



National Parliament of Solomon Islands

Bills and Legislation Committee

# Committee Report

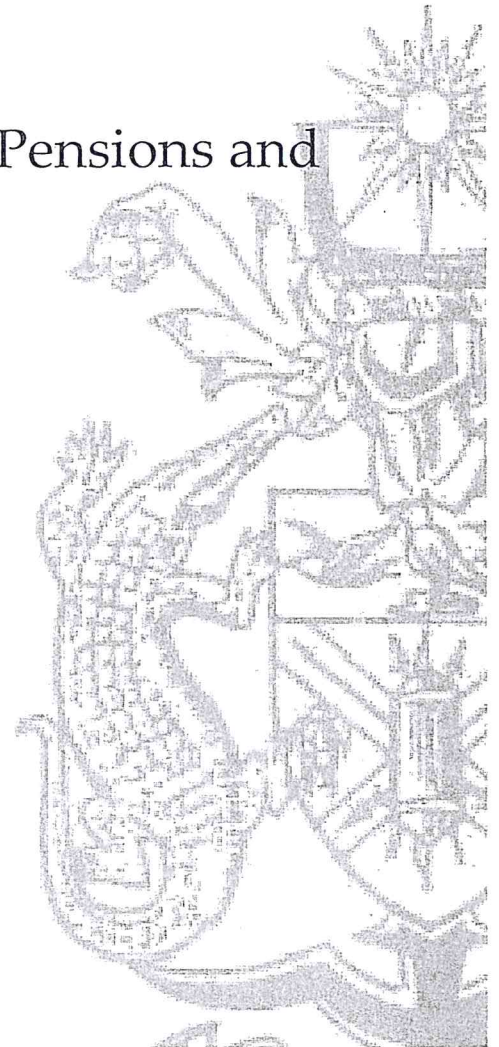
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Report on the Prime Minister's (Pensions and Benefits) Bill 2014

NP-Paper No.36/2014

Presented on 4<sup>th</sup> September 2014

National Parliament Office





## COMMITTEE MEMBERS

The current members of the Bills and Legislation Committee (9<sup>th</sup> Parliament) are:

Hon. Manasseh D Sogavare, MP (Chairman)

Hon. Dr Derek Sikua, MP

Hon. Milner Tozaka, MP

Hon. Matthew C. Wale, MP

Hon. John Maneniaru, MP

Hon. James Tora, MP

Hon. Douglas Ete, MP

Hon. Andrew Manepora'a, MP

### Secretariat:

Wilson Anii

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## COMMITTEE FUNCTIONS

The Committee is established under *Standing Order*<sup>1</sup>; an Order made pursuant to the *Constitution*<sup>1</sup> and has the functions, together with the necessary powers to discharge such, to:

- (a) examine such matters as may be referred to it by Parliament or the Government;
- (b) review all draft legislation prepared for introduction into Parliament;
- (c) examine all subsidiary legislation made under any Act so as to ensure compliance with the Acts under which they are made;
- (d) monitor all motions adopted by Parliament which require legislative action;
- (e) review current or proposed legislative measures to the extent it deems necessary;
- (f) examine such other matters in relation to legislation that, in the opinion of the Committee require examination; and
- (g) make a written report to each Meeting of Parliament containing the observations and recommendations arising from the Committee's deliberations.

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<sup>1</sup>Section 62, *Constitution of Solomon Islands* 1978.

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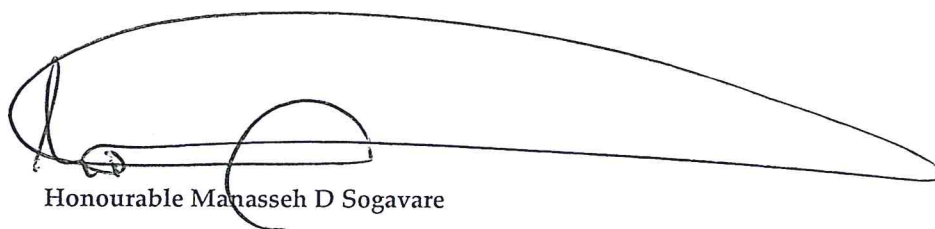
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## CHAIR'S FOREWORD

### REPORT OF THE BILLS AND LEGISLATION COMMITTEE

Mr. Speaker,

Pursuant to Standing Orders No. 71 (g) of the National Parliament of Solomon Islands, it is an honour and pleasure for me Sir, to present the Report of the Bills and Legislation Committee on the Inquiry into the **Prime Minister's (Pensions and Benefits) Bill 2014** for laying before Parliament.

