year on consultations and awareness programs on how we can best make sure public officer perform. A new policy is now being framed, and as soon as Cabinet endorses, it will become operational in 2014. The previous ACR forms will now be replaced by a new performance framework that the Cabinet has passed one today. It will become operational; head of Division will do quarterly assessment of the officers based on their corporate plan and annual work each year before the March of every year. Head of Divisions will discuss with their staff and agree on individual output the officer will produce during the year. The outputs must link to the Ministry work plan and the corporate plan. Officers' outputs will be reviewed in June of each year to discuss progress on the activities. The final assessment report will be tabled before a promotion and increment board established in every Ministry. This is a good thing that boards will be set up in each ministry and they will be responsible to make the assessments. You know some of the officers worked to long or stay too long and they never recognize them and that is one of the weak areas that will make the morale of the officers to go down. So by this new plan of the Public Service on behalf of the government the board will see that, sometimes it is his or her boss that put the officers down but actually he or she is a good person and so I think this will address such experiences.

Those who deserve to be promoted will be endorsed and sent to the Public Service Commission while those who deserve a salary increment will be given salary immediately. Authority to approve increments will be delicate to the Permanent Secretary (PS) and hence this board in 2014. Through this performance management framework we will reward only deserve it by way of output and productivity and that is what the Leader of Opposition said and so I have to respond to that so that those who work hard will hear that from the Minister of Public Service.

As part of improving performance my Ministry is also working on an absenteeism policy as absenteeism also contributes to the weak service delivery throughout the SID machinery. From our research we found that officers are absent due to the following reasons; short and long term illness, disincentives caused by remuneration leadership and capacity, agent domestic obligations and short bus routes. It is interesting to note that women are the ones who often come late and serious actions are been mentioned in the policy which include salary deductions through the use of electronic devices.

With the progress so far I am confident that we will implement next year 2014. We almost create certainty under an environment for business to flourish and in vesture confidence it is sad to note that while we have a mechanism to determine our remuneration the public officers as well as constitutional post holders do note. My ministry have to engage negotiate with the unions to get a caller and so I would like to improve this to establish a remuneration policy for public officers. This policy will be incorporated into the new Public

Service Act; a taskforce has already been established and is working on options for SID to consider.

My ministry will commit 2014 for this priority activity. This are those who condemn the Public Service and so is those who will always criticize, one thing is clear those who advocate alternatives to Public Service have always come back to favour Public Service. This means that we cannot find an alternative to Public Service in fact many have proposed outsourcing private public partnership arrangements or build, operate and transfer. All have proved to have failed. Unlike the Public Services all this arrangements do not have ownership. Having said that I would like thank the government for the various allocations in the budget that will directly or indirectly benefit public officers.

My ministry will continue to protect and build capacity in the public service. IPAM has trained 1,671 officers this year in various courses and will continue again in 2014.

The Ministry of Education and Human Resources Department, the Ministry of Health and Medical Services and the Ministry of Police and National Security have the highest attendance. All provinces were also covered including Honiara.

In terms of retirements, about 50 officers are identified to be retired next years. These are those who have reached retirement age of 55. I believe that they still have the energy to do other things when they go home. These officers will be paid their entitlements including their long and dedicated service benefit. I think need to make some clarification on the Long Service Benefit. When your ministry submits your report to the Ministry of Public Service, then it will be processed.

I think it is important and I agree with my good friend, the Leader of Opposition who touched on the issue of discipline today. It is very important in any working environment in order for us to produce what we want to see at the end of the day. So totally agree with my colleague Member.

I am stepping up the bar. My ministry will not tolerate any misconduct in the public service. Those who have broken the rules will be terminated. This year alone we have received 97 allegations of misconduct. We have dealt with 44 of those while 53 are still outstanding. Out of the 44, 16 terminated, 21 have been given final warnings, and 4 have been given letter of caution, 2 resigned and 1 retired. For the 53 outstanding cases, 9 have been served charges, 6 pending charges, 2 awaiting response to letter to showcase, 29 under investigation, 4 pending police investigation.

For the information of this House, the specific ones that we know about are amongst the 53 that are yet to be completed. I think you are all aware of what I am trying to say; those that the Leader of Opposition mentioned today. Building a nation is not easy. One thing is clear, public officers have always on the scene since the colonial administration. I dedicate my sincere appreciation for their substantial contributions to uniting and developing this nation. Public officers have been the scapegoat in many instances. The question I want to put to you is that, have you given them the support they need to better perform? This is a very important question; if any government come we should put those officers to level 6, No one should start at level 1 or level 2 because the living standard has increased. If we want to see performance of all public officers, the output which the government has expected might be

achieved if we increase their levels. You can criticize or you can say whatever you want to say to public officers but make sure you weigh or you try and investigate. Even today they cannot even afford to pay for their electricity and water bill and it is something this whole House should look at. With the small resources that we have it is very difficult but that is a contributing factor, I know you understand that very well because you have experienced it.