A large, stylized handwritten signature in black ink, consisting of a long horizontal stroke with a large loop at the end and a smaller loop at the beginning.

Honourable Manasseh D Sogavare

Chairman

Bills and Legislation Committee

4<sup>th</sup> September, 2014



## EXECUTIVE SUMMARY

The **Prime Minister's (Pensions and Benefits) Bill 2014** ("the Bill") was deliberated on by the Bills and Legislation Committee ("the Committee") on the 3<sup>rd</sup> of September 2014. Due to time constraints the Committee did not conduct any public Inquiry into the Bill, however the Attorney General was invited during the deliberative meeting to clarify, explain and give legal opinion on the contents of the Bill.

The Bill is an exact version of the **Prime Minister's (Pensions and Benefits) Bill 2013** which was introduced to Parliament last year (A copy is annexed as appendix 2). The Committee conducted a hearing into the Bill on the 10<sup>th</sup> of April last year. A report was produced and tabled in Parliament on the 11<sup>th</sup> of April. The report recommends changes to some of the clauses and the Attorney General Chambers produce a corrigendum of the recommended changes. However the Bill was withdrawn by the Prime Minister during its second reading citing the need for further consultation. The Committee when reviewing the current Bill notes that it is the exact 2013 Bill with no changes made despite recommendation for some changes in the 2013 report. The Committee therefore resolved to adopt the 2013 Report on the **Prime Minister's (Pensions and Benefits) Bill 2013** as representing its views on the current Bill.

In conjunction with the views expressed in the 2013 report, the Committee further express its concerns not raised in the 2013 Report on some of the terms of the current Bill. The terms when read in the context of their clause may become too general and ambiguous which could attract different interpretations. Such term includes; "each term of office" under clause 9 (1) and "normal duties" under clause 11 (1).

The Committee however is aware of the time constrain and recommend that any changes can be made during the committee stage of this Bill or as a later amendment on the Act once it is passed. The Committee therefore commends this Bill to Parliament for passing





## 1.0 INTRODUCTION

### 1.1 Scope of this Report

Pursuant to its mandate under the *Standing Orders*<sup>2</sup>, the terms of reference of the Committee in this instance is to examine the Bill and to report its observations and recommendations on the Bill to Parliament.

### 1.2 Methodology

The Prime Minister's (Pensions and Benefits) Bill 2014 (the 'Bill') was submitted and received by the Office of the Speaker of the National Parliament of Solomon Islands on 2<sup>nd</sup> September 2014. The Speaker certified and endorsed the Bill on the same day in accordance with the Standing Orders<sup>3</sup> of the National Parliament of Solomon Islands.

The Bills and Legislation Committee (the 'Committee') met on the 3<sup>rd</sup> of September 2014 and resolved not to conduct a public hearing into the Bill because of time constraint. Instead the Attorney General was invited to appear before the Committee during the meeting to provide legal opinion and clarification on the clauses of the Bill.

## 2.0 COMMITTEE DELIBERATIONS

### 2.1 Background

The current Bill is a re-introduced version of the former Prime Minister's (Pensions and Benefits) Bill 2013. The 2013 Bill was deliberated on by the Committee on the 9<sup>th</sup> of April and a public hearing conducted on the 10<sup>th</sup> of April last year. A report on that Bill was produced and tabled on the 11<sup>th</sup> of April 2013. At that time the debate on the second reading of the Bill should have proceeded on the floor of Parliament, however the Prime Minister during his opening speech on the second reading debate withdrew the Bill citing the need for further consultation with relevant stakeholders.

In its review of the current Bill the Committee note that, it is exactly as the 2013 Bill despite recommended changes suggested by the Committee in its 2013 report. At that time also the

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<sup>2</sup>Standing Order 71(g)

<sup>3</sup>Or 45 & Or 46

Attorney Generals Chambers provided a corrigendum citing changes to some of the terms and clauses in the 2013 Bill. These had not been taken up in the current Bill.

## **2.2 Objective of the Bill**

The principal objective of the Bill is to make provisions for the payment of pensions and other benefits to former PMs who cease or have ceased to hold office. This is done so that the status and dignity of former Prime Ministers are maintained whilst living in their communities.

## **2.2 Contents of the Bill**

The Bill has 14 clauses and they are briefly outlined as follows;

**Clause 1** sets out the short title and the commencement time of the Bill.

**Clause 2** is the interpretation clause where some terms used in the Bill are defined

**Clause 3** specifies that every person holding the office of PM on or after Independence is entitled to be paid a pension after leaving office.