When officers at level 2 get their fortnight today they have problems at the same time because of the small salary. So that is one thing that we must know of because it weakens performance and output of public officers.

I can assure you that not all public officers are bad as the media is trying to tell us. I agreed with the statement which the Leader of Opposition has stated today, not everyone but only a handful. There are many committed and dedicated public officers out there whom I am proud of their work and service to this nation. That is why I am very happy to note that though State Owned Entities (SOEs) should be self-operating the Solomon Islands Government is going to assist the Solomon Islands Water Authority (SIWA) and Solomon Islands Electrical Authority (SIEA) about \$21million in this budget.

With current SIEA frequent power cuts and unavailability of water in public officer's houses, how would you expect officers to perform at their maximum effort? This is impossible; I would to thank the government for the \$21million allocated to SIEA and SIWA next year. I am sure their services will be reliable this time.

Before I take my seat, an important point was raised by my colleague friend Leader of Opposition regarding doctors. Yes, the government has signed an agreement with them; our current doctors have sign an agreement with the Public Service and in that contract they can do private practices because we are not able to meet their conditions and entitlements because they want it to be increased. But I wish to inform this House that next year there will be none, if doctors get their entitlement in which the Leader of Opposition has touched on today, that contract will be spelt out in it and it looks like there will be no private practice because of the huge entitlements paid to them. I would like to make it clear here. But under the current contract it is included, that is why they are doing private practice.

The focus of this budget is again to the rural people and for nation building the message in the theme is clear that the cake is smaller but the plates are big. So if you want to make lives different now we have to plan now and get the budget implementing committees establish and working. The success of this budget depends on all of us, we cannot blame it on others, if a ministry fails to implement its projects next year the first thing to be accountable is the ministry. I do not expect this to happen but if it does, it will have a negative impact on this budget and also the lives of Solomon Islanders.

Since I take floor and I think it is my opportunity, I would like to join those who have spoken to their constituencies as well and so forth.

To my good people of East Kwaio constituency I would like to thank them for their support throughout this year 2013 and I believe we will enter in 2014 and we will continue again in 2014 and will go inside the national elections in 2014 again, we must make this clear like this yeah and we will come back again.

So, I believe there a lot of things for us to do in East Kwaio constituency and I need a support from you my good people. There are things that will not easy for us that is challenging but I like us to work together and then we try to address the things that we like, within the small resources that we received from the government.

Secondly, I would also like to thank the government for the vision and especially the Honourable Prime Minister and colleague cabinet ministers for the hard work as per to govern our beautiful nation. We may have different views on issues but I feel that we all know the way, go the way and show the way. Thank you Honourable Prime Minister.

To my dear Public officers please be a professional and dedicate yourself to your work. If you actions inspire others to do more you are doing the right thing and finally to development partners and especially Australian Aid, thank you your assistance has found to be very useful and we are now starting to see its fruits, please get it from me that I value you at this time and especially in 2014.

Having said that before I resume my seat, I would like to convey on behalf of my family, I myself season's greetings of Christmas to the Governor General, the Prime Minister, your good self and my people of East Kwaio and to all colleague members of parliament. May you all experience the humility, joy, peace and goodwill during this Christmas, Happy Christmas and God bless this Parliament and God bless Solomon Islands.

With this few remarks Sir, I support the bill.

**Mr Speaker:** Honourable members, I was supposed to ask the Minister of Finance to wind-up the debate. This Parliament is empty; you only rush back into the chamber when you hear me making that call earlier today. This is a prior warning; if this parliament is empty again tomorrow, I will ask the Minister of Finance to wide up this motion. However, I will now ask the Prime Minister to adjourn the debate on this Bill to the next sitting day.

**Hon Gordon Darcy Lilo:** Thank you Mr Speaker. In view of the engagement that I am sure that you have also been invited to attend including others, I move that the debate on the question before the House be adjourn to the next sitting day.

Question agreed to

**Mr Speaker:** According to the earlier resolution of the house I will now adjourn Parliament to the next sitting day.

*Parliament is adjourned at 6.00pm.*