**Clause 4** specifies that a PM holding office is not entitled to pension until he ceases to hold that office.

**Clause 5** specifies the annual rate of pension.

**Clause 6** specifies that a former PMs' spouse is entitled to pension if the former PM dies.

**Clause 7** sets out the sources and methods of payment of pension.

**Clause 8** protects the pension from being used to pay any debts owed to the government

**Clause 9** specifies that a former PM to be paid an ex-gratia payment of \$75,000.

**Clause 10** specifies that a former PM is entitled to be provided with a residence free of rent and the cost of water, gas and electricity being paid for by the Government.

**Clause 11** specifies that a former PM is entitled to a vehicle or an outboard motor or boat allowance if he resides in his village.

**Clause 12** specifies that a former PM is entitled to medical treatment as prescribe under the PER.

**Clause 13** specifies that if a former PM is engage on duties on behalf of the country he is entitled to receive protocols, courtesies and benefits as may be appropriate.

**Clause 14** sets out that any current PM may make regulations for carrying into effect any of the purposes or provisions of the Bill once it became an Act.

## 3.0 OBSERVATIONS

The Committee at the outset adopts its views expressed in the 2013 Report on the same Bill. There are no changes to the current Bill from the 2013 Bill therefore the views expressed in that report applies to this Bill. However in scrutinizing the current Bill there are additional concerns raised by members of the Committee with regards to some of the terms used. The Committee however, is of the view that these concerns can be dealt with at a later stage. The Committee therefore commends the passage of the Bill in its current form.

### 3.1 Title to Bill

The Committee is concern that, the Bill mostly regulates the pensions and benefits of former Prime Minister's, however the title to the Bill does not reflect this. The Committee suggested including the term "Former" to the title of the Bill. This is consistent with the contents of the Bill as it restrict Prime Minister's in office or former Prime Ministers who are still Parliamentarians from receiving the benefits legislated by the Bill. The Bill basically provides for former Prime Ministers' who are not in office or are not involve in politics anymore and are now living in the community.

### 3.2 Interpretation of terms

As previously mentioned the Committee also express its concern on some of the terms used in the Bill. Committee member's view these terms as ambiguous and they can attract different interpretations. Such terms includes;

#### Clause 9 (1) "each term of office"

Throughout the Bill, it generally legislates for a one off payment in pension or other benefits to former Prime Minister's. The term "each term of office" used under clause 9 (1) suggest that former PM's who have more than one term being a PM may receive a higher amount according to how many terms they serve as PM's. Members of the Committee express concern that this is inconsistent with the other clauses as it provides for some former PM's to receive more whilst the general intention of the Bill is to uphold the status and dignity of former PM's whilst living in their community and not to create an unequal benefit.

#### Clause 11 (1) "normal duties"

Committee members expressed concerned that the term "normal duties" used under clause 11 (1) is too broad and so is ambiguous. Members suggested the removal of the terms "for use in connection with his normal duties," from the sentence so that the sentence could be read as "A Prime Minister shall be provided with a vehicle or an outboard motor or boat allowance, if he resides in his village."

## 4.0 RECOMMENDATIONS

After reviewing the Bill the Committee made the following recommendations;

### **Recommendation 1**

The Committee adopts the Report to the Prime Minister's (Pensions and Benefits) Bill 2013 (see appendix 2), and recommend that the views expressed in that report also applies to the 2014 Bill.

### **Recommendation 2**

The Committee commends the Bill to the House for passing.



## 5.0 APPENDICES

### Appendix 1: Minutes



BILLS AND LEGISLATION COMMITTEE

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NATIONAL PARLIAMENT OF SOLOMON ISLANDS

#### Deliberative Meeting

Wednesday 3 September 2014, CR II, Parliament House 12:52 pm

#### 1. Members Present

Hon. Manasseh D Sogavare, MP (Chairman)  
 Hon. Dr Derek Sikua, MP  
 Hon. Matthew Wale, MP  
 Hon. James Tora, MP  
 Hon. John Maneniaru, MP  
 Hon. Douglas Ete, MP

#### In-attendance

Attorney General – Billy Titiulu

#### Secretariat

Wilson Anii

#### 2. Committee deliberations.

The Chairman, Hon Manasseh Sogavare made brief opening remarks and invite members to discuss the Prime Minister's (Pensions and Benefits) Bill 2014.

The Committee after discussion resolved that the Bill is similar to the Prime Minister's (Pensions and Benefits) Bill 2013. The Committee noted that a report had already been produced on the 2013 Bill and tabled on the 11<sup>th</sup> of April 2013 in Parliament. The Committee further noted that the new Bill is similar to the previous Bill despite recommendation for some changes. The Committee after further discussion resolved to invite the Attorney General to come and make presentation on the clauses of the Bill. The Attorney General then appears before the Committee and made legal opinion/clarification on the contents of some of the clauses.

The Committee then resolved to produce a short report incorporating views expressed in the meeting

#### 3. Adjournment

The meeting adjourned at 1:51 pm.

Appendix 2: Report on the Prime Minister's (Pensions and Benefits)  
Bill 2013

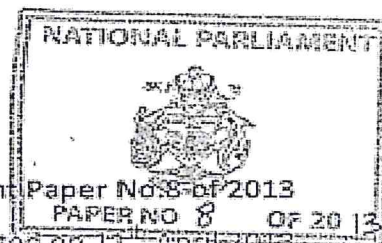


NATIONAL PARLIAMENT OF SOLOMON ISLANDS  
BILLS AND LEGISLATION COMMITTEE

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**Report on the Prime Minister's  
(Pensions and Benefits) Bill  
2013  
(No.6 of 2013)**

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National Parliament Paper No. 8 of 2013

Presented on 11 April 2013

National Parliament Office

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## EXECUTIVE SUMMARY

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During its first deliberations on the Prime Minister's (Pensions and Benefits) Bill 2013 held on 9<sup>th</sup> of April, it was discussed that two members of the Bills and Legislation Committee who are former Prime Minister's, Hon. Manasseh Sogavare and Hon. Dr. Derek Sikua, will have to abstain themselves from involving in any inquiry on the Bill.

The Committee after consultation with the two concern MPs and with the office of the speaker grant leave to the two members to withdraw from participating in the Inquiry. The Committee believes that this action is appropriate to avoid any conflict of interest and to maintain its integrity in scrutinizing the Bill. The Committee therefore would like to acknowledge the two members for their understanding in abstaining themselves from the Inquiry.

On 10<sup>th</sup> April the Committee conducted its only hearing on the Bill. Five witnesses from relevant stakeholders appeared before the Committee.

Given the Policy backdrop of the Government the Bill is consistent with the Governors General (Pensions and Benefits) Act 2007. It is in line with the Government's intention to deal with former Speakers and Chief Justices pensions and benefits.

The Government through the Office of the Prime Minister had submitted a corrigendum to the Bill outlining amendments to some of the clauses. The Committee after going through the Bill clause by clause don't see anything that is inconsistent with what is already provided in the scheme to the Governor General. The Committee therefore is satisfied and commends the Bill to Parliament for passing.

## 1 INTRODUCTION

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### 1.1 Inquiry Process

The Prime Minister's (Pensions and Benefits) Bill 2013 (the 'Bill') was submitted and received by the Office of the Speaker of the National Parliament of Solomon Islands on 9<sup>th</sup> April 2013. The Speaker certified and endorsed the Bill on the same day in accordance with Standing Orders 45 and 46 of the Standing Orders of the National Parliament of Solomon Islands.

The Bills and Legislation Committee (the 'Committee') resolved not to conduct a public hearing into the Bill because of time constraint. Instead relevant stakeholders were identified and invited to appear before the Committee. A list of the witnesses that appeared before the Committee is contained in Appendix 1.

### 1.2 Functions of the Committee

The Bills and Legislation Committee is established under the *Standing Orders*<sup>1</sup>. The Order made pursuant to the *Constitution*<sup>2</sup> has the functions together with the necessary powers to discharge such, to:

- 6 examine such matters as may be referred to it by Parliament or the Government;
- 7 review all draft legislation prepared for introduction into Parliament;
- 8 examine all subsidiary legislation made under any Act so as to ensure compliance with the Acts under which they are made;
- 9 monitor all motions adopted by Parliament which require legislative action;
- 10 review current or proposed legislative measures to the extent it deems necessary;
- 11 examine such other matters in relation to legislation that, in the opinion of the Committee require examination; and
- 12 make a written report to each Meeting of Parliament containing the observations and recommendations arising from the Committee's deliberations.

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<sup>1</sup> *Standing Order 71*

<sup>2</sup> *Section 62, Constitution of Solomon Islands 1978*

### 1.3 Terms of Reference

Pursuant to its mandate under the *Standing Orders*<sup>3</sup>, the terms of reference of the Committee in this instance is to examine the Bill and to report its observations and recommendations on the Bill to Parliament.

### 1.4 Membership

The members of the Bills and Legislation Committee for this Inquiry are:

Hon. Jame Tora, MP (Interim Chairman)

Hon. Milner Tozaka, MP

Hon. Mathew Cooper Wale, MP

Hon. John Maneniaru, MP

Hon. Douglas Ete, MP

Hon. Johnley Hatimoana, MP

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<sup>3</sup> *Standing Order 71*

## 2 REVIEW OF THE BILL

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### 2.1 Background

Since 1978 Solomon Islands have 10 former Prime Ministers.<sup>4</sup> These politicians, who have contributed significantly to the development of the country, gained the respect of the nation by virtue of being the head of the executive government during their time. Whilst some of these former PMs are still continuing with their political careers or held public offices, others have died or have retired and returned to their communities. Because of hardships and difficulties, those who are no longer in politics or have retired may tend to be involved in occupations that can compromise their status and dignity.

In 2007 the Parliament passed the Governor General (Pensions and Benefits) Act. The Act provides for the welfare of former Governor Generals with the underlying aim of maintaining the status and dignity of the office. In the same regard the current Bill is drafted with the similar underlying aim of maintaining the welfare of former PMs. The Bill provides for former PMs to be still accorded the same respect of their former office and it ensures that the hardships and difficulties encountered after a political life is reasonably taken care of.

### 2.2 Purpose of the Bill

The principal objective of the Bill is to make provisions for the payment of pensions and other benefits to former PMs who cease or have ceased to hold office.

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<sup>4</sup> eLibrary, National Parliament of Solomon Islands

### 3 OBSERVATIONS AND ISSUES

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The Committee acknowledges the Government for being the first to look after the welfare of former PMs through this Bill. This draft legislative framework which is similar to the *Governors General (Pensions and Benefits) Act* provides for pension and benefits to former PMs with the underlying aim of maintaining their status and integrity. The Committee is satisfied with the way this Bill is drafted and commends it for passing. Though some issues of concern do exist the Committee feels they should not hinder the progress of this Bill. These issues are;

**3.1 Members of Parliament (Entitlements) Commission regulations**  
The members of Parliament (Entitlements) Commissions Regulations (PER) had already provided pensions and other benefits to PMs as formers or members of Parliament. Suggestions made were, instead of proposing the pensions and benefits in a new legislation they could just be included under the PER. After all it is the Parliament (Entitlements) Commission that is responsible for these pensions and benefits including those of former PMs.

**3.2 Budget implications**  
The Committee is concerned that the eventual implementation of the Bill will increase the Government Budget each year. The Government will now have to include in each year's budget the pensions and benefits of former PMs which may divert funds from needed or essential services during low revenue collection periods.

**3.3 Spouses**  
Another issue raised during the hearing is the interpretation of "spouse" in accordance with the *Islander's marriage Act (cap171)* under clause 2. The Committee feels that this is restrictive. It may restrict former PMs or their spouse where the marriage is conducted in another country.

**3.4 Undefined terms**  
The Committee had been provided with a corrigendum of the amendments to the draft Bill during the hearing. The amendments include insertion of new terms and clauses. However some of the terms still need further clarification. Such includes the absence

of the term "elected to office" under clause 4(b). This, owing to narrow interpretation, may leave room for former PMs elected to public office to still receive their pension.

#### 4 CONCLUSION

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Generally the Committee had no reservation in commending the Bill for passing. Though there are issues of concern raised during the hearing such as outline previously, they can be clarified and amended during the committee stage of the Bill.

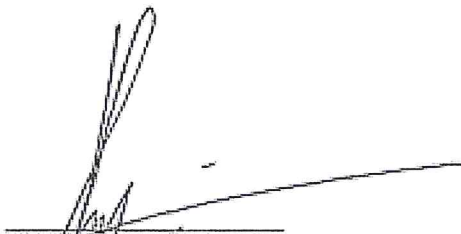


## 5 RECOMMENDATION

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After the hearing, the Committee finds no major issue with the Bill though minor amendments are required. The Committee recommends that:

- 1 The amendments made under the corrigendum are inserted including those suggested in this report.
- 2 The Bill is commended to Parliament for passing.



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Hon. James Toru  
Interim Chairman  
Bills and Legislation Committee  
April 11<sup>th</sup> 2013

## 6 APPENDICES

### APPENDIX 1: WITNESSES

The Committee acknowledges and appreciates the attendance of the following witnesses who appeared before the Committee on the 10<sup>th</sup> of April 2013.

ORGANISATION	NAME/POSITION
Office of the Prime Minister and Cabinet	1. Mr. James Remobatu, Secretary to Cabinet
Parliament Entitlements Commission	2. Mr. Johnson Siapu, Chairman
Attorney General's Chamber	3. Mr. Ranjit Hewegama, Legal Draftsman 4. Mr. Anthony Makabo, Senior Crown Counsel (Drafting)
Ministry of Finance and Treasury	5. Mr. Norman Hiropuhi, Director-Budget



